



INSPECTOR GENERAL

U.S. Department of Defense

SEMIANNUAL REPORT *to the* CONGRESS

APRIL 1, 2021 *through* SEPTEMBER 30, 2021



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



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**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE**
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ALEXANDRIA, VIRGINIA 22350-1500



Acting Inspector General
Sean W. O'Donnell

I am pleased to submit this Semiannual Report (SAR) summarizing the work of the Department of Defense (DoD) Office of Inspector General (OIG) from April 1 through September 30, 2021. This report describes significant oversight the DoD OIG has performed over the past 6 months.

This report also contains various statistical accomplishments of the DoD OIG during the reporting period, which include 276 recommendations to the DoD for improvement. The DoD OIG also completed multiple criminal investigations, some conducted jointly with other law enforcement organizations, resulting in 154 arrests, 139 criminal charges, 124 criminal convictions, \$360.8 million in civil judgments and settlements, and \$456.3 million in criminal fines, penalties, and restitution ordered. In addition, the DoD OIG completed 15 senior official, reprisal, and restriction investigations, and oversaw 152 senior official, reprisal, and restriction investigations completed by the Military Service and Defense Agency OIGs. The DoD OIG also issued quarterly reports on two overseas contingency operations. These accomplishments, among others, are discussed in more detail throughout the report.

During this reporting period, we issued two management advisories to the DoD related to the withdrawal from Afghanistan. The first advisory compiles weaknesses previously identified by the DoD OIG, and other oversight entities related to the handling of equipment with sensitive information and records retention, that were related to the withdrawal from Afghanistan. The second advisory compiles information about identifying and reporting possible human trafficking violations among the Afghan refugee population being housed by the DoD.

The DoD Inspector General, as the Lead Inspector General (IG), works closely with our oversight partners from the Department of State and U.S. Agency for International Development, as well as other partner agencies, to conduct oversight of two overseas contingency operations, in Syria and Iraq, and in Afghanistan. During this reporting period, the Afghan government and its security forces collapsed, and the Taliban took control of the country. Although some ongoing and planned oversight projects related to Afghanistan have been terminated, the Lead IG agencies are identifying new oversight projects to be conducted in FY 2022.

The DoD OIG continues to provide oversight of the \$10.6 billion in additional Coronavirus Aid, Relief, and Economic Security (CARES) Act funding Congress appropriated to the DoD for the coronavirus disease—2019 (COVID-19) response for FY 2021. As of September 30, 2021, the DoD OIG's had issued 8 reports related to the pandemic response. In addition, the DoD OIG is currently conducting 9 audits or evaluations, 52 criminal investigations, and 2 administrative investigations related to COVID-19. The quarterly DoD OIG COVID-19 Oversight Plan describes our independent audits, evaluations, and investigations of DoD programs, operations, and activities being executed in response to COVID-19.

Also during this reporting period, the DoD OIG's Defense Criminal Investigative Service (DCIS), conducted many important criminal and civil investigations. For example, a DCIS investigation resulted in the settlement of \$50 million to resolve allegations that a defense contractor fraudulently induced the Marine Corps to enter into a contract modification at inflated prices for a suspension system for Mine-Resistant Ambush Protected vehicles.

The DoD OIG's Administrative Investigations Component completed several significant reports of investigation. For example, the DoD OIG investigated allegations that Mr. Brett J. Goldstein, Director, Defense Digital

Service, fostered a negative work environment by failing to treat his subordinates with dignity and respect. The DoD OIG also investigated whether Mr. Goldstein used and condoned the use of an unauthorized electronic messaging and voice-calling application to discuss official DoD information. The DoD OIG did not substantiate the allegation related to dignity and respect, and substantiated the allegation related to the use of Signal, an unauthorized electronic messages system.

Also during this reporting period, the former The Judge Advocate General of the Army repeatedly resisted providing the DoD OIG access to the evidence necessary to complete a special review we began in May 2019 to assess the Army's decision not to prosecute the subject of Criminal Investigation Command sexual assault investigation. This delayed access matter is discussed further in the Other Oversight Matters section of the SAR.

Finally, I am pleased to announce that I have selected Ms. Theresa Hull, formerly an Assistant Inspector General in our Audit Component, to lead our Diversity and Inclusion and Extremism in the Military (DIEM) Component as its permanent Deputy Inspector General. Ms. Hull replaces Ms. Stephanie Wright, who served as the first Deputy Inspector General for DIEM while on a temporary detail from another OIG. I thank Ms. Wright for her leadership in helping us establish the DIEM Component, and look forward to continuing this important oversight work under Ms. Hull's leadership.

These are just a few examples of DoD OIG accomplishments and initiatives during this semiannual reporting period. I want to thank DoD OIG employees for their outstanding work in fulfilling the critical mission of the DoD OIG, despite the many continued challenges presented by the COVID-19 pandemic.

A handwritten signature in black ink that reads "Sean W O'Donnell". The signature is written in a cursive, flowing style.

Sean W. O'Donnell
Acting Inspector General

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STATISTICAL HIGHLIGHTS

Summary of Activities	Total for the Reporting Period
AUDIT ACTIVITIES	
Reports Issued	46
Recommendations Made With Questioned Costs	\$258.4 Million
Recommendations Made With Funds Put to Better Use	\$221.6 Million
Achieved Monetary Benefits	\$68.9 Million
EVALUATIONS	
Evaluations Reports Issued	16
Recommendations Made With Questioned Costs	\$100 Million
DEFENSE CRIMINAL INVESTIGATIVE SERVICE ACTIVITIES (DOLLARS ARE TRUNCATED)	
Total Investigative Receivables and Recoveries ¹	\$1.32 Billion
Recovered Government Property	\$133,707
Civil Judgments and Settlements	\$360.8 Million
Criminal Fines, Penalties, and Restitution Ordered (Excludes Asset Forfeitures)	\$456.3 Million
Administrative Recoveries ²	\$502.5 Million
Inspector General Subpoenas Issued	103
Investigative Activities	
Arrests	154
Criminal Charges	139
Criminal Convictions	124
Suspensions	52
Debarments	66
Asset Forfeiture Results	
Seized	\$5.97 Million
Final Orders of Forfeiture	\$1.42 Million
Monetary Judgments	\$11.12 Million
ADMINISTRATIVE INVESTIGATIONS	
Publicly Released Reports	3
Complaints Received	
Senior Official	528
Whistleblower Reprisal and Restriction	905
Complaints Closed	
Senior Official	384
Whistleblower Reprisal and Restriction	815

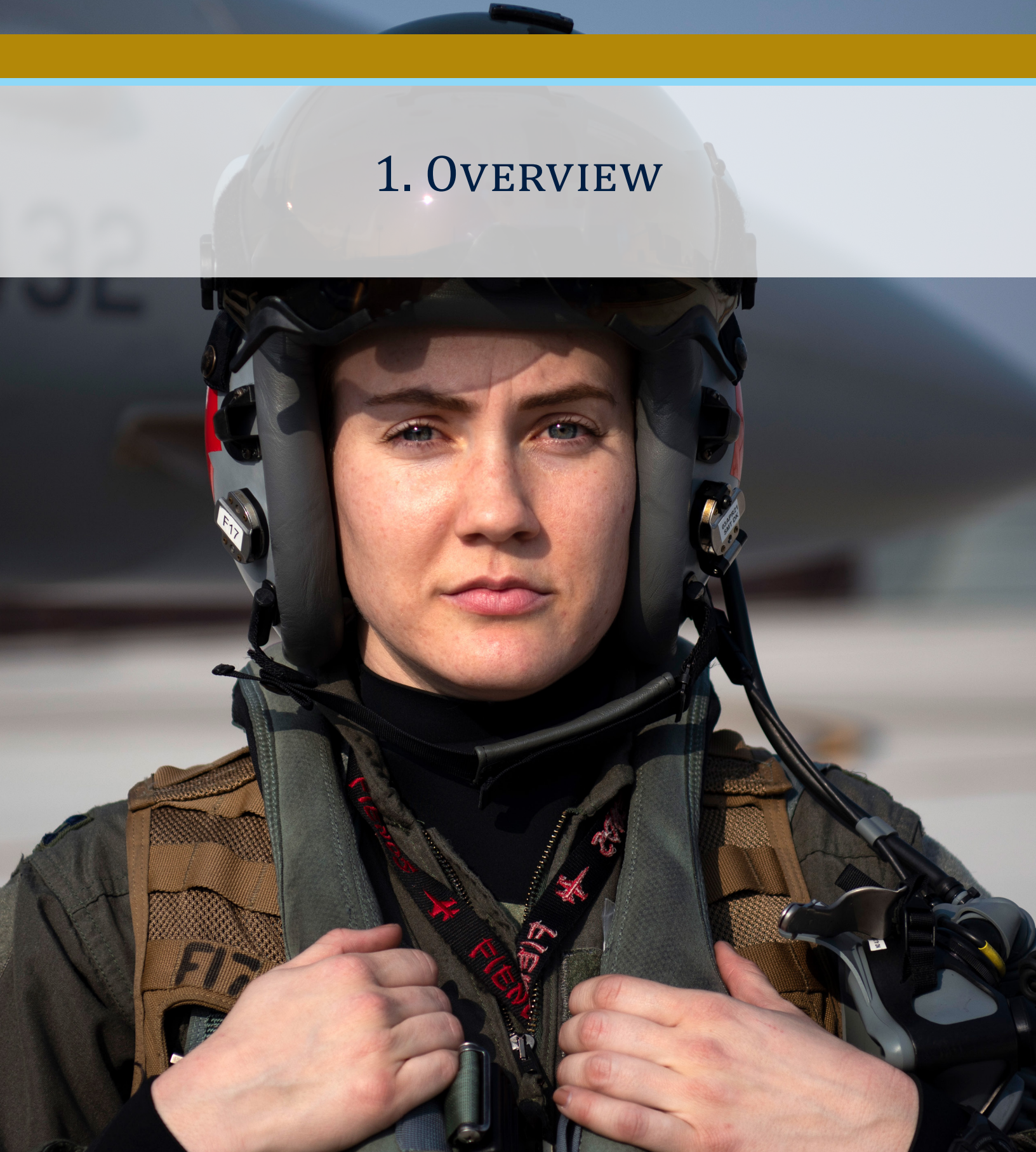
¹ Includes investigations conducted jointly with other law enforcement organizations.

² Includes contractual agreements and military nonjudicial punishment.

Summary of Activities	Total for the Reporting Period
DoD OIG Investigations Closed	
Senior Official	1
Whistleblower Reprisal and Restriction	10
Service and Defense Agency IG Investigations Closed and Overseen by the DoD OIG	
Senior Official	42
Whistleblower Reprisal and Restriction	110
Service and Defense Agency IG Cases Overseen by the DoD OIG that Were Dismissed or Withdrawn	
Whistleblower Reprisal and Restriction	278
Whistleblower Protection Coordinator	
Contacts	1,041
Visits to Whistleblower Rights and Protections Webpage	18,695
DoD Hotline	
Contacts	8,513
Cases Opened	3,328
Cases Closed	2,938
Contractor Disclosures Received	170
Existing and Proposed Regulations Reviewed	147



1. OVERVIEW



THE DOD 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, DoD OIG 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 DoD programs and operations concerning 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.

In addition, 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 20 employees are temporarily assigned to Southwest Asia.

Figure 1. DoD OIG Field Offices Located Within the United States

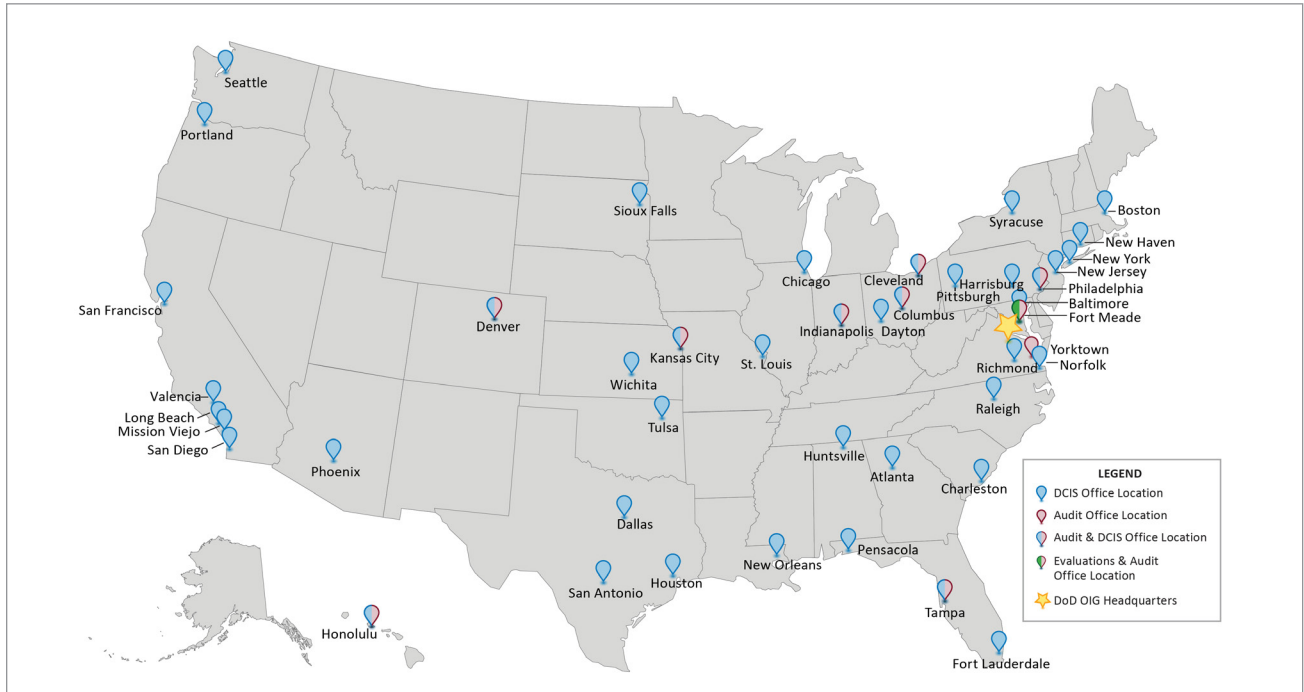
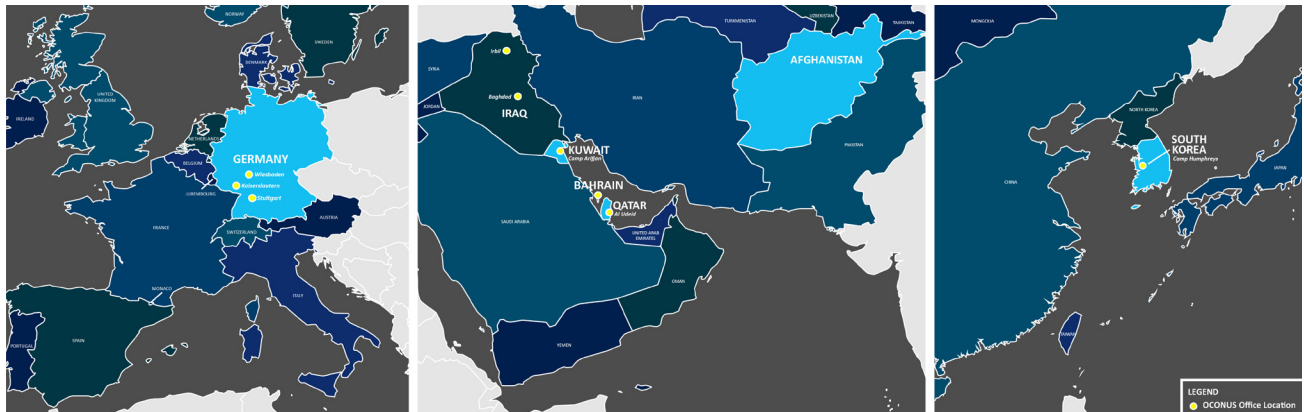
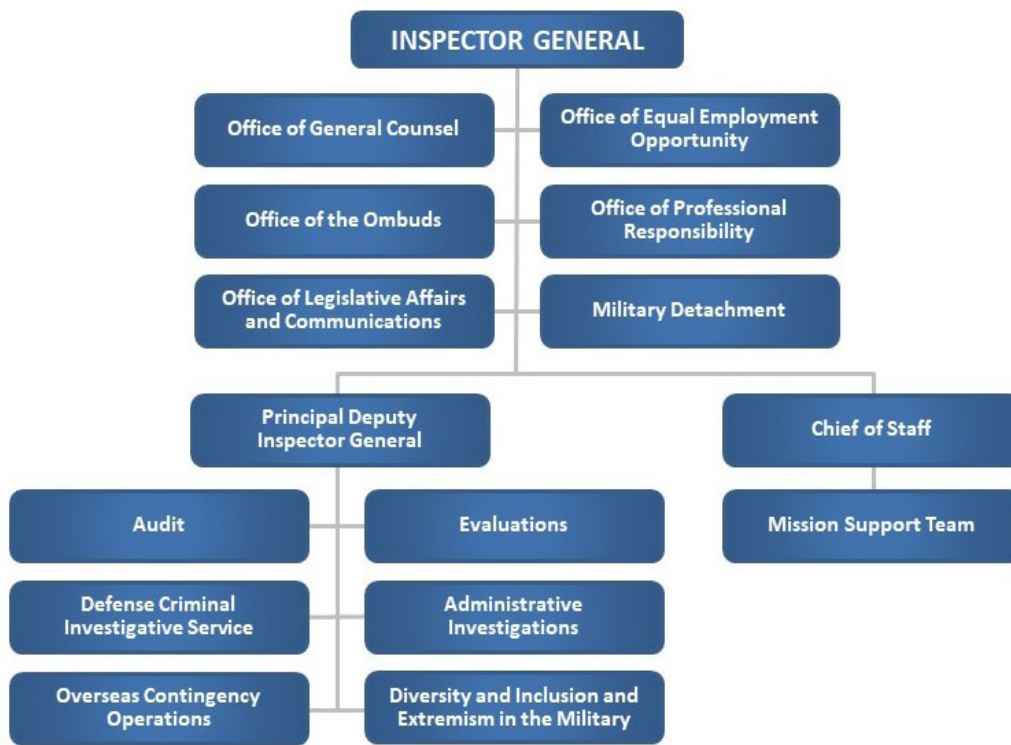


Figure 2. DoD OIG Field Offices Located Overseas



Note: As of August 31, 2021, locations in Afghanistan have closed; however the DoD OIG mission continues elsewhere.

DoD Office of Inspector General



AUDIT

Audit conducts audits that address the DoD’s top priorities and management challenges; promote the efficiency, effectiveness, and accountability of DoD programs and operations; and detect and deter fraud, waste, and abuse.

EVALUATIONS (EVAL)

Evaluations conducts evaluations that promote the economy, efficiency, and effectiveness of DoD programs and operations.

DEFENSE CRIMINAL INVESTIGATIVE SERVICE (DCIS)

The Defense Criminal Investigative Service investigates matters related to DoD programs and operations; to detect and deter fraud, waste, and abuse; and help ensure ethical conduct throughout the DoD.

ADMINISTRATIVE INVESTIGATIONS (AI)

Administrative Investigations (AI) helps ensure ethical conduct throughout the DoD by conducting investigations and overseeing DoD Component investigations of allegations of misconduct by

senior DoD officials, whistleblower reprisal, and Service member restriction from communication with an IG or Member of Congress. AI also manages the DoD Hotline and the Contractor Disclosure Program, provides education and training on whistleblower protections through its Whistleblower Protection Coordinator, and facilitates voluntary resolution of whistleblower reprisal allegations through its Alternative Dispute Resolution program.

OVERSEAS CONTINGENCY OPERATIONS (OCO)

Overseas Contingency Operations coordinates comprehensive joint oversight and reporting on overseas contingency operations by the DoD OIG and other Federal OIGs in fulfillment of the DoD IG’s Lead Inspector General responsibilities.

DIVERSITY AND INCLUSION AND EXTREMISM IN THE MILITARY (DIEM)

Diversity and Inclusion and Extremism in the Military is responsible for oversight of policies, programs, systems, and processes regarding diversity and inclusion in the Department of Defense and the prevention of and response to supremacist, extremist, and criminal gang activity in the Armed Forces.

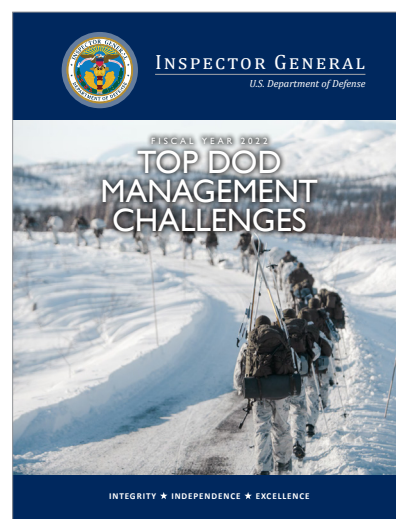
SUMMARY OF TOP DOD MANAGEMENT CHALLENGES

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 2022. 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 2022 and in the future.

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

1. Maintaining the Advantage in Strategic Competition
2. Assuring Space Dominance, Nuclear Deterrence, and Ballistic Missile Defense
3. Improving DoD Cyberspace Operations and Securing Systems, Networks, and Data
4. Reinforcing the Supply Chain While Reducing Reliance on Strategic Competitors
5. Increasing Agility in DoD’s Acquisition and Contract Management
6. Improving DoD Financial Management and Budgeting
7. Building Resiliency to Environmental Stresses
8. Protecting the Health and Wellness of Service Members and their Families
9. Developing an Adaptive and Modern Workforce
10. Restoring Trust and Confidence in the DoD



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 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>.

OTHER OVERSIGHT MATTERS

Section 554 of the National Defense Authorization Act for FY 2021

On June 10, 2021, the DoD OIG issued, “The Department of Defense Office of Inspector General’s Report to Congress Pursuant to Section 554 of the Fiscal Year 2021 National Defense Authorization Act,” in accordance with requirements of Section 554 of the Fiscal Year 2021 National Defense Authorization Act. The report presents the status, as of June 10, 2021, of the establishment of a Deputy Inspector General (DIG) providing oversight of policies, programs, systems, and processes regarding diversity and inclusion in the Department of Defense and the prevention of and response to supremacist, extremist, and criminal gang activity in the Armed Forces. It also summarizes the activities of the new DIG, as well as resource needs and challenges in establishing the new Diversity and Inclusion and Extremism in the Military (DIEM) Component.

The DoD OIG filled the position of DIG DIEM and developed requirements and responsibilities for that position. The DIG’s duties include coordination with the DoD OIG DIGs for Audit, Evaluations, and Investigations to conduct audits, evaluations, and investigations in accordance with the requirements of Section 554. The DIG will also develop a strategic plan for oversight of policies, programs, systems, and processes affecting diversity and inclusion within the DoD and the prevention of and response to prohibited activity in the Armed Forces. Upon obtaining necessary funding, the DIEM Component will continue to hire permanent core staff and anticipates achieving the full operational capacity needed to execute its fundamental requirements and objectives within 2 years.

The DoD OIG identified three significant challenges impeding the successful establishment of the Office of the Deputy Inspector General – DIEM. First, Section 554 infringes on the statutory independence of the DoD IG because Section 554 directs the Secretary of Defense to appoint a DIG in the DoD OIG and gives the Secretary of Defense the authority to assign additional duties. While the Secretary of Defense delegated this authority on February 8, 2021, congressional action is needed to remedy this impairment to statutory independence. Second, the DoD IG anticipates the Secretary of

Defense will issue broad guidance consistent with Section 554 to establish responsibilities and procedures for DoD Components. Absent this broad guidance, and the Secretary’s support to augment this guidance with more detailed policies, the DoD OIG will face significant barriers to its ability to provide timely, complete, and effective oversight and reporting.

Finally, the DoD OIG and the DoD must enhance existing reporting systems and develop new capabilities to track and report extremist, supremacist, and criminal gang activity by members of the Armed Forces. The support of the Secretary of Defense to have DoD Components use a system identified by the DoD OIG—currently Defense Case Activity Tracking System Enterprise (D-CATSe)—to report, track, and manage allegations and actions involving prohibited activity would enable a sufficiently robust information and records management system.

Congressional action is needed to address the provisions of Section 554 that conflict with the independence of the DoD IG, provide appropriate funding to obtain the resources needed for an operational DIEM office, and accelerate the deployment of D-CATSe. As discussed in the Congressional Engagements section of this report, the DoD OIG has proposed legislation to remedy the deficiencies with Section 554.

Significantly Delayed Access to Information

During the reporting period, the DoD OIG experienced delays in receiving requested information from the Army. These delays resulted from reluctance by the former The Judge Advocate General of the Army (TJAG) to provide the DoD OIG access to information that is essential to completing a special review we began in May 2019 to assess the Army’s decision not to prosecute the subject of a U.S. Army Criminal Investigation Command sexual assault investigation.

Since starting the project, we corresponded and met with TJAG and the former DoD General Counsel regarding our access to relevant information. Consistently, these officials expressed reluctance to share relevant information with the DoD OIG because of their concern that the DoD OIG special review would infringe improperly into matters of military justice and the authority granted TJAG to oversee legal advice and services.

Initially, we accepted TJAG’s offer to inspect and report on the judge advocate legal services associated with the decision not to prosecute. We received the

results of TJAG's inspection in December 2020, and after reviewing the results we requested supporting documentation. In lieu of providing what was requested, TJAG offered to provide a briefing on the facts of the case and to review his inspection files to determine if any materials could be provided to the DoD OIG. The Senior Official Performing the Duties of (SOPDO) Army General Counsel endorsed TJAG's offer.

TJAG's response to our request for information was inadequate and contrary to law. The DoD OIG requires documentary evidence to verify conclusions asserted in TJAG's inspection report, and the Inspector General Act of 1978, as amended, authorizes the DoD OIG full and unrestricted access to this information.

We raised our concerns in this matter to the Secretary of the Army and requested his assistance by granting the DoD OIG immediate access to the records we requested from TJAG.

On September 24, 2021, the SOPDO Army General Counsel informed the DoD OIG that he, the current TJAG, and the other military department General Counsel discussed this matter with the DoD General Counsel, and that the DoD General Counsel elected to take the issues raised for review. As of the close of the reporting period, neither the Army nor the DoD had provided the requested information.

On October 27, 2021, the SOPDO Army General Counsel, responding on behalf of the Secretary of the Army, provided the DoD OIG with the requested information.

Because of the delay, we have been unable to complete our review of this matter in a timely manner.

Compendium of Open Office of Inspector General Recommendations to the Department of Defense

The 2021 Compendium identified 1,456 recommendations made by the DoD OIG that remained open as of March 31, 2021. DoD management has agreed to take corrective action on 1,369 of the 1,456 open recommendations. Included in that total are 45 open recommendations from DoD OIG reports with potential monetary benefits of \$6 billion. The Compendium also includes a chapter on the 191 recommendations that are at least 5 years old. While the overall number of open recommendations has decreased since last year's Compendium, the number of recommendations over 5 years old has increased by 12 percent over the

previous year. Additionally, the 2021 Compendium highlights 20 open recommendations that the DoD OIG believes warrant priority attention based on the potential for the recommendations to improve the effectiveness of DoD operations, affect health and safety, or provide cost savings. The Compendium also includes a chapter that discusses the findings and recommendations that resulted from the DoD-wide financial statement audit, as well as the process that the DoD OIG and independent public accounting firms will use to follow up on those recommendations. Since the inaugural issuance of the Compendium in 2017, the DoD provided supporting documentation that led to the closure of over 2,900 recommendations. However, 1,072 recommendations reported in previous Compendiums remain open. Additionally, for the first time since the DoD OIG began issuing the Compendium, the number of unresolved recommendations decreased considerably, with a 44 percent (156 to 87) reduction since last year's Compendium.

Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act (FFMIA) Section 803(a) requires agencies to assess annually whether their financial systems comply substantially with federal financial management systems requirements, applicable Federal accounting standards, and the United States General Ledger at the transaction level. Section 804(b) of the FFMIA requires IGs to report in their Semiannual Reports to Congress instances and reasons when an agency has not met the intermediate target dates established in its remediation plans required by the FFMIA. During the first reporting period of FY 2021, DoD management represented in the DoD Agency Financial Report for FY 2020 that it is not in compliance with FFMIA Section 803(a). The DoD's financial systems currently do not provide the capability to record financial transactions in compliance with current federal financial management requirements, applicable federal accounting standards, and the United States General Ledger at the transaction level. The DoD reported that it expected this material weakness would continue with a correction target of FY 2028. Additionally, the DoD OIG discussed the DoD's FFMIA compliance issues in the DoD OIG audit report on DoD Basic Financial Statements for FY 2020.

COVID-19 Pandemic Oversight

The DoD OIG COVID-19 Oversight Plan describes ongoing and planned audits and evaluations in addition to the results of recently completed audits, evaluations, and investigations of DoD programs, operations, and activities in response to the COVID-19 pandemic.

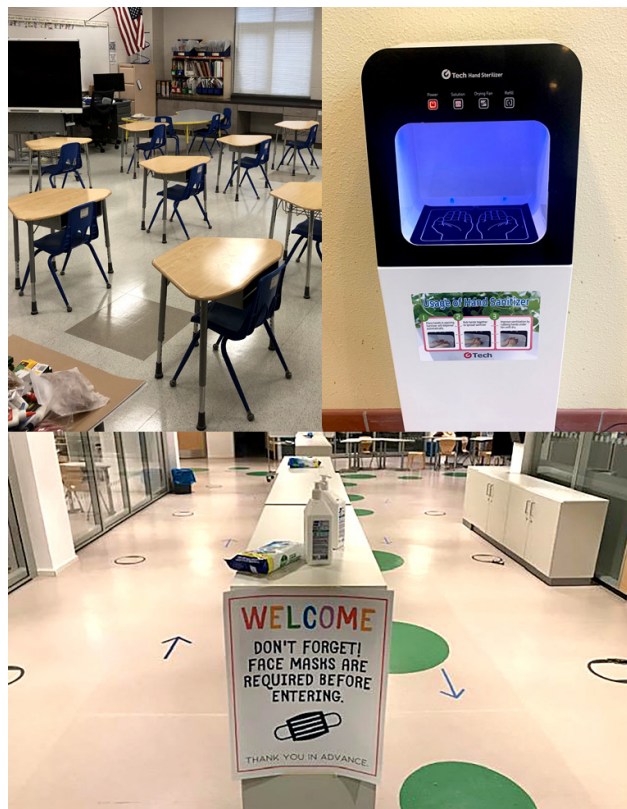
During the reporting period, the DoD OIG completed eight oversight reports and had nine ongoing audits or evaluations related to the COVID-19 pandemic. Our oversight work remains flexible and responsive to developing DoD requirements, including reevaluating planned or ongoing work and making necessary modifications based on emerging risks and challenges. The COVID-19 Oversight Plan is not a static document, and our projects may be modified as new challenges and risks emerge for the DoD.

Reports Issued

Audit of Department of Defense Education Activity Controls Related to the Spread of Coronavirus Disease–2019

The DoD OIG determined that the DoD Education Activity developed and implemented controls in accordance with Centers for Disease Control and Prevention and DoD guidance related to the spread of COVID-19. The DoD Education Activity issued COVID-19 operational guidelines and the 15 individual DoD Education Activity schools reviewed in this audit implemented controls, which included multiple COVID-19 mitigation strategies that reinforced appropriate hygiene and social distancing practices (protective measures) in ways that were developmentally appropriate for students, teachers, and staff. In addition, these guidelines and controls provided education to parents and caregivers on the importance of monitoring for and responding to the symptoms of COVID-19 at home to reduce the risk of COVID-19 spread for students, teachers, and staff members.

Report No. DODIG-2021-128



Implemented Mitigations at DoDEA Schools (Top Left: Socially Distanced Classroom at Irwin Intermediate School, Fort Bragg, North Carolina; Top Right: Hand Sanitizing Station at Humphreys Middle School, U.S. Army Garrison, Humphreys, Korea; and Bottom: Socially Distanced Hallway Traffic Pattern and Mask Reminder at Wiesbaden High School, U.S. Army Garrison, Wiesbaden, Germany)
Source: DoDEA.

Management Advisory Memorandum Regarding Internal Control Weaknesses over TRICARE Payments for the Administration of COVID-19 Vaccines

The DoD OIG informed DoD leadership of potential internal control weaknesses that the DoD OIG identified regarding TRICARE payments for the administration of COVID-19 vaccines to TRICARE beneficiaries from December 2020 through April 2021. The DoD OIG identified occurrences that indicated the potential internal control weaknesses, including that:

- TRICARE managed care support contractors paid TRICARE providers more than once for administering the first and second doses of the COVID-19 vaccines;
- TRICARE managed support contractors applied cost shares for the administration of COVID-19 vaccines, even though the Defense Health Agency waived cost share requirements; and

- TRICARE managed care support contracts paid providers to administer vaccines in a manner that did not meet Centers for Disease Control requirements.

While the number of occurrences may have been low, the DoD OIG expects that the potential weaknesses will have a larger impact in the near future if internal controls are not implemented or corrected. Claims data show that the managed care support contractors processed significantly more claims for administering COVID-19 vaccines in April 2021 than the managed care support contractors processed in March 2021.

Report No. DODIG-2021-122

Special Report: The Missile Defense Agency's Access to Information Technology and Communications During the Coronavirus Disease–2019 Pandemic

This special report provides a subset of the results of the survey conducted to support Report No. DODIG-2021-065, "Evaluation of Access to Department of Defense Information Technology and Communications During the Coronavirus Disease–2019 Pandemic," March 30, 2021. The March report provided consolidated information for the entire DoD. This special report provides a subset of that information directly related to the Missile Defense Agency.

Report No. DODIG-2021-113

Special Report: The Defense Logistics Agency's Access to Information Technology and Communications During the Coronavirus Disease–2019 Pandemic

This special report provides a subset of the results of the survey conducted to support Report No. DODIG-2021-065, "Evaluation of Access to Department of Defense Information Technology and Communications During the Coronavirus Disease–2019 Pandemic," March 30, 2021. The March report provided consolidated information for the entire DoD. This special report provides a subset of that information directly related to the Defense Logistics Agency.

Report No. DODIG-2021-112

Audit of U.S. Army Corps of Engineers Quality Assurance over Contracts for the Conversion of Facilities to Alternative Care Sites in Response to the Coronavirus Disease–2019 Pandemic

The DoD OIG determined that U.S. Army Corps of Engineers (USACE) contracting officers conducted appropriate quality assurance and contract administration actions for the 35 contracts and contract actions, valued at \$686.6 million, used for alternative care site conversions. An alternate care site is a facility converted for healthcare use during a public health emergency, to reduce the burden on hospitals and other permanent healthcare facilities. As a result, USACE personnel were ensured that controls were in place to conduct quality assurance and contract administration because they had personnel available during the conversions to oversee contractors, coordinate changes in site conditions and Government requirements with the contractors, and ensure contract files contained the necessary documents. Furthermore, USACE personnel were able to complete the conversions of facilities to alternative care sites and determine that the Government obtained the services established by the contract terms. USACE personnel completed actions after the conversions to document contractor performance enabling contracting personnel to assess past performance of these contractors during future potential contracting opportunities.

Report No. DODIG-2021-101

Audit of the Reimbursement for Department of Defense Mission Assignments for Coronavirus Disease–2019 Pandemic Response in the U.S. Northern Command Area of Responsibility

The DoD OIG determined that DoD tasked-unit personnel did not submit timely requests for partial or final reimbursement from the Federal Emergency Management Agency for mission assignment support. As of July 31, 2020, DoD Components reported \$221.6 million in incurred reimbursable costs for 11 of the 12 COVID-19 pandemic response mission assignments reviewed, but had not submitted timely reimbursement requests for those costs. If DoD tasked-unit personnel submitted timely and supported reimbursement requests, then the DoD could have used the \$221.6 million reimbursed by the Federal Emergency Management Agency to support DoD operations. Because of the DoD's untimely requests for reimbursement, the Federal Emergency Management Agency could not accurately report disaster relief funding to Congress or bill states for their shared portion of the mission assignment costs.

Report No. DODIG-2021-091

Audit of the DoD Coronavirus Aid, Relief, and Economic Security Act Awards to the Defense Industrial Base

The DoD OIG determined that the DoD awarded CARES Act funding to sustain or increase the Defense Industrial Base in accordance with Federal regulations and Defense Production Act authorities for the six awards that were reviewed. In addition, DoD officials complied with the Federal Acquisition Regulation and the Code of Federal Regulations when awarding CARES Act funding to existing contracts and new technology investment agreements. As a result, the six Defense Industrial Base companies that the DoD OIG reviewed will receive \$206.8 million in CARES Act funding to help them overcome the financial distress caused by the COVID-19 pandemic and sustain critical national defense.

Report No. DODIG-2021-081

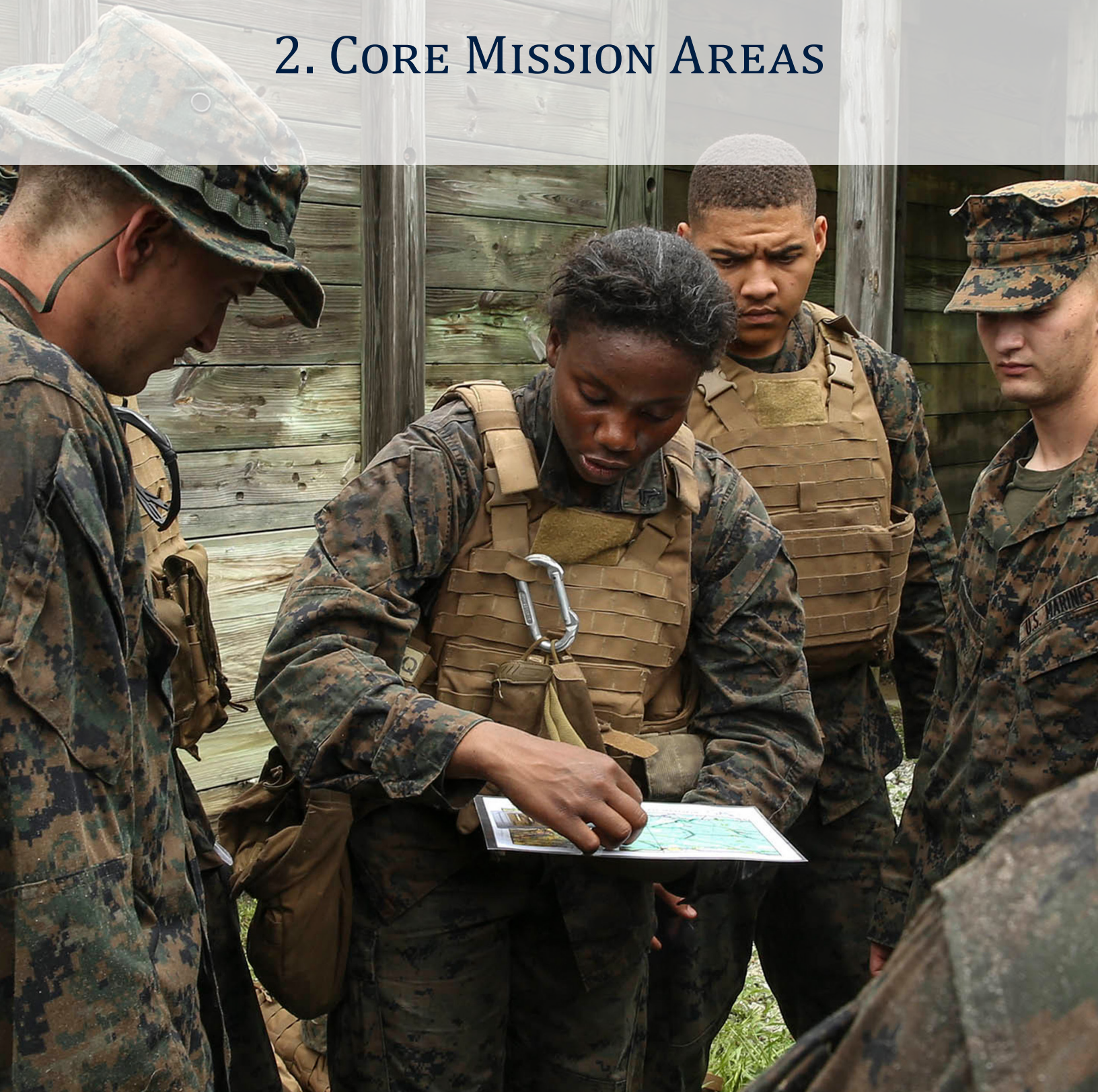
Audit of the U.S. Army Corps of Engineers Use of Unfinalized Contract Actions for the Conversion of Alternate Care Sites in Response to the Coronavirus Disease–2019 Pandemic

The DoD OIG determined that USACE contracting officers were not operating in a normal contracting environment due to the urgent nature of the COVID-19

pandemic response, and therefore awarded 30 unfinalized contract actions (UCA) to start the conversion of facilities to Alternative Care Sites in accordance with the CARES Act. USACE contracting officers shortened the amount of time required to complete Alternative Care Sites conversion by awarding the contract actions as UCAs to allow contractors to begin conversion immediately and subsequently negotiate contract costs. However, USACE contracting officers only finalized 2 of the 30 total UCAs, valued at about \$9.5 million, within the finalization schedules included in the contract actions. For the other 28 UCAs, with a not to exceed amount of about \$474.4 million at the time of award, USACE contracting officers finalized the award from 1 to 26 days after the finalization dates established in the contract actions. Additionally, USACE contracting officers determined the price was fair and reasonable for the 30 contract actions awarded; however, contracting officers did not follow DoD acquisition regulations related to adjusting the potential contractor profit to reflect the finalization status of the award. As a result, USACE officials may have paid more for Alternative Care Sites conversion by not complying with Defense Federal Acquisition Regulation Supplement (DFARS) requirements concerning profit and the cost risk to the Government.

Report No. DODIG-2021-074

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.

During the reporting period, Audit issued 46 reports; 28 of the reports issued by Audit are highlighted below and 8 audits related to the COVID-19 pandemic are summarized earlier in the section on pandemic oversight.

Acquisition, Contracting, and Sustainment

Audit of Department of Defense Middle Tier of Acquisition Rapid Prototyping and Rapid Fielding Programs

The DoD OIG reviewed 11 programs and determined that DoD acquisition personnel effectively leveraged the middle tier of acquisition (MTA) pathway to rapidly develop prototypes and field proven technologies as intended by DoD guidance. Acquisition personnel effectively leveraged the MTA pathways because DoD acquisition executives encouraged and supported the use of the MTA pathways, and program executive offices and program managers used the flexibilities provided by the MTA pathways. As a result, DoD programs embraced the shift in acquisition culture and increased the use of MTA pathways. For the programs reviewed, MTA pathways streamlined acquisition



F/A-18 Legacy Hornet D Model
Source: The Defense Visual Information Distribution Service.

processes and expedited prototyping and fielding efforts. Since the MTA programs are still in the early stages of execution and DoD acquisition reform remains a work in progress, the DoD must continue to balance management and oversight of these programs with the risk involved to ensure efficient delivery of necessary capabilities at a fair and reasonable cost.

Report No. DODIG-2021-131

Audit of U.S. Special Operations Command Maritime Precision Engagement Funds

The DoD OIG determined that U.S. Special Operations Command Special Operations Forces, Acquisition, Technology, and Logistics personnel appropriately allocated Maritime Precision Engagement funds to validated requirements for the Maritime Precision Engagement–Munitions and Maritime Precision Engagement–Integration programs in accordance with DoD and U.S. Special Operations Command guidance. Specifically, Special Operations Forces, Acquisition, Technology, and Logistics personnel appropriately reprogrammed or realigned \$10.6 million in funds from the validated Maritime Precision Engagement programs to other validated programs within the Program Executive Office–Special Operations Forces Warrior and Program Executive Office–Maritime portfolios that were underfunded due to unforeseen requirements, or that would improve capabilities.

Report No. DODIG-2021-130

Audit of the Defense Logistics Agency Award and Management of Bulk Fuel Contracts in Areas of Contingency Operations

This audit determined that Defense Logistics Agency (DLA) Energy contracting officials complied with Federal Acquisition Regulation and DoD guidance and generally met bulk fuel requirements, valued at \$212.9 million, in Afghanistan, Bahrain, Iraq, Jordan, Kuwait, the Philippines, Turkey, Qatar, and the United Arab Emirates. DLA Energy officials ensured contractors fulfilled bulk fuel requirements for 164 of the 180 orders reviewed. For the remaining 16 orders, DLA Energy officials ultimately ensured DoD customers received the fuel needed to meet mission needs. However, to fulfill the bulk fuel requirement, DLA Energy officials needed to use one-time buys that resulted in late deliveries and additional cost to the DoD. Further, DLA Energy contracting officers terminated 26 of 180 orders within 11 of 68 contracts in the universe of the OIG sample, which cost the DoD an additional \$9.1 million for the new bulk fuel contracts due to price increases and other costs. However, one termination resulted in a cost savings

of \$2.7 million due to a lower price per gallon on the replacement contract. Due to the frequency and nature of terminations in Iraq, this audit includes an analysis of an additional 36 terminated Iraq contracts. In total, there were 38 terminated Iraq contracts that resulted in \$50.4 million in additional costs to the DoD due to price increases based on the original and replacement contract values and other costs. Although DLA Energy contracting officers generally met bulk fuel requirements, contracting officers can use various source selection methods to obtain fuel in areas of contingency operations. The lowest price technically acceptable source selection process is appropriate when the expectation is the best value. However, in areas of contingency operations, the best value may require an evaluation of factors other than lowest price and technically acceptable.

Report No. DODIG-2021-129

Audit of the Department of Defense's Controls on Health Information of Well-Known Department of Defense Personnel

The DoD OIG determined that the DoD did not effectively control access to health information of well-known DoD personnel and potentially that of any DoD personnel, as exemplified by the findings regarding well-known DoD personnel. Of the 44 individuals in our sample that accessed health information of well-known DoD individuals, 7 individuals were authorized to access the health information and 15 were not authorized to access the health information. These unauthorized views are violations of HIPAA and DoD guidance. Additionally, we could not determine whether 22 individuals were authorized to access the health information of DoD well-known personnel; however, it is likely the access was not authorized.

Report No. DODIG-2021-106

Audit of the Military Departments' Purchases of Aviation Fuel and Non-Fuel Services Using the Aviation Into-Plane Reimbursement Card

The Defense Logistics Agency–Energy (DLA Energy) Aviation Into-Plane Reimbursement (AIR) Card program allows the Military Departments, Defense agencies, and other Federal Departments to procure aviation fuel, fuel-related supplies, and approved ground services worldwide at both DLA Energy contract fuel vendor locations and non-contracted commercial fuel merchants. The DoD OIG determined that AIR Card program officials did not identify instances in which the DoD wasted money, or potentially wasted money, when

among other things, fuel purchases violated mandatory sourcing requirements; fuel purchases exceeded the aircraft's capacity in AIR Card System; and charges for non-fuel services, fees, and taxes were unauthorized or potentially unreasonable. AIR Card program officials did not conduct oversight of the transactions or correct deficiencies with AIR Card policy, training, or contracts. Because of AIR Card program control weaknesses, the Military Departments incurred \$250.5 million in questioned costs, including \$10.4 million in waste between September 2014 and September 2019, affecting the amount of funds available for readiness and other support functions. Unless the Defense Logistics Agency Program Management Office and the Military Departments improve AIR Card program controls, the Military Departments may continue to miss opportunities to identify fraud, waste, and abuse.

Report No. DODIG-2021-096

Audit of Other Transactions Awarded Through Consortia

The DoD OIG determined that DoD contracting personnel did not consistently plan and execute other transactions (OTs) awarded through consortia in accordance with OT laws and regulations. The DoD OIG reviewed 13 base OT awards, valued at \$24.6 billion, and determined that DoD contracting personnel did not properly track OTs awarded through consortia and did not have an accurate count of OTs and associated dollar values. Moreover, DoD contracting personnel did not consistently award OTs in accordance with applicable laws and regulations and did not have a consistent basis to negotiate Consortium Management Organization fees. Additionally, DoD contracting personnel did not ensure the security of controlled or restricted information being sent to the consortium and did not require consortium members to register in the System for Award Management. As a result, DoD officials did not have access to important information associated with OTs awarded through consortia and lacked the necessary oversight of funded projects, which could hinder its ability to make important real-time decisions that enhance mission effectiveness.

Report No. DODIG-2021-077

Audit of Compliance With Defense Health Agency Guidance on the Number of Days Supply of Schedule II Amphetamine Prescriptions Dispensed by Department of Defense Medical Treatment Facilities

The DoD OIG determined that overall, DoD medical treatment facilities (MTFs) dispensed the appropriate number of days' supply for Schedule II amphetamines. According to data from the Military Health System Data Repository, from April 15, 2020, through August 13, 2020, the majority of MTFs complied with Defense Health Agency (DHA) guidance (90-day supply). However, 65 MTFs, mostly located on Navy and Air Force installations, dispensed 2,967 Schedule II amphetamine prescriptions prescribed for a 100-day supply. Of these dispensed prescriptions, 1,281 (or 43 percent) were for active duty Service members, leaving 1,687 (or 57 percent) for family members of active duty Service members, and retired Service members and their families. Therefore, the majority the 100-day supply of dispensed prescriptions were not for active duty Service members. As a result, although several MTFs only dispensed 10 more days supply than the DHA guidance, these MTFs dispensed Schedule II amphetamines to beneficiaries in a manner that was inconsistent with DHA policy and may have increased the risk of overdose and diversion from legal sources to the illicit market.

Report No. DODIG-2021-073

Audit of the Award and Administration of the National Guard Youth Challenge Program Cooperative Agreements

Section 1091 of the National Defense Authorization Act for FY 1993 established the Challenge Program to provide opportunities to adolescents who left school before earning a high school diploma. The program's goal is to improve education, life skills, and employment potential of program participants. The DoD OIG determined that the National Guard Bureau (NGB) generally awarded and administered the Challenge Program cooperative agreements in accordance with applicable Federal regulations and DoD policies. However, the NGB did not accurately budget for the academies as required; therefore, an academy that has historically met or exceeded the NGB's target graduation rate could receive the same amount of funding as an academy that has not historically met the target graduation rate. Additionally, the DoD OIG determined that for at least 3 years, the NGB United States Property and

Fiscal Officers did not complete cooperative agreement closeouts for the Indiana Hoosier, Kentucky Bluegrass, and Maryland Freestate Challenge Academies. Finally, the NGB did not track long-term program benefits and cost-effectiveness and the academies did not consistently achieve annual graduation requirements and goals. As a result, the DoD was unable to demonstrate that the Challenge Program and these academies were effective in meeting the long-term benefits and short-term requirements and goals of the program and the NGB could mismanage funds by providing resources to academies that were consistently underperforming.

Report No. DODIG-2021-072

Cyberspace Operations

Audit of the Department of Defense Recruitment and Retention of the Civilian Cyber Workforce

The DoD OIG determined that the Office of the DoD Chief Information Officer took action to comply with the Federal Cybersecurity Workforce Assessment Act requirements by implementing the DoD Cyber Workforce Framework, issuing civilian work role coding guidance (DoD Coding Guide) to DoD Components, and submitting work roles of critical need to the Office of Personnel Management. However, the DoD Components did not code all positions in accordance with the DoD Coding Guide. The DoD may be unable to properly target its recruitment and retention efforts without completely and accurately coding all of its civilian cyber positions. Additionally, the DoD took action to meet strategic goals related to recruitment and retention programs for its civilian cyber workforce. The Office of the DoD Chief Information Officer further implemented the DoD Cyber Scholarship Program and the DoD Cyber Information Technology Exchange Program, began developing an enterprise-level aptitude test, and initiated the Cyber Excepted Service personnel system. However, until the DoD Components' application of work role codes is complete and accurate, the DoD may not have the information needed to identify and target the recruitment and retention programs to meet its greatest cyber workforce needs.

Report No. DODIG-2021-110

Audit of the Department of Defense's Implementation of Memorandums between the Department of Defense and the Department of Homeland Security Regarding Cybersecurity and Cyberspace Operations

Since September 2010, the DoD and Department of Homeland Security (DHS) have signed three interdepartmental memorandums to define the terms by which the DoD and DHS will collaborate to respond to and deter cyber threats to the United States and its critical infrastructure. The DoD OIG determined that DoD officials planned and executed activities to implement the 2010 and 2015 memorandums between the DoD and the DHS regarding cybersecurity and cyberspace operations. DoD officials also executed some activities to implement the 2018 memorandum, such as developing policy memorandums and participating in interagency meetings with DHS officials. However, the Cyber Protection and Defense Steering Group did not develop an implementation plan with milestones and completion deadlines to ensure all activities to implement the 2018 memorandum were executed. Without an implementation plan that clearly defines roles and responsibilities and identifies milestones and completion dates, the DoD may not be able to sustain collaboration with the DHS in protecting the Nation's critical infrastructure. Moreover, the absence of an implementation plan could result in DoD officials not providing the level of assistance to the DHS needed for the DoD and the DHS to conduct joint operations to protect critical infrastructure; support state, local, tribal, and territorial governments; and jointly defend military and civilian networks from cyber threats.

Report No. DODIG-2021-100

Audit of the Cybersecurity of Department of Defense Additive Manufacturing Systems

The DoD OIG determined that while DoD Component officials at the five sites reviewed generally had controls in place (or corrected deficiencies) for managing user accounts, configuring authentication factors, accounting for additive manufacturing (AM) assets, and implementing physical security controls, they did not consistently secure or manage their AM systems to prevent unauthorized changes and ensure the integrity of the design data. Furthermore, DoD Components incorrectly categorized the AM systems as stand-alone systems and erroneously concluded that the systems did not require an authority to operate. By categorizing the AM systems as stand-alone systems, DoD Components eliminated the requirement



Marine Air Logistics Squadron Printing Mask Frames, Face Shields, and Surgical Masks in Support of the DoD Response to the COVID-19 Pandemic
Source: The Defense Logistics Agency.

to conduct a risk assessment, identify risks to the system, and implement security controls for identifying and mitigating those risks. As a result, DoD Components were unaware of existing AM system vulnerabilities that exposed the DoD Information Network to unnecessary cybersecurity risks. These vulnerabilities could compromise the confidentiality and integrity of the DoD's AM systems and design data, which could allow an adversary to re-create and use DoD's technology to the adversary's advantage on the battlefield. Moreover, if malicious actors change the AM design data, the changes could affect the strength and utility of the 3D-printed products.

Report No. DODIG-2021-098

Financial Management and Reporting

Audit of Accounting Corrections on the SF 1081

The DoD OIG determined that the DoD could not produce a complete or accurate universe of Standard Form (SF) 1081 transactions processed during the first and second quarters of FY 2020 in accordance with the DoD Financial Management Regulation. DoD Components and the Defense Finance and Accounting Service (DFAS) use the SF 1081 to transfer amounts between Fund Balance With Treasury accounts and to make corrections to collections and disbursements. In addition, DoD Components did not implement procedures to ensure that all SF 1081 transactions were necessary or accurate. DFAS personnel processed SF 1081 transactions to reclassify transactions from a temporary holding account to the proper DoD account; these transactions were unnecessary because DFAS could have recorded the transaction correctly at the time the transaction

occurred. Additionally, Army Materiel Command personnel processed SF 1081 transactions to reallocate costs between accounts, which were unnecessary because the accounting system could have processed the transactions automatically eliminating the need for the SF 1081 transactions. Because DoD Components process SF 1081 transactions to transfer funds between appropriations and make corrections to collections and disbursements, Components need to ensure that these transactions are valid, accurate, and supported by an audit trail. Unless DoD Components can effectively reconcile their Fund Balance With Treasury accounts, they could risk having material misstatements of Fund Balance With Treasury balances on the Components' financial statements. Additionally, DFAS charged the DoD Components an hourly rate to perform accounting services, which included processing SF 1081 transactions on behalf of the Components. Therefore, unnecessary SF 1081 transactions created an administrative burden and wasted funds that the DoD Components could have put to better use.

Report No. DODIG-2021-095

Audit of the Department of Defense Compliance in FY 2020 With Improper Payment Reporting Requirements

The DoD OIG determined that the DoD did not comply with all of the Payment Integrity Information Act requirements in its FY 2020 reporting of improper payments. The DoD did not publish reliable improper payments estimates for 7 of its 11 programs and missed its annual improper payment reduction target for the Military Health Benefits program because it did not comply with two of the six Payment Integrity Information Act requirements. As a result, DoD leadership and Congress could not accurately determine whether the DoD had the necessary resources and the appropriate measures in place to reduce its improper payments.

Report No. DODIG-2021-080

Audit of Department of Defense Hotline Allegation Concerning U.S. Army Communications-Electronics Command Billings to Customers

The DoD OIG determined that the U.S. Army Communications-Electronics Command (CECOM) lacked appropriate documentation and did not bill customers in accordance with the statutory requirements in its support agreements. Of the 174 work breakdown structures (key project deliverables that organize

work into manageable sections) the DoD OIG reviewed, CECOM used assessments to record \$9.9 million in unsupported transactions, charged \$65.2 million in unsupported labor charges, had \$6.6 million in unsupported funding activity, applied digital signatures improperly to 101 of 366 Acceptance Military Interdepartmental Purchase Requests, and incurred labor charges before having an existing order and signed agreement in place. As a result, CECOM kept \$7.8 million instead of returning the funding to customers, who could potentially put the funds to a better use, or return the funds to the U.S. Treasury. In addition, due to the weaknesses in CECOM's internal controls, CECOM's subcommands and customers could not be sure that the billing information provided to them reflected the actual costs of the services, and CECOM was at a higher risk for fraudulent activity.

Report No. DODIG-2021-071

Readiness and Global Operations

Audit of Depot-Level Reparables for Army, Navy, and Air Force Engines

The DoD OIG determined that the Military Departments did not consistently meet their stocking requirements for the nine engines the DoD OIG reviewed. While the Army maintained sufficient quantities of the T-55, T700-GE-701D, Diesel (M88), and Diesel (M109) engines to meet its stocking requirements, the Army fell short of meeting its stocking requirement for the Diesel-Glow Plug (M113) engine in April 2021. In addition, the Navy did not maintain sufficient quantities of the T700-GE-401C engine to meet its stocking requirements; however, the Navy was in the process of obtaining additional engines from General Electric and had engines installed on aircrafts in long-term storage that were available to supplement stock, if needed. The Air Force maintained sufficient quantities of the F108-100 engine but did not maintain enough supply of the F100-220 and F100-229 engines. However, the Air Force accepted the risk in engine stock to focus its limited resources on critical non-engine-related problems with the F-15 and F-16 aircraft. Additionally, the three organic depots and one contractor depot that repaired the nine selected engines and engine modules did not consistently meet the Military Department's repair metrics for depot performance. Although the Military Departments did not consistently meet their stocking requirements and the depots did not consistently meet the repair metrics for depot performance, the impact to weapon

system readiness was either insignificant or the Military Departments were taking action to correct the problems.

Report No. DODIG-2021-134

Audit of Navy and Marine Corps Actions to Address Corrosion on F/A-18C-G Aircraft

The DoD OIG determined that aircraft maintainers generally reported that they performed required 84-day inspections, completed associated maintenance actions, and implemented technical directives designed to address (prevent and correct) corrosion on F/A-18C-G aircraft. However, aircraft maintainers did not always perform the organizational-level inspections or maintenance to Navy standards. In addition, officials responsible for the oversight of organizational-level inspections and maintenance did not always identify and correct work that did not meet Navy standards. According to Navy officials, a House Armed Services Committee report, and three reports from the contractors performing the service life extensions, aircraft entering the service-life extension process had corrosion that Navy maintainers should have identified at the organizational level. Based on reporting by the contractor to the Navy and the House Armed Services Committee, the Navy took actions to improve the condition of aircraft entering the service-life extension programs, including additional training, meetings, coordination, and detailed inspections.

Report No. DODIG-2021-133

Followup Audit of Army Oversight of Logistics Civil Augmentation Program IV Government-Furnished Property in Afghanistan

The DoD OIG determined that the 401st Army Field Support Battalion and Army Contracting Command–Afghanistan did not fully implement two of four recommendations from Report No. DODIG-2018-040, “Army Oversight of Logistics Civil Augmentation Program Government-Furnished Property in Afghanistan,” December 11, 2017, to improve the accountability of Government-furnished property (GFP). Although Army Contracting Command–Afghanistan did improve training on GFP guidance and accountability requirements and modified task orders to capture GFP changes on contract modifications, the Army’s accountable records were still inaccurate. Specifically, the audit found that the 401st Army Field Support Battalion did not maintain the accountable records to reflect accurate visibility of GFP possessed by the contractor. In addition, the 401st Army Field Support Battalion and Army Contracting Command–Afghanistan

did not independently initiate any GFP reconciliations between the Army’s accountable records and contractors’ GFP listings in accordance with standard operating procedures. As a result of not fully implementing corrective actions to maintain accurate GFP accountability, the Army and contractors’ accountable records differed by 16,504 items, valued at \$53.6 million.

Report No. DODIG-2021-127

Audit of Military Services Special Assignment Airlift Mission Cargo Movement Requests

The DoD OIG could not determine whether the Military Services submitted timely Special Assignment Airlift Mission (SAAM) cargo movement requests through the U.S. Transportation Command or whether the cargo movements provided the best value to the Government. The audit reviewed a sample of 163 Military Service SAAM cargo movements; however, sufficient information to review timeliness for 147 of the 163 (90 percent) sample items could not be obtained. Additionally, the audit was unable to identify the individual that validated 55 of the SAAM cargo movements in the sample, and validators that were identified could not provide the information needed to determine whether the unit submitted the SAAM request in a timely manner for another 92 SAAMs. Without this information, a comparison of the date that the unit was notified of the need to move the cargo, the date that the request was entered into the SAAM Request System, and the date that the movement occurred could not be completed. As a result, the Military Services spent \$1.6 billion on SAAMs from October 1, 2017, through September 30, 2020, without the capability to determine whether the timeliness of SAAM requests affected the ability to select the most efficient and cost-effective mode of transportation to meet DoD requirements.

Report No. DODIG-2021-123

Audit of the Department of the Air Force’s Actions Taken to Mitigate Physiological Events

The DoD OIG determined that the Air Force implemented corrective and preventative actions to improve safety and reduce physiological (PE) for the aircraft reviewed, the T-6A Texan II, F-15C Eagle, F-15D Eagle, and F-15E Strike Eagle. A PE is any injury, illness, or abnormal physiological condition experienced by aircrew or others because of the flight environment. Among other findings, the DoD OIG concluded the Air Force closed 47 of 79 recommendations resulting from Air Force investigations of mishaps to address



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Source: Defense Visual Information Distribution Service.

safety and reduce PEs in four aircraft. The Air Force modified aircraft maintenance procedures and upgraded and modified aircraft to improve safety, minimize the number of PEs, and react to PEs while implementing recommendations. In addition, the Air Force provided aircrew training that included identifying potential PE causes, symptoms, prevention, and emergency procedures. While the Air Force took actions to address potential causes of PEs, Air Force officials acknowledged that they could not completely eliminate PEs caused by unanticipated aircraft malfunctions or human factors.

Report No. DODIG-2021-120

Management Advisory: Handling of Equipment With Sensitive Information and Records Retention Requirements Related to the Withdrawal From Afghanistan

The DoD OIG issued this management advisory to assist U.S. military, civilian, and contractor personnel responsible for the withdrawal of U.S. forces from Afghanistan with proper handling of equipment containing sensitive information and satisfying the requirements to retain administrative records. Properly removing personally identifiable information and protected health information from equipment, including medical equipment, laptops, and cell phones, is critical to prevent disclosure of this information to those without a need to know. Also, the U.S. military must properly retain all records associated with the decisions to retrograde, dispose of, or transfer excess equipment for future use. Records will enable commands to determine whether decisions were

properly justified, and develop lessons learned to apply to future contingency operations. Finally, the retention of records of where U.S. military, civilian, and contractor personnel served in Afghanistan is critical in the case of potential exposure to toxins and other elements of war.

Report No. DODIG-2021-111

Audit of the DoD's Management of Global Train and Equip Program Resources Provided to U.S. Africa Command Partner Nations

The DoD OIG determined that the Defense Security Cooperation Agency (DSCA) ensured that Global Train and Equip program equipment scheduled for transfer to U.S. Africa Command (USAFRICOM) partner nations was within categories approved by Congress and met type and cost limitations. However, the Security Cooperation Officers did not fully account for the equipment that was transferred, and Security Cooperation Officers did not perform routine and enhanced end-use monitoring of the equipment. In addition, in some cases, the Security Cooperation Officers kept transfer documentation offline instead of uploading it into the Security Cooperation Information Portal as required by the Security Assistance Management Manual. USAFRICOM and DSCA officials did not provide the level of oversight necessary to determine Security Cooperation Officer compliance with transfer and routine and enhanced end-use monitoring requirements of the Security Assistance Management Manual. As a result, the DSCA did not have an accurate, readily available inventory of all equipment in the possession of USAFRICOM partner nations. Moreover, the DSCA did not have assurance that USAFRICOM partner nations used 530 pieces of equipment, valued at \$2.1 million, for their intended purposes.

Report No. DODIG-2021-102



Night Vision Devices Provided to USAFRICOM Partner Nation 2

Source: USAFRICOM Partner Nation 2-U.S. Liaison Office.

Audit of Physical Security Conditions at U.S. Transportation Command Military Ocean Terminals

The DoD OIG determined the physical security programs at the military ocean terminals did not comply with DoD, Army, and installation guidance for the protection of arms, ammunition, and explosives shipments. In addition, physical security personnel at a military ocean terminal did not consistently perform physical security procedures as directed by Army guidance, including procedures related to vehicle inspections and access controls. The military ocean terminals did not fully comply with DoD, Army, and installation guidance for protecting the shipment of arms, ammunition, and explosives because physical security leadership did not prioritize the review of the physical security plan above other competing mission requirements and physical security leadership positions experienced turnover.

Report No. DODIG-2021-099

Followup Audit of the U.S. Army's Management of the Heavy Lift Commercial Transportation Contract Requirements in the Middle East

The DoD OIG determined that the U.S. Central Command and the Army fully implemented corrective actions to address five recommendations and did not fully address one recommendation made in Report No. DODIG-2017-095, "U.S. Army's Management of the Heavy Lift VII (HL7) Commercial Transportation Contract Requirements in the Middle East," June 26, 2017. The 1st Sustainment Command (Theater) did not develop a systemic process for collecting actual Heavy Lift VIII (HL8) usage data or implement a system for forecasting HL8 requirements. HL8 assets are contracted transportation equipment to move cargo and passengers in USCENTCOM, such as flatbed trucks, passenger vans, cargo handling equipment, and the personnel needed to operate the equipment. Because of Theater officials not fully implementing the recommendation from the prior report, U.S. Army Central and Theater officials could not rely on the HL8 usage data that was being collected to monitor HL8 contract performance or identify and address poor mission planning that could lead to wasted HL8 assets. As a result, the Army may continue to waste HL8 assets similar to the \$53.6 million in wasted assets identified in the prior audit of the Heavy Lift VII contract.

Report No. DODIG-2021-097

Audit of Department of Defense Joint Bases

The DoD OIG determined that lead Components at Joint Bases Lewis–McChord, Anacostia–Bolling, and Elmendorf–Richardson did not always meet minimum performance standards or other specified terms in the memorandums of agreement between the lead and supported Components. The memorandums of agreement must, at a minimum, define financial arrangements, installation support responsibilities, financial and performance reporting requirements, dispute resolution procedures, disposition of assets other than real property, and other relevant issues. In addition, while the DoD had processes in place to maintain the memorandums of agreement and report and address joint base concerns, these processes were not always followed or effective. As a result, lack of relevant operating guidance and processes; exclusion of joint base consideration in Service processes and decisions; and non-adherence to memorandum of agreement terms could break down the joint construct, reducing efficiencies that could be gained from joint basing. Moreover, these factors could also hamper relations on the installation and potentially marginalize the input, needs, and mission of the supported Components.

Report No. DODIG-2021-094

Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives

The DoD OIG determined that DoD officials followed requirements in the Defense Transportation Regulation for preplanning, loading, inspecting, and unloading arms, ammunition, and explosives shipments by sea. This includes maintaining 101 of 105 required documents for the 30 arms, ammunition, and explosives shipments in the review sample. For the four remaining shipments, DoD officials could not provide the required documents for one and documents were provided for the other three, but the documents did not contain the correct control number. These deficiencies were non-systemic and the audit concluded that DoD officials ensured the safe and secure movement of arms, ammunition, and explosives from the United States to Germany, Qatar, South Korea, and Kuwait.

Report No. DODIG-2021-093

Audit of Munitions Storage in the U.S. European Command

The DoD OIG determined whether the DoD stored and secured its munitions in the U.S. European Command area of responsibility in accordance with applicable policy. The results of this audit are classified.

Report No. DODIG-2021-090

Audit of Aircraft Readiness at the Naval Aviation Warfighting Development Center, Fallon, Nevada

The DoD OIG determined whether the aircraft used as adversary aircraft for training in support of the Naval Aviation Warfighting Development Center at Naval Air Station Fallon, Nevada, were mission capable and adequately available for use in training carrier air wings in a realistic threat environment in preparation for deployment. Naval Aviation Warfighting Development Center considers an aircraft mission capable when it can perform all aspects of its required carrier air wing training objectives, such as night combat search and rescue and defense counter air. The results of this audit are classified.

Report No. DODIG-2021-086

Audit of DoD Infrastructure Planning in Australia

The DoD OIG determined whether the DoD planned infrastructure projects supporting rotational forces in Australia in accordance with applicable laws, DoD regulations, and U.S. Indo-Pacific Command's operational requirements. The results of this audit are classified.

Report No. DODIG-2021-075

EVALUATIONS

The DoD OIG's Evaluations Component conducts evaluations of DoD operations and activities.

The Evaluations Component consists of two operating directorates:

- Program, Combatant Command (COCOM), and OCO; and
- Space, Intelligence, Engineering, and Oversight.

During the reporting period, Evaluations issued 16 reports; 14 are highlighted below.

Program, COCOM, and OCO

Management Advisory: Identifying and Reporting Possible Human Trafficking Violations and Abuse Against Afghan Special Immigrant Visa Applicants and Other Afghan Refugees

This management advisory compiled information about identifying and reporting possible human trafficking violations among the Afghan refugee population being housed by the DoD. The purpose of this management advisory was to assist U.S. military, civilian, and contractor personnel responsible for the care and welfare of Afghan Special Immigrant Visa applicants and other Afghan refugees by explaining the indicators of potential human trafficking, the requirements to report suspected human trafficking, and the methods available for reporting possible human trafficking violations and abuses. The DoD OIG sent this advisory to the Under Secretary of Defense for Policy, Commander of U.S. Central Command, Commander of U.S. Northern Command, Commander of U.S. Army Central, and Director of the Joint Staff as a reminder of current policies related to human trafficking.

Report No. DODIG-2021-132

Evaluation of the Department of Defense's Mitigation of Foreign Suppliers in the Pharmaceutical Supply Chain

This evaluation determined that the Defense Logistics Agency (DLA) identified the DoD's reliance on foreign suppliers in the pharmaceutical supply chain as a risk, but did not conduct a formal assessment of the risk to develop mitigation strategies. Additionally, the evaluation determined that for routine military treatment facility operations, the Defense Health Agency and the Military Services did not proactively assess risks of unexpected supply disruptions, in accordance with DoD Manual 4140.01, Volume 1. The risks include those posed by the DoD's reliance on the commercial pharmaceutical market, which is increasingly reliant on foreign sources. The Defense Health Agency and the Military Services used "just-in-time" ordering for pharmaceuticals and did not store extra finished drug products to use in the event of a supply disruption because it was not required. As a result, pharmaceutical supply disruptions could compromise the standard of care to DoD beneficiaries.

Report No. DODIG-2021-126

Evaluation of the U.S. Special Operations Command's Supply Chain Risk Management for the Security, Acquisition, and Delivery of Specialized Equipment

This evaluation determined that the U.S. Special Operations Command (USSOCOM) did not implement supply chain risk management procedures, in accordance with DoD policy. Specifically, USSOCOM policy did not require USSOCOM program managers to complete Program Protection Plans for acquisitions programs. In addition, USSOCOM policy did not require USSOCOM program managers to ensure that contractors develop program protection implementation plans that address weaknesses identified if Program Protection Plans were in place. While USSOCOM addressed these policy deficiencies in November 2020, USSOCOM personnel did not develop plans to prioritize and implement these policy requirements for active contracts. As a result, USSOCOM did not fully identify, assess, and mitigate supply chain risk during the acquisition and development of USSOCOM specialized equipment, which could compromise equipment, the inability to identify intellectual property theft, and possible introduction of counterfeit parts into equipment.

Report No. DODIG-2021-125

Evaluation of the Readiness of the U.S. Navy's P-8A Poseidon Aircraft to Meet the U.S. European Command's Anti-Submarine Warfare Requirements

This evaluation determined whether the readiness of the U.S. Navy's P-8A Poseidon fleet met the anti-submarine warfare requirements of the U.S. European Command (USEUCOM). The P-8A Poseidon is a multi-mission maritime aircraft. It is primarily used by Theater Commanders to conduct Anti-Submarine Warfare operations to deny the enemy the effective use of its submarines against the U.S. or allied assets. The results of this evaluation are classified.

Report No. DODIG-2021-083

Evaluation of Combatant Command Counter Threat Finance Activities

This evaluation determined that the U.S. Africa Command (USAFRICOM), U.S. Central Command (USCENTCOM), U.S. European Command (USEUCOM), and U.S. Indo-Pacific Command (USINDOPACOM) planned and executed Counter Threat Finance (CTF) activities to support their respective missions. However, they did not establish

and maintain formalized command procedures. This occurred because USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM personnel relied primarily upon their own experience and knowledge to conduct CTF activities. As a result, the Combatant Command CTF offices did not have established standardized procedures for conducting CTF activities at the Combatant Command level, with interagency partners, or with partnered nations. This report is classified.

Report No. DODIG-2021-082

Space, Intelligence, Engineering, and Oversight

Quality Control Review of the BKD, LLP FY 2020 Single Audit of MRIGlobal and Related Entities

This review determined that BKD complied with generally accepted government auditing standards and Uniform Guidance requirements when it performed the FY 2020 single audit of MRI.

Report No. DODIG-2021-121

Summary External Peer Review of the Army Audit Agency

This summary external peer review determined that the system of quality control for the Army Audit Agency in effect for the 3-year period ended December 31, 2019, was suitably designed and complied with to provide the Army Audit Agency with reasonable assurance of performing and reporting in conformity in all material respects with applicable Government Auditing Standards and legal and regulatory requirements. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The Army Audit Agency received a rating of pass.

Report No. DODIG-2021-109

Evaluation of the Department of Defense's Actions to Control Contaminant Effects from Perfluoroalkyl and Polyfluoroalkyl Substances at Department of Defense Installations

This evaluation determined that DoD officials took steps to identify, mitigate, and remediate contaminant effects from Perfluoroalkyl and Polyfluoroalkyl-containing Aqueous Film Forming Foam (AFFF) at DoD installations, including restricting nonessential use of AFFF and initiating Federal cleanup response actions. Perfluoroalkyl and Polyfluoroalkyl

substances (PFAS) are fire-resistant man-made chemicals that repel oil, grease, and water. PFAS are an ingredient in a fire suppressant, known as AFFF, used by military installations, civilian airports, and local fire departments. When PFAS-containing AFFF is released, the PFAS in the AFFF can make its way into the ground and affect the groundwater. As a result, PFAS may eventually reach and affect sources of drinking water. According to the Agency for Toxic Substances and Disease Registry (ATSDR), "[a]lthough more research is needed, some studies in people have shown that PFAS may: interfere with the body's natural hormones; increase cholesterol levels; affect the immune system; and increase the risk of some cancers." However, DoD Instruction 4715.18 (Emerging Chemicals of Environmental Concern) requires DoD officials to proactively mitigate contaminant effects from emerging chemicals at DoD installations when risk management actions are endorsed by the Emerging Chemicals of Concern Governance Council. Emerging Chemical Program officials issued a 2011 risk alert that described risks to DoD areas of concern, including risks to human health and the environment. The Emerging Chemicals of Concern Governance Council did not endorse the 2011 risk alert. Therefore, DoD officials were not required to plan, program, and budget for any actions in response to the 2011 risk alert. Furthermore, Emerging Chemical Program officials did not require proactive risk management actions for containing AFFF until 2016. As a result, people and the environment may have been exposed to preventable risks from PFAS-containing AFFF. In addition, DoD officials had not proactively identified, mitigated, and remediated contaminant effects from PFAS-containing materials other than AFFF at DoD installations. Therefore, the DoD lacked an enterprise-wide approach to mitigate the contaminant effects of all sources of potential PFAS exposure caused by DoD activities, as required by DoD Instruction 4715.18. Finally, the DoD missed an opportunity to collect comprehensive PFAS exposure data for DoD firefighters to be used for risk management, including future studies to assess significant long-term health effects relating to PFAS because the DoD did not plan to track, trend, or analyze the results of PFAS blood tests conducted on DoD firefighters at a DoD-wide level.

Report No. DODIG-2021-105

External Peer Review of the Missile Defense Agency Internal Review Office

This external peer review determined that the system of quality control for the Missile Defense Agency Internal Review (MDA IR) Office in effect for the

3-year period ended September 30, 2020, was suitably designed and complied with to provide the MDA IR Office with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects with applicable Government Auditing Standards and legal and regulatory requirements. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The MDA IR Office received a rating of pass.

Report No. DODIG-2021-103

Evaluation of the Air Force Systems Engineering Processes Used in the Development of the Refueling Boom for the KC-46A Tanker

This evaluation determined that KC-46 Program Office officials did not effectively manage the development of the refueling boom for the KC-46A tanker. For example, KC-46 Program Office officials did not ensure that critical technologies for the refueling boom were demonstrated in a relevant testing environment after Boeing officials presented a system design at



F-16 Receiver Aircraft Refueling
Source: The Air Force.

the preliminary design review in 2012. Additionally, program officials did not verify full functionality of the KC-46A tanker-refueling boom in accordance with the program's Test and Evaluation Master Plan when they performed flight testing of the KC-46A tanker-refueling boom with Air Force receiver aircraft. As a result, retrofit of the refueling boom for the delivered KC-46A tankers was not estimated to begin until January 2024, and will result in additional undetermined costs. This delay also limited the DoD's use of the KC-46A tanker for its intended refueling missions.

Report No. DODIG-2021-088

Quality Control Review of the PricewaterhouseCoopers LLP FY 2019 Single Audit of the Institute for Defense Analyses

This review determined that PricewaterhouseCoopers LLP complied with Generally Accepted Government Auditing Standards and Uniform Guidance requirements from the Code of Federal Regulations when it performed the FY 2019 single audit of the Institute for Defense Analyses.

Report No. DODIG-2021-087

Evaluation of the Department of Defense's Handling of Incidents of Sexual Assault Against (or Involving) Midshipmen at the United States Naval Academy

This evaluation determined that United States Naval Academy (USNA) Sexual Assault Prevention and Response (SAPR) personnel provided services to midshipmen-victims of sexual assault, victim support services were available to midshipmen-victims of sexual assault at the USNA, and reports of sexual assault were accurately reported to Congress as required by DoD and Navy policy, and law. The evaluation also determined that Navy Criminal Investigative Service (NCIS) agents responded to and investigated reports of sexual assault in accordance with DoD, Navy, and NCIS policy. Additionally, USNA commanders and decision makers did not retaliate against the three midshipmen-victims who departed the USNA during the scope of the evaluation by separating them from the Navy for reporting their sexual assaults. However, the USNA SAPR personnel did not have a process or system to document "contacts and consults" with midshipmen-victims who chose not to make an official report of sexual assault or a means to document resulting referrals to victim support services. Without a process to track consults and contacts, USNA SAPR personnel could not thoroughly document the assistance provided by USNA SAPR personnel to these midshipmen-victims. Additionally, a process to track consults and contacts would result in a more complete understanding of the universe of sexual assaults that were reported and the full level of services requested within the USNA.

Report No. DODIG-2021-085

Summary External Peer Review of the Air Force Audit Agency

This summary external peer review determined that the system of quality control for the Air Force Audit Agency in effect for the 3-year period ended

December 31, 2019, was suitably designed and complied with to provide the Air Force Audit Agency with reasonable assurance of performing and reporting in conformity in all material respects with applicable professional standards and legal and regulatory requirements. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The Air Force Audit Agency received a rating of pass for its Special Access Program audits.

Report No. DODIG-2021-079

External Peer Review of the Army Audit Agency Special Access Program Audits

This external peer review determined that the system of quality control for the Army Audit Agency Special Access Program audits in effect for the 3-year period ended December 31, 2019, was suitably designed and complied with to provide the Army Audit Agency with reasonable assurance of performing and reporting in conformity in all material respects with applicable professional standards and legal and regulatory requirements. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The Army Audit Agency received a rating of pass for its Special Access Program audits.

Report No. DODIG-2021-078

DCIS INVESTIGATIONS

The following cases highlight investigations that were completed by the Defense Criminal Investigative Service (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 and Financial Crimes;
- Health Care Fraud;
- Counterproliferation; and
- Cyber Crimes and Computer Network Intrusion.

Procurement Fraud

DoD's ability to achieve its objectives and can undermine the safety and operational readiness of the Service members.

Government Contracting Firms Settled False Claims Act and Anti-Kickback Act Allegations

On September 8, 2021, Index Systems, Inc. (Index) and its president, Chinna Nemelidinee, agreed to pay more than \$1 million to resolve alleged violations of the Anti-Kickback Act and the False Claims Act.

In 2018, Index allegedly entered into an agreement with Capital Consulting Group, Inc. (CCG) for Index to use its Small Business Administration (SBA) 8(a) certification to bid on 8(a) set-aside contracts on which CCG was not eligible to bid. Index agreed to subcontract work to CCG in exchange for an hourly fee for every hour that Index subcontracted to CCG. The SBA 8(a) program provides contract opportunities for small disadvantaged businesses. On July 9, 2021, Sage Consulting Group, Inc. (Sage) and its president, Robert Pleghardt, agreed to pay \$4.8 Million to settle allegations that it paid kickbacks to Index in a similar scheme. Sage also allegedly paid another 8(a) certified business for subcontract work. On July 13, 2021, CCG agreed to pay \$164,500 to settle allegations pertaining to the Anti-Kickback Act. These settlements resolves civil claims under the False Claims Act and the Anti-kickback Act. This was a joint investigation involving the General Services Administration OIG.

Avis Budget Group Inc. Agrees to Pay \$10 Million to Settle Alleged Overcharging Claims

On June 10, 2021, Avis Budget Group, Inc. and its wholly owned brands, Avis Car Rental, Budget Car Rental, and Payless Car Rental, agreed to pay \$10.1 million to resolve allegations that it overcharged the U.S. Government for vehicle rentals. Avis Budget provides car rental services to the U.S. Government, including the DoD, under an agreement managed by the Defense Travel Management Office. From January 2014 to December 2019, Avis Budget Group allegedly submitted false claims and received payments for unallowable charges. The unallowable charges included collision damage or loss-damage waiver insurance, supplemental liability insurance, personal accident insurance, and late turn-in fees. Allegedly, some of the unallowable charges were already included in the Government rental rate. This civil settlement agreement resolves allegations that AVIS Budget Car Rental violated the False Claims Act.

Navistar Defense to Pay \$50 Million to Settle Alleged False Claims

On May 27, 2021, Navistar Defense agreed to pay \$50 million to resolve allegations that it fraudulently induced the Marine Corps to modify a contract at

inflated prices for a suspension system for Mine-Resistant Ambush Protected vehicles. During negotiations for the modification, the Government asked Navistar to provide sales information regarding the contract parts to assess the reasonableness of Navistar's proposed prices. The Government alleged that Navistar knowingly created fraudulent commercial sales invoices for sales that never occurred and submitted those invoices to the Government to justify the company's prices. The Government relied on the alleged fraudulent sales invoices when it agreed to Navistar's inflated prices. The civil settlement includes the resolution of claims brought under the qui tam provision of the False Claims Act. This was a joint investigation involving the FBI, NCIS, U.S. Army Criminal Investigation Command (CID) Major Procurement Fraud Unit, and Defense Contract Audit Agency.

Contractor Agrees to Pay \$11 Million to Resolve False Claims Involving Helicopter Maintenance

On June 30, 2021, AAR Corporation and its subsidiary, AAR Airlift Group, Inc. (Airlift) agreed to pay \$11 million to resolve alleged violations of the False Claims Act. Airlift was responsible for transporting DoD personnel and cargo in support of DoD missions in Afghanistan and Africa. The Government alleged that Airlift knowingly failed to maintain nine helicopters according to maintenance contract requirements. As a result, the helicopters were not airworthy, and Airlift should not have certified the helicopters as "fully mission capable." Additionally, AAR Corporation and Airlift agreed to pay more than \$429,000 to resolve a second matter with Federal Aviation Administration, which cited deficiencies in Airlift's helicopter maintenance. This settlement resolves claims brought under the qui tam provision of the False Claims Act. This was a joint investigation involving NCIS, Air Force Office of Special Investigations (AFOSI), CID, the Special Inspector General for Afghanistan Reconstruction, and the Department of Transportation OIG.

Contractor Agreed to Pay \$5.6 Million to Settle False Claims Allegations

On April 7, 2021, Tungsten Heavy Powder (Tungsten), doing business as Tungsten Heavy Powder and Parts, agreed to pay \$5.6 million to resolve alleged violations of the False Claims Act. The Government alleged that Tungsten falsely certified that it provided U.S.-made materials for the manufacture of defense articles that were purchased by the Government of Israel. The Israeli purchase was made with U.S. grant funds through the Foreign Military Financing program. It is alleged that Tungsten knowingly certified that

its tungsten was sourced in the United States even though its tungsten was sourced in China. It is further alleged that Tungsten falsely certified that products were manufactured in the United States even though these items were actually manufactured in Mexico. This was a joint investigation involving the CID Major Procurement Fraud Unit and Homeland Security Investigations.

Product Substitution and Financial Crimes

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 and capabilities can be compromised until the substituted products 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. Financial crimes range from theft to fraud involving the unlawful conversion of the ownership of money or property for personal use and benefit. Financial crimes include money laundering, forgery, and counterfeiting.

New Orleans Businessman Pleaded Guilty in Contract Fraud Scheme, Agrees to Pay \$1.6 Million in Restitution to the Department of Defense

On July 9, 2021, Robert O. Klein pleaded guilty to defrauding the DoD out of more than \$1.6 million because of fraudulently obtained contracts and the provision of bad parts, including critical application items. Klein was released on a \$250,000 bond to his residence in New Orleans, Louisiana, and his bond included the use of his yacht as collateral. The sale of the yacht and \$200,000 of his bond will be used toward his restitution. From 1997 through 2019, Klein conducted wire fraud schemes to provide parts to the DoD, which caused \$1.6 million in contract losses. Klein was the owner and operator of 19 businesses, which were established to conceal his schemes. Klein used the names of family members, friends, or aliases

to conceal his association with these businesses. When one company was debarred for providing non-conforming parts or for affiliation with one of the previously debarred companies, Klein would open and register a new company. Klein also purchased some of the military parts he provided to DoD from China, which violated the Buy American Act. On July 29, 2021, Klein was sentenced to 3 years of incarceration as well as 3 years of supervised release, and he was required to pay \$1.6 million in restitution to the DoD and \$640,100.21 in restitution to the Internal Revenue Service. Forfeiture was also ordered on four properties owned by Klein, including two industrial properties in Louisiana, a \$400,000 residence and a warehouse in Colorado, and a \$500,000 condominium in Florida. Additional forfeiture was ordered in the amount of \$1,591,721.65 in the form of a Money Judgment. This was a joint investigation with Internal Revenue Service Criminal Investigation.

Public Corruption

Corruption by public officials can undermine public trust in the 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.

Former DoD Office of Inspector General Official and Co-Conspirator Convicted for Bribery and Kickback Conspiracy

On June 24, 2021, in Alexandria, Virginia, a Federal jury convicted William Wilson and Matthew Keko LumHo for participating in a bribery and kickback conspiracy that involved contracting with the DoD OIG. According to evidence presented at trial, from 2010 through 2015, Wilson was the owner of a small construction company based in Lake Butler, Florida. Wilson paid numerous kickbacks and bribes to his co-conspirators, including LumHo, who was employed by the DoD OIG's Information Services Directorate. LumHo took official acts that benefitted Wilson's companies, including steering work by placing fraudulent service orders through a Government contract that he controlled. Wilson also paid numerous kickbacks to two employees of a major telecommunications contractor in exchange for steering work to Wilson's companies. Wilson frequently disguised the bribes and kickbacks to LumHo and other co-conspirators through fake invoices for services that were never provided or by masking the payments as payroll to relatives for jobs that did

not exist. The co-conspirators repeatedly sought to interfere with the criminal investigation by creating false documentation, making false statements to law enforcement officials, lying on a financial disclosure form, committing perjury during sworn testimony, and tampering with witnesses. In addition, Wilson threatened to murder one of the conspirators and his family members if he ever testified on behalf of the Government. This was a joint investigation involving the FBI.

Belgian Security Services Company and Three Former Executives Indicted for Bid Rigging on U.S. Department of Defense Contracts

On June 30, 2021, a Federal grand jury returned an indictment against Belgium-based Seris Security NV and three of its executives for their roles in a conspiracy to fix prices and rig bids for defense-related security services. Security services based in Belgium included protecting U.S. military and NATO installations through the physical presence of guards, mobile monitoring, and electronic surveillance. As part of the scheme, the conspirators agreed in advance which company would win certain security services contracts, and the price that each would bid for the contracts. As a result, the Government received non-competitive and inflated bids, thus depriving the Government of a competitive bidding process. The conspiracy began as early as spring 2019 and continued through late summer 2020. The conspiracy included the involvement of a multimillion-dollar contract issued in 2020 to provide security services to the DoD for military bases and installations in Belgium. This was a joint investigation involving the FBI, CID, and other Procurement Collusion Strike Force partners in Europe.

Former Construction Company Owner Indicted for Defrauding Federal Program Intended for Service-Disabled Veteran-Owned Small Businesses

On March 17, 2021, a Federal grand jury in San Antonio, Texas, charged the former owner of several construction companies for his role in a long-running scheme to defraud the United States. According to court documents, Michael Angelo Padron and co-conspirators Michael Wibracht and Ruben Villarreal allegedly conspired to defraud the United States to obtain valuable Government contracts under programs administered by the SBA for which neither he nor his co-conspirators were eligible. As part of the scheme, Padron is charged with conspiring to install Villarreal, a service-disabled veteran, as the

ostensible owner of a general construction company disguised as a Service-Disabled Veteran-Owned Small Business (SDVOSB). However, Padron, along with his business partner Wibracht, allegedly exercised control over this company, even though they were not qualified service-disabled veterans. The conspirators allegedly concealed their control to secure more than \$250 million in Government contracts that were set aside for a SDVOSB. This was a joint investigation involving the SBA OIG, CID, the General Services Administration OIG, the Department of Veterans Affairs OIG, and the Army Audit Agency.

Former U.S. Army Employee Pleaded Guilty to Kickback Scheme to Steer Government Contracts

On July 21, 2021, in Washington, D.C., Ephraim Garcia, a former civilian employee of the Army's Directorate of Public Works at Camp Arifjan, Kuwait, pleaded guilty for his role in a kickback scheme. According to court documents, Garcia admitted to company, Gulf Link. Sankaralingam was the former general manager and co-owner of Gulf Link. In 2015, in Kuwait, Garcia and Sankaralingam offered to pay an employee of the prime contractor to steer subcontracts worth more than \$3 million to Gulf Link. Rather than agree to the scheme, the contractor reported the kickback offer to authorities. On August 19, 2020, Sankaralingam was charged in a superseding indictment with conspiracy to offer a kickback and with paying illegal gratuities to Garcia. Sankaralingam is currently a fugitive. Garcia was arrested in the Philippines in December 2019, and he pleaded guilty to one count of conspiracy to offer a kickback and one count of offering a kickback. He is scheduled to be sentenced on October 22, 2021. This was a joint investigation involving CID.

Army National Guardsman Pleaded Guilty to Theft of U.S. Government Property

On May 12, 2021, in the Western District of Tennessee, Michael Jason McCaslin pleaded guilty to a one-count criminal information that charged him with the theft of Government property. In 2017 and 2018, McCaslin was a senior supply sergeant with a Tennessee Army National Guard unit in Humboldt, Tennessee. While deployed to Kandahar Airfield, Afghanistan, McCaslin's duties included ordering supplies for U.S. troops. Military personnel discovered that McCaslin ordered multiple items that were never received in Kandahar. In addition, military personnel intercepted a shipping container that was sent from Kandahar to McCaslin's unit in Humboldt, Tennessee, and discovered that McCaslin had signed the shipping forms and arranged

for the delivery. Various military items were inside the container, including computers, tools, headsets, and furniture. Further investigation revealed that McCaslin used Government funds to purchase other items that were never received in Kandahar. On August 12, 2021, McCaslin was sentenced to 2 years of probation, as well as 50 hours of community service, and he was ordered to pay \$52,348 in restitution, a \$1,000 fine, and a \$100 special assessment. This was a joint investigation involving the Special Inspector General for Afghanistan Reconstruction.

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.

Nurse Practitioner Sentenced to 11 Years for Illegally Distributing Opioids and Money Laundering

On June 4, 2021, Ivan Lamont Robinson, a licensed nurse practitioner, was sentenced to 135 months in Federal prison. A Federal jury previously found Robinson guilty of 42 charges related to the distribution of oxycodone outside the legitimate scope of professional practice and without a legitimate medical purpose as well as 2 counts of money laundering. Robinson, a TRICARE approved provider, ran a pain management clinic in Washington, D.C., that received numerous complaints from pharmacists, who suspected that he was operating a "pill mill" rather than a legitimate medical pain management practice. Robinson sold prescriptions to customers in exchange for \$370 in blank money orders. Customers came from outside of Washington, D.C., to purchase prescriptions for 60 tablets of 30 milligrams of oxycodone. The Government presented testimony from a medical expert who stated that Robinson provided no real medical treatment, and the expert stated that there was no medical basis to prescribe oxycodone. Moreover, the evidence showed that Robinson deposited more than \$100,000 in money orders from customers during a 4-month period in 2013. This was a joint investigation involving the Department of Health and Human Services (HHS) OIG, the Drug Enforcement Agency, and the Metropolitan Police Department.

South Carolina's Largest Urgent Care Provider to Pay \$22.5 Million to Settle Allegations

On April 8, 2021, in Columbia, South Carolina, the U.S. Attorney's Office announced that Doctors Care, the state's largest urgent care provider network, and its management company, UCI Medical Affiliates of South Carolina (UCI), will pay \$22.5 million to resolve civil healthcare fraud allegations.

This case stemmed from a qui tam complaint, which alleged that Doctors Care, UCI, and UCI Medical Affiliates (a related holding company) falsely certified that certain urgent care visits were performed by TRICARE approved providers who were credentialed to bill for medical services. From approximately 2013 to 2018, UCI was allegedly unable to secure and maintain the necessary billing credentials for most Doctors Care providers. UCI allegedly knew that Federal insurance programs and TRICARE would deny claims submitted with the billing number of a provider who had not yet received the necessary billing credentials. Instead of solving its credentialing problem, UCI allegedly submitted false claims that linked non-credentialed providers to credentialed billing providers. The Government argued that each "linked" bill constitutes an instance of UCI knowingly submitting a false claim for payment. This was a joint investigation involving the HHS OIG.

Former Chesapeake OB-GYN Sentenced to 59 Years in Prison

On May 18, 2021, in Alexandria, Virginia, a former Chesapeake, Virginia, doctor was sentenced to 59 years in prison after a jury convicted him on 52 counts of health care fraud and other charges that stemmed from his performance of irreversible hysterectomies, improper sterilizations, and other medically unnecessary procedures. Javaid Perwaiz, an OB-GYN who practiced in Hampton Roads, Virginia, since the 1980s, performed medically unnecessary procedures on TRICARE beneficiaries and others between 2010 and 2019, which caused approximately \$20.8 million in losses to private and Government health care insurers. Perwaiz falsely told his patients that they needed surgery because they had cancer or that surgery was necessary to avoid cancer. Perwaiz also falsified patient records so that he could induce labor early and ensure that he would be reimbursed for deliveries. In addition, Perwaiz violated the 30-day waiting period for elective sterilizations by submitting backdated forms, and billed insurance organizations hundreds of dollars for false diagnostic procedures. This was a joint investigation involving the HHS OIG, and the FBI.

Cardiologist Dinesh Shah Pays \$2 Million to Resolve False Claims Act Allegations Relating to Excessive Testing

On March 18, 2021, cardiologist Dinesh Shah and his practice, Michigan Physicians Group, paid the United States \$2 million to resolve allegations that they violated the False Claims Act by knowingly billing Federal healthcare programs, including TRICARE, for diagnostic testing that was either unnecessary or not performed. The investigation focused on a group of diagnostic blood pressure tests, which were allegedly performed on patients without being ordered by a physician and without regard to medical necessity. The United States alleged that Shah was routinely ordering, and the Michigan Physicians Group was providing, unnecessary nuclear stress tests to patients. This was a joint investigation involving the HHS OIG and the DHA.

Former Owner of Defunct New England Compounding Center Resentenced to 14 Years in Connection With 2012 Fungal Meningitis Outbreak

Barry Cadden, the former owner of the defunct New England Compounding Center (NECC), was resentenced in connection with a nationwide fungal meningitis outbreak. In 2012, 753 patients in 20 states, to include some TRICARE recipients, were diagnosed with a fungal infection, and more than 100 patients died, after receiving injections of contaminated methylprednisolone acetate (MPA), which was manufactured by NECC. The outbreak was the largest public health crisis caused by a contaminated pharmaceutical drug. Cadden was responsible for directing and authorizing shipments of contaminated MPA to NECC customers nationwide. He also authorized shipments of the drug before sterility tests were returned, and never notified customers of nonsterile results. In addition, drugs were compounded with expired ingredients. In March 2017 Cadden was convicted of racketeering, racketeering conspiracy, mail fraud, and introduction of misbranded drugs into interstate commerce with the intent to defraud and mislead. Cadden was originally sentenced in June 2017 to 9 years in prison, 3 years of supervised release, and forfeiture of \$7.5 million. The First Circuit Court of Appeals affirmed his criminal convictions, but the court vacated his sentence and forfeiture order. On July 7, 2021, Cadden was resentenced in U.S. district court to 174 months in prison, and he was ordered to pay \$41 million in restitution. This was a joint investigation involving the Food and Drug Administration, the FBI, the Department of Veterans Affairs OIG, and the U.S. Postal Inspection Service.

University of Miami to Pay \$22 Million to Settle Claims

On May 10, 2021, the University of Miami (UM) agreed to pay \$22 million to resolve allegations that it violated the False Claims Act by ordering medically unnecessary laboratory tests and submitting false claims through its laboratory and hospital-based facilities. UM converted multiple physician offices to hospital facilities, and it then sought payments at higher rates without providing beneficiaries with the required notice, even after being advised by a contractor that its notice practices were deficient. UM allegedly billed Federal health care programs, including TRICARE, for medically unnecessary laboratory tests for patients who received kidney transplants through a transplant program operated by UM. Each time a patient checked into the program, UM's electronic ordering system triggered a pre-determined set of tests to be run for the patient at UM's laboratory. According to the Government, UM pressured the hospital to purchase pre-transplant laboratory tests from UM at inflated rates in exchange for UM surgeons performing surgeries at the hospital. This was a joint investigation involving the HHS OIG, the Office of Personnel Management OIG, DHA, and the Florida Attorney General's Office's Medical Fraud Control Unit.

Former Child Autism Service Provider Paid Over \$2.7 million to Resolve Health Care Fraud Allegations

On March 23, 2021, Dr. Domonique Randall, the former owner and sole shareholder of "The Shape of Behavior," a Texas-based provider of therapy services for children with autism, agreed to pay \$2.7 million to resolve allegations that the company submitted improper claims to the TRICARE program. Authorities initiated an investigation after TRICARE's managed care support contractor, Humana Military Program Integrity, uncovered alleged improper claims for applied behavior analysis therapy, which was provided to beneficiaries with autism spectrum disorder. This settlement resolves allegations that nine separate facilities submitted claims to TRICARE that misrepresented the identity of providers, billed excessive hours on individual dates of service, and provided medical records that could not be substantiated. This was a joint investigation involving the DHA Office of Program Integrity, and Humana Military Program Integrity.

Counterproliferation Investigations

DCIS investigates the theft and 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.

Georgia Company and Owner Admit Guilt in Scheme to Evade U.S. National Security Trade Sanctions

On July 29, 2021, Dali Bagrou and his company, World Mining and Oil Supply (WMO), of Dacula, Georgia, pleaded guilty to violating the Export Control Reform Act. The plea subjects Bagrou to a statutory sentence of up to 5 years in prison, 3 years of supervised release, and substantial financial penalties. WMO is subject to a sentence of up to 5 years of probation, as well as significant fines and financial restitution. As part of his plea, Bagrou agreed to forfeit an Atlanta-area residence that is valued at \$800,000. As described in court documents and testimony, the conspiracy began in 2016 when an unnamed Russian government-controlled business began working with Oleg Vladislavovich Nikitin, the general director of KS Engineering (KSE), a St. Petersburg, Russia-based energy company, to purchase a power turbine from a U.S.-based manufacturer for approximately \$17.3 million. The Russian company intended to use the turbine on a Russian Arctic deep-water drilling platform; however, the U.S. Department of Commerce prohibits this purchase without a license. The Russian company was ineligible to obtain a license to purchase the turbine. Nikitin admitted that he and another KSE employee, Anton Cheremukhin, conspired to procure the turbine with Gabrielle Villone; Villone's company, GVA; and Villone's business partner, Bruno Caparini. Villone, Caparini, and GVA employed the services of Bagrou and WMO to procure the turbine from a U.S.-based manufacturer and to have the turbine shipped overseas. The parties conspired to conceal the true end user of the turbine from both the U.S. manufacturer and the U.S. Government by submitting false documentation that stated a U.S. company near Atlanta, Georgia, would use the turbine. In 2019, Nikitin, Villone, and Bagrou were arrested in Savannah, Georgia, while attempting to complete the illegal transaction. Villone is currently serving a 28-month prison sentence after pleading guilty to Conspiracy, and the other named defendants are awaiting sentencing after pleading guilty. This is a joint investigation involving the Department of

Commerce Bureau of Industry and Security (BIS) Office of Export Enforcement (OEE), FBI, U.S. Customs and Border Protection, and Georgia Department of Natural Resources.

Jury Convicts Iranian National for Illegally Exporting Military Sensitive Items

On May 7, 2021, a Federal jury in San Antonio, Texas, convicted Mehrdad Ansari, an Iranian citizen and resident of the United Arab Emirates and Germany, for scheming to obtain parts for Iran in violation of the Iranian Trade Embargo. These parts had dual-use, military and civilian, capabilities and could be used in systems such as nuclear weapons, missile guidance, secure tactical radio communications, offensive electronic warfare, military electronic countermeasures, radar warning, and surveillance systems. According to the evidence presented, Ansari attempted to illegally transship cargo obtained from the United States through his companies located in Dubai, United Arab Emirates. From 2007 to 2011, the conspirators obtained or attempted to obtain more than 105,000 parts, which were valued at approximately \$2.6 million. The conspirators conducted 599 transactions with 63 different U.S. companies to obtain parts without notification regarding the parts' destination or securing the required U.S. Government license to ship the parts to Iran. Ansari faces up to 40 years in Federal prison. This was a joint investigation involving Homeland Security Investigations (HSI), the FBI, and BIS OEE.

Defense Contractor Employee and Accomplice Arrested on Complaint Alleging Theft and Sale of Government-Owned Technical Orders

An employee of a DoD contractor was arrested on a criminal complaint, which alleged that he unlawfully sold Air Force technical data to an Orange County, California, man who then illegally resold the data. The investigation determined that Marc Chavez allegedly acquired Air Force technical orders from Sarfraz Yousuf. Yousuf was not authorized to sell the technical orders, and Chavez was not authorized to receive the orders. From January 2015 to July 2020, Chavez allegedly acquired at least 1,875 Air Force technical orders from Yousuf in exchange for at least \$132,280. In June 2020, Yousuf allegedly sold 34 Air Force technical orders to Chavez for \$2,170, and Chavez allegedly resold the orders for a profit through a company that he operated from his home. This was a joint investigation involving NCIS, Homeland Security Investigations, BIS OEE, AFOSI, and CID.

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. Asset forfeiture 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 \$5.97 million, consisting of U.S. currency and vehicles. In addition, DCIS obtained forfeiture orders totaling \$1.42 million, and money judgments in the amount of \$11.12 million. This data are valid as of September 30, 2021.

Figure 3. Asset Forfeiture Program as of September 30, 2021

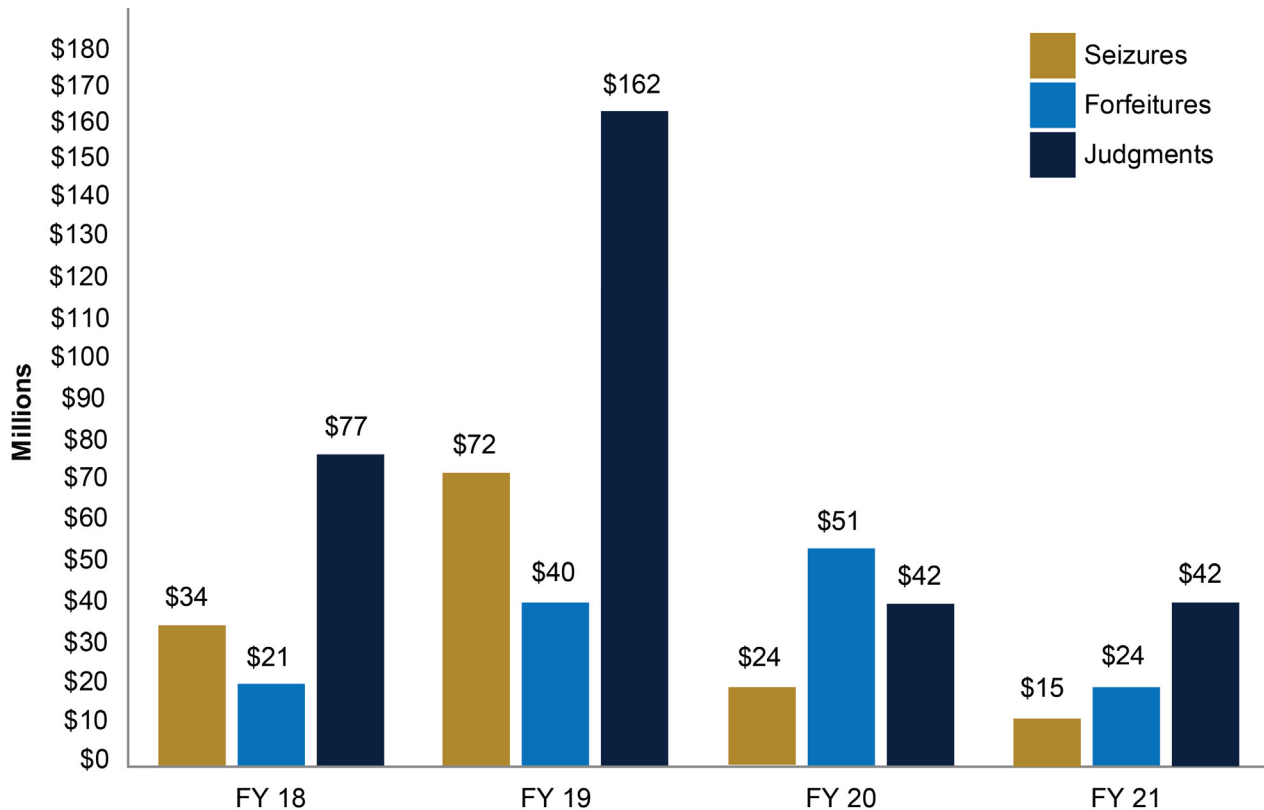
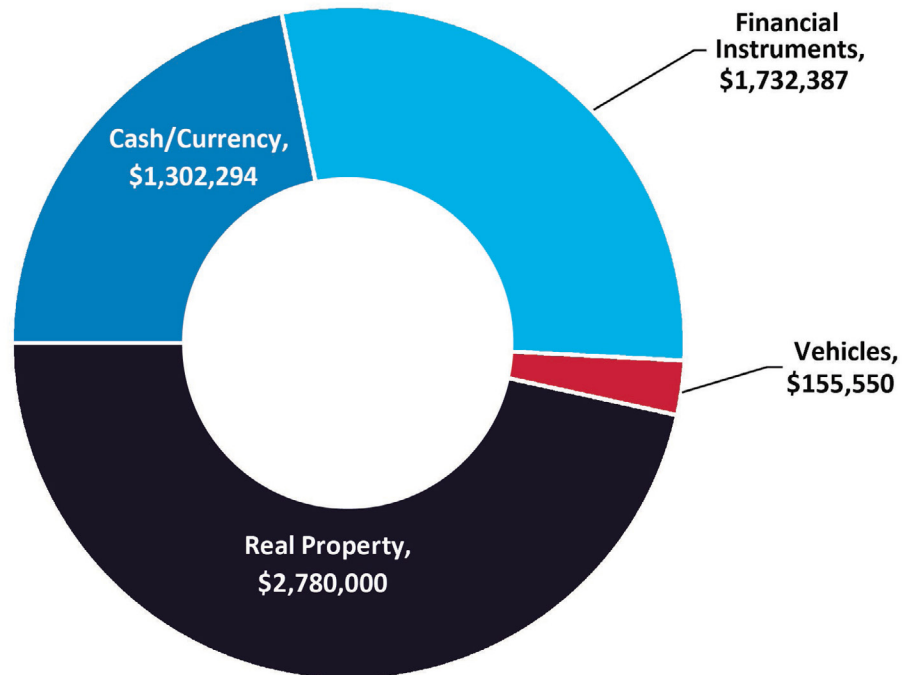


Figure 4. Value of Seized Assets by Type April 1, 2021, through September 30, 2021



DCIS Investigations of Cases Involving Senior Government Employees

The IG Act of 1978, as amended, requires reporting of investigations involving senior Government employees (GS-15 or O-6 and above) in which the allegations of misconduct were substantiated, including the name of the senior government official (as defined by the Department or agency) if already made public by the Office, and a detailed description of the facts and circumstances of the investigation; and the status and disposition of the matter (including if the matter was referred to the DOJ), the date of referral; and if the DOJ declined the referral, the date of the declination.

- DCIS investigated allegations that an SES employee of the DoD engaged in bribery, theft of Government property, and violations of the Procurement Integrity Act. The complaint alleged that the SES employee steered contract awards to contractors who had a personal relationship with the employee. The investigation found no evidence of bribery or theft. The investigation also revealed that although the employee’s spouse had relationships with specified DoD contractors, the employee did not apply any undue influence on the staff to award contracts to these contractors.

DCIS referred this matter to the Department of Justice (DOJ) in March 2017, and the DOJ declined the matter in March 2021 due to a lack of evidence to indicate criminal intent.

- DCIS investigated allegations that an Air Force colonel engaged in procurement fraud by sharing sensitive contract and procurement information with a cleared DoD contractor for the purpose of steering contracts to this contractor. The investigation did not identify any substantive information or evidence to support the allegations. This matter was referred to and declined by the DOJ in May 2020 due to a lack of a violation of a Federal offense.
- DCIS investigated allegations that a GS-15 employee of the DoD engaged in procurement fraud and conflicts of interest for the purpose of steering contracts to preferred contractors. The investigation found insufficient evidence to substantiate the allegations. This matter was referred to and declined by the DOJ in April 2021 due to insufficient evidence.
- DCIS investigated allegations that two GS-15 employees, who were employed at the same DoD agency, engaged in a potential conflict of interest. The investigation revealed that employee A asked employee B to forward the resume

of employee A's sibling to a sub-contractor, who was performing work for their employing agency. Employee A's sibling was subsequently hired by the sub-contractor, and the sibling was assigned to duties associated with contracts that were being administered by the GS-15s' agency. This matter was referred to and declined by the DOJ in April 2021 due to other disciplinary actions that were being taken against the two GS-15 employees.

- 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.

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. A DoD OIG subpoena request must meet three criteria:

- the subpoena can only be issued for investigations within the legal authority of the IG;

Figure 5. DoD OIG Subpoenas Issued from April 1, 2021, through September 30, 2021

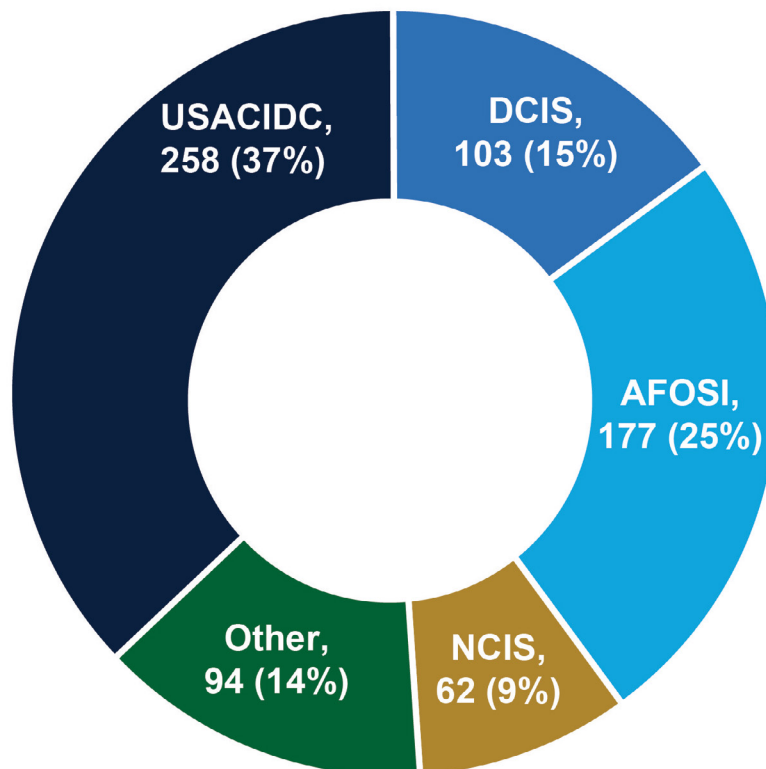
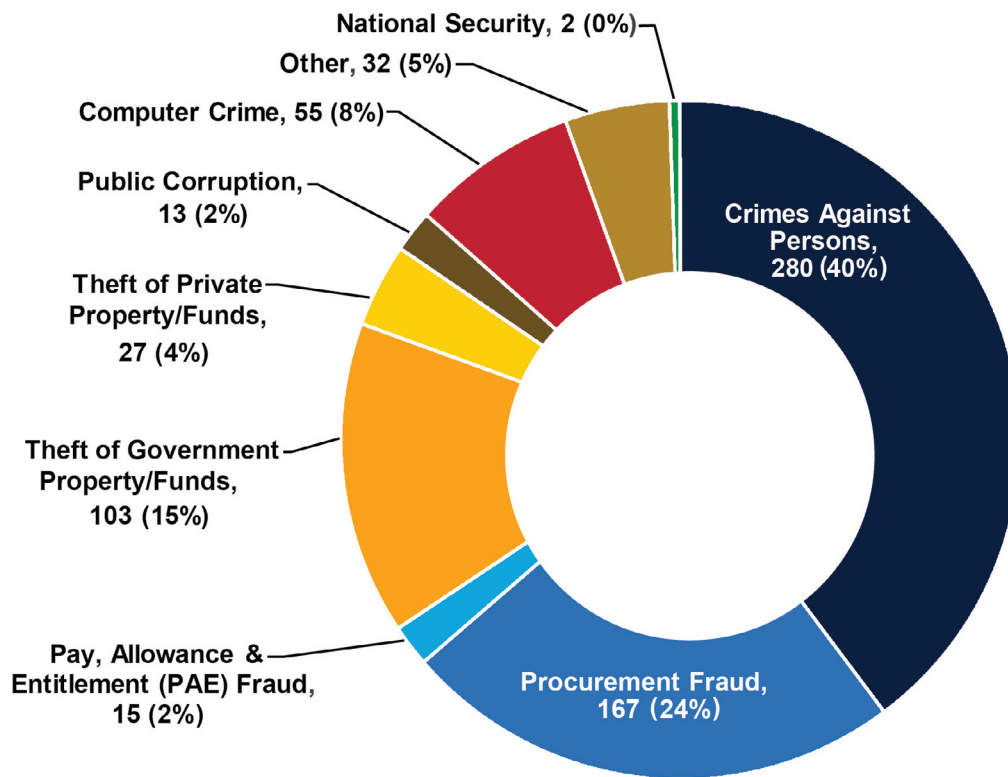


Figure 6. Subpoenas Requested from April 1, 2021, through September 30, 2021



ADMINISTRATIVE INVESTIGATIONS

Administrative Investigations helps ensure ethical conduct throughout the DoD by conducting investigations and overseeing investigations of allegations of misconduct, whistleblower reprisal, and restriction. The DoD OIG’s Administrative Investigations (AI) Component consists of the following three directorates.

- DoD Hotline
- Whistleblower Reprisal Investigations
- Investigations of Senior Officials

DoD Hotline

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

Using its Priority Referral Process, the DoD Hotline receives and triages contacts, assigns priorities, and refers cases to the Office of the Secretary of Defense, DoD agencies and field activities, the Military Services, DoD OIG components, and other agencies outside the DoD based on the following DoD Hotline referral prioritization criteria.

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.

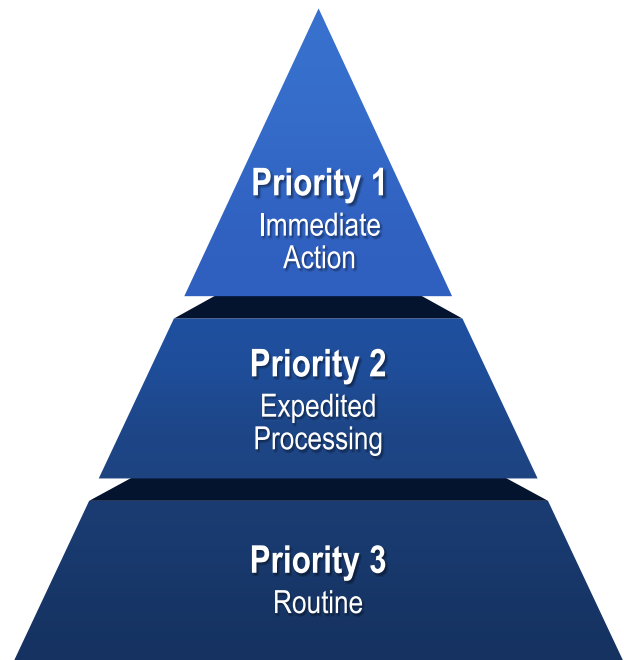
Priority 3. Routine/Referred Within 10 Days:

- All other issues.

The DoD Hotline received 8,513 contacts from the general public and members of the DoD community during this reporting period: 3,489 via Internet, 2,303 via telephone, 1,908 via other DoD Components and Federal agencies, and 813 via letter or fax.

During this reporting period, the DoD Hotline's webpages received more than 109,703 views, a 14-percent increase compared to the previous 6 months.

A DoD Hotline contact becomes a case when the DoD Hotline opens and refers the case for action or information. A case referred for action requires the receiving DoD agency to investigate. The case is not closed until the DoD Hotline receives and approves a Hotline Completion Report. A case referred for information requires only action that the recipient agency deems appropriate. The DoD Hotline closes cases referred for information upon verifying receipt of the referral by the intended agency.



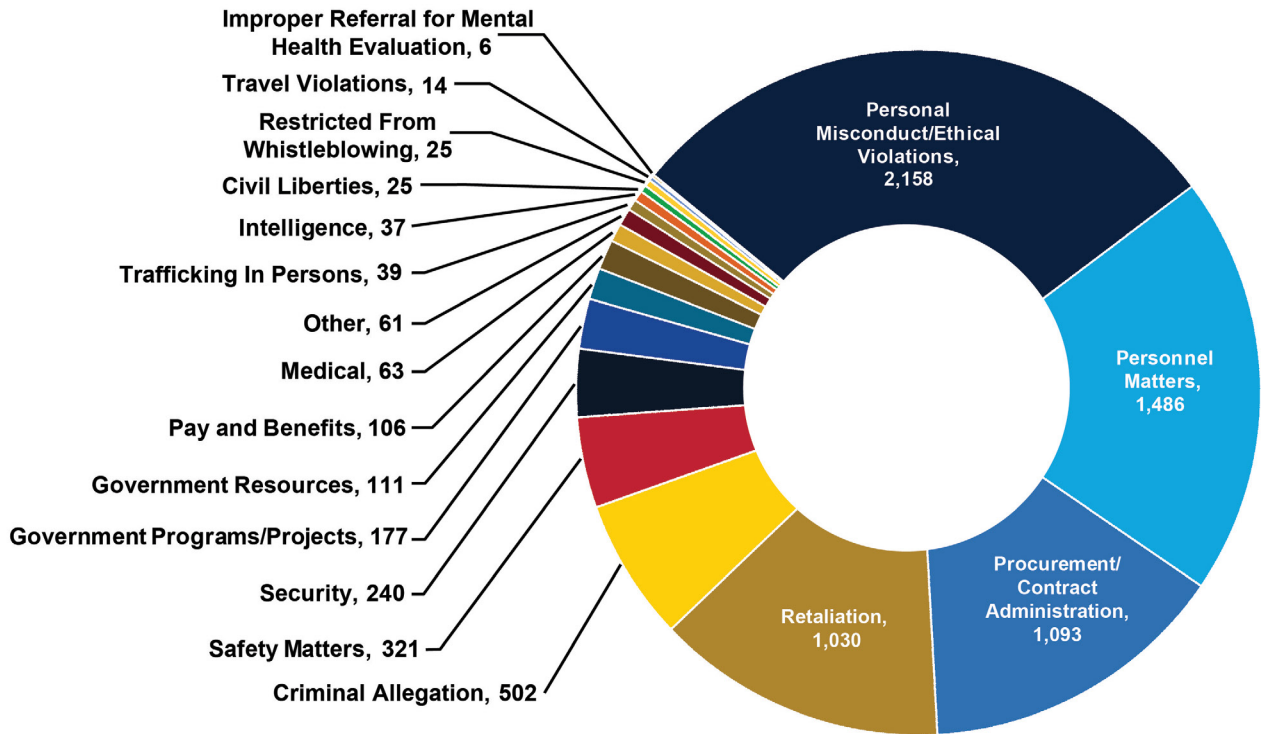
Fraud, Waste, & Abuse
HOTLINE
 Department of Defense
dodig.mil/hotline | 800.424.9098

During this reporting period, the DoD Hotline opened 3,328 cases and closed 2,938 cases. Of those opened cases, 1,600 were referrals to the Military Services, 999 to DoD OIG components, 148 to Office of the Secretary of Defense agencies, 363 to DoD agencies and field activities, and 218 to non-DoD Agencies. As of September 30, 2021, the DoD Hotline had a total of 2,501 open cases that were opened in this and prior reporting periods.

Also during this reporting period, the majority of allegations the DoD Hotline received were related to personal misconduct and ethical violations, procurement and contract administration, and personnel matters.

Figure 7. details the types of allegations in the cases the DoD Hotline opened in this reporting period.

Figure 7. Types of Allegations Received by the DoD Hotline, April 1, 2021 through September 30, 2021



COVID-19 Pandemic-Related Hotline Contacts

The DoD OIG tracks complaints specifically related to the COVID-19 pandemic. During this reporting period, the DoD Hotline received 230 contacts and referred 236 cases regarding the COVID-19 pandemic. Allegations related to many topics including policy questions, training, and concerns regarding the vaccines. The most serious cases alleging actual infection were referred to the Centers for Disease Control and Prevention, the DHA, and the respective DoD Component. As of September 30, 2021, none of the complaints alleging actual infection were substantiated.

Significant DoD Hotline Cases and Cost Savings

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

- Following a complaint to the DoD Hotline, an investigation by AFOSI substantiated allegations that 20 Northrop Grumman employees engaged in time and attendance abuse, at the direction of their employer, on an Air Force contract from May 2010 to March 2012. Of the 20 employees, 4 received written warnings, 15 were terminated, and one

employee resigned in lieu of termination with ongoing corrective action. Following termination, the 15 names were submitted to the Defense Insider Threat Management Analysis Center, and their security clearances were suspended. In addition, Northrop Grumman accepted an administrative forfeiture of \$4.2 million as part of a non-prosecution agreement and to pay \$25.8 million to the U.S. Air Force as part of a civil agreement between Northrop Grumman; the U.S. Department of Justice, Civil Division; and the U.S. Attorney’s Office, Southern District of California, Affirmative Civil Enforcement.

- Following a complaint to the DoD Hotline, a DCIS investigation substantiated allegations that a Senior Executive Service (SES) employee failed to disclose mandatory financial disclosures and engaged in activities that conflicted with the SES employee’s official capacity at the Defense Information Systems Agency. The SES employee received formal counseling and resigned in lieu of termination. The substantiated allegations were reported to the DoD Consolidated Adjudications Facility.

- Following a complaint to the DoD Hotline, a joint investigation by the DCIS, NCIS, CID, and AFOSI substantiated that a contractor knowingly induced, through false statements and omissions concerning cost and pricing data, the award of contracts at inflated prices. The scheme included:
 - o proposing to supply new parts and material while planning to or in fact using recycled, refurbished, reconditioned, or reconfigured parts;
 - o inaccurately describing its methodology for estimating and pricing recycled, reconditioned, or reconfigured parts;
 - o failing to disclose all cost and pricing data related to the use of recycled, refurbished, reconditioned, or reconfigured parts to perform the subject contracts between submitting proposals for those contracts, and submitting the respective certifications required under the Truth in Negotiations Act, 10 U.S.C. § 2306a; and
 - o using estimating methodologies that inflated or otherwise misstated part count estimates. As a result, the United States contended that the contractor submitted falsely inflated claims from January 2009 through December 2017. The contractor signed a civil settlement in December 2020, and agreed to pay \$25 million to the United States Government.
- Following a complaint to the DoD Hotline, an Army IG investigation substantiated allegations that a civilian employee (GS-15) improperly spilled classified information; exercised improper civilian hiring practices; exercised conflict of interest and undue influence concerning contract bids; and exercised counterproductive leadership. The GS-15 employee received a formal reprimand. The substantiated allegations were reported to the U.S. Army Intelligence and Security Command Security Office and the DoD Consolidated Adjudications Facility.
- Following a complaint to the DoD Hotline, an Army investigation substantiated allegations that a Noncommissioned Officer (NCO) sexually harassed a female soldier, in violation of AR 600-20 and DoDI 1020.03, and failed to obey a lawful order not to discuss his interview with anyone else, in violation of Article 92, Uniform Code of Military Justice (UCMJ). The NCO was administered non-judicial punishment under Article 15, UCMJ, reduced in rank to the grade of Specialist, and

then later administratively discharged from active duty military service. The Security Manager reported the substantiated allegations to the DoD Consolidated Adjudications Facility.

- Following a complaint to the DoD Hotline, an Army investigation substantiated an allegation that an Army enlisted Soldier posted a comment on Facebook that advocated violence against protesters and brought discredit upon the U.S. Armed Forces. The Soldier received a Letter of Concern and the misconduct was reported to the DoD Consolidated Adjudications Facility.
- Following a complaint to the DoD Hotline, a U.S. Transportation Command investigation found that a Navy commander was derelict in the performance of their duty for failing to take appropriate action on an allegation of sexual harassment while serving as the Joint Reserve Unit Commander. The matter was annotated in the commander's official personnel record.

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 52.203-13.

During this reporting period, the DoD OIG received 170 contractor disclosures that identified \$21,710,870 in potential monetary recoveries for the Government. The majority of disclosures the DoD Hotline received through the Contractor Disclosure Program were related to mischarging labor and materials, non-compliance and mismanagement of contract, and kickbacks. From 2008 through the end of the reporting period, Contractor Disclosure Program cases accounted for approximately \$408,441,328 in recoveries and fines.

Significant Contractor Disclosure Program Cases and Cost Savings

- A DoD contractor disclosed in 2018 that it identified time-charging irregularities involving both current and former employees and multiple customers occurring over 3 years. The contractor initiated an investigation into this matter to determine the root cause. CID also investigated the matter and found no additional wrongdoing. A settlement agreement was reached in 2021

wherein the contractor agreed to pay the Government \$5,982,865, of which \$4,250,365 was restitution.

- A DoD contractor disclosed in 2018 that one of its employees falsified certification inspections of welding work for aircraft carriers and submarine parts that were incomplete or unacceptable. The contractor investigated this matter and re-inspected the parts falsely certified by the employee. In 2021, the contractor reimbursed \$214,175.79 to the Government and terminated the employee, who was also debarred from doing business with the Government for 3 years. DCIS and NCIS jointly investigated the matter.

Whistleblower Reprisal Investigations

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

- members of the Armed Forces;
- appropriated fund (civilian) employees of the DoD, including members of the DoD intelligence community and DoD employees with access to classified information;
- employees of DoD contractors, subcontractors, grantees, subgrantees, and personal service contractors; and
- 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 oversees whistleblower reprisal cases handled by the Military Services or DoD 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 IG. The WRI Directorate conducts the investigations and oversight under the authority of the IG Act of 1978; Presidential Policy Directive 19; and 10 U.S.C section 1034, 1587, and 2409.

Alternative Dispute Resolution Program

The DoD OIG’s Alternative Dispute Resolution (ADR) program, managed by WRI, offers a voluntary process in which parties use mediation or facilitated settlement negotiations to mutually resolve complaints instead of going through a lengthy investigative process. Voluntary resolutions through ADR can provide timely relief for whistleblowers, help reduce the time for

resolving cases, and allow limited investigative resources to be allocated to completing other investigations in a timely manner. The ADR process is facilitated by neutral third parties, DoD OIG ADR attorneys, who help the parties resolve the complaint. If both parties in a complaint (the complainant and employer) agree to participate in ADR, the DoD OIG ADR attorney helps the parties explain their interests and concerns, explore possible solutions, and negotiate a resolution. Examples of resolutions that have been reached include monetary relief, expungement of negative personnel records, neutral references, re-characterizing discharge as resignation, temporary reinstatement until new employment is secured, agency personnel training, debt forgiveness, reassignment, leave restoration, and improved working relationships. During the reporting period, 19 cases involving allegations of whistleblower reprisal were voluntarily resolved by the complainants and their employers through the ADR process. As of September 30, 2021, the DoD OIG had 36 cases in the ADR process.

Reprisal and Military Restriction Investigations

During this reporting period, the DoD OIG received 905 complaints alleging reprisal or restriction of a Service member from communicating with a Member of Congress or an IG, or both.

WRI received 436 complaints through the DoD Hotline and the Service and DoD agency OIGs received 469 complaints and reported them to the DoD OIG during this reporting period.

Of the 436 complaints received by the DoD OIG through the DoD Hotline during this reporting period:

- 60 were under review or investigation by the DoD OIG at the end of the reporting period;
- 307 were dismissed during the reporting period as having insufficient evidence to warrant an investigation or were withdrawn;
- 3 were resolved through the ADR process;
- 32 were pending in ADR at the DoD OIG; and
- 34 were referred to either a Service or Defense agency OIG and are still open.

Of the 469 complaints received at a Service or DoD agency OIG and then reported to the DoD OIG during this reporting period:

- 47 were assumed by the DoD OIG for review and investigation,
- 33 were submitted to and under review at the DoD OIG,

- 25 will be closed by the DoD OIG pending notification to the complainant,
- 124 were closed by the DoD OIG and the complainant notified, and
- 240 were still open.

The 815 complaints closed by the DoD OIG and the Service and DoD agency OIGs during this reporting period included 324 received in prior reporting periods:

- 623 were dismissed without an investigation by the DoD OIG or the Service and DoD agency OIG, because they did not raise an inference of reprisal, were untimely, or the DoD OIG referred the complainant to the Office of Special Counsel, which has primary jurisdiction over civilian reprisal complaints;
- 62 were withdrawn by the complainant;
- 10 were resolved through the ADR process; and
- 120 were closed following full investigation by either the DoD OIG or a Service or Defense agency OIG.

Of the 120 investigations closed, 105 involved whistleblower reprisal (15 substantiated) and 15 involved restriction from communicating with a Member of Congress or an IG (2 substantiated).

There are 683 open reprisal and restriction complaints with the DoD OIG and the Service and DoD agency OIGs at the end of this reporting period. Of the 683 open reprisal complaints:

- 36 were pending in the ADR process at the DoD OIG,
- 99 were under review by the DoD OIG,
- 500 were under review by a Service or DoD agency OIG, and
- 48 were submitted by a Service or Defense agency OIG to the DoD OIG for oversight and approval.

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

Of the 120 investigations closed during the reporting period, 15 substantiated whistleblower reprisal. The following summaries describe those substantiated allegations of reprisal.

- A Civil Service manager wrote negative comments in a Civil Service subordinate's promotion nomination justification statement in reprisal after the subordinate made protected disclosures about nepotism by the manager to the chain of command. Corrective action is pending.

- An Army Active Guard Reserve (AGR) major issued an Army AGR master sergeant an unfavorable NCO evaluation report; and an Army AGR lieutenant colonel delayed the processing of, and then disapproved, the master sergeant's request for continued service in the Regular Army; and endorsed the unfavorable NCO evaluation report, in reprisal after the master sergeant made protected communications to his commanding general about a hostile work environment created by the lieutenant colonel. Corrective action is pending.
- An Army colonel threatened to downgrade an Army captain's end-of-tour award in reprisal after the captain made protected communications to the chain of command about harassment, bullying, toxic leadership, and interference in unit affairs by an Army lieutenant colonel. Corrective action is pending.
- An SES member and a Civil Service manager reduced a subordinate civilian employee's duties and responsibilities and involuntarily reassigned the subordinate to another position in reprisal for making protected disclosures to the chain of command when reporting nepotism in the hiring of the senior manager's spouse for a position. The senior manager's spouse was removed. Corrective action is pending.
- A territorial Army National Guard adjutant general reassigned a National Guard colonel to a duty position not commensurate with his or her rank, initiated action to deny his or her extension on active duty, and threatened to administer a reprimand with the assistance of an Army National Guard colonel, in reprisal after the colonel made protected communications to CID that the adjutant general improperly collected more than \$26,000 in overseas housing allowance. Corrective action is pending.
- The same Army territorial National Guard adjutant general reassigned a National Guard colonel to a duty position not commensurate with the colonel's rank in reprisal after the colonel made protected communications to Army Criminal Investigation Division investigators about allegations that the adjutant general improperly collected more than \$26,000 in overseas housing allowance. This investigation was initiated following a complaint filed with the DoD Hotline. Corrective action is pending.
- An Air Force major issued an Air Force captain an unfavorable letter of evaluation in reprisal for the captain informing the major he would

seek IG assistance to clarify a suspected illegal order given by the major. The major received a verbal counseling.

- A civilian senior supervisor significantly lowered a subordinate civilian employee’s annual appraisal in reprisal for the subordinate making protected disclosures to an IG alleging misconduct by the senior manager/supervisor. Corrective action is pending.
- An Air Force technical sergeant, staff sergeant, and senior airman threatened to issue a letter of counseling to a subordinate airman in reprisal after the subordinate airman made protected communications to the chain of command, an equal opportunity office, and an IG about recurring noise issues at the dorm, racial discrimination, hazing, bullying, and the threat of a letter of counseling. The technical sergeant received a verbal counseling. The staff sergeant and senior airman each received a letter of counseling.
- An Army sergeant first class delayed an Army specialist’s promotion packet submission and initiated a suspension of favorable personnel actions after the specialist made protected communications to an IG alleging the sergeant first class created a hostile work environment and requesting help to receive a selective re-enlistment bonus that was denied by the sergeant first class. Corrective action is pending.
- A Navy commander issued a Navy lieutenant commander an unfavorable evaluation in reprisal after the lieutenant commander made protected communications to members of the chain of command that the commander engaged in inappropriate behavior with junior officers and fraternized with an enlisted Service member. Corrective action is pending.
- An Air Force major issued an Air Force senior airman a career-limiting enlisted performance report in reprisal after the senior airman made protected communications to the chain of command, an equal opportunity office, and his senator regarding discrimination, bullying, harassment, and a hostile work environment. Corrective action is pending.
- Two Army majors issued an Army chief warrant officer an unfavorable officer evaluation report and recommended reassignment of the warrant officer in reprisal after the warrant officer made protected communications to members of the chain of command regarding a classified information spillage incident and communications security policy violations. Corrective action is pending.
- A Navy commander threatened an Army second lieutenant, adversely affecting the lieutenant’s active duty tour by changing the lieutenant’s work conditions, issuing an unfavorable counseling, and reducing the lieutenant’s leave period in reprisal after the lieutenant made protected communications to equal opportunity office representatives. The lieutenant alleged the commander created a hostile work environment, had a toxic leadership style, and was disrespectful to employees. This investigation was initiated following a complaint filed with the DoD Hotline. Corrective action is pending.
- An Army colonel gave an Army lieutenant colonel a negative counseling, reassigned the lieutenant colonel, returned the lieutenant colonel from overseas duty early, and ordered the lieutenant colonel to undergo a mental health evaluation in reprisal after the lieutenant colonel made a protected communication to the chain of command regarding inappropriate behavior, a hostile work environment, and counterintelligence violations by an Air Force colonel and of an intent to file complaints with an equal opportunity office. This investigation was initiated following a complaint filed with the DoD Hotline. Corrective action is pending.

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

Of the 120 investigations closed during the reporting period, 2 substantiated military restriction. The following are descriptions of the two substantiated allegations of restriction closed during the period.

- An Army National Guard command sergeant major attempted to restrict an Army National Guard chief warrant officer and other Service members’ communications with an IG when the command sergeant major stated to the chief warrant officer and other Service members, “God knows all these officers... like to go to the IG every month.” Corrective action is pending.
- An Air Force colonel restricted an Air Force captain by stating words to the effect of “we have the IG system rigged by people we know and can ensure people do not testify.” Corrective Action is pending.

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 during this reporting period by Components for substantiated reprisal cases that were closed in prior reporting periods.

- An Air Force captain influenced a letter of reprimand, influenced non-judicial punishment, and issued a referred officer performance report to an Air Force second lieutenant in reprisal after the second lieutenant made protected communications reporting alleged improper control and use of prescription drugs to the chain of command. Additionally, an Air Force major issued a letter of reprimand, issued a letter of counseling, influenced a letter of admonishment, and endorsed a referred officer performance report to the second lieutenant in reprisal for the protected communications. Finally, an Air Force lieutenant colonel issued two letters of reprimand, referred the second lieutenant for a commander-directed mental health evaluation, concurred with the referred officer performance report, and removed the second lieutenant from a promotion list in reprisal for the protected communications. This investigation was initiated following a complaint filed with the DoD Hotline. The major and captain each received a verbal counseling. The lieutenant colonel received a letter of counseling, which was later rescinded upon rebuttal.
- An Air Force master sergeant restricted an Air Force technical sergeant from communicating with an IG or Member of Congress by giving the technical sergeant a letter of counseling stating that all future complaints had to start at the lowest level of the chain of command, and if the technical sergeant jumped the chain of command while

complaining, the technical sergeant would receive a harsher punishment. The master sergeant received a verbal counseling.

- An Army National Guard captain restricted subordinate Service members from contacting the IG by telling them they would be removed from the forward operating area if they filed a complaint concerning per diem payments. The captain received a written reprimand.
- An Air Force colonel made restrictive comments to subordinate Service members during a unit formation, telling them that anyone who files an IG complaint will be kicked out of their troop and reassigned or even removed from the Army. The colonel received a verbal counseling.

Substantiated Reprisal Cases Closed in Prior Reporting Periods for Which Management Decided Not to Take Corrective Action

The DoD did not decline to take action on any cases during this reporting period.

Untimely Departmental Responses to Substantiated Military Whistleblower Reprisal Investigations

During this reporting period, there were no cases in which more than 180 days elapsed since the relevant inspector general provided the report of investigation to the Secretary concerned and the Secretary had not responded. Table 1 shows one case for which the response was received after more than 180 days elapsed from the date that the relevant inspector general provided the report of investigation to the Secretary concerned. There were no cases in which the Secretary's response took issue with the IG's determination that an act of reprisal occurred.

Table 1. Case 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
20170731-045524-CASE-01	Air Force	10/16/2020	6/8/2021	235

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

During the reporting period there was one whistleblower reprisal investigation closed as not substantiated that involved subjects who are commissioned officers at or above the pay grades of O-6, employees in grades GS-15 or above, and non-General Schedule employees making 120 percent or more of the minimum GS-15 rate of pay.

- An Army lieutenant colonel alleged an Army colonel issued the lieutenant colonel a counseling statement restricting access to an IG and wrote a referred evaluation; another Army colonel threatened to provide inputs to the referred evaluation; another Army colonel threatened to initiate an investigation, threatened the lieutenant colonel's career, and endorsed the referred evaluation; and an Army brigadier general relieved the lieutenant colonel, imposed a suspension of favorable personnel actions, restricted contact with an IG, threatened the lieutenant colonel with an other-than-honorable discharge, and issued another referred evaluation after the lieutenant colonel made protected communications to the chain of command and an IG about alleged regulation violations. This investigation was initiated following a complaint filed with the DoD Hotline.

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 were closed as not substantiated involving subjects in the grade or rank of colonel (O-6) and above, or Federal employees in grades GS-15 and above during the reporting period.

Whistleblower Protection Coordinator

The Whistleblower Protection Coordinator employs a comprehensive strategy to educate all DoD employees—including Military Service members, defense contractors, subcontractors, grantees, sub-grantees, civilian appropriated fund and nonappropriated fund instrumentality employees, and employees within the DoD intelligence community—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 reprisal, 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 to DoD employees regarding the whistleblower protection statutes and avenues they may seek for review of reprisal allegations. Additionally, the WPC engaged with 1,041 contacts and recorded 18,695 visits to the WPC and Whistleblower Reprisal Complaint and Investigation webpages.

Investigations of Senior Officials

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

The ISO Directorate also conducts oversight reviews of Military Service and DoD agency IG investigations of misconduct involving active duty, retired, Reserve, or National Guard military officers in the rank of one-star

CORE MISSION AREAS

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; SES members; SES members of the Defense Intelligence Community; and political appointees within the DoD.

The WRI Directorate investigates allegations of reprisal involving senior officials and oversees DoD Component investigations of these allegations.

As of September 30, 2021, the DoD OIG had 460 open senior official cases. From April 1, 2021, through September 30, 2021, the DoD OIG received 528 new complaints of senior official misconduct and closed 384 cases related to complaints received in previous reporting periods and the current reporting period.

Of the 384 cases closed, 341 were closed after investigators performed an intake review, which included complaints that were closed upon the initial review and complaints that were closed after a complaint clarification interview with the complainant and other limited investigative work. The remaining 43 cases were closed following a formal investigation by the DoD OIG, or a formal investigation by the Military Service IGs, DoD agency IGs, or other organizations that was oversights by the DoD OIG. Investigators substantiated allegations of misconduct in 18 formal investigations.

Table 2 shows the number of complaints received, and the number of cases closed and substantiated.

Table 2. Senior Official Complaints Closed April 1, 2021 through September 30, 2021

Service or Agency in Which the Allegations Occurred	DoD OIG Workload		Cases Closed from April 1, 2021 – September 30, 2021				Cases Remaining Open as of September 30, 2021			
	Cases Open on April 1, 2021	Complaints Received since April 1, 2021	Closed at DoD OIG After Intake Review	DoD OIG Investigations	DoD OIG Oversight Review of Component Investigations	Substantiated Investigations ¹ (Substantiation Rate ²)	DoD OIG Intakes	DoD OIG Investigations	DoD OIG Oversight Review of Component Investigations	Cases with Components
Air Force	16	47	23	0	5	3 (60%)	22	1	1	12
Army	105	142	118	0	10	4 (40%)	64	0	3	51
Marine Corps	15	53	37	0	6	1 (17%)	8	0	0	17
Navy	52	129	80	0	7	4 (57%)	37	1	1	55
COCOM/ Defense Agency/ Other	128	157	83	1	14	6 (40%)	86	9	7	85
Total	316	528	341	1	42	18 (42%)	217	11	12	220

¹ These include both DoD OIG and Component Investigations.

² The substantiation rate is a percentage, which equals the Substantiated Investigations divided by the total number of DoD OIG Investigations and DoD OIG Oversight Review of Component Investigations.

Senior Official Name Checks

DoD officials submit name check requests to the DoD OIG to determine whether the DoD OIG has any reportable information when senior officials within the DoD are pending confirmation by the Senate; being considered by the Military Services for promotion; or being considered by the Military Services and DoD Components for awards (including Presidential Rank Awards), assignment, and retirement. The DoD OIG processed 15,474 name checks during this reporting period.

Substantiated or Significant Senior Official Cases Closed by the DoD OIG

The DoD OIG closed one substantiated or significant senior official cases during the reporting period.

- The DoD OIG initiated an investigation to address allegations that Mr. Brett J. Goldstein, Director, Defense Digital Service, fostered a negative work environment by failing to treat his subordinates with dignity and respect. The DoD OIG also examined the emergent allegation that Mr. Goldstein used and condoned the use of an unauthorized electronic messaging and voice-calling application to discuss official DoD information. The DoD OIG concluded that Mr. Goldstein did not fail to treat subordinates with dignity and respect. The DoD OIG also concluded that Mr. Goldstein used and condoned his subordinates' use of Signal, an unauthorized electronic messaging and voice-calling application, to discuss official DoD information. This case was not referred to the Department of Justice. The Secretary of Defense's action is pending. This investigation was initiated following numerous complaints filed with the DoD Hotline.

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

Service and DoD Agency IGs substantiated eight significant senior official cases during the reporting period.

- A Navy rear admiral (lower half) sexually harassed a married female subordinate. The admiral hugged her and kissed her once on the cheek and once on the mouth. His advances were unwelcome, sexual in nature, and affected the employee's work environment. The admiral was issued a punitive letter of reprimand and relieved of his command.

- An SES member displayed inappropriate material and told inappropriate jokes in the workplace, made repeated comments and gestures of a sexual nature, and used excessive profanity. Corrective action is pending.
- An SES member drank alcoholic beverages in the workplace during office hours. The member admitted that he drank beer in his office without authorization (that is, for an approved special event during which employees may consume alcoholic beverages). Corrective action is pending.
- An SES member misused Government resources and violated information technology acceptable use policy when he sent an official e-mail with a link to a pornographic website. The member sent an e-mail, which included a link he believed went to an official survey, but actually contained explicit pornographic photos. That e-mail was subsequently distributed to 101 other employees. The member retired during the course of the investigation.
- A Defense Intelligence SES member acted inappropriately toward a subordinate employee by sending her personal correspondence and personal gifts on various occasions. The member acknowledged that he gave this employee multiple gifts and hosted a private lunch with her in his office. The member considered the employee a closer friend than other people at work and acknowledged his actions could give the perception of preferential treatment. Corrective action is pending.
- An SES member participated personally and substantially as a Government employee in his official capacity in a particular matter, knowing that his involvement could have a direct effect on his spouse, who had a financial interest as a subcontractor involved with that matter. This investigation was initiated following a complaint filed with the DoD Hotline. Corrective action is pending.
- An SES member misused subordinate personnel to perform duties outside the scope of official work when he allowed his executive officer to drive him to various meetings in his personal vehicle two to three times per month. The member also failed to act impartially and exhibited preferential treatment by hiring and assigning employees based on personal relationships. The member demonstrated toxic leadership. This investigation was initiated following a complaint filed with the DoD Hotline. Corrective action is pending.

- An Army brigadier general exhibited toxic leadership and failed to foster a healthy command climate. The brigadier general made inappropriate comments, belittled and demeaned subordinates, and created an environment of micromanagement and fear by frequent and unexplained reorganizations of senior leadership and staff. Corrective action is pending.

ISO Oversight Review of D.C. National Guard's Use of Helicopters on June 1, 2020

The oversight review determined that the Department of the Army Inspector General (DAIG) analysis of the facts was reasonable based on the available evidence in this case and the declared emergency nature of the situation on June 1, 2020. The evidence supports a determination that the decision by DCNG officials, including BG Robert Ryan, to use helicopters in support of the civil disturbance operation based on the emergent nature of the situation and broad directions from the President of the United States (POTUS), the Secretary of Defense (SD), and the Secretary of the Army (SecArmy) was reasonable. We also reviewed the recommendations contained in the DAIG ROI and agree that the DCNG AR 15-6 findings merit reconsideration because our review found insufficient evidence to support them. We reviewed the other recommendations in the DAIG ROI and recommended that the DoD review and consider extending those recommendations to other DoD units that may provide similar helicopter support to law enforcement authorities in civil disturbance operations.

Qualitative Assessment Review of the Administrative Investigative Operations of the Defense Logistics Agency Office of Inspector General

The DoD OIG completed a qualitative assessment review of the Defense Logistics Agency Office of Inspector General. This was the first review of an administrative investigative operation within a Defense Agency conducted by the DoD OIG. The DoD OIG determined that the system of internal safeguards and management procedures for the investigative function of the DLA OIG in effect for the year ended December 31, 2019, was not in compliance with the quality standards established by the DoD or with other applicable guidelines. The DoD OIG identified deficiencies in the areas of case management systems, confidentiality, quality assurance, and whistleblower

reprisal investigations. The DoD OIG also determined that the DLA OIG's internal controls did not provide reasonable assurance that the DLA OIG conformed to professional standards in the planning, execution, and reporting of its investigations. The DoD OIG made 20 recommendations to address the deficiencies identified during the review. The DLA OIG concurred with all of the findings and agreed to take actions in response to each of the recommendations.

Administrative Investigations Outreach and Training

Hotline World Wide Outreach and Observance of National Whistleblower Appreciation Day

In observance of National Whistleblower Appreciation Day, the DoD OIG held its Annual Hotline Worldwide Outreach on July 29, 2021. Attendees were from 33 Defense agencies, 13 external Federal agencies, and 2 media outlets. Highlights of the event were briefings by DoD Acting Inspector General Sean O'Donnell; Ms. Shanna Devine, Director, House Office of the Whistleblower Ombudsman; and a DCIS investigative analyst. Mr. O'Donnell discussed the importance of protecting the identities of whistleblowers. Ms. Devine educated the Hotline community on the importance of creating an environment where the whistleblower feels confident and protected to come forward with knowledge of waste, fraud, and abuse using her brief entitled, "Building Trust and Protecting Whistleblower Confidentiality." The DCIS investigative analyst provided the cradle-to-grave process for Hotline cases referred to DCIS. Other highlights were panel discussions with participants from the Army and Air Force OIGs, the DHA, and the DoD OIG Hotline about "Expecting the Unexpected" and "Best Practices." Mr. O'Hara was presented a plaque as Whistleblower of the Year for his disclosure to the DoD Hotline of contract fraud and overcharging that resulted in a settlement of \$25 million in restitution to the U.S. Government.

Whistleblower Reprisal Investigations Course

AI held six virtual Whistleblower Reprisal Investigations courses for Military Service, Defense agency, and other Federal agency IG representatives. 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

The Hotline conducted three virtual Hotline Investigator training courses. The courses covered the DoD Hotline standards, mission, responsibilities, the complaint process, and Hotline Completion Reports:

- April 29, 2021, for Washington Headquarters Services; there were 17 attendees;
- May 25, 2021, for the MDA, there were 17 attendees; and
- June 15, 2021, for the DHA, there were 20 attendees.

Hotline Working Groups

The DoD OIG Hotline hosted a virtual Hotline Working Group (HWG) meeting on June 1, 2021. The meeting consisted of 111 attendees from a combination of 23 DoD agencies and 13 external Federal agencies. The HWG discussed the highly anticipated transition to the Defense Case Activity Tracking System Enterprise (D-CATSe) as the single administrative investigation case management system for the DoD oversight community. D-CATSe provides streamlined and automated functionality to enhance administrative investigation business processes. Other topics were the importance of protecting IG sources of information, COVID-19 contacts prioritization, and the Hotline Worldwide Outreach event.

The Contractor Disclosure Program (CDP) conducted a virtual outreach with CDP stakeholders on June 24, 2021. The 25 attendees were from the Defense Contract Management Agency, the Defense Contract Audit Agency (DCAA), the Department of Justice, Defense Criminal Investigative Organizations, and suspension and debarment officials from DoD Components. The agenda covered the DoD OIG transition to updated D-CATSe software, socialization of the published Contractor Disclosure Instruction dated June 3, 2021, and our continued collaboration. The DCAA Justice Liaison Auditor provided an overview of DCAA’s significant role working as a stakeholder in the CDP.

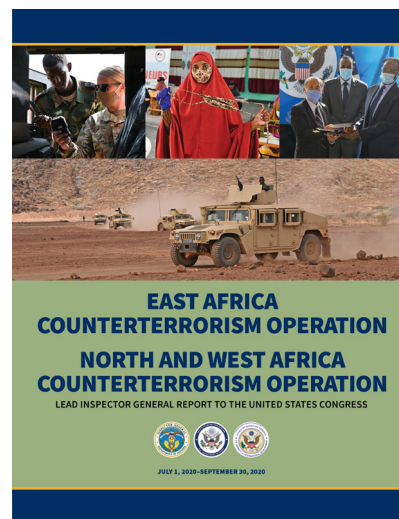
LEAD INSPECTOR GENERAL

The DoD OIG’s OCO Component supports the DoD IG’s Lead Inspector General responsibilities to coordinate and report on oversight of overseas contingency operations. The DoD IG, as the designated 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 2020 National Defense Authorization Act, which amended Section 8L of the Inspector General Act, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Chair must designate a Lead IG not later than 30 days after receiving notification from the Secretary of Defense of an overseas contingency operation that is expected to exceed or has exceeded 60 days, or after the commencement or designation of an overseas contingency operation has otherwise exceeded 60 days. The Lead IG must be designated from among the IGs for the DoD, DoS, and USAID.

The OIGs for these agencies are responsible for staffing and supporting the Lead IG, ensuring that they provide comprehensive oversight of and reporting on all aspects of the OCO. Specified Lead IG requirements and authorities cease at the end of the first fiscal year after the commencement or designation of the overseas contingency operation in which the total amount appropriated for the contingency operation is less than \$100 million.



During this reporting period, the Lead IG agencies issued reports for two OCOs: Operation Inherent Resolve (OIR), and Operation Freedom’s Sentinel (OFS).

OIR’s mission is to counter 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, ISIS-Khorasan, and their affiliates in Afghanistan; and the North Atlantic Treaty Organization (NATO)-led Resolute Support mission (“Resolute Support”) to train, advise, and assist Afghan security forces. 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. As of August 31, 2021, the United States had withdrawn all military, diplomatic, and humanitarian assistance personnel from Afghanistan. At the end of the period, OFS was still active, but the mission was under review.

Quarterly Reporting

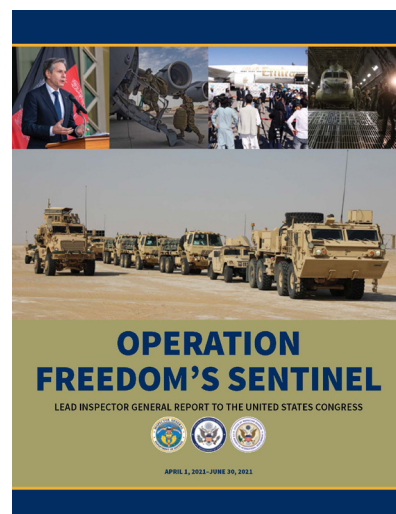
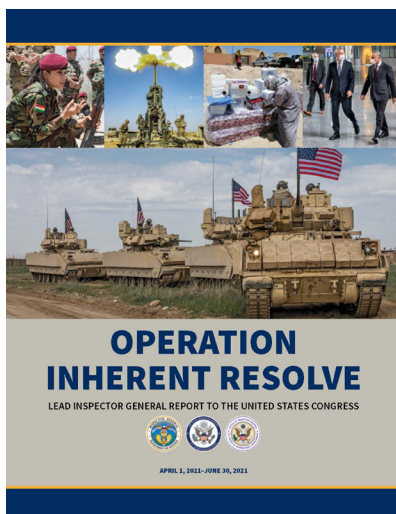
The three Lead IG agencies publish a quarterly report to Congress for each OCO with a designated Lead IG. The reports each discuss operations and current, ongoing, and future oversight work conducted by the Lead IG and its partner agencies.

During this reporting period, the three Lead IG agencies published unclassified quarterly reports on OIR and OFS. The DoD OIG also published classified appendixes for OIR and OFS, and provided those appendixes to relevant agencies and congressional committees. All Lead IG quarterly reports can be accessed online at <https://www.dodig.mil/Reports/Lead-Inspector-General-Reports/>.

Lead IG Oversight Planning and Coordination

The Lead IG agencies coordinate their oversight through the quarterly Overseas Contingency Operations Joint Planning Group. This quarterly meeting informs planning activities and coordinates projects among oversight entities. It serves as a venue to coordinate audits, inspections, and evaluations for OIR and OFS, as well as other projects related to other Lead IG oversight activities. 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 DoD OIG Deputy Inspector General for OCO 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 COP-OCO, discussed below, contains the Joint Strategic Oversight Plans for OIR and OFS, as well as other projects related to previous Lead IG Contingency Operations.



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 plans to issue its most recent plan, the FY 2022 Comprehensive Oversight Plan for Overseas Contingency Operations (COP-OCO), to Congress in November 2021.

The FY 2022 COP-OCO describes specific projects that the Lead IG agencies and the Overseas Contingency Operations Joint Planning Group members expect to conduct during FY 2022. This joint planning process provides whole-of-government oversight of contingency operations, and represents an unprecedented interagency model. This is the seventh annual joint strategic oversight plan from the Lead IG

for OCO. This comprehensive oversight plan contains ongoing and planned oversight projects for FY 2022, some of which apply to multiple overseas contingency operations. The projects are informed by past oversight work and management challenges identified by the Lead IG agencies and partner agencies.

Lead IG Oversight Work

During the reporting period, the COVID-19 pandemic affected the three Lead IG agencies' ability to audit and evaluate OCOs. Due to the evacuation of most deployed staff from the OIR and OFS areas of operations and host country-imposed travel restrictions, some oversight projects by Lead IG agencies were delayed, suspended, revised, or deferred.

Despite these limitations, the three Lead IG agencies published 8 reports on completed oversight projects during this reporting period. Table 3 lists the final report title, report number, and date of issuance for the eight reports that the DoD OIG completed during the reporting period for OIR and OFS. The full final report summaries for these projects are included in the Audit, Evaluations, or Other Oversight Matters sections of this report.

Table 3. DoD OIG Lead IG Oversight Reports Issued During April 1, 2021 through September 30, 2021

Report	Report Number	Release Date
Department of Defense Office of Inspector General		
Audit of Defense Logistics Agency Award and Management of Bulk Fuel Contracts in Areas of Contingency Operations	DODIG-2021-129	September 23, 2021
Followup Audit of Army Oversight of Logistics Civil Augmentation Program IV Government-Furnished Property in Afghanistan	DODIG-2021-127	September 22, 2021
Management Advisory: Identifying and Reporting Possible Human Trafficking Violations and Abuse Against Afghan Special Immigrant Visa Applicants and Other Afghan Refugees	DODIG-2021-132	September 21, 2021
Management Advisory: Handling of Equipment With Sensitive Information and Records Retention Requirements Related to the Withdrawal From Afghanistan	DODIG-2021-111	August 11, 2021
Audit of the Cybersecurity of Department of Defense Additive Manufacturing Systems	DODIG-2021-098	July 1, 2021
Followup Audit on the U.S. Army's Management of the Heavy Lift Commercial Transportation Contract Requirements in the Middle East	DODIG-2021-097	July 1, 2021
Evaluation of Kinetic Targeting and Civilian Casualty Reporting in the USCENTCOM Area of Responsibility	DODIG 2021-084	May 18, 2021
Evaluation of Combatant Command Counter Threat Finance Activities	DODIG-2021-082	May 18, 2021

Lead IG Investigations

The investigative components of the Lead IG agencies and their partner agencies continued to conduct investigations related to OCOs during the semiannual reporting period. With the withdrawal of U.S. forces from Afghanistan, DCIS and investigative components of other Lead IG agencies closed their offices in Afghanistan. However, Lead IG investigators are working on OCO-related cases from offices in Bahrain, Germany, Kuwait, Qatar, and the United States.

During this reporting period, Lead IG investigative agencies coordinated on 152 open OIR-related investigations, and 130 open OFS-related investigations. The open investigations involve procurement and grant fraud, corruption, computer intrusion, theft, and human trafficking. The Lead IG agencies and partners continue to coordinate their investigative efforts through the Fraud and Corruption Investigative Working Group, which consists of representatives from DCIS, the Lead IG agencies, and

their partners. During this reporting period, the Fraud and Corruption Investigative Working Group conducted 90 fraud awareness briefings for 803 participants.

Lead IG Hotline Activities

Each Lead IG agency has a dedicated hotline to receive complaints and contacts specific to its agency. However, the DoD OIG has assigned a DoD Hotline investigator to coordinate contacts received from the Lead IG agencies and others, as appropriate. During the reporting period, the investigator opened 167 cases in support of OIR and 50 cases in support of OFS. 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, reprisal, and security.



3. ENABLING MISSION AREAS

CONGRESSIONAL ENGAGEMENTS

The DoD OIG routinely engages with Congress to proactively share information about DoD OIG oversight work; participates in congressional briefings and hearings; communicates DoD OIG needs and concerns; provides feedback on proposed legislation as requested by the DoD, CIGIE, congressional committees, and Members of Congress; and responds to inquiries and requests from congressional committees, Members of Congress, and congressional staff.

Congressional Hearings

On April 15, 2021, Mr. O'Donnell testified before the House Armed Services Committee, Subcommittee on Military Personnel, at its hearing on "Department of Defense Inspector General and the Service Inspectors General: Roles, Responsibilities, and Opportunities for Improvement." In his testimony, Mr. O'Donnell discussed the relationship between the DoD OIG and other elements of the Defense Oversight Community and how this community works together to provide critical independent oversight of the DoD's operations and personnel. He also discussed the DoD Hotline, which is administered by the DoD OIG. He described the DoD Hotline's key role in providing a confidential, reliable means by which to report fraud, mismanagement, or other administrative or criminal misconduct. Mr. O'Donnell outlined how the DoD OIG determines whether to assume responsibility to investigate allegations of senior official misconduct and whistleblower reprisal or refer them to another entity, and how the DoD OIG carries out its oversight responsibilities when it makes such referrals.

The written statement for Mr. O'Donnell's hearing testimony is available at:

<https://media.defense.gov/2021/Apr/15/2002621862/-1/-1/1/SEAN%20O'DONNELL,%20DOD%20OIG%20TESTIMONY%20BEFORE%20HASC%20SUBCOMMITTEE%20ON%20MILITARY%20PERSONNEL.PDF>

Congressional Requests

The DoD OIG's Office of Legislative Affairs and Communications (OLAC) is the designated point of contact in the DoD OIG for communications with Congress. OLAC regularly receives and coordinates responses to congressional inquiries involving constituent matters, meeting requests, DoD OIG oversight, and more. During the reporting period, OLAC received more than 130 congressional inquiries. In addition, OLAC proactively informed congressional stakeholders about DoD OIG reports and DoD OIG oversight, provided report summaries, highlighted work of interest to specific committees and Members, and communicated about work conducted in response to congressional interest and legislative mandates.

Engagements With Congressional Members and Staff

During the reporting period, the DoD OIG conducted more than 100 engagements with congressional staff and Members of Congress, such as outreach to:

- work with staff for Rep. Jackie Speier (D-CA-14), the House Armed Services Committee (HASC), and the Senate Armed Services Committee (SASC) to advance proposed amendments to section 554 of the FY 2021 NDAA that would remedy conflicts with the Inspector General Act of 1978 and impairment of IG statutory independence;
- keep congressional staff informed regarding the DoD OIG's oversight work related to COVID-19 and share with appropriators the DoD OIG's funding needs and expenditures related to providing oversight of the DoD's COVID-19 response;
- apprise the DoD OIG's committees of jurisdiction of its progress in carrying out the requirements of section 554 of the FY 2021 NDAA and establishing the organization, structure, staffing, and funding of the office of the new Deputy Inspector General for Diversity and Inclusion and Extremism in the Military;
- facilitate briefings on the DoD OIG's FY 2022 budget request and execution of appropriated funds for staff the Senate Appropriations Committee, Subcommittee on Defense, and House Appropriations Committee, Subcommittee on Defense;

- provide numerous briefings, requested documents, and additional information regarding Report No. DODIG-2020-079, “Report on the Joint Enterprise Defense Infrastructure (JEDI) Cloud Procurement,” April 15, 2020, to staff for several congressional committees and Members of Congress;
- provide updates to staff for the House Committee on Oversight and Reform (HCOR) and the Senate Judiciary Committee (SJC) on the ongoing audit of TransDigm Group, Inc.’s business model and its effect on DoD spare parts pricing;
- share an overview of the scope and methodology for the ongoing review of the DoD’s roles, responsibilities, and actions to prepare for and respond to the protest and its aftermath at the U.S. Capitol campus on January 6, 2021 with staff for the House Select Committee to Investigate the January 6th Attack on the U.S. Capitol;
- host sessions for staff from HASC, HCOR, and Rep. Speier’s office to discuss the relationship and interaction between the DoD IG and the Service IGs, and to provide an overview of how the DoD OIG manages DoD Hotline complaints and administrative investigations;
- continue discussions with staff for Sen. Gary Peters and the Senate Homeland Security and Governmental Affairs Committee (HSGAC), Senate Foreign Relations Committee (SFRC), SASC, House Foreign Affairs Committee (HFAC), and HCOR on a Lead IG legislative proposal to extend competitive status for Federal hiring purposes to employees of the three Lead IG agencies;
- facilitate briefings on Report No. DODIG-2021-105, “Evaluation of the DoD’s Actions to Control Contaminant Effects from Perfluoroalkyl and Polyfluoroalkyl Substances at DoD Installations,” July 22, 2021, for HASC and HSGAC staff;
- discuss the evaluation of the Air Force selection process for the permanent location of the U.S. Space Command Headquarters with staff from the SASC, HASC, Senate Select Committee on Intelligence (SSCI), House Permanent Select Committee on Intelligence, and interested Members of Congress;
- outline the scope and methodology of the evaluation of the DoD’s actions regarding unidentified aerial phenomenon for SASC and SSCI staff;
- discuss concerns regarding whistleblower protections for members of the National Guard and the DoD OIG’s planned expansion of coverage for National Guard whistleblowers with staff for Sen. Tammy Baldwin (D-WI); and
- communicate the DoD OIG’s feedback regarding provisions being considered for inclusion in the FY 2022 NDAA to SASC and HASC staff.



The U.S. Capitol
Source: iStock.

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. The DoD OIG is an active participant in CIGIE activities, attending monthly CIGIE meetings and participating as a member in the weekly CIGIE Pandemic Response and Accountability Committee meetings. The DoD OIG is also engages in the many committees and working groups that the CIGIE operates throughout the year including the Audit, Technology, Inspections and Evaluation, and Investigations committees and the Disaster Assistance and Enterprise Risk Management (ERM) working groups.

Defense Council on Integrity and Efficiency

The Defense Council on Integrity and Efficiency (DCIE) is chaired by the DoD Inspector General and meets on a periodic basis 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 Data Analytics.

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 (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. USAAA's staff consists of approximately 500 employees and provides audit support to all aspects of Army operations. USAAA's mission as an integral part of the Army team is to serve the Army's evolving needs by helping Army leaders assess and mitigate risk. The USAAA provides solutions through independent internal auditing services, for the benefit of Army Soldiers, Civilians, and Families. 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 reporting period, the USAAA published 47 reports, made more than 170 recommendations, and identified about \$327 million in potential monetary benefits.

Standard Mission-Essential Task Lists

The USAAA evaluated if the Army established standard mission-essential task lists (METLs) that set a common objective standard to support training readiness. A METL is a tailored group of mission essential tasks units must train to be proficient in their designed capabilities or assigned mission. The Army established standard METLs to ensure like-type units report training readiness the same way. The USAAA determined that the Army established standard METLs, but needed improvements to fully support training readiness reporting. The USAAA reviewed 270 METLs, which represented the common objective standard of training readiness for about 4,000 units. Of the 270 METLs, 243 (90 percent) had discrepancies that hindered training readiness. Specifically, they contained mission-essential tasks that did not align with corresponding training and evaluation outlines or unit echelons. Additionally, the USAAA identified different training and evaluation outlines versions for the same mission-essential tasks and inconsistent application of mission-essential tasks for comparable unit types. This occurred because the Army did not establish an effective governance structure that included synchronized responsibilities and systems. It also did not have clear guidance and training on how to develop, update, review, and approve METLs. These discrepancies could confuse units when developing mission-essential tasks-based training and could lead to subjective assessment of training proficiency. As a result, standard METLs may not be achieving the desired goal of standardizing training assessments to enhance the interoperability of Soldiers and modular formations.

Report No. A-2021-0047-FIZ

Evaluating the Occupational Physical Assessment Test

The USAAA evaluated whether the Occupational Physical Assessment Test (OPAT) achieved intended outcomes of reducing injuries and attrition rates. The intended goal of the Army's OPAT is to improve readiness and accession quality by decreasing injury and attrition rates. It consists of four events: a standing long jump, seated power throw, strength deadlift, and interval aerobic runs. The USAAA determined that OPAT, which was implemented in 2017, did not achieve

intended outcomes of reducing physical training injuries and associated attrition rates. However, physical training injury rates in 2014 through 2019 increased by an average of about 3 percent and associated attrition increased by an average of about 1.6 percent. This occurred because there was not a significant differentiation between assessment levels, a consistent baseline, and a formal process for monitoring and managing OPAT implementation progress. The USAAA evaluated injury rates before and after the Army instituted the test and determined that injury and attrition rates increased slightly. Before OPAT, physical training injury rates averaged 15.8 percent and associated attrition rates averaged 10.4 percent; after OPAT implementation, physical training injury rates averaged 18.5 percent and attrition rates averaged 12 percent. While most Soldiers scored highly on the OPAT, injury and attrition rates have not gone down. Almost 18,000 Soldiers at initial military training and about 6,000 Soldiers at duty station left the Army in 2017 through 2019 due to physical training-related issues, and it costs the Army about \$77,800 to train each new Soldier at initial military training during this timeframe.

Report No. A-2021-0052-FIZ

Army Execution of Science and Technology Funding

The office of the Secretary of the Army requested that the USAAA perform a comprehensive audit on the Army's processes to execute Science and Technology (S&T) funding in support of the Army's modernization priorities. The USAAA determined that the Army did not have assurance that it obligated and expended all of its S&T funding in accordance with approved modernization priorities. Though the Army could trace S&T funding obligated and expended directly from S&T project allotments, it had limited visibility of the execution of funding moved through reimbursable accounts and transactions. The USAAA reviewed 10 S&T projects that obligated about \$203.3 million of funding in FY 2019 through the third quarter of FY 2020. There was clear traceability of \$145 million obligated directly from project allotments within the Army's accounting system, the General Fund Electronic Business System. However, there was not clear traceability of about \$24.9 million moved into reimbursable carrier accounts and no traceability of \$33.4 million transferred into consolidated accounts. The USAAA reviewed 3 of the 33 consolidated accounts used by the Aviation and Missile Center, Armaments Center, and Ground Vehicle System Center in FY 2019 and FY 2020 to review how funds moved into the

accounts. The USAAA identified about \$4.2 million that was expired and either obligated or available for obligation. This occurred because the Army did not have an internal control framework within its alternative accounting processes to ensure that funding was executed through consolidated accounts appropriately and within the initial appropriations' period of availability. Additionally, the Army did not have standardized processes for establishing and using carrier accounts and documenting reimbursable transactions to ensure transparency of S&T funding execution. As a result, the Army was exposed to a high risk for potential Antideficiency Act violations.

Report No. A-2021-0054-AXZ, 23 June 2021

Design and Oversight of Performance-Based Logistics Contracts

The USAAA evaluated whether performance-based logistics contracting practices for Army weapon systems adhered to DoD's performance-based logistics (PBL) tenets. The USAAA determined that PBL contracts generally followed DoD's PBL guidance. Of the seven PBL contracts the USAAA reviewed, three strongly adhered to the PBL tenets. These contracts incorporated well-defined outcomes, favorable incentive arrangements, and measurable performance metrics supported by sufficient oversight and monitoring. Four contracts (all sole-source) did not always adhere to the PBL tenets. These contracts incorporated defined requirements outcomes and measurable performance metrics supported by sufficient oversight. For each contract, the historical contract price variance exceeded 4 percent. This should have warranted contracting official's consideration of a fixed-price incentive fee as the follow-on contract type. The Army officials may have missed opportunities to mitigate added pricing risk and elicit improved performance outcomes. Using the average annual cost of the four contracts, the USAAA estimated the Army could potentially save between \$12.3 million and \$49.1 million annually for these contracts. Potential savings could be greater if the Army incorporates best practices of incentive-fee contract arrangements into other existing PBL contracts.

Report No. A-2021-0071-BOZ

Contracting Practices, Hawaii Army National Guard

The USAAA evaluated whether contracting officials at Hawaii Army National Guard (HIARNG) issued and managed Task Order W912J6-18-F-5077 and its modifications in accordance with acquisition guidance.

The task order was to repair a building on the island of Oahu that had flooded due to a failed fire-suppression system and to remediate the resulting mold. The original task order was for \$502,000 and 17 subsequent modifications raised the cost to \$4.9 million.

The USAAA determined that personnel from HIARNG contracting office and construction and facilities management office did not issue and manage the task order and its modifications in accordance with acquisition guidance. They did not:

- adequately identify requirements, due to not having knowledge of mold remediation and deviating from the typical construction process to more quickly address the needed repair;
- ensure prices were fair and reasonable by fully documenting the source selection process, due to not knowing to prepare the required price negotiation memorandum for the task order;
- prepare reliable and independent government estimates for pricing modifications, due to the contracting officer accepting the independent government estimate for the modifications without question;
- prevent split purchases, for which USAAA couldn't identify the root cause; or
- correct issues identified through oversight reviews done in FYs 17 and 19.

As a result, the HIARNG had minimal assurance the prices it paid were fair and reasonable. Further, the HIARNG paid about \$152,000 for work that may not have been done and about \$94,000 in possible duplicate payments. During the audit, National Guard Bureau terminated the contracting officer's warrant. The U.S. Property and Fiscal Officer for HIARNG replaced the contracting officer with a warranted contracting officer new to the organization.

Report No. A-2021-0079-BOZ

U.S. ARMY CRIMINAL INVESTIGATION DIVISION

The mission of the U.S. Army Criminal Investigation Division (CID) is to support the Army through the deployment, in peace and war, of highly trained Special Agents and support personnel, the operation of a certified forensic laboratory, a protective services unit, computer crimes specialists, polygraph services,

criminal intelligence collection and analysis, and a variety of other services normally associated with law enforcement activities.

Significant Investigative Cases

Soldier Convicted of Rape of a Child, Sex Acts on a Child, and Lewd Acts on a Child

CID initiated this investigation following a report that Staff Sergeant Michael L. Wilson sexually assaulted his daughter on multiple occasions. CID assumed investigative responsibility from the Bryan County Sheriff's Office, Richmond Hill, Georgia, after their investigation concluded there were no viable leads. The daughter disclosed that her father touched her inappropriately and engaged in sexual acts with her on multiple occasions over the past 4 years. The CID investigation revealed that Lori A. Wilson, the dependent spouse of Wilson and the mother of the victim, encouraged the victim to tell her therapist and law enforcement that her original disclosure was a lie. The victim was re-interviewed and stated that she was told to lie to protect her family. However, she maintained that her original disclosure was true. During the course of the investigation, another female military dependent was identified as being sexually assaulted by Wilson. Wilson was interviewed and denied all allegations against him. On May 13, 2021, in a general court-martial at Fort Stewart, Georgia, Wilson was found guilty of rape of a child, sex acts on a child, and lewd acts on a child. He was sentenced to life confinement with the possibility of parole, reduction in rank to E-1, a dishonorable discharge, and was required to register as a sex offender. Mrs. Wilson was found guilty in United States District Court, Southern District of Georgia, of witness tampering and was sentenced to 70 months confinement, 3 years probation, and payment of \$20,000 in restitution. This was a joint investigation with the Bryan County Sheriff's Office and the Federal Bureau of Investigations, Savannah, Georgia.

Soldier Convicted of Murder, Communicating a Threat, and Failure to Obey General Order

CID initiated this investigation following a report from Child Protective Services and the El Paso Police Department, El Paso, Texas, that PFC Luis A. Morales-Sanchez was a suspect in the death of a 10-month-old child. Morales-Sanchez was the boyfriend of the child's mother. While in the care of Morales-Sanchez, the child reportedly began vomiting and stopped breathing. Emergency Services transported her to the hospital, where she was

pronounced deceased. An autopsy revealed bleeding in the child's brain and listed the manner of death as accidental and the cause of death blunt force injury to the head due to two alleged recent falls. Morales-Sanchez was interviewed and denied causing the injuries to the child. The mother was interviewed and described the two recent falls by her daughter, which she believed caused a bump and bruise to her forehead. The investigation was referred to the Forensic Assessment Center Network, University of Texas Health Science Center, Houston, Texas, for consultation, as the autopsy findings did not adequately explain the falls. The Forensic Assessment Center Network determined that the child's injuries were consistent with abusive head trauma and did not occur because of blunt force injury due to a fall. On May 10, 2021, in a general court-martial at Fort Bliss, Texas, Morales-Sanchez pleaded guilty to murder, communicating a threat, and failure to obey a general order and was sentenced to confinement for 40 years and 10 months, reduction in grade to E-1, and a dishonorable discharge. This was a joint investigation with the El Paso, Texas, Police Department.

Civilian Convicted of Distribution of Child Pornography

CID's Major Cybercrime Unit, initiated this investigation following a report from the National Center for Missing and Exploited Children CyberTipline about a Yahoo electronic mail account used to upload child pornography images from a Department of Defense IP address located on Fort Lee, Virginia. The Yahoo account was registered to Mr. Travis R. Chapell, a Government contractor employed on Fort Lee. On May 8, 2020, CID Agents, Department of Homeland Security (DHA) Agents, and local law enforcement executed a Federal search warrant on Chapell's off-base residence, where he admitted to possession, receipt, and distribution of child pornography. On September 17, 2020, in the Eastern District of Virginia, Chapell pleaded guilty to distribution of child pornography and was sentenced on February 25, 2021, to confinement for 151 months, supervised probation for 7 years, payment of \$39,000 in restitution, and was required to register as a sex offender. This was a joint investigation with DHA.

NAVY

Naval Audit Service

In support of Sailors, Marines, Civilians, and Families, NAVAUDSVC's mission is to provide Navy senior leadership with independent and objective audit and investigative support services targeted to improve program and operational efficiency and effectiveness while mitigating risk. Each year, NAVAUDSVC develops an annual audit plan based on the review of key strategic documents and input from Navy and Marine Corps leadership. All NAVAUDSVC audit work is designed to address significant Navy issue areas that merit additional oversight. NAVAUDSVC published audits that address significant areas such as acquisition, foreign military sales, and Service member deployability. During this reporting period, the NAVAUDSVC issued 26 reports that included 100 recommendations.

Audit of Use of Department of the Navy Operations and Maintenance Funds for Real Property at Selected Installations in Japan

NAVAUDSVC determined that work orders reviewed for 97 statistically selected facilities were reasonable and indicated that the Navy appropriately used Operations and Maintenance funds to maintain non-active facilities. However, the NAVAUDSVC review of 42 judgmentally selected facilities identified 10 demolished facilities and 1 closed hospital inaccurately coded as "active" in the internet Navy Facilities Asset Data Store (iNFADS) for FY 2020. The closed hospital was also coded "active" for FY 2021. These inaccurate Operation Status Codes resulted in overstated sustainment requirements for FY 2020 and FY 2021. The hospital's overstated requirement was also included in the FY 2021 Facilities Sustainment Model for FYs 2022 through 2026, which would have resulted in a funding overstatement of \$13.3 million. Correcting this audit-identified overstatement allowed these funds to be reprogrammed and put to better use.

Report No. N2021-0022

Audit of Marine Corps Sex Offender Notifications

NAVAUDSVC determined that the Marine Corps did not notify in a timely fashion or have sufficient evidence indicating the appropriate authorities received written notifications of Service members who were convicted and confined for a qualifying sexual offense. Specifically, at least 63 percent of required sex offender

notifications were not retained, transmitted, or both, in a timely manner by Military Confinement Facility commanders. This occurred because existing policies and procedures did not detail how to sufficiently document, submit, or both, the required notifications in a timely manner. In addition, due to conflicting guidance, NAVAUDSVC found at least one case in which the Marine Corps did not provide written sex offender notifications to the required authorities for a convicted Marine who was not sentenced to confinement. As a result, there is a lack of assurance that required authorities have been notified when a person convicted of a qualifying sex offense was released into their jurisdiction, potentially resulting in that person not being timely registered as a sex offender and possibly posing a risk to the community.

Report No. N2021-0017

Audit of Navy Computer Network Incident Response Reporting

NAVAUDSVC determined that the U.S. Navy's Cybersecurity Service Provider, Navy Cyber Defense Operations Command, did not report any of the high-interest cyber incidents to the Navy Office of the Chief Information Officer, and 11 of 31 incidents to NCIS, as required. High-interest cyber incidents include root-level intrusions, user-level intrusions, denial-of-service, and malicious logic. As a result, there was no assurance that high-interest cyber incidents were reported to the appropriate stakeholders. Proper reporting would have allowed for enterprise visibility and proactive action to be taken to prevent potentially grave damage to the DoD Information Network. In addition, 2 of 101 incidents were designated unclassified; however, supporting documentation included classified material. As a result of not complying with DoD policy for classifying material and ensuring that classifications were correctly displayed when accessed, there was an increased risk for inadvertent spillage of classified material.

Report No. N2021-0025

Audit of Cybersecurity Oversight of Defense Industrial Base Unclassified Information Systems at Naval Sea Systems Command

NAVAUDSVC determined that Naval Sea Systems Command (NAVSEA) had not implemented effective controls to protect Controlled Unclassified Information (CUI) shared with Defense Industrial Base (DIB) partners. Specifically, the NAVAUDSVC found NAVSEA was not aware which of its contracts

included sharing CUI with DIB partners, and did not provide oversight to ensure that DIB partners complied with the cybersecurity requirements of the DFARS clause 252.204-7012 (7012), "Safeguarding Covered Defense Information and Cyber Incident Reporting." Because NAVSEA did not identify CUI being shared with DIB partners, and did not ensure that DIB partners were capable of protecting CUI, NAVSEA's CUI is potentially at risk of being breached and, if aggregated, could pose a significant security risk to NAVSEA personnel or assets.

Report No. N2021-0033

Audit of Navy Military Construction Projects Proposed for Fiscal Year 2022

NAVAUDSVC reviewed line items for nine Navy Military Construction projects contained in the Department of the Navy proposed FY 2022 Military Construction program for a total estimated cost of \$633.9 million. Two projects contained over-scoped line items totaling approximately \$3.5 million and under-scoped lines items of \$17,500. The seven remaining projects, with an estimated cost of \$594.5 million, were removed from the FY 2022 Military Construction budget plan. However, the seven removed projects contained over-scope line items of approximately \$25 million and under-scoped line items of approximately \$3.1 million for requirements that will need to be addressed if the projects are planned for future years. Although Navy provided sufficient guidance for the preparation of Military Construction project requests, project scoping was incorrect because of insufficient and/or unsupported documentation, incorrect application criteria, and inclusion of unnecessary line items. Commander, Navy Installations Command leadership agreed to reduce the over-scoped projects and validate under-scoped line items; with all project funds for the seven projects reallocated resulting in \$598 million of funds put to better use.

Report No. N2021-0021

NAVAL CRIMINAL INVESTIGATIVE SERVICE

The Naval Criminal Investigative Service (NCIS) is the civilian Federal law enforcement agency uniquely responsible for investigating felony crime, preventing terrorism, and protecting secrets for the Navy and Marine Corps. NCIS works to defeat threats

from across the foreign intelligence, terrorist, and criminal spectrum by conducting operations and investigations ashore, afloat, and in cyberspace, in order to protect and preserve the superiority of the Navy and Marine Corps warfighters ashore, afloat, and in cyberspace, in order to protect and preserve the superiority of the Navy and Marine Corps warfighters.

Significant Investigative Cases

Civilian Convicted of Receipt of Child Pornography

NCIS, Okinawa, Japan, initiated this investigation when the parents of a 13-year-old reported concerns of electronic communications between their daughter and an adult male. During the interview of the daughter, she disclosed that the communications with the adult male involved topics of a sexual nature and sending explicit photos. Mr. Stuart A. Dameri, a resident of Virginia, was identified as the perpetrator by the use of Federal subpoenas. NCIS initiated undercover communications with Dameri, during which he engaged in sexually explicit communications with an individual whom he believed to be a 14-year-old female. He acknowledged his communications were with the minor victim, and he solicited and received nude images of her. Dameri arranged to meet the victim to engage in sexual activity and was arrested upon his arrival. The investigation revealed that Dameri had sexually explicit conversations with 40 to 50 minors, many of which involved exchanges of sexually explicit photographs and videos. A forensic examination of items seized while executing a Federal search warrant of Dameri's residence confirmed that he was in possession of child pornography and had engaged in chats with multiple minors. On July 16, 2021, Dameri pleaded guilty in United States District Court, Norfolk, Virginia, to receipt of child pornography and was sentenced to 14 years confinement, supervised release for life, and was required to register as a sex offender. This was a joint investigation with the Department of Homeland Security Investigations, Norfolk, Virginia.

Sailor Convicted of Production of Child Pornography and Sexual Exploitation of a Minor

NCIS initiated this joint investigation with the Groton Town Police Department and the FBI, New Haven, Connecticut, when an 8-year-old female disclosed during a child forensic interview that she had been sexually assaulted over the past 2 years by Petty Officer First Class Randall Tilton. Tilton was interviewed and admitted to molesting both the 8-year-old female and six other juvenile females. The victims ranged

between 4 months and 8 years of age. The investigation determined that the abuse by Tilton had been ongoing over multiple years and occurred in at least three different states. The investigation determined that Tilton photographed and video recorded some of the abuse of his victims and posted the content on the Dark Web. On June 22, 2021, Tilton pleaded guilty in United States District Court, New Haven, Connecticut, to the production of child pornography and sexual exploitation of a minor and was sentenced to 30 years per minor, to be served consecutively, resulting in 210 years confinement and payment of more than \$900,000 in restitution. Tilton was also required to register as a sex offender.

Civilian Convicted of Conspiracy to Possess With Intent to Distribute a Controlled Substance (Fentanyl), Which Caused the Accidental Death of a Marine

NCIS initiated this investigation after Corporal Michael Cipolla, Headquarters Battalion, 1st Marine Division, Marine Corps Base, Camp Pendleton, California, was discovered deceased in his assigned barracks room. An autopsy was conducted and his cause of death was determined to be opioid toxicity (fentanyl) and the manner of his death to be accidental. A crime scene examination of Cipolla's room revealed fentanyl and digital media devices. A forensic examination of his seized media devices identified Mr. Kyle A. Shephard, civilian, as the supplier of the fentanyl that resulted in the death of Cipolla. NCIS initiated a separate investigation of Shephard for distribution of narcotics and his role in the death of Cipolla and discovered the San Diego County Sheriff's Department, San Diego, California, had arrested Shephard during an unrelated investigation. While executing a search warrant, Shephard was found in possession of 1,362 fentanyl pills and a large quantity of United States currency. On March 10, 2021, Shephard admitted to selling Cipolla fentanyl on January 27, 2021, which led to his death, and subsequently pleaded guilty to conspiracy to possess with intent to distribute a controlled substance. On September 1, 2021, in United States District Court, San Diego, California, Shephard was sentenced to 168 months of confinement and 4 years of supervised release. This was a joint investigation with the San Diego County Sheriff's Department and the San Diego Law Enforcement Coordination Center.

AIR FORCE

Air Force Audit Agency

The Air Force Audit Agency's (AFAA's) mission is to provide timely, relevant, and quality audit services enabling Department of the Air Force (DAF) 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 DAF fiduciary stewardship and the accuracy of financial reporting; and evaluating programs and activities to assist management with achieving intended results. During the reporting period, the AFAA published 60 enterprise-level audit reports that included 176 recommendations and \$44.9 million in audit-estimated potential monetary benefits to DAF senior officials. Further, installation-level audit teams published 181 audit reports with 722 recommendations and an additional \$6.6 million in audit-estimated potential monetary benefits to installation commanders.

Childcare Referral Contract

At the request of the Deputy Chief of Staff for Manpower, Personnel, and Services, the AFAA audited contracted childcare referrals to determine if contracted services were convenient and timely. The AFAA determined 76 percent of reviewed referrals exceeded the 25-day processing goal by an average of nearly 29 days. In addition, the lack of performance metrics prevented Air Force officials from providing effective oversight, such as detecting delays in contractor responsiveness. The AFAA made one recommendation to improve referral process and help military families' obtain childcare they need.

Report No. F2021-0002-O40000

Electronic Records Cyber Hygiene

In FY 2018, the AFAA identified a material weakness related to DAF backup and protection procedures for electronic records. After management corrections, the DAF Senior Management Council requested the AFAA validate corrective actions before they downgraded or removed the deficiency from the annual Statement of Assurance. As a result, the AFAA conducted a limited-scope audit to assess the effectiveness of actions taken, and determined personnel implemented

previous audit recommendations and corrected deficiencies in backup procedures and contingency plans. Based on the audit results, the DAF Senior Management Council closed the material weakness.

Report No. F2021-0005-O20000

Air Force Credentialing Opportunities On-Line

At the request of the Deputy Chief of Staff for Manpower, Personnel, and Services, the AFAA assessed the Air Force's integration of professional credentialing with Airmen's ultimate transition to civilian life. During FY 2021, the AFAA conducted an audit to determine if the DAF officials managed the credentialing program to enhance professionalism and help Airmen transition to civilian occupations. The audit revealed officials promoted the Credentialing Opportunities On-Line program and encouraged Airmen to pursue relevant professional credentials, but did not manage the program to achieve desired results. For instance, the AFAA identified 49 percent of Airmen reviewed did not meet all program requirements, and based on a statistical projection, AFAA estimated 2,334 Airmen, at a cost of \$4 million, did not meet requirements. Additionally, officials did not maintain a fully supported library of Air Force Specialty Code/credential matches or display all available match information on the program's website.

Report F2021-0006-O40000

PALACE CHASE

At the request of the Commander, Headquarters Air Force Personnel Center, the AFAA audited PALACE CHASE service commitments and talent retention. Specifically, the AFAA conducted a performance audit of the PALACE CHASE program, which allows Airmen to transfer from active duty to the Air National Guard or Air Force Reserve to complete their service commitment. The AFAA determined PALACE CHASE Airmen performed duties commensurate with their Air Force Specialty Code; however, 193 (39 percent) of 491 Airmen reviewed did not fulfill their service commitment by an average 2 years. Additionally, 104 (43 percent) of 240 enlisted Airmen did not re-enlist to cover the entire PALACE CHASE contract period. As a result, the DAF lost more than 400 years of required service.

Report F2021-0007-O40000

Agreed Upon Procedures, FY 21 Assessable Unit Walkthrough, Test of Design, Test of Effectiveness, and Substantive Procedures

To support financial improvement and audit remediation efforts, the AFAA agreed to provide internal control testing to inform the Department's risk assessment and annual Statement of Assurance. The agreed-upon procedures engagement was performed in accordance with Generally Accepted Government Audit Standards and attestation standards established by the American Institute of Certified Public Accountants. The Air Force Financial Management and Comptroller requested procedures to confirm and test specific processes and key controls outlined in business process cycle memorandums. The engagement involved 12 assessable units including key areas such as military equipment, military and civilian pay and benefits, government furnished property, and real property. The procedures and findings offered keen insight into the end-to-end processes and design and effectiveness of internal controls.

Report F2021-0013-L1000

AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

The mission of the Air Force Office of Special Investigations (AFOSI) is to identify, exploit, and neutralize criminal, intelligence, and terrorist threats in multiple domains to the Department of the Air Force, Department of Defense, and the United States Government.

Significant Investigative Cases

Airman Convicted of Assault

AFOSI initiated this investigation following a reported allegation of sexual assault and aggravated assault between Airman First Class Kristopher D. Cole and a fellow female Airman First Class. Cole is alleged to have sexually assaulted her at his residence. The female Airman First Class revealed that on multiple occasions, Cole strangled her until she lost consciousness and pointed a firearm at her, which witnesses confirmed. No additional evidence was identified regarding the sexual assault. On June 15, 2021, in a general court-martial at Shaw Air Force Base, South Carolina, Cole was found guilty of assault and was sentenced to 14 months confinement, reduction in grade to E-1, and a bad conduct discharge. The sexual assault charges were withdrawn and dismissed.

Airman Convicted of Violation of a No Contact Order, Endangerment, Communicating a Threat, Domestic Violence, and Aggravated Assault

AFOSI initiated this investigation upon notification from the Emergency Communications Center, Joint Base San Antonio–Lackland, Texas, that Master Sergeant Devonte Goldsmith went to his former spouse's residence with a handgun and rang the doorbell. She did not answer the door and subsequently heard what she believed to be approximately four gunshots outside of her residence. Goldsmith departed the location and she contacted the San Antonio Police Department, San Antonio, Texas. Goldsmith's presence at his former spouse's residence was a violation of a previous military protective order and a no contact order. Goldsmith's presence outside the home was confirmed by the former spouse's doorbell camera and a search of the residence uncovered shell casings and bullet holes in her fence. A subsequent joint search with agents from the Bureau of Alcohol, Tobacco, and Firearms of Goldsmith's residence revealed multiple firearms and ammunition. Goldsmith was previously under investigation by AFOSI for various accounts of aggravated assault against his former spouse and was a part of a separate investigation where two victims complained of strangulation, striking, and verbal threats by Goldsmith. He also had previous violations of military protective orders. Both investigations were included in Goldsmith's court martial. On April 8, 2021, in a general court-martial at Joint Base San Antonio–Lackland, Texas, Goldsmith was found guilty of violation of a no-contact order, endangerment, communicating a threat, domestic violence, and aggravated assault and was sentenced to 7 years confinement, reduction in grade to E-1, and a dishonorable discharge.

Civilian Convicted of Theft of Government Property

AFOSI initiated this investigation upon notification from the 1st Maintenance Squadron commander, Joint Base Langley-Eustis, Virginia, that Darnell L. Hobson, a General Services employee, was suspected to have claimed funds from the vendors for a cancelled unit morale event and retained the funds for himself. The AFOSI investigation determined that Hobson requested refunds from three vendors of the cancelled event and instructed them to send the refunds to his personal PayPal account. One vendor refused to refund Hobson. The other two vendors refunded a total of \$1,400 to his PayPal account. Interviews of Hobson's co-workers and supervisor revealed he was in charge of the Unit Funds Program. A review of unit-funded events revealed that there were no refund discrepancies for cancelled events apart from the events identified in this investigation. A review of Hobson's PayPal account

revealed two deposits totaling \$1,400 from the cancelled events vendors. The refunds were subsequently transferred to his personal bank account. Hobson was interviewed and verified that he received refunds from the cancelled unit funds event to his PayPal account and transferred a total of \$1,400 into his personal bank account. On June 16, 2021, Hobson pleaded guilty in United States District Court, Eastern District of Virginia, to three counts of theft of Government property and was sentenced to 12 months probation, 60 hours of community service, and a \$200 fine.

5. APPENDIXES



REPORTING REQUIREMENTS FOR THE INSPECTOR GENERAL

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.

REFERENCES	REQUIREMENTS	PAGES
Section 4(a)(2)	“review existing and proposed legislation and regulations...and...make recommendations...”	N/A
Section 5(a)(1)	“description of significant problems, abuses, and deficiencies...”	6-10, 12-20
Section 5(a)(2)	“description of recommendations for corrective action...with respect to significant problems, abuses, and deficiencies...”	6-10, 12-20
Section 5(a)(3)	“identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;”	80-124
Section 5(a)(4)	“a summary of matters referred to prosecutive authorities and the prosecution and convictions which have resulted.”	23-29
Section 5(a)(5)	“a summary of each report made to the head of the establishment...under section 6(c)(2)...” (information “unreasonably refused or not provided” to an Inspector General)	N/A
Section 5(a)(6)	“a listing, subdivided according to subject matter, of each audit report, inspection report, and evaluation report issued” showing, where applicable, the dollar value of questioned costs and recommendations that funds be put to better use.”	75
Section 5(a)(7)	“a summary of each particularly significant report;”	8-10, 12-20
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 (including a separate category for the dollar value of unsupported costs), for reports – (A) for which no management decision had been made by the commencement of the reporting period; (B) which were issued during the reporting period; (C) for which a management decision was made during the reporting period, including- (i) the dollar value of disallowed costs; and (ii) the dollar value of costs not disallowed; and (D) for which no management decision has been made by the end of the reporting period;”	76-77
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, for reports – (A) for which no management decision had been made by the commencement of the reporting period; (B) which were issued during the reporting period; (C) for which a management decision was made during the reporting period, including- (i) the dollar value of recommendations that were agreed to by management; and (ii) the dollar value of recommendations that were not agreed to by management; and (D) for which no management decision has been made by the end of the reporting period;”	76-77
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;”	80-124

REFERENCES	REQUIREMENTS	PAGES
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)	7
Section 5(a)(14)	“(A) an appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period; or (B) if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General;”	145
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;”	N/A
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;”	145
Section 5(a)(17)	“statistical tables showing – (A) the total number of investigative reports issued during the reporting period; (B) the total number of persons referred to the [DOJ] for criminal prosecution during the reporting period; (C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and (D) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities;”	146
Section 5(a)(18)	“a description of the metrics used for developing the data for the statistical tables under paragraph (17);”	146
Section 5(a)(19)	“a report on each investigation conducted by the Office involving a senior Government employee where allegations of misconduct were substantiated, including the name of the senior Government official (as defined by the department or agency) if already made public by the Office, and a detailed description of – (A) the facts and circumstances of the investigation; and (B) the status of the disposition of the matter, including – (i) if the matter was referred to the DOJ, the date of the referral; and (ii) if the [DOJ] declined the referral, the date of the declination...” (section 5(f)(7) of the IG Act defines a senior Government employee to be a GS-15 or O-6 and above)	31-32, 41-44
Section 5(a)(20)	“(A) a detailed description of any instance of whistleblower retaliation, including information (B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable;”	37-39
Section 5(a)(21)	“a detailed description of any attempt by the establishment to interfere with the independence of the Office, including— (A) with budget constraints designed to limit capabilities of the Office; and (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...”	6-7
Section 5(a)(22)	“detailed description of the particular circumstances of each— (A) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and (B) investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public.”	31-32

REFERENCES	REQUIREMENTS	PAGES
Section 5 Statutory Note	“an annex on final completed contract audit reports...containing significant audit findings...” (referencing the National Defense Act of FY 2008, Pub. L. 110-181, § 845, 122 Stat. 3, 240 (2008))	125-144
Section 8(f)(1)	“(A) information concerning the number and types of contract audits...” “(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...”	78-79, 125-144

REPORTING REQUIREMENTS FOR THE HEAD OF THE AGENCY

The DoD OIG tracks this information and compiled it for the Secretary of Defense.

REFERENCES	REQUIREMENTS	PAGES
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, for reports – (A) for which final action had not been taken by the commencement of the reporting period; (B) on which management decisions were made during the reporting period; (C) for which final action was taken during the reporting period, including – (i) the dollar value of disallowed costs that were recovered by management through collection, offset, property in lieu of cash, or otherwise; and (ii) the dollar value of disallowed costs that were written off by management; and (D) for which no final action has been taken by the end of the reporting period;”	76-77, 79
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, for reports – (A) for which final action had not been taken by the commencement of the reporting period; (B) on which management decisions were made during the reporting period; (C) for which final action was taken during the reporting period, including – (i) the dollar value of recommendations that were actually completed; and (ii) the dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed; and (D) for which no final action has been taken by the end of the reporting period;”	76-77
Section 5(b)(4)	“whether the establishment entered into a settlement agreement with the official described in subsection (a)(20)(A) (officials found to have engaged in retaliation), which shall be reported regardless of any confidentiality agreement relating to the settlement agreement;”	N/A
Section 5(b)(5)	“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, containing – (A) a list of such audit reports and the date each such report was issued; (B) the dollar value of disallowed costs for each report; (C) the dollar value of recommendations that funds be put to better use agreed to by management for each report; and (D) an explanation of the reasons final action has not been taken with respect to each such audit report, except that such statement may exclude such audit reports that are under formal administrative or judicial appeal or upon which management of an establishment has agreed to pursue a legislative solution, but shall identify the number of reports in each category so excluded.”	80-124

AUDIT, EVALUATION, AND INVESTIGATION REPORTS ISSUED

This section lists the DoD OIG and Service audit agency reports that were issued during the reporting period. The reports are sorted by the FY 2021 Top DoD Management Challenges. Additional information on the management challenges is available in the Other Matters section of the SAR.

DoD OIG

<http://www.dodig.mil/reports.html/>

Army Audit Agency

www.army.mil/aaa

Naval Audit Service

www.secnav.navy.mil/navaudsvc/Pages/default.aspx

Air Force Audit Agency

www.affaa.af.mil

FY 2021 Top DoD Management Challenges	DoD OIG	Military Departments	Total
Maintaining the Advantage While Balancing Great Power Competition and Countering Global Terrorism	8	9	17
Building and Sustaining the DoD's Technological Dominance	5	3	8
Strengthening Resiliency to Non-Traditional Threats	4	3	7
Assuring Space Dominance, Nuclear Deterrence, and Ballistic Missile Defense	1	1	2
Enhancing Cyberspace Operations and Capabilities and Securing the DoD's Information Systems, Networks, and Data	3	18	21
Transforming Data Into a Strategic Asset	1	2	3
Ensuring Health and Safety of Military Personnel, Retirees, and Their Families	6	11	17
Strengthening and Securing the DoD Supply Chain and Defense Industrial Base	5	34	39
Improving Financial Management and Budgeting	22	34	56
Promoting Ethical Conduct and Decision Making	11	9	20
Other	0	9	9
Total	66	133	199

Maintaining the Advantage While Balancing Great Power Competition and Countering Global Terrorism

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-075	Audit of DoD Infrastructure Planning in Australia	4/8/2021
DoD OIG	DODIG-2021-082	Evaluation of Combatant Command Counter Threat Finance Activities	5/18/2021
DoD OIG	DODIG-2021-083	Evaluation of the Readiness of the U.S. Navy's P-8A Poseidon Aircraft to Meet the U.S. European Command's Anti-Submarine Warfare Requirements	5/19/2021
DoD OIG	DODIG-2021-084	Kinetic Targeting in the USCENTCOM Area of Responsibility	5/18/2021
DoD OIG	DODIG-2021-086	Audit of Aircraft Readiness at the Naval Aviation Warfighting Development Center, Fallon, Nevada	5/25/2021
DoD OIG	DODIG-2021-090	Audit of Munitions Storage in the U.S. European Command	6/10/2021
DoD OIG	DODIG-2021-099	Audit of Physical Conditions at the U.S. Transportation Command Military Ocean Terminals	7/8/2021

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-102	Audit of the DoD's Management of the Global Train and Equip Program Resources Provided to U.S. Africa Command Partner Nations	7/21/2021
USAAA	A-2021-0045-FIZ	Installation CBRN and High-Yield Explosive Preparedness	5/4/2021
USAAA	A-2021-0047-FIZ	Standard Mission Essential Task Lists (METLs)	5/7/2021
USAAA	A-2021-0050-FIZ	Noncommissioned Officer Leadership Experience	5/27/2021
USAAA	A-2021-0052-FIZ	Implementation of the Occupational Physical Assessment Test (OPAT)	6/8/2021
USAAA	A-2021-0067-AXZ	Army Prepositioned Stocks Common Authorized Stockage Lists	8/2/2021
AFAA	F-2021-0006-O30000	Electromagnetic Pulse Protection of Nuclear Command, Control and Communication Facilities	5/17/2021
AFAA	F-2021-0007-O30000	Enterprise Information Protection Capability Program	7/9/2021
AFAA	F-2021-0009-O30000	Installation Access Controls in Ninth Air Force (Air Forces Central) Area of Operations	9/10/2021
AFAA	F-2021-0011-O30000	Small Unmanned Aircraft Systems	9/14/2021

Building and Sustaining the DoD's Technological Dominance

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-077	Audit of Other Transactions Awarded Through Consortiums	4/21/2021
DoD OIG	DODIG-2021-088	Evaluation of the Air Force Systems Engineering Processes Used in the Development of the Refueling Boom for the KC-46A Tanker	5/21/2021
DoD OIG	DODIG-2021-120	Audit of the Department of Air Force's Actions Taken to Mitigate Physiological Events	8/31/2021
DoD OIG	DODIG-2021-125	Evaluation of U.S. Special Operations Command's Supply Chain Risk Management for the Security, Acquisition, and Delivery of Specialized Equipment	9/14/2021
DoD OIG	DODIG-2021-131	Audit of Department of Defense Middle Tier of Acquisition Rapid Prototyping and Rapid Fielding Programs	9/28/2021
USAAA	A-2021-0039-AXZ	Followup Audit of Risk Management Framework with Authorization Termination Dates Followup (Followup to A-2019-0013-IET)	4/8/2021
USAAA	A-2021-0042-AXZ	Human Systems Integration Program	4/13/2021
AFAA	F-2021-0005-L30000	Central Test and Evaluation Investment Program Funding	9/8/2021

Strengthening Resiliency to Non-Traditional Threats

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-074	Audit of the U.S. Army Corps of Engineers Use of Undefined Contract Actions for the Conversion of Alternate Care Sites in Response to the Coronavirus Disease–2019 Pandemic	4/7/2021
DoD OIG	DODIG-2021-101	Audit of U.S. Army Corps of Engineers Quality Assurance Over Contracts for the Conversion of Facilities to Alternative Care Sites in Response to the Coronavirus Disease–2019 Pandemic	7/16/2021
DoD OIG	DODIG-2021-112	Special Report: The Defense Logistics Agency's Access to Information Technology and Communications During the Coronavirus Disease–2019 Pandemic	8/12/2021
DoD OIG	DODIG-2021-113	Special Report: The Missile Defense Agency's Access to Information Technology and Communications During the Coronavirus Disease–2019 Pandemic	8/13/2021
NAVAUDSVC	N2021-0023	Contractor Personal Identity Verification Clause Language in Selected Department of the Navy Contracts	5/25/2021
NAVAUDSVC	N2021-0029	Contractor Base Access at Marine Corps Installations	7/7/2021
AFAA	F-2021-0009-A00900	Security Certification Requirements	9/30/2021

Assuring Space Dominance, Nuclear Deterrence, and Ballistic Missile Defense

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-104	Evaluation of the U.S. Air Force Space and Missile Systems Center Management of the Quality Assurance Program for the Geosynchronous Space Situational	7/20/2021
AFAA	F-2021-0003-O20000	Nuclear Enterprise Review Recommendations	7/27/2021

Enhancing Cyberspace Operations and Capabilities, and Securing the DoD's Information Systems, Networks, and Data

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-098	Audit of the Cybersecurity of Department of Defense Additive Manufacturing Systems	7/1/2021
DoD OIG	DODIG-2021-100	Audit of the Department of Defense's Implementation of the Memorandums Between the Department of Defense and the Department of Homeland Security Regarding Cybersecurity and Cyberspace Operations	7/9/2021
DoD OIG	DODIG-2021-110	Audit of the Department of Defense Recruitment and Retention of the Civilian Cyber Workforce	7/29/2021
USAAA	A-2021-0038-AXZ	IT Spend—Investment Threshold and Equipment Accountability	4/5/2021
USAAA	A-2021-0044-AXZ	Followup Audit of DoD Information Network Operations Tools (Followup to A-2017-0076-IET)	4/30/2021
USAAA	A-2021-0049-FIZ	Cyber Workforce Recruiting and Retention	5/18/2021
USAAA	A-2021-0051-AXZ	IT Spend—Unfunded Requirements	6/1/2021
USAAA	A-2021-0081-AXZ	Cybersecurity of CECOM-Managed Software for Army Weapon Systems in Sustainment—U.S. Army Reserve	9/29/2021
NAVAUDSVC	N2021-0015	Department of the Navy's Authorization-to-Operate Process	4/9/2021
NAVAUDSVC	N2021-0025	Navy Computer Network Incident Response Reporting	6/9/2021
NAVAUDSVC	N2021-0028	Department of the Navy's Methods of Keeping Next of Kin/Dependent Data	7/1/2021
NAVAUDSVC	N2021-0033	Cybersecurity Oversight of Defense Industrial Base Unclassified Information Systems at Naval Sea Systems Command	8/6/2021
NAVAUDSVC	N2021-0036	Management of Intrusion Detection Systems Within Commander, Navy Region Mid-Atlantic	8/27/2021
AFAA	F-2021-0004-O30000	Joint Mission Planning System Access Controls	4/2/2021
AFAA	F-2021-0004-O10000	Air Force Data VAULT	5/10/2021
AFAA	F-2021-0005-O10000	Software Use	5/19/2021
AFAA	F-2021-0005-O20000	Electronic Records Cyber Hygiene	8/17/2021
AFAA	F-2021-0010-O30000	Cloud Computing Security	9/9/2021
AFAA	F-2021-0007-O10000	Wireless Network	9/23/2021
AFAA	F-2021-0008-A00900	Communications Security (COMSEC) Assets	9/29/2021
AFAA	F-2021-0012-O30000	Cybersecurity of Network Component Purchases	9/30/2021

Transforming Data Into a Strategic Asset

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-111	Management Advisory: Handling of Equipment With Sensitive Information and Records Retention Requirements Related to the Withdrawal From Afghanistan	8/11/2021
NAVAUDSVC	N2021-0037	Implementation of CH-53K Helicopter Program Intellectual Property Strategy	9/21/2021

Ensuring Health and Safety of Military Personnel, Retirees, and Their Families

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-073	Audit of Compliance with Defense Health Agency Guidance on the Number of Days Supply of Schedule II Amphetamine Prescriptions Dispensed by Department of Defense Medical Treatment Facilities	4/6/2021
DoD OIG	DODIG-2021-094	Audit of Department of Defense Joint Bases	6/18/2021
DoD OIG	DODIG-2021-105	Evaluation of the Department of Defense's Actions to Control Contaminant Effects from Perfluoroalkyl and Polyfluoroalkyl Substances at Department of Defense Installations	7/22/2021
DoD OIG	DODIG-2021-106	Audit of the Department of Defense's Controls on Health Information of Well-Known Department of Defense Personnel	8/25/2021
DoD OIG	DODIG-2021-126	Evaluation of the Department of Defense's Mitigation of Foreign Suppliers in the Pharmaceutical Supply Chain	9/20/2021
DoD OIG	DODIG-2021-128	Audit of Department of Defense Education Activity Controls Related to the Spread of Coronavirus Disease–2019	9/24/2021
USAAA	A-2021-0062-FIZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of the Special Compensation for Assistance of Daily Living Program	6/30/2021
USAAA	A-2021-0068-FIZ	Army Medical Accession Timelines	8/5/2021
USAAA	A-2021-0072-FIZ	Workload Survey Results of Army Behavioral Health Programs	8/31/2021
NAVAUDSVC	N2021-0017	Marine Corps Sex Offender Notifications	4/21/2021
AFAA	F-2021-0008-O40000	Voluntary Limited Period of Active Duty Reporting	5/25/2021
AFAA	F-2021-0008-O30000	Intelligence Contingency Fund Management	7/29/2021
AFAA	F-2021-0009-L20000	International Training and Education	8/3/2021
AFAA	F-2021-0006-O20000	Ninth Air Force (Air Forces Central) Sustainment of Enduring Expeditionary Locations	8/16/2021
AFAA	F-2021-0011-O40000	Direct Hire Authority	9/17/2021
AFAA	F-2021-0013-O40000	Technical Training School OCONUS Permanent Change of Station	9/22/2021
AFAA	F-2021-0014-O40000	24 Hour Childcare Access	9/23/2021
AFAA	F-2021-0009-O20000	Confined Spaces – United States Air Force Central Command	9/30/2021

Strengthening and Securing the DoD Supply Chain and Defense Industrial Base

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-081	Audit of the DoD Coronavirus Aid, Relief, and Economic Security Act Awards to the Defense Industrial Base	5/20/2021
DoD OIG	DODIG-2021-093	Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives	6/11/2021
DoD OIG	DODIG-2021-129	Audit of Defense Logistics Agency Award and Management of Bulk Fuel Contracts in Areas of Contingency Operations	9/23/2021
DoD OIG	DODIG-2021-133	Audit of Navy and Marine Corps Actions to Address Corrosion on F/A-18C-G Aircraft	9/29/2021
DoD OIG	DODIG-2021-134	Audit of Depot-Level Repairables for Army, Navy, and Air Force Engines	9/30/2021
USAAA	A-2021-0037-AXZ	Followup Audit of Fixed Wing Aircraft Requirements–Funding for Contractor Logistics Support (Followup to A-2016-0086-ALA)	4/27/2021
USAAA	A-2021-0041-AXZ	Army Armaments and Ammunition Pricing Practices	4/15/2021
USAAA	A-2021-0046-AXZ	Engineering for Transportability	5/11/2021
USAAA	A-2021-0053-FIZ	USACE's Oversight of Contractor Oversight of Border Infrastructure Projects	6/11/2021
USAAA	A-2021-0063-AXZ	Authorized Value of Common and Umbrella Authorized Stockage Lists	7/13/2021

Agency	Report Number	Report Title	Date
USAAA	A-2021-0070-BOZ	Category Management – Phase 1 and 2 Implementation	8/13/2021
USAAA	A-2021-0071-BOZ	Design and Oversight of Performance Based Logistics Contracts	8/17/2021
USAAA	A-2021-0078-AXZ	Weapon Systems Transition to Sustainment Processes	9/28/2021
USAAA	A-2021-0079-BOZ	Contracting Processes, Hawaii Army National Guard	9/29/2021
USAAA	A-2021-0080-BOZ	Followup Audit of Sustainment Funding (Followup to A-2016-0090-FMP)	9/30/2021
USAAA	A-2021-0082-AXZ	Sustainment Requirements for Enterprise Resource Planning Systems	9/22/2021
AFAA	F-2021-0003-O10000	Records Management	4/7/2021
AFAA	F-2021-0005-O30000	Installation Access Controls	4/13/2021
AFAA	F-2021-0005-L20000	Engine Status Management	4/19/2021
AFAA	F-2021-0006-L20000	AE2100 (C-130J) Engine Management	4/26/2021
AFAA	F-2021-0005-L40000	Management of Air National Guard Support Equipment	4/26/2021
AFAA	F-2021-0007-L20000	Expeditionary Depot Maintenance	4/30/2021
AFAA	F-2021-0007-L40000	Aircraft Cannibalization	5/20/2021
AFAA	F-2021-0004-L30000	Contracting Officer Representatives	5/21/2021
AFAA	F-2021-0006-L40000	Organization Cost Center Records	5/24/2021
AFAA	F-2021-0002-O20000	Continuity of Operations Program	5/25/2021
AFAA	F-2021-0008-L40000	Aerospace Ground Equipment	6/15/2021
AFAA	F-2021-0008-L20000	Consumable Parts Disposal	6/15/2021
AFAA	F-2021-0004-O20000	Energy Meter Management	8/5/2021
AFAA	F-2021-0009-L40000	Contractor Acquired Property	8/16/2021
AFAA	F-2021-0009-O40000	Dining Facility Operations	8/18/2021
AFAA	F-2021-0006-A00900	Alternative Compensatory Control Measures	8/23/2021
AFAA	F-2021-0010-L40000	Secondary Item Requirements System (D200A) Demand Rates	8/24/2021
AFAA	F-2021-0007-A00900	Adversary Air Security Controls	9/9/2021
AFAA	F-2021-0010-L20000	Acceptance Inspection Deficiency Reporting	9/9/2021
AFAA	F-2021-0010-O40000	Recruiting & Retention Bonuses	9/14/2021
AFAA	F-2021-0007-O20000	Explosive Ordnance Disposal Readiness	9/23/2021
AFAA	F-2021-0008-O20000	Installation Chemical, Biological, Radiological, and Nuclear Defense Readiness	9/24/2021
AFAA	F-2021-0010-O20000	Privatized Housing Maintenance	9/30/2021

Improving Financial Management and Budgeting

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-071	Audit of DoD Hotline Allegation Concerning U.S. Army Communications-Electronics Command Billings to Customers	4/5/2021
DoD OIG	DODIG-2021-072	Audit of the Award and Administration of the National Guard Youth Challenge Program Cooperative Agreements	4/2/2021
DoD OIG	DODIG-2021-080	Audit of the Department of Defense Compliance in FY 2020 With Improper Payment Reporting Requirements	5/7/2021
DoD OIG	DODIG-2021-087	Quality Control Review of the PricewaterhouseCoopers LLP FY 2019 Single Audit of the Institute for Defense Analyses	5/21/2021
DoD OIG	DODIG-2021-091	Audit of the Reimbursement for Department of Defense Mission Assignments for Coronavirus Disease–2019 Pandemic Response in the U.S. Northern Command Area of Responsibility	6/9/2021
DoD OIG	DODIG-2021-095	Audit of Accounting Corrections on the SF 1081	6/25/2021

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-096	Audit of the Military Departments' Purchases of Aviation Fuel and Non-Fuel Services Using the Aviation Into-Plane Reimbursement (AIR) Card	6/25/2021
DoD OIG	DODIG-2021-097	Followup Audit on the U.S. Army's Management of the Heavy Lift Commercial Transportation Contract Requirements in the Middle East	7/1/2021
DoD OIG	DODIG-2021-107	Transmittal of the Independent Auditor's Report on the Army's System Supporting the Delivery of General Fund Enterprise Business System Administrative, Operational, and Contract Vendor Pay Transaction Processing Support Services for the period October 1, 2020, Through March 31, 2021	7/21/2021
DoD OIG	DODIG-2021-108	Transmittal of the Independent Auditor's Report on the Army's System Supporting the Delivery of Munitions Inventory Management Services for the Period of October 1, 2020, Through March 31, 2021	7/21/2021
DoD OIG	DODIG-2021-114	Transmittal of the Independent Auditor's Report on the Defense Automatic Addressing System for the Period October 1, 2020, Through June 30, 2021	8/13/2021
DoD OIG	DODIG-2021-115	Transmittal of the Independent Auditor's Report on the Wide Area Workflow System for the Period October 1, 2020, Through June 30, 2021	8/13/2021
DoD OIG	DODIG-2021-116	Transmittal of the Independent Auditor's Report on the Defense Agencies Initiative System for the Period October 1, 2020, Through June 30, 2021	8/13/2021
DoD OIG	DODIG-2021-117	Transmittal of the Independent Auditor's Report on the Defense Property Accountability System for the Period October 1, 2020, Through June 30, 2021	8/13/2021
DoD OIG	DODIG-2021-118	Transmittal of the Independent Auditor's Report on the Service Owned Inventory in the Defense Logistics Agency Custody for the Period October 1, 2020, Through June 30, 2021	8/13/2021
DoD OIG	DODIG-2021-119	Transmittal of the Independent Auditor's Report on the SSAE 18 Examination of the Defense Enterprise Accounting and Management System as of June 30, 2021	8/13/2021
DoD OIG	DODIG-2021-121	Quality Control Review of the BKD, LLP FY 2020 Single Audit of MRIGlobal and Related Entities	9/7/2021
DoD OIG	DODIG-2021-122	Management Advisory Memorandum Regarding Internal Control Weaknesses Over TRICARE Payments for the Administration of COVID-19 Vaccines	9/8/2021
DoD OIG	DODIG-2021-124	Independent Auditor's Report of Department of State Funds Transferred to DoD for Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome Prevention	9/15/2021
DoD OIG	DODIG-2021-127	Followup Audit of Army Oversight of Logistics Civil Augmentation Program IV Government-Furnished Property in Afghanistan	9/22/2021
DoD OIG	DODIG-2021-130	Audit of U.S. Special Operations Command Maritime Precision Engagement Funds	9/27/2021
DoD OIG	DODIG-2021-136	Independent Auditor's Report on the Agreed-Upon Procedures for Reviewing the FY 2021 Civilian Payroll Withholding Data and Enrollment Information	9/27/2021
USAAA	A-2021-0040-BOZ	Independent Auditor's Report on the Examination of the Cost of War Prior Recommendations	4/6/2021
USAAA	A-2021-0043-AXZ	Expeditionary Civilian Workforce Danger Pay Entitlements	4/21/2021
USAAA	A-2021-0048-AXZ	Accountability of Purchases Outside the Army Supply System	5/12/2021
USAAA	A-2021-0054-AXZ	Army Execution of Science and Technology Funding	6/23/2021
USAAA	A-2021-0055-BOZ	Independent Auditor's Report on the Examination of the Material Weakness with the Collection of Basic Allowance for Subsistence for Field and Institutional Training	7/6/2021
USAAA	A-2021-0056-BOZ	Cost Management of Theater Exercises—U.S. Army Pacific	7/11/2021
USAAA	A-2021-0057-AXZ	Overseas Housing Allowance—Europe	6/28/2021
USAAA	A-2021-0058-FIZ	Capital Improvements for Privatized Housing, Fort Drum	6/25/2021
USAAA	A-2021-0059-AXZ	Reimbursable Services—U.S. Army Garrison Wiesbaden	6/25/2021
USAAA	A-2021-0060-BOZ	GFEBs-Related Divestitures of Legacy Systems	6/24/2021
USAAA	A-2021-0064-FIZ	Inprocessing and Outprocessing Procedures for Soldiers	8/9/2021
USAAA	A-2021-0065-AXZ	Depot-Level Maintenance Workload Reporting—FY 20	7/28/2021
USAAA	A-2021-0074-BOZ	Civilian Overtime Payments—U.S. Army Installation and Management Command	9/7/2021
USAAA	A-2021-0075-AXZ	Audit of Reimbursable Services—U.S. Army Garrison Stuttgart	8/30/2021

Agency	Report Number	Report Title	Date
USAAA	A-2021-0076-FIZ	Followup Audit of Reimbursable Services in Army Civilian Hiring Actions (Followup to A-2018-0030-MTH)	9/2/2021
NAVAUDSVC	N2021-0016	Basic Allowance for Housing Program at Marine Corps Installations Pacific	4/13/2021
NAVAUDSVC	N2021-0018	Accountability Over Morale, Welfare, and Recreation Funds Onboard Selected Navy Ships	5/4/2021
NAVAUDSVC	N2021-0019	Allocation of Depot Maintenance Workload Between Public and Private Sectors at U.S. Marine Corps	5/10/2021
NAVAUDSVC	N2021-0022	Use of Department of the Navy Operations and Maintenance Funds for Real Property at Selected Installations in Japan	5/25/2021
NAVAUDSVC	N2021-0024	Allocation of Depot Maintenance Workload Between Public and Private Sectors at Naval Supply Systems Command	5/27/2021
NAVAUDSVC	N2021-0026	Allocation of Depot Maintenance Workload Between Public and Private Sectors at United States Fleet Forces Command	6/10/2021
NAVAUDSVC	N2021-0027	Department of the Navy Civilians' Time and Attendance for Marine Corps Reserve Duty	6/16/2021
NAVAUDSVC	N2021-0030	Marine Corps Management of Out-of-Service Debts	7/8/2021
NAVAUDSVC	N2021-0032	Allocation of Depot Maintenance Workload Between Public and Private Sectors at Naval Air Systems Command	7/15/2021
NAVAUDSVC	N2021-0038	Allocation of Depot Maintenance Workload Between Public and Private Sectors within the Department of the Navy—Summary Report	9/22/2021
NAVAUDSVC	N2021-0039	Nuclear Officer Bonus and Incentive Pay Program	9/27/2021
AFAA	F-2021-0008-L10000	Agreed-Upon Procedures, Air Force Working Capital Fund—Supply Expense (Test of Design and Test of Effectiveness)	4/14/2021
AFAA	F-2021-0009-L10000	Agreed-Upon Procedures, Air Force Working Capital Fund—Maintenance (Expense and Revenue) (Test of Design and Test of Effectiveness)	4/14/2021
AFAA	F-2021-0010-L10000	Air National Guard Managers' Internal Control Program	4/21/2021
AFAA	F-2021-0005-A00900	Agreed-Upon Procedures, Special Access Program Information Technology Expenditures	6/2/2021
AFAA	F-2021-0013-L10000	Agreed-Upon Procedures, Fiscal Year 2021 Assessable Unit Walkthrough (Test of Design, Test of Effectiveness, and Substantive Procedures)	7/21/2021
AFAA	F-2021-0012-L10000	Government-Furnished Material Accountability in Possession of Contractors	7/22/2021
AFAA	F-2021-0014-L10000	Agreed-Upon Procedures, Air Force Working Capital Fund - Inventory Operating Materials and Supplies Base Possessed (Test of Design and Test of Effectiveness)	9/7/2021
AFAA	F-2021-0015-L10000	Agreed-Upon Procedures, Air Force Working Capital Fund - Integrated Logistics System-Supply Revenue (Test of Design, Test of Effectiveness, and Substantive Procedures)	9/13/2021

Promoting Ethical Conduct and Decision Making

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2021-076	Qualitative Assessment Review of the Administrative Investigative Operations of the Defense Logistics Agency Office of Inspector General	4/14/2021
DoD OIG	DODIG-2021-078	External Peer Review of the Army Audit Agency Special Access Program Audits	4/27/2021
DoD OIG	DODIG-2021-079	Summary External Peer Review of the Air Force Audit Agency	5/5/2021
DoD OIG	DODIG-2021-085	Evaluation of the Department of Defense's Handling of Incidents of Sexual Assault Against (or Involving) Midshipmen at the United States Naval Academy	5/17/2021
DoD OIG	DODIG-2021-089	Oversight Review: DC National Guard's Use of Helicopters on June 1, 2020	5/26/2021
DoD OIG	DODIG-2021-092	Report of Investigation: Mr. Brett J. Goldstein, Defense Digital Service Director	6/21/2021
DoD OIG	DODIG-2021-103	External Peer Review of the Missile Defense Agency Internal Review Office	7/16/2021
DoD OIG	DODIG-2021-109	Summary External Peer Review of the Army Audit Agency	7/26/2021
DoD OIG	DODIG-2021-123	Audit of Military Services Special Assignment Airlift Mission Cargo Movement Requests	9/15/2021
DoD OIG	DODIG-2021-132	Management Advisory: Identifying and Reporting Possible Human Trafficking Violations and Abuse Against Afghan Special Immigrant Visa Applicants and Other Afghan Refugees	9/21/2021
DoD OIG	DODIG-2021-135	Management Advisory Regarding the Continued Use of Unauthorized "For Official Use Only" Markings and the Ineffective Implementation of the Controlled Unclassified Information Program	9/23/2021
USAAA	A-2021-0061-AXZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Army Prepositioned Stock—2 Contractor Maintenance, Dülmen, Germany	6/17/2021
USAAA	A-2021-0066-BOZ	Defense Travel System—335th Signal Command (Theater)	7/28/2021
USAAA	A-2021-0069-BOZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Pay and Entitlements—Deployment Support Command	8/6/2021
USAAA	A-2021-0073-BOZ	Nonaudit Service: Travel and Permanent Change of Station Expenses, U.S. Army Special Operations Command	8/26/2021
USAAA	A-2021-0077-BOZ	Recreation Tracking System (Report)	9/7/2021
AFAA	F-2021-0006-O40000	Air Force Credentialing Opportunities On-Line Program	4/23/2021
AFAA	F-2021-0007-O40000	PALACE CHASE	5/25/2021
AFAA	F-2021-0011-L10000	Air Force Congressional Travel	6/3/2021
AFAA	F-2021-0012-O40000	Spouse Hiring Preference	9/22/2021

Other

Agency	Report Number	Report Title	Date
USAAA	A-2021-0083-FIZ	Timeliness of Individual Orders for Soldiers in the Army National Guard	9/30/2021
NAVAUDSVC	N2021-0014	Department of the Navy Heads of the Contracting Activities Reporting of Contractors Terminated for Default or Cause	4/1/2021
NAVAUDSVC	N2021-0020	Management of Marine Corps Continental United States Training Ranges	5/12/2021
NAVAUDSVC	N2021-0021	Navy Military Construction Projects Proposed for Fiscal Year 2022	5/20/2021
NAVAUDSVC	N2021-0031	The Navy's Implementation of Earned Value Management for the Gerald R. Ford Class Carrier Program	7/9/2021
NAVAUDSVC	N2021-0034	U.S. Marine Corps Military Construction Projects Proposed for Fiscal Year 2022	8/17/2021
NAVAUDSVC	N2021-0035	U.S. Navy Privacy Impact Assessments	8/27/2021
AFAA	F-2021-0002-R00000	Joint Use Agreements Military Flying Facilities	7/2/2021
AFAA	F-2021-0006-O10000	Freedom of Information Act	8/13/2021

REPORTS WITH QUESTIONED COSTS, UNSUPPORTED COSTS, AND FUNDS RECOMMENDED TO BE PUT TO BETTER USE

Reports Issued	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
DODIG-2021-071, Audit of DoD Hotline Allegation Concerning U.S. Army Communications-Electronics Command Billings to Customers	4/5/2021	\$7,800,000	\$7,800,000	\$0
DODIG-2021-088, Evaluation of the Air Force Systems Engineering Processes Used in the Development of the Refueling Boom for the KC-46A Tanker	5/21/2021	\$100,000,000	\$0	\$0
DODIG-2021-091, Audit of the Reimbursement for Department of Defense Mission Assignments for Coronavirus Disease–2019 Pandemic Response in the U.S. Northern Command Area of Responsibility	6/9/2021	\$0	\$0	\$221,617,444
DODIG-2021-096, Audit of the Military Departments' Purchases of Aviation Fuel and Non-Fuel Services Using the Aviation Into-Plane Reimbursement Card	6/25/2021	\$250,557,415	\$247,637,135	\$0
Total		\$358,357,415	\$255,437,135	\$221,617,444

STATUS OF DOD MANAGEMENT DECISION ON DOD OIG REPORTS AS OF SEPTEMBER 30, 2021

Status of DoD management decision on DoD OIG issued audit, inspection, and evaluation reports and total dollar value of recommendations with questioned costs and funds to be put to better use.

Status	Number of Reports	Potential Monetary Benefits (in thousands)
A. For which no management decision had been made by the beginning of the reporting period.	24 ¹	\$9,500 ²
B. Which were issued during the reporting period.	63	\$579,975 ³
Subtotals (A+B)	87	\$589,475
C. For which a management decision was made during the reporting period.	60	\$579,975 ⁴
(i) dollar value of recommendations that were agreed to by management.		
- based on proposed management action		
- based on proposed legislative action		
(ii) dollar value of recommendations that were not agreed to by management.		\$0
D. For which no management decision has been made by the end of the reporting period.	27	\$9,500
Reports for which no management decision was made within 6 months of issue (as of September 30, 2021).	16	\$9,500

1. Incorporates retroactive adjustment.
2. The entire \$9.5 million is "funds to be put to better use."
3. The DoD OIG issued audit and evaluation reports during the period involving \$358.4 million in "questioned costs" (includes \$255.4 million in "unsupported costs" and \$2.9 million in "disallowed costs") and \$221.6 million in "funds to be put to better use."
4. On these audit and evaluation reports, management has agreed to take the recommended actions, but the amount of achieved monetary benefits cannot be determined until those actions are completed.

STATUS OF DOD OIG AND SERVICE AUDIT AGENCY REPORTS AS OF SEPTEMBER 30, 2021

Status of DoD OIG and Service Audit Agency reports and total dollar value of recommendations with questioned costs and funds to be put to better use.

Status	Number	Potential Monetary Benefits (in thousands)
DoD OIG		
Number of Reports Open as of April 1, 2021	306	\$5,956,80 ¹
Number of Reports Issued During April 1, 2021 – September 30, 2021	63	\$579,975 ¹
Number of Reports Closed During April 1, 2021 – September 30, 2021	77	\$68,919 ²
Number of Reports Open as of September 30, 2021	292	\$6,085,965 ³
Military Departments⁴		
Number of Reports Open as of April 1, 2021	353	\$5,485,978
Number of Reports Issued During April 1, 2021 – September 30, 2021	121	\$672,514
Number of Reports Closed During April 1, 2021 – September 30, 2021	99	\$439,619
Number of Reports Open as of September 30, 2021	375	\$4,600,538

1. The DoD OIG issued audit and evaluation reports during the period involving \$358.4 million in “questioned costs” (includes \$255.4 million in “unsupported costs” and \$2.9 million in “disallowed costs”) and \$221.6 million in “funds that could be put to better use.”
2. Achieved monetary benefits were \$68.9 million in “funds put to better use.”
3. On 26 reports with estimated monetary benefits of \$6.1 billion, management has agreed that the amount of achieved monetary benefits cannot be determined until the recommended actions are completed.
4. Amounts calculated by the Service Audit Agencies or Organizations (U.S. Army Audit Agency, U.S. Air Force Audit Agency, and Naval Audit Service).

CONTRACT AUDIT REPORTS ISSUED¹

APRIL 1, 2021 through SEPTEMBER 30, 2021

Type of Audit ²	Reports Issued	Dollars Examined (in millions)	Questioned Costs ³ (in millions)	Funds Put to Better Use (in millions)
Incurring Costs, Operations Audits, Special Audits	970	\$133,154.4	\$1,152.3	– ⁴
Forward Pricing Proposals	383	33,106.0	–	\$2,396.6 ⁵
Cost Accounting Standards	260	99.5	18.0	–
Defective Pricing	18	– ⁶	33.3	–
Totals	1,631	\$166,359.9	\$1,203.6	\$2,396.6

- This schedule represents Defense Contract Audit Agency (DCAA) contract audit reports issued during the 6 months ending September 30, 2021. 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. Because of limited time between availability of management information system data and legislative reporting requirements, submitted data is accordingly subject to change based on subsequent DCAA authentication. The total number of assignments completed during the 6 months ending September 30, 2021, was 5,415. Some completed assignments do not result in a report being issued because they are part of a larger audit or because the scope of the work performed does not constitute an audit or attestation engagement under Government Auditing Standards, so the number of audit reports issued was less than the total number of assignments completed.
- This schedule represents audits performed by DCAA summarized into four principal categories, which are defined as:
 - Incurring Costs – Audits of direct and indirect costs charged to Government contracts to determine whether the costs were reasonable, allocable, and allowable as prescribed by the FAR, DFARS, and provisions of the contract. 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 regulation.
 - 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 the costs do not comply with rules, regulations, laws, and/or contractual terms.
- Represents recommendations associated with Operations Audits where DCAA has presented to a contractor 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.

STATUS OF MANAGEMENT ACTION ON DCAA POST-AWARD CONTRACT AUDITS¹

	Number of Reports	Costs Questioned ⁷ (in millions)	Costs Sustained ⁸ (in millions)
Open Reports:			
Within Guidelines ²	302	\$1,571.4	N/A ⁹
Overage, greater than 6 months ³	753	\$7,316.2	N/A
Overage, greater than 12 months ⁴	515	\$4,180.1	N/A
Under Criminal Investigation ⁵	72	\$264.1	N/A
In Litigation ⁶	231	\$1,666.3	N/A
Total Open Reports	1,873	\$14,998.1	N/A
Dispositioned (Closed) Reports	274	\$736.8	\$194.2 (26.4) ¹⁰
All Reports	2,147	\$15,734.9	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 DCAA 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 data provided to the DoD OIG.
2. Contracting officers assigned to take action on these reports met the resolution and disposition timeframes 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 report 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 (questioned costs that were recovered by the Federal Government) when they disposition a report.
9. Not applicable
10. For the 6-month period ended September 30, 2021, contracting officers sustained \$194.2 million (26.4 percent) of the \$736.8 million questioned in the dispositioned reports. The 26.4 percent sustention rate represents a decrease from the 47.8 percent rate reported for the period ended March 31, 2021.

STATUS OF DOD OIG REPORTS WITH ACTION PENDING AS OF SEPTEMBER 30, 2021^{1, 2}

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 security clearance systems and training requirements.

Reason Action Not Completed: The Army has revised Army Regulation 380-67, "Personnel Security Program," January 24, 2014, which is undergoing an Army Judge Advocate General legal sufficiency review. Estimated completion date is December 31, 2021.

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: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD established five disbursement cash accounts but has not provided evidence to support that it has been documenting cash balances held outside of the U.S. Treasury.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

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, "Marine Corps Physical Security Program Manual," June 5, 2009.

Reason Action Not Completed: The Marine Corps has not released a Marine Administrative (MARADMIN) message to the Marine Corps Total Force outlining a Change 1 to MCO 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 Naval History and Heritage Command continues to address and rectify system issues with user accounts. Also, the U.S. Naval Academy Museum Registrar does not have access to the correct modules to enter in-kind gifts in the Department of Navy Heritage Asset Management System (DONHAMS). In addition, the U.S. Naval Academy Museum needs to provide additional in-house training with users to access the DONHAMS database. Estimated completion date is December 15, 2021.

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, "Realignment of DoD Sites Overseas," April 6, 2005, to require that future residual value settlement negotiations analyze and document how the residual value settlement amount was determined.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment has not finalized the revision of DoD Instruction 4165.69. Estimated completion date is second quarter FY 2022.

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

¹ Information about unresolved recommendations can be found in the Compendium of Open Office of Inspector General Recommendations to the Department of Defense (<https://www.dodig.mil/Reports/Compendium-of-Open-Recommendations/>). The Compendium identified 87 unresolved recommendations as of March 31, 2021, 17 of which were unresolved because the DoD disagreed with the recommendation. The other 70 recommendations were unresolved because DoD management either did not provide a response or the response provided did not fully address the recommendation. The Compendium is issued annually and details about unresolved recommendations will be updated in the next Compendium."

² Dollar value of questioned costs and funds put to better use are noted, as applicable.

Description of Action: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD and Defense Finance and Accounting Service are jointly developing a systems infrastructure to enhance the current solution used to reconcile Funds Balance with Treasury. Both organizations are piloting the use of DoD's data analytics platform (ADVANA) to ingest feeder systems, accounting systems, reporting systems and the Central Accounting Reporting System used by the U.S. Treasury. This system infrastructure will allow reconciliations from the financial statements and the Central Accounting Reporting System to the detailed voucher level transactions. The Defense Finance and Accounting Service will be able to examine transactions that are in transit (disbursed, collected, but not posted) and unmatched (disbursed, paid, but unable to match to a source transaction). The solution will also include funding authorizations and other transactions associated with budget actions.

Reason Action Not Completed: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD extended the estimated completion date to December 31, 2021, to align it with the Fund Balance with Treasury milestone change.

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, "Navy Physical Security and Law Enforcement Program Requirements," January 28, 2009 to require installation security personnel to be involved during site surveys.

Reason Action Not Completed: The Navy has not finalized revising Chief of Naval Operations Instruction 5530.14E.

Principal Action Office: Navy

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-2013-070, 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. The DoD's course of action is to leverage a pilot program with the U.S. Treasury (generate DoD and Component Financial Statements in Government-wide Treasury Account Symbol) to produce standardized financial statements across the DoD. The pilot program is scheduled to begin the standardization of the Statement of Net Cost in third quarter FY 2022.

DoD pilot program working group members will collaborate with internal stakeholders and redefine the DoD's major programs to standardize the Statement of Net Cost. The pilot program is part of a larger U.S. Treasury effort to produce standardized financial statements government-wide and will first focus on the Balance Sheet, Statement of Budgetary Resources, and Statement of Net Position, before focusing on the Statement of Net Cost. Coordination on followup discussion between the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD and the DoD OIG is ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

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," February 26, 2004, to require that non-personal services health care contract physician assistants have a supervisor supplied by the contractor in accordance with Federal Acquisition Regulation subpart 37.4, "Nonpersonal Health Care Services."

Reason Action Not Completed: Revision of Army Regulation 40-68 was suspended due to pending publication of Defense Health Agency Procedures Manual 6025.13, "Clinical Quality Management in the Military Health System." The Army is reviewing a plan

to implement the DoD OIG recommendation by only hiring personal services physician assistants. Estimated completion date is December 31, 2021.

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.

Potential Monetary Benefits: \$631,700,000 (Funds Put to Better Use)

Reason Action Not Completed: The Armed Services Board of Contract Appeals upheld the Defense Logistics Agency's claim against the contractor, however the contractor appealed the Armed Services Board of Contract Appeals' decision. This matter is in active litigation at the United States Court of Appeal for the Federal Circuit.

Principal Action Office: Defense Logistics Agency

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: The Office of Under Secretary of Defense for Policy has not provided evidence that the Mission Assurance Risk Management System has been implemented to facilitate asset information sharing among DoD components.

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.

Potential Monetary Benefits: \$6,438,000 (Questioned Costs)

Reason Action Not Completed: Report is For Official Use Only.

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: Develop and implement functionality in the General Fund Enterprise Business System to produce an Army-wide real property universe that reconciles to the financial statements by general ledger account codes, including the Army National Guard real property data.

Reason Action Not Completed: The Business Intelligence team within the General Fund Enterprise Business System is coordinating with the product director and key stakeholders to finalize the methodology and document the requirements, fields, and variables necessary for developing the the Real Property Asset Management Business Intelligence report. The Army is executing a three year plan to validate the Accountable Property System of Record data for all real property assets. Estimated completion date is December 31, 2022.

Principal Action Office: Army

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: Issue clarifying guidance to address the requirement for organizations to provide the Small Business Administration a complete and timely notification detailing why a proposed Small Business Innovation Research Phase III contract could not be awarded to the developer. Also issue overarching guidance and related training for all DoD organizations to follow that will provide for the uniform application of intellectual property protections across the DoD.

Reason Action Not Completed: The Small Business and Technology Partnerships Office has been collaborating with the Air Force Small Business Office and the Small Business Administration to develop clarifying guidance for several Phase III-related issues. Defense Pricing and Contracting issued a deviation memorandum to the DoD acquisition community as an interim

solution to enable contracting officers to properly include the updated intellectual property protection language in Small Business Innovation Research contracts. Once the Defense Federal Acquisition Regulation Supplement is updated, the Small Business and Technology Partnerships Office will work with Defense Pricing and Contracting to make the DoD Small Business Innovation Research/Small Business Technology Transfer community aware that the change is in effect and ready for implementation. Estimated completion date is December 31, 2021.

Principal Action Office: 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: Updates to DoD Manual 5200.02, "Procedures for the DoD Personnel Security Program (PSP)," October 29, 2020, are delayed due to requirement to incorporate investigation standards and continuous vetting. Estimated completion date is second quarter FY 2022.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, DoD Office of the General Counsel

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 (GFEBS) posting logic documentation is accurate and complete, and use it to validate GFEBS general ledger account postings. Army

officials must implement a timely review of the current GFEBS general ledger account postings, and ensure the general ledger account postings comply with the U.S. Standard General Ledger.

Reason Action Not Completed: The Assistant Secretary of the Army (Financial Management and Comptroller) has not validated that general ledger account postings programmed in GFEBS comply with the U.S. Standard General Ledger. The Defense Finance and Accounting Service personnel also continue to prepare adjustments to correct errors caused by the unreliable data. GFEBS is being delayed until the conclusion of the Enterprise Resource Planning modernization effort. Estimated completion date is December 31, 2025.

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: The Armed Forces Retirement Home has not revised DoD Instruction 1000.28, "Armed Forces Retirement Home," February 1, 2010.

Principal Action Office: Armed Forces Retirement Home

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. Develop policy and procedures to extend the standard length of Wounded Warrior Battalion Reserve Individual Mobilization Augmentee assignments to 2 years, to ensure greater stability in force structure, staff continuity, and to sustain the mission.

Reason Action Not Completed: The U.S. Marine Corps has not provided evidence to support: 1) personnel roster showing the length of time in position; 2) guidance showing how they work with the "Monitor" person; 3) results of the Wounded Warrior Program Head working with the "Monitor" to select

the best Cadre for the position which supposed to last more than 2 years; and 4) published Wounded Warrior Regiment Table of Organization and Equipment.

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.

Potential Monetary Benefits: \$69,184,113 (Funds Put to Better Use)

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-2014-121, Military Housing Inspections - Japan, 9/30/2014

Description of Action: Develop and issue a DoD-wide policy for control and remediation of mold; and radon evaluation and mitigation.

Reason Action Not Completed: A policy memorandum, "Standards for Managing Environmental Health and Safety Hazards in Housing under the Jurisdiction of the Department of Defense," which will contain health and safety standards for mold and radon mitigation and control, is in coordination and is scheduled for issuance by December 31, 2021. The DoD housing community will update housing policies based on the health and safety standards in the policy memorandum, to include responsibilities for both mold control and remediation and also radon assessment and mitigation.

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, "Reserve Component (RC) Line of Duty Determination for Medical and Dental Treatments and Incapacitation Pay Entitlements," April 19, 2016.

Reason Action Not Completed: All materials from the Defense Health Agency procedural instruction are being incorporated into DoD Instruction 1241.01. Estimated completion date is December 31, 2021.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

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: Develop mechanisms and procedures to ensure Defense Incident-Based Reporting System errors are corrected in the Consolidated Law Enforcement Operations Center (CLEOC) within 30 days of notification by the Defense Manpower Data Center as required by DoD Manual 7730.47-M, volume 1, "Defense Incident-Based Reporting System (DIBRS): Data Segments and Elements," December 7, 2010.

Reason Action Not Completed: Navy cancelled the development of the CLEOC replacement system to address the DIBRS error correction issues due to numerous delays and costly overruns. Use of CLEOC continues until a suitable replacement system is identified, however the DIBRS error-handling issue remains. Actions are being taken to acquire a new criminal case management system and the U.S. Navy Criminal Investigative Service has requested a DIBRS waiver. Estimated completion date is September 30, 2022.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, Navy

Report: DODIG-2015-013, Military Housing Inspections - Republic of Korea, 10/28/2014

Description of Action: Develop and issue a DoD-wide policy for control and remediation of mold; and radon evaluation and mitigation.

Reason Action Not Completed: A policy memorandum, "Standards for Managing Environmental Health and Safety Hazards in Housing under the Jurisdiction of the Department of Defense," which will contain health and safety standards for mold and radon mitigation and control, is in coordination and is scheduled for issuance

by December 31, 2021. The DoD housing community will update housing policies based on the health and safety standards in the policy memorandum, to include responsibilities for both mold control and remediation and also radon assessment and mitigation.

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. Requirements under FY 2021 National Defense Authorization Act need to be addressed.

Reason Action Not Completed: OUSD (P&R) has not implemented guidance that requires each suicide event involving a member of a covered Armed Force to be reviewed by a multidisciplinary board established at the command or installation level, or by the Chief of the covered Armed Force.

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-2015-052, 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 the 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: F-22/F119 Program Office efforts to develop a plan are ongoing. Estimated completion date is October 30, 2021.

Principal Action Office: Air Force

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. Develop cost estimates and obtain funding for implementing the Invoice Processing Platform across DoD. Ensure implementation guidance includes procedures for reconciling and

eliminating intragovernmental transactions other than Buy/Sell intragovernmental transactions including intragovernmental Benefit, Fiduciary, and Transfer transactions.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, is deploying the Treasury G-Invoicing tool as the long-term solution for the exchange of buyer/seller transactions. The G-Invoicing tool has had several developmental enhancements and changes to the current functionality, which has affected the development of cost estimates as well. The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not issued guidance that discusses the procedures for reconciling and eliminating intragovernmental Benefit, Fiduciary, and Transfer transactions.

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: The Office of the Deputy Assistant Secretary of Defense for Construction is working with the U.S. Army Corps of Engineers to finalize the development and fielding of the BUILDER Sustainment Management System's inspection module for water retention structures.

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.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Intelligence and Security has not provided a revised memorandum of understanding between the Bureau of Diplomatic Security, Department of State, and the Under Secretary of Defense for Intelligence and Security. The draft memorandum of understanding is undergoing a legal sufficiency review by the Under Secretary of Defense for Intelligence and Security, Office of General Counsel. The estimated completion date is October 31, 2021.

Principal Action Office: Under Secretary of Defense for Intelligence and Security

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-2015-078, 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, "Domestic Abuse Involving DoD Military and Certain Affiliated Personnel," May 26, 2017 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: The Office of the Under Secretary of Defense for Personnel and Readiness has revised DoD Instruction 6400.06, which is undergoing a DoD Office of General Counsel legal sufficiency review. Estimated completion date is October 31, 2021.

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 FBI for inclusion in the Integrated Automated Fingerprint Identification System.

Reason Action Not Completed: The Navy Criminal Investigative Service has not provided evidence to support that the remaining missing fingerprints and final disposition reports were submitted to the FBI 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: Review and update Joint Service Specification Guide 2010-11, "Crew Systems, Emergency Egress Handbook," October 1998, to reflect changes in policy and technology that have occurred in the last 16 years.

Reason Action Not Completed: The Air Force continues to coordinate updates to the Joint Service Specification Guide 2010-11 and is working through differences on interpretation of requirements and their impact of escape system performance.

Principal Action Office: Navy, Air Force

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 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: Navy is working with the Defense Finance Accounting Service and the Office of the Secretary of Defense to develop improved Fund Balance with Treasury reconciliation capabilities in ADVANA. Full operational capability, documented processes, and overall institutionalization of the new processes is scheduled for first quarter FY 2022.

Principal Action Office: Navy

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: Report is For Official Use Only.

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 the CPARs prior to sending them to the contractor for review, and that all contracting officer's representatives complete CPARS training.

Reason Action Not Completed: Naval Sea Systems Command has not provided a policy memorandum to substantiate the inclusion of the 120-day CPARS reporting requirement. Also, the Naval Sea Systems Command has not developed and implemented procedures for contract registration, including procedures to validate that personnel properly register contracts and requiring CPARS training modules on quality and narrative writing as well as periodic refresher training.

Principal Action Office: Navy

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 5000.2F, "Department of the Navy Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System," March 26, 2019, 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: The Navy is awaiting final leadership approval before publishing Secretary of the Navy Instruction 5000.2G.

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: Although the Total Asset Visibility-Contractor Logistics Modernization Program module will track receipt, acceptance, and consumption of government-furnished material, such inventory will not be appropriately valued until the Army establishes a deemed cost to support opening balances. Also, the Army will need to direct contractor utilization through a contract clause, which will not be inserted into appropriate contracts until their current periods of performance have been completed. Estimated completion date is August 31, 2025.

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,
U.S. Central Command

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: Navy officials are staffing a draft instruction that will update the Navy Operational Test Readiness Review process and address the DoD OIG identified deficiencies. Estimated completion date is first quarter FY 2022.

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: Navy Personnel Command must implement remaining corrective actions for the Navy passenger transportation offices to be appropriately staffed and comply with revised policy in Office of the Chief of Naval Operations Instruction 4650.15C, "Navy Passenger Travel," September 22, 2020.

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, "Religious Liberty in the Military Service," September 1, 2020.

Reason Action Not Completed: The Navy has not finalized revising Navy Instruction 1730.08B, "Accommodation of Religious Practices," March 28, 2021, to include the updated guidance regarding religious accommodations contained in DoD Instruction 1300.17.

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: Marine Corps Regional Contracting Office-National Capital Region has not completed performance reviews of the contracting officers and a 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: The Air Force has not repaired the electrical and fire protection deficiencies and nonconformance items to comply with Unified Facilities Criteria.

Principal Action Office: Air Force

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 5000.2F, "Department of the Navy Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System," March 26, 2019, after the Vice Chairman, Joint Chiefs of Staff, revises the Joint Capabilities Integration and Development System Manual.

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-2015-181, 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: The Assistant Secretary of the Army for Installations, Energy, and Environment continues to work on drafting Army Regulation 200-xx. Publication is projected for second quarter FY 2022. The Navy has not provided evidence to support it has completed a root cause analysis, and implemented the last remaining corrective action to address fire-protection deficiencies.

Principal Action Office: 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 (DFARS) 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: Efforts to seek a modification to the DFARS that establishes a requirement to train DoD contractor personnel on recognizing and preventing violence in the workplace are dependent on the issuance of DoD Instruction 5200.xx, "Prevention, Assistance, and Response Capabilities," which is undergoing the DoD policy coordination process.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Under Secretary of Defense for Intelligence and Security

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: Report is classified.

Principal Action Office: Navy, Marine Corps

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 Navy has not provided 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 based on personnel changes and suspend accounts made in the Defense Enrollment Eligibility Reporting System.

Principal Action Office: Navy

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: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not provided a formal DoD strategy for how the Defense Finance and Accounting Service and the Other Defense Organizations plan to provide detail-level data and timely correct and reduce problem disbursements.

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: 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: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not issued standard operating procedures that include the identification and roles and responsibilities of all DoD components involved in the civilian pay reconciliation process for Other Defense Organizations; provided the general ledger accounts (budgetary and proprietary) that are used in the reconciliation process; and established procedures to check the accuracy of the system generated payroll accrual entry in the Defense Agency Initiatives general ledger system.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

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.

Potential Monetary Benefits: \$4,287,000 (Funds Put to Better Use)

Reason Action Not Completed: The Defense Health Agency and U.S. Army Medical Command have not provided a status on its 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: The Army has not provided evidence that shows the realized cost-savings of purchasing spare parts from the Defense Logistics Agency inventory rather than 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: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, continues working to implement appropriate control measures in the population review processes to ensure all applicable payments

are included and reliable improper payment estimates are generated and reported. The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, established the Payment Integrity Estimates Working Group with the purpose and intent of reporting complete and accurate estimates for all noncompliant programs. Estimated completion date is May 31, 2022.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

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-2016-107, Advanced Arresting Gear Program Exceeded Cost and Schedule Baselines, 7/5/2016

Description of Action: Update the Advanced Arresting Gear (AAG) Test and Evaluation Master Plan to revise the planned test strategy, test schedule, developmental and operational funding, and add measures to support the program's reliability growth plan before the Acquisition Category IC Acquisition Program Baseline is finalized.

Reason Action Not Completed: The Navy is approving the updated Test and Evaluation Master Plan for the Advanced Arresting Gear Program. Estimated completion date is first quarter FY 2022.

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: Army Materiel Command Regulation 750-55, "U.S. Army Materiel Command Organic Industrial Base (OIB) Operations Management," May 16, 2019, does not include procedures for computing inventory valuation at moving average cost, monitoring MAC values, and making supported corrections of MAC values. Estimated completion date is December 31, 2022.

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 Theater Integrated Combat Munitions System once it is capable of receiving transaction-level data from the Army.

Reason Action Not Completed: The Air Force has not codified the process to perform a complete periodic reconciliation of Other Service-held Operating Materials and Supplies-Ammunition using transactional-level data and documented it in the Global Ammunition Control Point/Financial Management Office Strategic Role User Guide. In addition, the Air Force must evaluate the effectiveness of the documented procedures and the resulting reconciliation as part of a quarterly chief financial officer's report process. Estimated completion date is March 31, 2022.

Principal Action Office: Air Force

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: Establish controls to meet the requirements in the "Manual for the Operation of the Joint Capabilities Integration and Development System," February 12, 2015, for completing an assessment of the solutions' ability to deliver required capabilities within 6 months of initial delivery to operational users in theater. Redesign the Knowledge Management/Decision Support system to better accommodate Joint Urgent Operational Needs/Joint Emergent Operational Needs transparency and tracking. Conduct a thorough review of the operational needs and associated documents in the knowledge system to ensure that all related information is up to date.

Reason Action Not Completed: The Office of the Joint Chiefs of Staff has not revised Chairman of the Joint Chiefs of Staff Instruction 5123.01H, "Charter of the Joint Requirements Oversight Council (JROC) and Implementation of the Joint Capabilities Integration and Development System (JCIDS)," August 31, 2018, to incorporate language codifying changes to the quarterly and biannual review process. Estimated completion date is December 31, 2021.

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: Obtain the complete universe of detailed transactions supporting the suspense account balances, perform regular and recurring reconciliations of the data, and remediate any deficiencies that impact the accuracy of the balances. Develop an estimate using relevant, sufficient, and reliable information to record the consolidated Other Defense Organizations' suspense account balances on the individual Other Defense Organizations' financial statements.

Reason Action Not Completed: Although the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, in coordination with the Office of Management and Budget and the U.S. Treasury, established Federal Insurance Corporation Act, Federal Income Tax Withholdings, and Thrift Savings Plan suspense accounts, and the DoD has utilized those accounts, the Defense Finance and Accounting Service did not develop an estimate using relevant, sufficient, and reliable information to record the consolidated Other Defense Organizations' suspense account balances on the individual Other Defense Organizations' financial statements. Additionally, recent DoD OIG work performed has identified a significant error rate of transactions listed in Treasury Index-97 suspense accounts.

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: The Navy has not issued guidance for future execution of large-scale renewable energy projects.

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-2017-004, Summary Report-Inspections of DoD Facilities and Military Housing and Audits of Base Operations and Support Services Contracts, 10/14/2016

Description of Action: Establish a permanent policy for the sustainment of facilities, including standardized facility inspections. This policy should incorporate the requirements in the September 10, 2013, "Standardizing Facility Condition Assessments," and in the April 29, 2014, "Facility Sustainment and Recapitalization Policy," memorandums. Perform at least two comprehensive, independent inspections of installations to verify compliance with all applicable health and safety requirements.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment has not incorporated two previously issued policy memorandums into permanent DoD policy to address systemic problems with facility maintenance across the DoD. The development of the DoD instruction is on hold pending a decision on establishing an Executive Agent designation to oversee the Sustainment Management System/BUILDER. Estimated completion date to issue the DoD instruction is third quarter FY 2022. Also, the Army has not provided evidence to support it is performing comprehensive, independent inspections of at least two installations each year.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army

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," November 10, 2015.

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-2017-030, U.S. Special Operations Command Needs to Improve Management of Sensitive Equipment, 12/12/2016

Description of Action: Conduct a 100 percent inventory of sensitive equipment to establish a sensitive equipment baseline and reconcile inventory discrepancies.

Reason Action Not Completed: U.S. Special Operations Command continues working to implement the Defense Property Accountability System warehouse module to account for all wholesale level inventory. U.S. Special Operations Command estimates it will take approximately 2 years to complete a full baseline inventory to ensure only those inventory items that are physically on hand are captured and entered into the Inventory Accountable Property System of Record in the Defense Property Accountability System. Estimated completion date is first quarter FY 2023.

Principal Action Office: U.S. Special Operations 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," December 1, 2009, 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. Estimated completion date is March 31, 2022.

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: The Commander, Chief of Naval Operations will develop policy in coordination with the U.S. Fleet Forces Command, U.S. Pacific Fleet, and the Navy's Systems Commands to develop and implement retention and disposition guidance for excess consumable material in the Real-Time Reutilization Asset Management facilities. The new guidance will include, at a minimum, standardized procedures for retaining material based on demand, validating material for continued need if the retention decision

is not based on demand, and properly categorizing material. This guidance will be included in Chief of Naval Operations Instruction 4440.26A, "Operating Materials and Supplies and Government Furnished Material Management," June 5, 2012.

Reason Action Not Completed: Corrective actions are still ongoing to revise Chief of Naval Operations Instruction 4440.26A to include appropriate retention and disposition guidance for excess consumable material in the Real-Time Reutilization Asset Management facilities.

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 are exhausted.

Potential Monetary Benefits: \$40,212,000 (Funds Put to Better Use)

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: Assistant Secretary of Defense for Health Affairs

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, "Joint Intelligence," October 22, 2013, to comply 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: The Joint Staff Directorate for Joint Force Development (J-7) continues to staff the draft revisions to Joint Publication 2-0 for final coordination and adjudication. Estimated completion date is December 31, 2021.

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: Require Defense Contract Management Agency contracting personnel

responsible for the settlement of incurred cost audits to complete the Defense Acquisition University's College of Contract Management Course 232, "Final Indirect Cost Rates," which includes the topic of assessing penalties and interest.

Reason Action Not Completed: The Defense Contract Management Agency has not provided evidence that contracting personnel responsible for the settlement of incurred cost audits have completed the College of Contract Management Course 232.

Principal Action Office: Defense Contract Management 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," August 31, 2018, 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. Army will reclassify the six relocatable buildings as real property once it issues the updated relocatable policy. Estimated completion date is second quarter FY 2022.

Principal Action Office: Army

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: The Navy is undergoing a transition in financial management systems from the Standard Accounting and Reporting System to the Navy Enterprise Resource Planning system. The transition will not be complete until September 30, 2022. The Navy is building a coding structure to be incorporated into the financial management process and standard operating procedures. Full operational capability is expected by December 30, 2022.

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: Review system issues and identify system changes necessary to resolve differences between Army and Treasury records. Review posting logic for all transaction types and prepare system changes as needed.

Reason Action Not Completed: Long-term Army corrective actions are still ongoing to implement system changes to standardize data and document system posting logic. Estimated completion is fourth quarter FY 2022.

Principal Action Office: Army

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: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, continues working to implement appropriate control measures in the population review processes to ensure all applicable payments are included and reliable improper payment estimates are generated and reported. The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, established the Payment Integrity Estimates Working Group with the purpose and intent of reporting complete and accurate estimates for all noncompliant programs. Estimated completion date is May 31, 2022.

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.

Reason Action Not Completed: Department of the Navy corrective actions are ongoing to correct all electrical deficiencies identified in the DoD OIG report.

Principal Action Office: Navy

Report: DODIG-2017-092, Audit of the Defense Contract Audit Agency Field Detachment, 6/14/2017

Description of Action: Establish and implement a process for annual planning and coordination with customer program security officers and Field Detachment supervisors to identify classified and special access programs.

Reason Action Not Completed: The Defense Contract Audit Agency has not completed coordination with the DoD Special Access Program Central Office to identify classified and special access program contracts with the individual special access program security offices.

Principal Action Office: Defense Contract Audit Agency

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.

Reason Action Not Completed: The DoD OIG is conducting an ongoing followup review to determine the implementation of corrective actions.

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: 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: The Defense Security Cooperation Agency has not completed the development of a central repository for documenting and retaining records.

Principal Action Office: Defense Security Cooperation Agency

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. 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. The Navy anticipates a full inventory will be completed by FY 2025. The U.S. Naval Academy Registrar and the Navy Curator are in the process of retrieving physical files to conduct a final reconciliation. Estimated completion date is December 31, 2025.

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 the Dormant Account Review Quarterly process (formerly triannual reviews) in accordance with DoD Financial Management Regulation, volume 3, chapter 8. Processes 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: U.S. Transportation Command has not developed and implemented processes and procedures to execute the Dormant Account Review Quarterly process as recommended to improve the DoD's ability to execute all available appropriations before expiration and ensuring remaining obligations are valid and support accurate financial and budgetary reporting.

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: The Army has not provided evidence to support it has developed and implemented policy on maintaining credit values within the Army Materiel Command.

Principal Action Office: Army

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 to implement the Acquisition and Cross-Servicing Agreement program and execution of acquisition and cross-servicing agreement authorities.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment is reviewing the implementation and execution of the acquisition and cross-servicing agreement authority and is formulating updates to DoD Directive 2010.9. The Office of the Under Secretary of Defense for Acquisition and Sustainment is working with the Military Services and the Joint Staff to ensure all DoD Components authorized to execute transactions under the acquisition and cross-servicing agreements or implement acquisition and cross-servicing agreements have adequate required training programs. Estimate completion date is May 31, 2022.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

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: All efforts to implement corrective actions have ceased due to the Defense-Wide Review's decision to sunset the Troops-to-Teachers program. The DoD OIG and the Office of the Assistant Secretary of Defense for Readiness (Force Education) are working together to close out the remaining open OIG recommendations by obtaining a DoD memorandum certifying the program's termination. The DoD OIG expects the memorandum will clearly state that the program has been terminated and may also address various practical implications of the program's termination.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

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: The Under Secretary of Defense for Policy has not issued 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-2018-035, Evaluation of Fingerprint Card and Final Disposition Report Submissions by Military Service Law Enforcement Organizations, 12/4/2017

Description of Action: Revise Army Regulation 190-45, "Law Enforcement Reporting," September 27, 2016, to align with the fingerprint card and final disposition report submission requirements in DoD Instruction 5505.11, "Fingerprint Reporting Requirements," October 31, 2019.

Reason Action Not Completed: Revision of Army Regulation 190-45 is still ongoing.

Principal Action Office: Army, Air Force, Navy, and Marine Corps

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: Evaluate the Madigan Army Medical Center's Patient Safety Indicator (PSI) #90 performance after the new Patient Safety Indicator #90 measures and benchmarks are available to determine if the facility is outperforming, performing the same as, or underperforming compared to other healthcare facilities; and take appropriate action to correct all identified deficiencies.

Reason Action Not Completed: The Army has not provided a final evaluation of Madigan Army Medical Center against the new Patient Safety Indicator #90 measures that discusses all identified deficiencies and corrective actions applied and planned to correct these deficiencies.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Army

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: Develop a systems infrastructure to enhance the current solution used to reconcile Fund Balance With Treasury. Develop four sets of reconciliations that will ensure existence and completeness of the universe of transactions for the Other Defense Organizations general fund financial statements.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD has not fully implemented a systems infrastructure to enhance the current solution to reconcile Fund Balance With Treasury. The go-live date has been extended to October 2021 per a requirement to have a cross-domain solution implemented and request by Defense Finance and Accounting Services to continue additional parallel testing. The cross-domain solution will allow for movement of data from Non-Secure Internet Protocol Router to Secret Internet Protocol Router, where a review can occur, before the data is moved back to Non-Secure Internet Protocol Router and distributed to users. This is an enhancement to the current reconciliation tool and provides for a more secure reconciliation process. Entities will transition to the ADVANA solution in a phased approach with all customers migrated throughout FY 2022.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

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's "Interim Guidance for Chemical Warfare Materiel Responses," April 1, 2009, and direct the Commander of the U.S. Army Corps of Engineers to update Engineering Pamphlet 75-1-3. "Recovered Chemical Warfare Materiel Response Process," November 30, 2004, to comply with Army

Regulation 25-30, "Army Publishing Program," June 3, 2015, which sets the currency standard for Department of the Army publications at 5 years. The Army interim guidance was published 12 years ago and the Engineering Pamphlet was published 17 years ago. Updated policy is necessary to ensure that procedures, terminology, and designations are current and accurate for organizations that are responsible for executing requirements.

Reason Action Not Completed: Army actions to issue DoD Manual 5101.17, Volumes 1 through 3, "DoD Recovered Chemical Warfare Materiel Program Guidance" and revise Engineering Pamphlet 75-1-3 have been delayed pending DoD update of DoD Directive 5101.17E, "Roles and Responsibilities Associated with the Recovery of Chemical Warfare Materiel," May 11, 2016. Estimated completion date is May 31, 2022.

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-2018-057, 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-2018-063, Navy and Marine Corps Management of Relocatable Buildings, 1/29/2018

Description of Action: Update DoD Instruction 4165.56, "Relocatable Buildings," January 7, 2013, to include details and illustrated examples on how to properly classify relocatable buildings based on the definition and interim facility requirement. Revise Chief of Naval Operations Instruction 11010.33C, "Procurement, Lease and Use of Relocatable Buildings," March 7, 2006, and Marine Corps Order 11000.12, Appendix G, "Interim Relocatable Facilities Policy and Procedures," September 8, 2014, and the Marine Corps Headquarters GF-6, "Real Estate and Real Property Accountability Handbook," December 2013, to reflect updates made to DoD Instruction 4165.56. Train Department of Public Works personnel on the proper classification of relocatable buildings.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment is finalizing the revision of DoD Instruction 4165.56. Revisions to Chief of Naval Operations Instruction 11010.33C; Marine Corps Order 11000.12, Appendix G; and the Handbook will reflect updates made to DoD Instruction 4165.56 once issued.

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: The Navy has not published a Navy-Marine Corps Acquisition Regulation Supplement annex detailing Navy procedures to report a determination and findings document.

Principal Action Office: Navy

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: Perform a joint inspection of all government-furnished property with the Base Operating Support Services contractor and perform annual reconciliations over the life of the contract.

Reason Action Not Completed: The Navy has not provided an alternative system of record it intends to use until the Enterprise Resource Planning is implemented in 2023. The Navy needs to demonstrate how it plans to maintain accountability of Government-furnished property and equipment issued to the contractor in the interim.

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: Army corrective actions are ongoing to support the analysis conducted to validate the \$23 million estimate for the cost of rework and to determine if there is additional construction rework that was not captured.

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: The Armed Forces Retirement Home has not revised DoD Instruction 1000.28, "Armed Forces Retirement Home," February 1, 2010.

Principal Action Office: Armed Forces Retirement Home

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," January 23, 2020, 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: The Office of the Under Secretary of Defense for Acquisition and Sustainment has not provided evidence to support it 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-2018-092, 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, Navy

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 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)/Office of the Deputy 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 7000.14-R, "DoD Financial Management Regulation," volume 6a, chapter 7. Reason Action Not Completed: The Army has not configured the general ledger systems to record the foreign currency fluctuation to the same fiscal year as the underlying obligation, in accordance with DoD 7000.14-R, volume 6a, chapter 7. Estimated completion date is September 30, 2025.

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. In addition, include procedures for conducting periodic reconciliations of Special Operations-Peculiar equipment authorizations and allocations to inventory.

Reason Action Not Completed: An interim process to update the required and authorized values was codified in U.S. Special Operations Command Directive 71-4, "Special Operations Forces Capabilities Integration and Development System," January 22, 2020. Headquarters, U.S. Special Operations Command will continue to develop a process that achieves the desired

end state of a cross-domain solution that updates the required and authorized values in an automated manner. Once the process has been developed, U.S. Operations Command J4 will issue U.S. Special Operations Command Directive 700-03, "U.S. Special Operations Command Authorizations Management."

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2018-107, Expeditionary Fast Transport Capabilities, 4/25/2018

Description of Action: Military Sealift Command to 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: The Military Sealift Command has not provided evidence 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: The Navy has not provided vulnerability scan results that demonstrate that the Naval Hospital Camp Pendleton and San Diego Naval Medical Center mitigated known vulnerabilities and approved a plan of action and milestones for vulnerabilities that the military treatment facilities could not mitigate in a timely manner. Also the

San Diego Naval Medical Center has not provided details of waivers for systems that do not support the use of common access cards.

Principal Action Office: 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 Defense Contract Management Agency contracting officials develop quality assurance surveillance plans for all service acquisitions.

Potential Monetary Benefits: \$74,393,223
(Questioned Costs)

Reason Action Not Completed: The Defense Contract Management Agency has not provided sufficient evidence to support they have developed internal controls to ensure Defense Contract Management Agency contracting officials develop performance work statements for service acquisitions; and contracting officer representatives or contracting officers perform inspections and monitor contractor performance on service contracts and require activities develop quality assurance surveillance plans for all service acquisitions.

Principal Action Office: Defense Contract Management Agency

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: Draft Commander Navy Installations Command Instruction 11350.xx, "Integrated Solid Waste Management," has been

delayed pending the Office of the Under Secretary of Defense for Acquisition and Sustainment's efforts to revise DoD Instruction 4715.23, "Integrated Recycling and Solid Waste Management," August 31, 2018, which is projected to include substantive changes to integrated solid waste management guidance, including the removal of references to Title 32 Code of Federal Regulations Section 172. The Commander Navy Installations Command anticipates draft instruction will be completed 60 days after revised DoD Instruction 4715.23 has been published.

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: 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: The Defense Contract Audit Agency has not provided evidence to support it 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: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD and the Defense Finance and Accounting

Service are jointly developing a comprehensive new tool that will provide transaction-level details needed to fully reconcile Fund Balance with Treasury. Both organizations are piloting the use of ADVANA to ingest feeder systems, accounting systems, reporting systems and the Central Accounting Reporting System used by the U.S. Treasury. ADVANA is not fully operational and therefore unable to produce a consolidated Cash Management Report to report all the Other Defense Organizations' financial activity or perform detailed reconciliations for Treasury Index 97 Fund Balance With Treasury accounts at the voucher level for all the Other Defense Organizations. Once fully operational, entities will transition to the ADVANA solution in a phased approach with all customers migrated throughout FY 2022.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Navy; Defense Finance and Accounting Service

Report: DODIG-2018-122, U.S. Strategic Command Facility Construction Project, 5/31/2018

Description of Action: Conduct program life-cycle evaluations to determine the success of the Cost Estimating Improvement Program.

Reason Action Not Completed: The U.S. Air Force Civil Engineer Center has not provided evidence to support that it has evaluated the success of the Cost Estimating Improvement Program.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment; Army, Air Force

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: The U.S. Special Operations Command has not provided evidence that it has controls in place to confirm that the Army, Navy, Air Force, and U.S. Marine Corps personnel are reporting all the critical data elements when they record U.S. Special Operations Command General Equipment and Accumulated Depreciation account balances in their Accountable Property Systems of Record.

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 identify the roles, responsibilities, and deciding officials for key segments of a facility construction project, including but not limited to, the project development, budgetary submissions, design reviews, planning, construction management, and assessment of contractor performance. Also, issue guidance to establish metrics that include financial risk management parameters and triggers, including, but not limited to, threshold changes to scope, cost, or timeline; emerging issues; dispute resolution; and statutory reporting requirements when higher headquarters engagement is required.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment has not developed guidance that includes the roles, responsibilities, deciding officials for key segments of a facility construction project, and metrics including financial risk management parameters and triggers. A project charter template has gone through an alpha test and is in the process of being updated for a second round of testing in FY 2022 prior to implementation.

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: The Office of the Assistant Secretary of the Navy for Financial Management and Comptroller has added additional language to the civilian personnel portion of draft guidance, which will be released with the FY 2023 Program/Budget Estimates for the Department of Navy Program/Budget Review guidance.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2018-132, Management of Army Equipment in Kuwait and Qatar, 6/29/2018

Description of Action: Update Army Regulation 710-1, "Centralized Inventory Management of the Army Supply System," November 28, 2016;

710-2, "Supply Policy Below the National Level," March 28, 2008; 735-5, "Property Accountability Policies," November 9, 2016; and Army Pamphlet 710-2-2, "Supply Support Activity Supply System: Manual Procedures," September 30, 1998, 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: The Army has not updated guidance with procedures to ensure 100 percent accountability of Army Prepositioned Stock equipment.

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: The Director of Business Enterprise Information Services and Other Systems has not provided evidence to support that procedures developed and implemented to execute periodic user reviews captured 100 percent of Defense Cash Accountability System users.

Principal Action Office: Defense Finance and Accounting Service

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: The Navy has not corrected performance deficiencies identified in prior testing.

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, "Marine Corps Readiness Reporting," July 18, 2017, 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: The U.S. Marine Corps has not revised 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-2018-144, 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

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: The Air Force has not completed a review that focuses on proper future maintenance authorization ratios. Estimated completion date is FY 2023.

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.

Potential Monetary Benefits: \$544,743,015 (Questioned Costs)

Reason Action Not Completed: MSC is incrementally updating the technical drawing and manuals for its prepositioning fleet subject to receiving additional requested funding and expects to complete all updates by FY 2024.

Principal Action Office: Navy

Report: DODIG-2018-152, Management of Prepositioned Stock in U.S. European Command, 9/17/2018

Description of Action: Develop guidance that specifies Marine Corps Prepositioning Program-Norway maintenance requirements for weapons stored in Level A protective packaging. Update Army Technical Manual 38-470, "Storage and Maintenance of Army Prepositioned Stock Materiel," June 30, 2017, 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: The Marine Corps has not provided the revised local bilateral agreement between Blount Island Command and the Norwegian Defense Logistics Organization, and Marine Corps Technical Manual 4790-14/1H to support it includes the maintenance requirements for weapons stored in Level A protective packaging. The Army has not finalized the update to Army Technical Manual 38-470.

Principal Action Office: Army, Marine Corps

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. Space 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: 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: Designate an Acquisition and Cross-Servicing Agreement (ACSA) Finance Program Manager and ensure that the individual completes the Joint Knowledge Online-Training that will provide access and the basic instruction for the ACSA Finance Program Manager to build, track, and manage transactions in the ACSA Global Automated Tracking and Reporting System (AGATRS). Input remaining eight ACSA transactions in AGATRS.

Potential Monetary Benefits: \$7,288,225 (Questioned Costs)

Reason Action Not Completed: The Marine Corps has not provided evidence to support that the ACSA Finance Program Manager has completed the Joint Knowledge Online-Training, and that the remaining eight ACSA transactions are in a completed status in AGATRS.

Principal Action Office: 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 Department of Defense-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: The Office of the DoD Chief Information Officer has not finalized the revision of DoD Instruction 8530.01, "Cybersecurity Activities Support to DoD Information Network Operations," July 25, 2017. The National Security Agency is awaiting publication of DoD Instruction 8530.01 before updating existing internal procedures for sharing cyber threat indicators.

Principal Action Office: DoD Chief Information Officer, National Security Agency

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 on the requirements for distributing and filing the negotiation memorandums in accordance with Federal Acquisition Regulation 15.406-3(b), “Documenting the Negotiation.” and Defense Federal Acquisition Regulation Supplement and Procedures, Guidance, and Information 215.406-3(a)(11).

Reason Action Not Completed: Naval Sea Systems Command and Space and Naval Warfare Systems Command have not provided evidence to support they have completed the refresher training of contracting personnel.

Principal Action Office: Navy

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: 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 and mandate, as necessary, training standards based on a common essential body of knowledge, including Intelligence Community Directive 203, “Analytic Standards,” January 2, 2015, for all entry-level and developmental intelligence professionals.

Reason Action Not Completed: The Under Secretary of Defense for Intelligence and Security has not published draft DoD Instruction 3305.XX, “DoD All-Source Analysis Accreditation and Certification.” Estimated completion date is May 31, 2022.

Principal Action Office: Under Secretary of Defense for Intelligence and Security

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: 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: The DoD Chief Information Officer has not provided evidence that supports an initial inventory of DoD business and information technology software has been completed and that it is tracking application rationalization metrics to measure progress in eliminating unnecessary applications. The DoD Chief Information Officer requested that DoD Application and System Rationalization Working Group member organizations and DoD Components register all Enterprise Information Environment Mission Area and Business Mission Area systems within the Defense Information Technology Portfolio Registry by fourth quarter FY 2021, and provide quarterly updates to verify Defense Information Technology Portfolio Registry record completeness and accuracy for all Enterprise Information Environment Mission Area and Business Mission Area systems starting in first quarter FY 2022.

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. Establish standardized guidance for which reports the medical treatment facilities must review in the Armed Forces Billing and Collection Utilization Solution system to identify accounts ready to be billed. Review and fully process 18,898 accounts, valued at \$2.4 million, and appropriately bill for those accounts.

Potential Monetary Benefits: \$2,400,000 (Funds Put to Better Use)

Reason Action Not Completed: The Defense Health Agency Uniform Business Office has not provided a plan of action that addresses the backlog of old delinquent accounts and current delinquent accounts

for all military treatment facilities; and includes details on how the medical treatment facilities will implement the established policy, including identifying who the proper authority is for the medical treatment facilities to obtain approval from to terminate the debt.

Navy Medicine East is working with Naval Medical Center Portsmouth to review and fully process the 18,898 listed accounts. Estimated completion date is December 31, 2021.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, 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 an annual review of the Defense Finance and Accounting Service Commercial Pay program through the Senior Accountable Officials Steering Committee and Action Officers Working Group to identify all types of payments made across DoD Components; verify that existing risk assessments and sampling plans cover all defined commercial payment types; and update risk assessments and sampling plans for program segments that experienced a significant change in legislation or a significant increase in funding level.

Reason Action Not Completed: The DoD OIG annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

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. Estimated completion date is first quarter FY 2022.

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: Army

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.

Potential Monetary Benefits: \$103,000,000 (Funds Put to Better Use)

Reason Action Not Completed: The Commander, Naval Air Systems Command has not provided a final approved version of the F/A-18E/F life cycle sustainment plan. The Deputy Chief of Naval Operations for Warfare Systems has not provided the Chief of Naval Operations Program Objective Memorandum-2021 guidance that addresses increased communication across dependent weapon systems. Estimated completion date is December 31, 2021.

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, Director, DoD Special Access Program Central Office

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: The DoD Deputy Chief Financial Officer has not issued accounting policy and implemented oversight controls that ensure the Military Departments identify and provide the Defense Finance and Accounting Service-Indianapolis with the documentation needed to support, record, and report in the DoD Agency-Wide Financial Statements the equity investment profits and losses allocated to the Military Departments.

Principal Action Office: Under Secretary of Defense (Comptroller/Chief Financial Officer, DoD; Under Secretary of Defense for Acquisition and Sustainment; Army; Air Force

Report: DODIG-2019-058, Summary and Follow-up Report on Audits of DoD Energy Savings Performance Contracts, 2/14/2019

Description of Action: Direct Air Force energy savings performance contracting officers, in coordination with the Air Force Civil Engineer Center Commander, to, based on the results of the validations, take appropriate contractual action (if necessary), such as recovering unrealized guaranteed energy savings or buying out the remaining portion of the applicable contracts.

Reason Action Not Completed: The Air Force is finalizing a review and validation of contractor-claimed energy savings to determine if contractual actions may be required. Estimated completion date to complete the validation process is first quarter FY 2022.

Principal Action Office: Air Force

Report: DODIG-2019-060, Review of Parts Purchased From TransDigm Group, Inc., 2/25/2019

Description of Action: Examine the United States Code, Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, and the Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information, to determine changes needed in the acquisition process of parts produced or provided from a sole source to ensure that contracting officers obtain uncertified cost data when requested and that the DoD receives full and fair value in return for its expenditures.

Reason Action Not Completed: Defense Pricing and Contracting's review of statute, regulations, and supplemental guidance concluded that in the absence of legislation, uncooperative sole-source contractors are not compelled to supply uncertified cost data, and that contracting officers were also constrained by prior commerciality decisions. In June 2020, the DoD submitted legislative proposals in the FY 2021 legislative cycle, however, Congress did not take action on these proposals. The DoD OIG is waiting to confirm whether DoD-drafted legislative proposals will get enacted in the FY 2022 National Defense Authorization Act.

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: Conduct a review of all general public tenants leasing privatized housing on military installations, to ensure that those tenants receive complete and adequate background checks and that access badge expiration dates do not exceed lease expiration dates in accordance with current Military Department guidance.

Reason Action Not Completed: The DoD OIG is conducting a followup review to determine the implementation of corrective actions.

Principal Action Office: Army

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.

Potential Monetary Benefits: \$2,087,515,481
(Questioned Costs)

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment has not provided evidence of their review of the accounting and management actions of the F-35 Program Office. The F-35 Joint Program Office has not provided evidence of an established Government-furnished property list compliance process and contract documentation that shows the results of the implemented process. The F-35 Joint Program Office has not provided evidence to support it has implemented procedures for inputting data into the accountable property system of record and transitioned contractor-acquired property procured to Government-furnished property from past F-35 contracts.

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: Report is classified.

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: The U.S. Southern Command has not provided a written voting plan that satisfies DoD Instruction 1000.04, "Federal Voting Assistance Program (FVAP)," November 12, 2019.

Principal Action Office: 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: The Auditor Generals of the Army, Navy, and Air Force include followup audits that verify the accuracy of the Cost of War data in their FY 2020 audit plans.

Reason Action Not Completed: The Office of the Under Secretary of the Navy has not provided evidence to support the development and implementation of procedures to capture the required level of detail of war-related overseas contingency operation costs.

Principal Action Office: Navy

Report: DODIG-2019-071, Evaluation of DoD Component Responsibilities for Counterintelligence Support for the Protection of Defense Critical Infrastructure, 4/5/2019

Description of Action: Revise DoD policies to ensure the protection of essential DoD services and infrastructure.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Intelligence and Security has not finalized the revisions of DoD Instructions 5240.24, "Counterintelligence (CI) Activities Supporting Research, Development, and Acquisition (RDA)," June 8, 2011 and 5240.19, "Counterintelligence Support to the Defense Critical Infrastructure Program (DCIP)," January 21, 2014. Estimated completion date is December 31, 2021.

Principal Action Office: Under Secretary of Defense for Intelligence and Security

Report: DODIG-2019-072, Audit of Consolidated Afloat Networks and Enterprise Services Security Safeguards, 4/8/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: DODIG-2019-073, Audit of Payments to the DoD for Medical Services Provided to Department of Veterans Affairs Beneficiaries at Selected Army Medical Centers, 4/8/2019

Description of Action: Identify the source of billing system errors that prevented payment of inpatient professional fees, modify the billing system to prevent future errors, determine whether the billing system errors affected other sharing sites, and provide guidance to impacted sharing sites to bill for any previously unbilled care.

Reason Action Not Completed: The Defense Health Agency has not provided evidence to support it has identified the system errors that prevented the billing and payment of inpatient professional fees; corrected the system errors that prevented billing and payment of inpatient professional fees; coordinated with other sharing sites to determine if those sites were affected by the error and that personnel at those sites implemented corrective action; and developed and issued guidance to other impacted sites.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2019-074, Evaluation of Targeting Operations and Civilian Casualties in Operation Inherent Resolve, 4/18/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Secretary of Defense, U.S. Central Command, U.S. Special Operations Command

Report: DODIG-2019-075, Evaluation of Military Services' Law Enforcement Responses to Domestic Violence Incidents, 4/19/2019

Description of Action: Ensure that all subjects are properly titled and indexed in the Defense Central Index of Investigations as required by DoD Instruction 5505.07, "Titling and Indexing Criminal Investigations," February 28, 2018. Conduct a comprehensive review of all criminal investigative databases and files verify that all subjects of domestic violence incidents from 1998 to present are titled and indexed in the Defense Central Index of Investigations. Ensure that subject fingerprint cards and final disposition reports are collected and submitted to the FBI's Criminal Justice Information Services Division database for all subjects that were not submitted, as required by DoD Instruction 5505.11, "Fingerprint Reporting Requirements," October 31, 2019.

Reason Action Not Completed: The Office of the Secretaries of the Army, Navy, and Air Force have not provided evidence to support they have completed a comprehensive review of all criminal investigative databases and files to verify that all subjects of domestic violence incidents from 1998 to present were titled and indexed in the Defense Central Index of Investigations. The Navy and Marine Corps has not provided evidence to support it has collected and submitted subject fingerprint cards and final disposition reports to the FBI's Criminal Justice

Information Services Division database. Marine Corps Installations Command has not provided evidence to support it has titled and indexed all subjects in the Defense Central Index of Investigations.

Principal Action Office: Army, Navy, Marine Corps, Air Force

Report: DODIG-2019-076, Evaluation of the Missile Defense Agency's Pentagon Force Protection Agency's, and Defense Commissary Agency's Use of Counterintelligence Inquiry Authority, 4/16/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Missile Defense Agency

Report: DODIG-2019-077, Evaluation of the Oversight of Intelligence Interrogation Approaches and Techniques, 4/15/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2019-078, Evaluation of the Air Force's Implementation of DoD OIG Recommendations Concerning Modifications of the Integrated Tactical Warning and Attack Assessment (ITW/AA) Mobile Ground System, 4/17/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2019-079, Audit of the Identification and Training of DoD's Operational Contract Support Workforce, 4/16/2019

Description of Action: Develop and implement policy to establish tiered minimum training (tactical, operational, and strategic) requirements and qualifications for Operational Contract Support positions at each echelon, and identify which positions require an Operational Contract Support trained professional.

Reason Action Not Completed: Corrective actions still ongoing towards publishing guidance to clarify minimum training requirements for personnel working within the Operational Contract Support functional area. Estimated completion date is October 31, 2022.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2019-081, Audit of Training Ranges Supporting Aviation Units in the U.S. Indo-Pacific Command, 4/17/2019

Description of Action: Review the individual Services' range plans to determine whether Service solutions to training limitations can be accomplished across the DoD. Develop and implement a plan to field and sustain DoD-wide solutions to address training gaps. Develop and implement plans to synchronize Army and Air Force range management and range use in Alaska for joint training events, individual through collective level training for the Army and the Air Force, and future F-35 training needs across the DoD to ensure readiness and the ability to accomplish operation plans.

Reason Action Not Completed: The Office of the Deputy Assistant Secretary of Defense for Force Education and Training and Office of the Assistant Secretary of Defense for Sustainment have not reviewed the individual Services' range plans and have not developed and implemented a plan to field and sustain DoD-wide solutions to address training gaps, including the airspace and impact needs of advanced aircraft and weapons, such as the F-35; and the need to join neighboring airspace on a continuing basis. The Office of the Deputy Assistant Secretary of Defense for Force Education and Training also has not developed and implemented a plan to synchronize Army and Air Force range management and range use in Alaska. Estimated completion date is August 31, 2022.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2019-083, Evaluation of Operations and Management of Arlington and Soldiers' and Airmen's Home National Military Cemeteries, 5/20/2019

Description of Action: Implement and field the Quality Assurance module in the Enterprise Interment Services System, the future sole system for all Army cemeteries, to adjudicate for accuracy all data merged from the Arlington National Cemetery Research Tool, the Army National Military Cemeteries Research Tool, and the current Interment Services System.

Reason Action Not Completed: The Executive Director, Army National Military Cemeteries has not provided evidence demonstrating that the Army implemented and fielded the Quality Assurance module in the Enterprise Interment Services System.

Principal Action Office: Army

Report: DODIG-2019-084, Evaluation of the Operations and Management of Military Cemeteries, 5/20/2019

Description of Action: The Under Secretary of Defense for Personnel and Readiness, in coordination with the Under Secretary of Defense for Acquisition and Sustainment, publish a comprehensive instruction that provides guidance on operation of the military cemeteries, including management, accountability, and inspections.

Reason Action Not Completed: Corrective actions are ongoing to publish a DoD Instruction that provides guidance on the operation, management, accountability, and inspections of military cemeteries.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Army, Navy, Air Force

Report: DODIG-2019-085, Audit of the Defense Security Cooperation Agency-Security Assistance Accounts, 5/8/2019

Description of Action: Recover and transfer into the Special Defense Acquisition Fund account all authorized collections dating back to FY 2012 that the Defense Finance and Accounting Service did not transfer into the Special Defense Acquisition Fund account. Develop corrective action plans to address the DoD OIG recommendations, to include performing quarterly inspections of DoD and contractor facilities to monitor Special Defense Acquisition Fund inventory.

Potential Monetary Benefits: \$745,500,000 (Funds Put to Better Use)

Reason Action Not Completed: The Defense Security Cooperation Agency is working on implementing the corrective action plans, which include developing a comprehensive accounting and reporting process for Special Defense Acquisition Fund inventory.

Principal Action Office: Defense Security Cooperation Agency

Report: DODIG-2019-087, Audit of the DoD's FY 2018 Compliance With the Improper Payments Elimination and Recovery Act Requirements, 5/15/2019

Description of Action: In coordination with the Defense Finance and Accounting Service Director: 1) develop and implement sufficient control measures in the population review process to ensure that the DoD includes all necessary payments for Military Pay, Civilian Pay, Military Retirement, and DoD Travel Pay populations and reports accurate improper payment estimates in the Agency Financial Report; 2) develop a process that uses the amount paid for the Commercial

Pay and DoD Travel Pay programs; and 3) establish an improper payment review process for the Civilian Pay program that examines supporting documentation and verifies that civilian employees are eligible for the payments that they received.

Reason Action Not Completed: The 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

Report: DODIG-2019-088, Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait, 6/11/2019

Description of Action: Clearly assign roles and responsibilities to DoD's subordinate commands regarding combating trafficking in persons, including formally designating an appropriate command headquarters in Kuwait to be responsible for Combat Trafficking in Persons compliance.

Reason Action Not Completed: The DoD OIG is conducting a followup review to determine the implementation of corrective actions.

Principal Action Office: DoD Office of the General Counsel, Army, Air Force, U.S. Central Command, Army and Air Force Exchange Service

Report: DODIG-2019-089, Audit of the DoD's Implementation of the Joint Regional Security Stacks, 6/4/2019

Description of Action: Establish or revise guidance that requires DoD Components to follow the same requirements when developing a technology refresh that will exceed an established cost threshold, as required for new acquisitions under DoD Instruction 5000.02, "Operation of the Defense Acquisition System," January 23, 2020.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment has not issued policy designed for the unique characteristics of information systems and commercial off-the-shelf hardware.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2019-091, Evaluation of the DoD's Management of Opioid Use Disorder for Military Health System Beneficiaries, 6/10/2019

Description of Action: The Secretary of the Navy will modify U.S. Marine Corps Orders 1754.14,

"Marine Corps Community Counseling Program (CCP)," April 4, 2016, and 5300.17A, "Marine Corps Substance Abuse Program," June 25, 2018, and a memorandum of understanding between the U.S. Marine Corps and the Bureau of Medicine and Surgery (BUMED), to ensure compliance with DoD Instructions 1010.04, "Problematic Substance Use by DoD Personnel," May 6, 2020, and 6040.45, "DoD Health Record Life Cycle Management," April 11, 2017; Secretary of the Navy Instruction 1754.7A, "Credentials Review and Clinical Privileging of Clinical Practitioners/Providers in Department of the Navy Fleet and Family Support Program and Marine Corps Community Services," November 7, 2005; and BUMED Instructions 5353.4B, "Standards for Provision of Substance Related Disorder Treatment Services," July 6, 2015, and 6010.30, "Credentialing and Privileging Program," March 27, 2015, and clarify that substance Abuse Counseling Center counselors may not independently make substance use disorder diagnoses without clinical privileges, and all substance use disorder diagnoses must be documented in the DoD Health Record.

Reason Action Not Completed: The Navy has not updated U.S. Marine Corps orders and policies and the "Psychological Health Services for Active Duty Marines and Their Family Members" memorandum of understanding between the U.S. Marine Corps and BUMED to ensure compliance with DoD, Secretary of the Navy, and BUMED guidance that will apply to the U.S. Marine Corps Substance Abuse Counseling Centers.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, Navy

Report: DODIG-2019-093, Evaluation of U.S. European Command's Nuclear Command and Control Between the President and Theater Nuclear Forces, 6/10/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Army, Air Force, U.S. European Command

Report: DODIG-2019-094, Audit of F-35 Ready-For-Issue Spare Parts and Sustainment Performance Incentive Fees, 6/13/2019

Description of Action: Direct the F-35 Joint Program Office contracting officer to add language to future F-35 sustainment contracts to allow the DoD to collect compensation for each non-Ready-For-Issue spare part provided by the contractor. Assign contracting officer's representatives to provide oversight at all F-35 sites

and collect contractor performance data from the contracting officer's representatives and the Defense Contract Management Agency to identify systemic contractor performance problems.

Reason Action Not Completed: The F35 Joint Program Office is evaluating contractual alternatives for the sustainment contracts to allow for the DoD to be compensated for future non-Ready-For-Issue spare parts delivered by the contractor, appoint contracting officer's representatives to provide oversight at all F-35 sites, and develop site surveillance plans.

Principal Action Office: F-35 Joint Program Office

Report: DODIG-2019-103, Audit of Air Force Accountability of Government Property and Oversight of Contractual Maintenance Requirements in the Contract Augmentation Program IV in Southwest Asia, 7/18/2019

Description of Action: Require that all contracting personnel complete existing Government-furnished property training and coordinate with the Services to implement Government-furnished property training courses for contingency contracting personnel. The training should outline Service-specific implementation of Federal and DoD accountability requirements.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment has not provided evidence to support it has designated existing government-furnished property training as mandatory for all contracting personnel.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2019-105, Audit of Protection of DoD Controlled Unclassified Information on Contractor-Owned Networks and Systems, 7/23/2019

Description of Action: Publish DFARS rule (Case 2019-D041) to implement a standard DoD-wide methodology for assessing DoD contractor compliance with all security requirements in the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, "Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations," and a DoD certification process, known as the Cybersecurity Maturity Model Certification, that measures a company's maturity and institutionalization of cybersecurity practices and processes. The DFARS rule will require DoD Component contracting offices/requiring activities to conduct assessments to determine whether

contractors are complying with the security requirements in NIST SP 800-171 to protect controlled unclassified information before contract award and throughout the contracts' period of performance.

Reason Action Not Completed: Interim DFARS rule requires implementing a DoD Assessment Methodology and Cybersecurity Maturity Model Certification Framework in order to assess contractor implementation of cybersecurity requirements and enhance the protection of unclassified information within the DoD supply chain. The public comment period ended on November 30, 2020, and the DoD is reviewing comments to support the formulation of a final rule. Publication of the final DFARS rule is anticipated during the first quarter FY 2022.

Principal Action Office: DoD Chief Information Officer, Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2019-106, Audit of the DoD's Management of the Cybersecurity Risks for Government Purchase Card Purchases of Commercial Off-the-Shelf Items, 7/26/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Secretary of Defense, DoD Chief Information Officer, Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2019-107, Evaluation of Combatant Commands' Insider Threat Programs, 7/30/2019

Description of Action: Establish milestones for the Insider Threat Enterprise Program Management Office to develop an oversight plan for evaluating DoD Component Heads' insider threat programs to ensure compliance with DoD insider threat policies. Establish a full-time insider threat program manager to ensure that the program meets national and DoD requirements. Designate a subject matter expert to integrate the monitoring, analysis, and reporting of, and the response to, insider threats.

Reason Action Not Completed: Combatant Commands are establishing Insider Threat Program Managers. For example, the U.S. European Command plans to hire a Insider Threat Program Manager by the end of Fiscal year 2022 using the Joint Manpower Validation Board process.

Principal Action Office: DoD Chief Information Officer, Under Secretary of Defense for Intelligence and Security, U.S. Central Command, U.S. European Command, U.S. Special Operations Command, U.S. Southern Command

Report: DODIG-2019-108, Audit of the DoD's Management of the Third Party Collection Program for Medical Claims, 9/16/2019

Description of Action: Review all medical facilities in the Military Health System to determine which medical facilities are not submitting claims to insurance providers in compliance with the time requirements in Defense Health Agency Procedures Manual 6015.01, "Military Medical Treatment Facility (MTF) Uniform Business Office (UBO) Operations," October 24, 2017, and coordinate with commanders of those medical facilities to implement additional controls that enforce the requirements. Implement procedures to correct patient category codes in Military Health System GENESIS when patient category code errors are identified.

Potential Monetary Benefits: \$70,714,306 (Funds Put to Better Use)

Reason Action Not Completed: The Defense Health Agency has begun the process of designing custom reporting tools and infrastructure to consolidate and track standardized Uniform Business Office metrics across Other Health Insurance and Non-Other Health Insurance locations. These reports will include metrics to assist with measuring timely and accurate filing of claims as outlined by third party insurance requirements and the Defense Health Agency Procedures Manual 6015.01. However, the Defense Health Agency has not provided evidence to support these claims reports are being produced or the analysis showing the reports are effective in measuring timely and accurate filing of claims and what actions will be taken to resolve untimely and inaccurate filing of claims. In addition, the Defense Health Agency has not developed a written guidance on procedures to correct patient category codes.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, Army, Navy, Air Force

Report: DODIG-2019-111, Evaluation of USAFRICOM and SOCAFRICA's Processes for Determining and Fulfilling Intelligence Requirements for Counterterrorism, 8/13/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Army, U.S. Africa Command

Report: DODIG-2019-112, Audit of TRICARE Payments for Health Care Services and Equipment That Were Paid Without Maximum Allowable Reimbursement Rates, 8/20/2019

Description of Action: Revise TRICARE policy to incorporate wording regarding reasonable cost and being a prudent buyer similar to the related clauses in 42 Code of Federal Regulations 405.502 and Centers for Medicare & Medicaid Services Publication 15-1, "Provider Reimbursement Manual." Identify the reasons why TRICARE region contractors did not use existing TRICARE maximum allowable reimbursement rates, ensure that TRICARE region contractors apply the existing reimbursement rates, and recoup any overpayments where appropriate. Estimated completion date is December 31, 2021.

Potential Monetary Benefits: \$19,500,000 (Funds Put to Better Use)

Reason Action Not Completed: The Defense Health Agency has not issued a revised TRICARE policy and has not identified the reasons why TRICARE region contractors did not use existing reimbursement rates, confirmed contractors are using existing reimbursement rates, and recouped any overpayments.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2019-116, Audit of Contingency Planning for DoD Information Systems, 8/21/2019

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Report is For Official Use Only.

Principal Action Office: Navy

Report: 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, 9/30/2019

Description of Action: Develop and institute a process to ensure that the accurate number of reports of sexual assaults made to the United States Air Force Family Advocacy Program are included in all future annual reports on Sexual Harassment and Violence at the Military Service Academies.

Reason Action Not Completed: Update to DoD Instruction 6400.06, "Domestic Abuse Involving DoD Military and Certain Affiliated Personnel," May 26, 2017, is in the formal coordination process.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2019-127, Audit of Access Controls in the Defense Logistics Agency's Commercial and Government Entity Code Program, 9/30/2019

Description of Action: Report is For Official Use Only-Law Enforcement Sensitive.

Reason Action Not Completed: Report is For Official Use Only-Law Enforcement Sensitive.

Principal Action Office: Defense Logistics Agency

Report: DODIG-2019-128, Audit of U.S. Army Corps of Engineers Oversight of Contracts for Repair and Restoration of the Electric Power Grid in Puerto Rico, 9/30/2019

Description of Action: Review all labor and material costs for contracts W912DY-18-F-0003, W912DY-18-F-0032, and W912EP-18-C-003 and determine whether they are supportable and allowable, in accordance with Federal Acquisition Regulation 31.201-2, "Determining Allowability." Provide a summary of the results of voucher audits, including any Defense Contract Audit Agency reports, and supporting documentation for voucher audits performed by the U.S. Army Corps of Engineers.

Potential Monetary Benefits: \$50,100,000 (Questioned Costs)

Reason Action Not Completed: The Defense Contract Audit Agency is assisting the U.S. Army Corps of Engineers and the planned completion of these audits is December 2021.

Principal Action Office: Army

Report: DODIG-2020-003, Audit of DoD's Use of Additive Manufacturing for Sustainment Parts, 10/17/2019

Description of Action: Develop policy that standardizes the cataloging of additively manufactured (AM) parts and update the policy as necessary after the Integrated Material Management Committee's decision. Develop and require the Military Services and the Defense Logistics Agency to use a single method to share data on AM parts; and to update their AM guidance to require contracting, acquisition, logistics, and senior management officials to obtain AM training.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Research and Engineering has not provided DoD guidance that includes the requirement to standardize the cataloging of AM parts; develop, maintain, and use the Joint Additive Manufacturing Model Exchange portal to share data on AM parts; and provide AM training to the acquisition workforce.

Principal Action Office: Under Secretary of Defense for Research and Engineering, Army, Navy, Marine Corps

Report: DODIG-2020-006, Evaluation of the V-22 Engine Air Particle Separator, 11/7/2019

Description of Action: Execute a multi-layered approach to reduce the overall risk during reduced visibility landings. 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 Engine Air Particle Separator and engine.

Reason Action Not Completed: The V-22 Joint Program Office has not provided evidence to support it has performed testing of the V-22 engine to characterize performance during soil assimilation and applied the results to the Engine Air Particle Separator specifications.

Principal Action Office: Navy

Report: DODIG-2020-025, Evaluation of the Algorithmic Warfare Cross-Functional Team (Project Maven), 11/8/2019

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-2020-028, Audit of Brigade Combat Team Readiness, 11/18/2019

Description of Action: Monitor ongoing actions regarding mount telescopes and fire control switchboards until fully implemented, and provide annual updates of actions taken to address shortages of spare parts beginning in September 2020.

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: Army

Report: DODIG-2020-029, Audit of a Classified Program, 11/13/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2020-030, Audit of Navy and Defense Logistics Agency Spare Parts for F/A-18 E/F Super Hornets, 11/19/2019

Description of Action: Determine the parts or supplies that are obsolete or are limited in quantity, and develop and implement a plan to minimize the impact of obsolete materials, including ensuring the parts or supplies are covered by the obsolescence program.

Reason Action Not Completed: The F/A-18 E/F Program Office (PMA-265) has not identified a list of parts or supplies that are obsolete or limited in quantity and developed and implemented a plan to minimize the impact of the obsolete parts.

Principal Action Office: Navy

Report: 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

Description of Action: Coordinate the removal of the remaining land records from the General Fund Enterprise Business System and utilize the Real Estate Management Information System as the accountable property system of record.

Reason Action Not Completed: The Army has not removed the remaining land records from the General Fund Enterprise Business System.

Principal Action Office: Army

Report: DODIG-2020-036, Evaluation of Contracting Officer Actions on Defense Contract Audit Agency Reports that Disclaim an Opinion, 11/26/2019

Description of Action: Determine if any of the \$219 million in questioned costs reported by Defense Contract Audit Agency in Report Nos. 6341-2009A10100044 and 1281-2007J10100015 are not allowable according to Federal Acquisition Regulation Part 31, "Contracts with Commercial Organizations." Take steps to recoup any portion of the \$219 million that is not allowed on Government contracts. Also, review the actions of the contracting officers on to determine whether management action is necessary to hold those individuals accountable.

Reason Action Not Completed: The Defense Contract Management Agency has not provided evidence to support it has reviewed the contracting officers' actions on the two Defense Contract Audit Agency reports and determined if any of the \$219 million in questioned costs were unallowable on Government contracts, took steps to recoup any costs that are

now allowable, and determined whether management action is necessary to hold the contracting officers accountable.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2020-039, Combatant Command Integration of Space Operations Into Military Deception Plans, 12/13/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2020-040, Audit of Cost Increases and Schedule Delays for Military Construction Projects at Joint Region Marianas, 12/11/2019

Description of Action: Revise and reissue Chief of Naval Operations Instruction 11010.20H, "Navy Facilities Projects," May 16, 2014, to ensure that all Navy military construction projects, including housing projects, follow the same planning and programming process.

Reason Action Not Completed: The Chief of Naval Operations has not revised Chief of Naval Operations Instruction 11010.20H.

Principal Action Office: Navy

Report: DODIG-2020-042, Audit of the Service Acquisition Executives' Management of Defense Acquisition Category 2 and 3 Programs, 12/20/2019

Description of Action: Populate the common data framework, establishing both criteria and guidelines for declaring program start, designating the initial acquisition category, and defining the minimum program data needed at program start.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment has promulgated several memorandums enforcing the establishment of the Acquisition Visibility Data Framework as the common data framework to hold the official definitions and metadata for the Adaptive Acquisition Framework. The acquisition data standards have been completed for the following pathways: Urgent Capability Acquisition, Middle Tier of Acquisition, Major Capability Acquisition, Software Acquisition, and Defense Business Systems. The acquisition data standards for the Acquisition of Services pathway remain to be completed.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2020-045, Evaluation of the Military Service Capacity to Fill Combatant Command Requests for Counterintelligence Support, 12/30/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, Joint Chiefs of Staff, Army, Navy

Report: DODIG-2020-046, Audit of the DoD Personal Property Program Related to Household Goods Shipments, 1/6/2020

Description of Action: Update the Defense Transportation Regulations to contact the DoD members if they do not complete Customer Satisfaction Surveys within 1 month after receiving the shipments, to increase the survey completion percentage and develop a more accurate Best Value Score.

Reason Action Not Completed: The U.S. Transportation Command has not provided evidence to support its actions resulted in an increased survey completion percentage to develop a more accurate Best Value Score. The U.S. Transportation Command is pursuing a Customer Satisfaction Survey contract. Rather than continuing to struggle with the Customer Satisfaction Survey survey in-house, the U.S. Transportation Command is seeking to enlist an industry leader to introduce more user-friendly tools for customers to complete surveys. Estimated completion date is December 31, 2022.

Principal Action Office: U.S. Transportation Command

Report: DODIG-2020-047, Audit of Surge Sealift Readiness Reporting, 1/22/2020

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Transportation Command

Report: DODIG-2020-048, Audit of Controls Over Opioid Prescriptions at Selected DoD Military Treatment Facilities, 1/10/2020

Description of Action: Ensure continual monitoring of morphine milligrams equivalent per day by beneficiary, examine data for unusually high opioid prescriptions, and if appropriate, hold providers accountable for overprescribing opioids. Implement controls to ensure that prescriptions in the Military Health System (MHS) Data Repository exist and that the dispense date and

the metric quantity field for opioid prescriptions in liquid form in the MHS Data Repository are accurate and consistent among all systems.

Reason Action Not Completed: The Office of the Assistant Secretary of Defense for Health Affairs has not finalized the revision of Defense Health Agency Procedural Instruction 6025.04, "Pain Management and Opioid Safety in the Military Health System," June 8, 2018, to include greater accountability for individual prescribing practices. An internal review of liquid opioid prescriptions between the Composite Health Care System and the MHS Genesis electronic health record system showed a significant increase in data validity in the prescriptions stored in MHS Genesis, with a reduction in both excessive quantities written and a reduction in the number of smaller quantities written for non-pediatric patients. The standardization of the metrics quantity field for liquid opioid prescriptions will not be completed until MHS Genesis is fully implemented and all legacy prescriptions are completed or expired. Estimated completion date is January 31, 2025.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2020-049, Evaluation of Defense Contract Management Agency Contracting Officer Actions on Penalties Recommended by the Defense Contract Audit Agency, 1/10/2020

Description of Action: Revise Defense Contract Management Agency procedures to require that supervisors document their review comments on the contracting officers' actions in writing.

Reason Action Not Completed: The Defense Contract Management Agency has not evaluated the supervisor review process and determined whether any processes and procedures need to be adopted to ensure adequate reviews are taking place, and if the Defense Contract Management Agency needs to update its manual content for the supervisory review process area.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2020-056, Audit of Readiness of *Arleigh Burke*-Class Destroyers, 1/31/2020

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: DODIG-2020-059, Evaluation of Weather Support Capabilities for the MQ-9 Reaper, 2/5/2020

Description of Action: Conduct review of Air Force Components use of Overseas Contingency Operations funding to develop innovation projects by performing an audit to follow up on actions taken in response to Air Force Audit Agency Report No. F2018-0005-A00900, "Intelligence, Surveillance, and Reconnaissance Innovation Funds," March 23, 2018.

Reason Action Not Completed: The Air Force will perform a followup audit with a first quarter FY 2022 target completion date.

Principal Action Office: Air Force

Report: DODIG-2020-060, Audit of Contract Costs for Hurricane Recovery Efforts at Navy Installations, 2/12/2020

Description of Action: Report is For Official Use Only.

Potential Monetary Benefits: Report is For Official Use Only.

Reason Action Not Completed: Report is For Official Use Only.

Principal Action Office: Navy

Report: DODIG-2020-063, Audit of DoD Service-Disabled Veteran-Owned Small Business Contract Awards, 2/18/2020

Description of Action: Conduct a review, in coordination with the Military Departments and Defense agencies, of 27 contractors that received DoD Service-Disabled Veteran-Owned Small Business set-aside or sole-source contracts but were denied Service-Disabled Veteran-Owned Small Business status by the Department of Veterans Affairs Center for Verification and Evaluation to determine if they meet the requirements for Service-Disabled Veteran-Owned Small Business status. Based on the review, the Director DoD Office of Small Business Programs should take action, as appropriate, against any contractors found to have misrepresented their Service-Disabled Veteran-Owned Small Business status to the DoD to obtain contracts by coordinating with the applicable contracting officer to protest, through the Small Business Administration, any contractors that appear to be ineligible.

Potential Monetary Benefits: \$876,800,000 (Questioned Costs)

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisitions and Sustainment has not provided evidence to support that the 27 contracts were referred to the relevant

DoD contracting office for consideration on whether the information is sufficient to justify referral to the Small Business Administration, Department of Justice, or other administrative remedy.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2020-064, Evaluation of DoD Law Enforcement Organization Submissions of Criminal History Information to the Federal Bureau of Investigation, 2/21/2020

Description of Action: Revise Army Regulation 190-47, "The Army Corrections System," June 15, 2006, to require military correctional facility commanders to send DD Form 2791, "Notice of Release/Acknowledgement of Convicted Sex Offender Registration Requirements," to the U.S. Army Crime Records Center and the U.S. Marshals Service National Sex Offender Targeting Center as required by DoD Instruction 5525.20, "Registered Sex Offender (RSO) Management in DoD," June 29, 2018. Determine whether the Defense Incident-Based Reporting System should be used for reporting Brady Act information to the applicable Federal Bureau of Investigation databases to make it available to the National Instant Criminal Background Check System.

Reason Action Not Completed: Awaiting the issuance of revised Army Regulation 190-47 and draft DoD Instruction 5525.ID.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, Army, Navy

Report: DODIG-2020-066, Audit of the Department of Defense Supply Chain Risk Management Program for Nuclear Command, Control, and Communications Systems, 3/2/2020

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Research and Engineering, U.S. Strategic Command, Navy, Air Force

Report: 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

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Secretary of Defense, Joint Chiefs of Staff, U.S. Strategic Command, U.S. Southern Command, Marine Corps

Report: 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

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Strategic Command

Report: 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

Description of Action: Evaluate creating a centralized tracking system to track rail shipments of arms, ammunition, and explosives and implement that tracking system, if appropriate. Develop and implement training for secure hold requirements at their respective military installations and direct the base commanders with secure hold areas to implement the training with appropriate staff.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment has not provided evidence to support it has completed an analysis of the tangible benefits of a centralized rail tracking system. The Offices of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology and the Assistant Secretary of the Navy for Research, Development, and Acquisition have not developed and implemented training for secure hold requirements.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army, Navy

Report: DODIG-2020-077, Evaluation of Niger Air Base 201 Military Construction, 3/31/2020

Description of Action: Update Air Force Instruction 32-1020, "Planning and Programming Built Infrastructure Projects," December 18, 2019, to include revised language regarding oversight responsibilities for contingency troop labor projects.

Reason Action Not Completed: The Air Force has not finalized the revision of Air Force Instruction 32-1020.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Air Force; U.S. Africa Command

Report: DODIG-2020-078, Audit of Physical Security Controls at Department of Defense Medical Treatment Facilities, 4/6/2020

Description of Action: Issue guidance for all medical treatment facilities under Defense Health Agency control to require security personnel to remove access permissions for unauthorized staff, and conduct quarterly system reviews to ensure that access to sensitive areas is limited to authorized personnel. Determine whether community-based clinics under Defense Health Agency control have established a baseline level of protection for leased facilities as required by DoD guidance, and established access controls based on risk to limit entry to authorized personnel only.

Reason Action Not Completed: The Office of the Assistant Secretary of Defense for Health Affairs has not provided updated physical security policy that includes removing access permissions and conducting quarterly system reviews. Also, the Assistant Secretary has not provided documentation to support that all community-based clinics have established baseline levels of protection that meet minimum DoD standards and access controls based on risk.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2020-082, Evaluation of the DoD's Management of Health and Safety Hazards in Government-Owned and Government-Controlled Military Family Housing, 4/30/2020

Description of Action: Establish or revise appropriate DoD policy(s) to address health and safety hazards – including lead-based paint, asbestos-containing material, radon, fire and electrical safety, drinking water quality, window fall prevention, mold, carbon monoxide, and pest management – in military housing to manage health, safety, and environment risk to acceptable levels for military family housing residents. Update Service housing-related policies to align with revisions to DoD policy for health and safety hazard management and develop oversight policies and procedures to assess the health and safety hazards in Government-owned/Government-controlled military family housing.

Reason Action Not Completed: The Office of the Assistant Secretary of Defense for Readiness will issue a policy memorandum, "Standards for Managing Environmental Health and Safety Hazards in Housing under the Jurisdiction of the Department of Defense," by December 31, 2021. The policy memorandum will contain health and safety standards for mold and radon, which will be applied by the DoD Housing

community to manage these hazards in DoD-owned and -controlled housing worldwide. In addition, the Office of the Assistant Secretary of Defense for Readiness is collaborating with housing, environment, and facilities personnel from the Office of the Assistant Secretary of Defense for Sustainment to review existing housing, environment, health, and safety policies, and identify and resolve housing policy gaps in the areas of fire and electrical safety, drinking water quality, window fall prevention, carbon monoxide, and pest management. This policy gap analysis is estimated to be complete by October 31, 2021. The Office of the Assistant Secretary of Defense for Readiness will address any identified safety or health policy gaps within DoD Instruction 6055.01, "DoD Safety and Occupational Health Program," October 14, 2014, or DoD Instruction 6055.05, "Occupational and Environmental Health," November 11, 2008. Both of these instructions are being revised to update other policy requirements with expected completion by fourth quarter FY 2022.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Under Secretary of Defense for Personnel and Readiness, Army, Navy, Air Force

Report: DODIG-2020-083, Audit of the Department of Defense's Compliance in FY 2019 With Improper Payments Elimination and Recovery Act Requirements, 5/1/2020

Description of Action: Develop and implement internal controls to ensure that the development of the improper payment estimate for the Military Retirement program is complete and accurate. Develop and implement complete standard operating procedures of the Military Retirement improper payment review process.

Reason Action Not Completed: The DoD OIG annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions is ongoing.

Principal Action Office: Defense Finance and Accounting Service

Report: DODIG-2020-084, Audit of Military Department Management of Undefinitized Contract Actions, 5/11/2020

Description of Action: Update the DFARS to clarify that when considering the reduced cost risks associated with allowable incurred costs on a Undefinitized Contract Action, it is appropriate to apply separate and differing contract risk factors for allowable

incurred costs and estimated costs to complete, in accordance with the requirements in 10 U.S.C. § 2326, "Undefinitized Contractual Actions: Restrictions," when completing the contract risk sections of DD Form 1547, "Record of Weighted Guidelines." Implement the use at Navy and Air Force contracting activities of the updated Defense Federal Acquisition Regulation Supplement Part 215 and DD Form 1547, "Weighted Guidelines," when determining profit for future Undefinitized Contract Actions.

Reason Action Not Completed: DFARS Case 2021-D0003, "Undefinitized Contract Actions," was opened to implement the recommended DFARS updates. Estimated completion date is March 31, 2022. The Navy and Air Force have not provided evidence to support they have implemented the use of the revised DD Form 1547.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy, Air Force

Report: DODIG-2020-087, Audit of Training of Mobile Medical Teams in the U.S. Indo-Pacific Command and U.S. Africa Command Areas of Responsibility, 6/8/2020

Description of Action: The Surgeons General of the Army, Navy, and Air Force issue guidance implementing the Joint Trauma Education and Training Branch's standardized training program for all mobile medical teams and update training curriculums at the Military medical training commands for tactical training of mobile medical teams.

Reason Action Not Completed: The Surgeons General of the Army, Navy, and Air Force have not provided evidence to support they have directed the implementation of the Joint Trauma Education and Training Branch's standardized training program and updated its curriculum or processes for tactical training of mobile medical teams.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, Army, Navy, Air Force

Report: DODIG-2020-088, Audit of the Safety and Security of Radioactive Materials at DoD Military Treatment Facilities, 6/10/2020

Description of Action: Coordinate and conduct external audits among medical facility Radiation Safety Officers to expedite the sharing of best practices across the Services and individual medical facilities. Implement supplemental guidance to instruct the medical facilities on appropriate steps to take after a failed quality control test to ensure survey instruments are properly calibrated.

Reason Action Not Completed: The Office of the Assistant Secretary of Defense for Health Affairs has not provided documentation related to current procedures for conducting external audits and sharing best practices among medical facility Radiation Safety Officers. The Assistant Secretary has not updated Defense Health Affairs Administrative Instruction 087, "Radiation Safety Program (RSP) and Radiation Safety Committee (RSC)," August 1, 2019, to include guidance addressing failed quality control tests.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2020-090, Evaluation of the Department of Defense Regional Centers for Security Studies, 6/10/2020

Description of Action: Develop and implement a plan to execute executive agent responsibilities over the Regional Centers' travel program, as required by DoD Directive 5200.41E, "DoD Regional Centers for Security Studies," June 30, 2016, and update Defense Security Cooperation Agency Travel Instruction 7002.5, "Travel," March 1, 2010, to include the responsibilities of regional center directors and Defense Security Cooperation Agency headquarters' directorates exercising executive agency oversight functions on regional center travel. Develop an inspections process to verify that all five Regional Centers for Security Studies' travel programs comply with DoD regulations.

Reason Action Not Completed: The Defense Security Cooperation Agency has not developed a corrective action plan and has not updated its Travel Instruction 7002.5 to correct existing guidance and responsibilities regarding regional center travel. Estimated completion date for Travel Instruction 7002.5 is January 31, 2022. The Directors at all five Regional Centers for Security Studies have not developed an inspections process to verify that their travel programs comply with DoD regulations.

Principal Action Office: Under Secretary of Defense for Policy, Defense Security Cooperation Agency

Report: DODIG-2020-091, Audit of Contractor Employee Qualifications for Defense Health Agency-Funded Information Technology Contracts, 6/15/2020

Description of Action: Develop an oversight program that requires a higher level reviewer to select a sample of key personnel approvals to ensure contracting officers are approving employees in accordance with contract requirements. Develop policy for information technology service contracts to require contracting

officers to include a requirement in the quality assurance surveillance plan to review a sample of non-key personnel quarterly to determine whether the contractor personnel meet the labor categories specified in the contract.

Potential Monetary Benefits: \$1,959,000 (Questioned Costs)

Reason Action Not Completed: The Defense Health Agency issued Policy Alert 20-75, "Performance Work Statement Template," November 2, 2020, to inform the acquisition workforce the Defense Health Agency Non-Personal Services (Non-IT) Performance Work Statement (PWS) Template was revised however it did not reference an oversight program for a higher-level reviewer to sample key personnel approvals or contain an updated quality assurance surveillance plan to review non-key personnel.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, Navy

Report: DODIG-2020-093, Audit of the Department of Defense's Processes to Identify and Clear Munitions and Explosives of Concern During Construction on Guam, 6/16/2020

Description of Action: Issue guidance for estimating and presenting munitions and explosives of concern clearance costs on DD Form 1391, "FY ____ Military Construction Project Data," that will enable personnel to assess the accuracy of the munitions and explosives of concern clearance budget and enable DoD leaders to refine future military construction projects based on historical comparisons of methods used to develop munitions and explosives of concern clearance budgets. Issue procedures or other clarifying guidance to establish authorities and ensure that any revised explosives safety standards include language concerning when revisions become effective and how existing military construction contracts are affected by changes in standards.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment has not published guidance for estimating and presenting costs on DD Form 1391, and ensuring that revised explosive safety standards include language concerning when the changes become effective and how they address current military construction contracts.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2020-094, Audit of Army Contracting Command-Afghanistan's Award and Administration of Contracts, 6/18/2020

Description of Action: Develop and implement a written plan to engage the Army Contracting Command-Headquarters in developing and testing the new Army Contract Writing System to ensure the new system provides contingency contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment, such as Afghanistan.

Reason Action Not Completed: Coordination efforts between the Army Contract Writing System Project Manager and the Army Contracting Command-Headquarters are ongoing to incorporate contingency contracting officials into the testing plan beginning with the initial operational capability deployment of the Army Contract Writing System in FY 2021 and full deployment expected in FY 2023.

Principal Action Office: Army

Report: DODIG-2020-095, Audit of Purchases of Ammonium Perchlorate Through Subcontracts With a Single Department of Defense-Approved Domestic Supplier, 7/9/2020

Description of Action: Assess the health of the domestic Ammonium Perchlorate, Grade 1, industrial base, and provide guidance, oversight, and technical assistance to the relevant DoD program offices, outside of purchasing and/or pricing, in accordance with DoD Instruction 5000.60, "Defense Industrial Base Assessments," July 18, 2014. Request uncertified cost data and perform a cost analysis of Ammonium Perchlorate, Grade 1 subcontract price unless adequate pricing information is available to establish that the price for Ammonium Perchlorate, Grade 1 included in the prime contractor's proposal is fair and reasonable.

Reason Action Not Completed: The Office Deputy Assistant Secretary of Defense for Industrial Policy has not provided evidence to support it is providing guidance, oversight, and technical assistance to the relevant DoD program offices. The Navy Strategic Systems Program Director has not provided evidence of cost reduction strategies related to Ammonium Perchlorate, Grade 1 pricing, capability, and capacity.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2020-097, Audit of Protective Security Details in the Department of Defense, 6/30/2020

Description of Action: Require and validate that the Assistant Secretary of Defense for Homeland Defense and Global Security is annually reviewing the protection providing organization's performance of protective security details to ensure compliance with DoD Instruction O-2000.22, "Designation and Physical Protection of DoD High-Risk Personnel," June 19, 2014. Develop and issue Army criminal investigation policy consistent with DoD Instruction O-2000.22 emphasizing the use of assistance from other protection providing organizations and local field agents when conducting protective security detail missions.

Reason Action Not Completed: In response to the DoD OIG report, the Office of the Deputy Secretary of Defense directed a task force review of specific matters discussed in the report. The results of the task force review will be used to develop the appropriate updates to DoD Instruction O-2000.22. The Office of the Under Secretary of Defense for Policy expects to issue the updated instruction by March 31, 2022. The remaining recommendation actions are dependent on the updated instruction.

Principal Action Office: Under Secretary of Defense for Policy, Army

Report: DODIG-2020-098, Audit of Governance and Protection of Department of Defense Artificial Intelligence Data and Technology, 6/29/2020

Description of Action: Develop and implement a plan to verify that contractors correct the weaknesses identified in the DoD OIG report related to regularly monitoring networks and systems to identify unusual user and system activity. Develop standard operating procedures and processes, in coordination with the appropriate legal counsel, for assessing legal and privacy considerations when developing and using artificial intelligence data and technologies; and guidance, recommendations, or policies for the responsible and ethical development and use of artificial intelligence data and technologies.

Reason Action Not Completed: The Strategic Capabilities Office has not provided updated standard operating procedures and documentation to support that the contractor monitors and reviews system activity on a regular basis, such as scan results and a plan of actions and milestones. The Director of the Joint Artificial Intelligence Center has not provided evidence to support it has developed standard operating procedures and processes for the responsible and ethical development of artificial intelligence technologies.

Principal Action Office: Deputy Secretary of Defense, DoD Chief Information Officer, Army, Navy, Marine Corps, Air Force

Report: DODIG-2020-101, Naval Ordnance Data Classification Issues Identified During the Oversight of the U.S. Navy General Fund Financial Statement Audit for FY 2020, 7/2/2020

Description of Action: Update Security Classification Guide 03-035.6, “Conventional Naval Ordnance Inventory Management Information” to address circular referencing and minimize potential conflicts. Develop policy to ensure that security classification guides are coordinated across the DoD and the Military Services to identify conflicting requirements prior to finalization.

Reason Action Not Completed: Proposed revisions to Security Classification Guide 03-035.6 are being adjudicated and final issuance is expected by October 31, 2021. The Office of the Under Secretary of Defense for Intelligence and Security is in the process of updating DoD Manual 5200.45, “Instructions for Developing Security Classification Guides,” April 2, 2013.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, Navy

Report: DODIG-2020-103, Audit of the Department of Defense’s Sustainment, Restoration, and Modernization of Military Medical Treatment Facilities, 7/8/2020

Description of Action: Develop and implement guidance that establishes uniform funding thresholds for all unfunded sustainment, restoration, and modernization requirements.

Reason Action Not Completed: The Defense Health Agency has not provided the approved procedural manual “Defense Health Agency Facilities Enterprise Sustainment, Restoration, and Modernization Enterprise Project List,” and two internal standard operating procedures that address the standardization of sustainment, restoration, and modernization requirements.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2020-105, Followup Evaluation of Report DODIG-2016-078, Evaluation of the Department of Defense’s Biological Select Agents and Toxins Biosafety and Biosecurity Program Implementation, 7/16/2020

Description of Action: Issue policy requiring all DoD biological select agents and toxins-registered

laboratories to implement an internal technical and scientific peer review function that addresses both biosafety and biosecurity.

Reason Action Not Completed: The Office of the Under Secretary of Defense for Acquisition and Sustainment is working to include a requirement in Change 1 to DoD Directive 5101.20E, “DoD Biological Select Agents and Toxins (BSAT) Biosafety and Biosecurity Program,” January 25, 2019, for all DoD BSAT laboratories to establish internal technical and scientific peer review panels to review biosafety protocols and biosecurity policies.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2020-106, Evaluation of Security Controls for Intelligence, Surveillance, and Reconnaissance Supply Chains, 7/22/2020

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Under Secretary of Defense for Intelligence and Security, Navy, Air Force, Defense Intelligence Agency

Report: DODIG-2020-110, Evaluation of U.S. Air Force Air Refueling Support to the U.S. Strategic Command’s Nuclear Deterrence Mission, 8/3/2020

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2020-111, Audit of U.S. Special Operations Command Testing and Evaluation, 8/12/2020

Description of Action: Update U.S. Special Operations Command directives related to fielding and deployment releases to require that a requirements correlation matrix, including test and evaluation results, be submitted and validated prior to issuing a fielding and deployment release for Special Operations-Peculiar programs.

Reason Action Not Completed: U.S. Special Operations Command has not published guidance to include the new processes and update the applicable criteria on issuing fielding and deployment releases.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2020-112, Evaluation of Access to Mental Health Care in the Department of Defense, 8/10/2020

Description of Action: Update the Assistant Secretary of Defense for Health Affairs Memorandum, “TRICARE Policy for Access to Care,” February 23, 2011, to remove the eight-visit limitation for outpatient mental health care. Develop a single Military Health System-wide staffing approach for the Behavioral Health System of Care that estimates the number of appointments and personnel required to meet the enrolled population’s demand for mental health services.

Reason Action Not Completed: Due to the urgent requirement to write policy guidance in support of the response to the Coronavirus Disease–2019 at military treatment facilities, actions to update the policy memorandum to remove the eight-visit limitation for outpatient mental health care have been delayed.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, Defense Health Agency

Report: DODIG-2020-113, Followup Audit on Recommendations to Correct Building Deficiencies at the Naval Station Great Lakes Fire Station, 8/13/2020

Description of Action: Develop and implement a building monitor training program for Naval Station Great Lakes in accordance with Commander, Navy Region Mid-Atlantic Instruction 11000.2A, “Building Monitor Program,” September 10, 2019. Inspect building 2801 for noncompliance with current Unified Facilities Criteria 4-730-10, “Fire Stations,” June 15, 2006, and National Fire Protection Association requirements and incorporate corrective actions into the planned renovation project for building 2801.

Reason Action Not Completed: The Commander, Navy Region Mid-Atlantic has not provided evidence to support a training curriculum has been developed that contains the information required by Commander, Navy Region Mid-Atlantic Instruction 11000.2A. The Commander has not provided an inspection methodology, a prioritized list of deficiencies identified, Public Works Department Great Lakes corrective actions taken to address each deficiency, and verification from subject matter experts and the Naval Station Great Lakes Fire Department Building monitor that the actions taken were completed to resolve the deficiencies.

Principal Action Office: Navy

Report: DODIG-2020-114, Audit of Department of Defense Use of Security Assistance Program Funds and Asset Accountability, 8/17/2020

Description of Action: Conduct a comprehensive analysis of the functions performed by DoD Components and determine whether the current administrative rates charged to foreign customers are adequate for the DoD to recover its costs for providing security assistance support. Develop, document, and implement detailed guidance for the DoD Components that identifies which costs should be recovered, and the process for recovering those costs.

Potential Monetary Benefits: \$29,100,000 (Funds Put to Better Use)

Reason Action Not Completed: The Office of the Director, Financial Improvement and Audit Remediation, has not provided evidence to support completion of the analysis, which includes performing an independent and objective review of the current administrative rates charged to foreign customers, and the review results were used to revise current DoD guidance.

Principal Action Office: Deputy Secretary of Defense, Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2020-119, Followup Evaluation of DODIG-2014-083, Insufficient Infrastructure Support to the Fixed Submarine Broadcast System, 8/21/2020

Description of Action: Integrate nuclear command-and-control requirements from the Chairman of the Joint Chiefs of Staff Instructions 6810.01, “Critical Nuclear Command, Control, and Communications Systems and Facilities,” August 29, 2019, and 6811.01, “Nuclear Command and Control System Technical Performance Criteria,” February 7, 2014, into the mission area assessment process performed by the Navy at naval nuclear command-and-control facilities. Conduct a review of the Low-Band Universal Communications System upgrade to the Fixed Submarine Broadcast System transmitters and report to the Chairman of the Joint Chiefs of Staff any shortfalls and a plan to mitigate the lack of dual path connectivity.

Reason Action Not Completed: The Office of the Deputy Chief of Naval Operations, Fleet Readiness and Logistics, Navy Shore Readiness has not incorporated Chairman of the Joint Chiefs of Staff Instructions 6810.01 and 6811.01 into the mission area assessment process. The Naval Information Warfare Systems Command has not completed a review of the Low Band Universal Communications System upgrade.

Principal Action Office: Navy

Report: DODIG-2020-121, Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine, 8/27/2020

Description of Action: Develop a process to permanently mark serial numbers on each Night Vision Device to avoid serial number stickers that, with use, can become detached from the device or become illegible.

Reason Action Not Completed: The Defense Security Cooperation Agency is working with the Military Departments and the Night Vision Device manufacturers to include a requirement to affix permanent serial number plates to each Night Vision Device in future contracts.

Principal Action Office: Defense Security Cooperation Agency, U.S. European Command

Report: DODIG-2020-122, Audit of the Supply Chain Risk Management for the Navy's Nuclear Weapons Delivery System, 9/1/2020

Description of Action: The Office of the Under Secretary of Defense for Research and Engineering, in coordination with the Offices of the Under Secretary of Defense for Acquisition and Sustainment and the DoD Chief Information Officer, revise DoD Instruction 5200.44, "Protection of Mission Critical Functions to Achieve Trusted Systems and Networks (TSN)," October 15, 2018, or issue clarifying guidance to implement DoD supply chain risk management requirements for legacy sustainment systems.

Reason Action Not Completed: Corrective actions are ongoing to update DoD Instruction 5000.02T, "Operation of the Defense Acquisition System," January 7, 2015, to clarify supply chain risk management responsibilities for legacy systems.

Principal Action Office: Under Secretary of Defense for Research and Engineering, Navy

Report: DODIG-2020-123, Audit of the F-35 Program Office's Beyond Economical Repair Process for Parts, 9/4/2020

Description of Action: Develop DoD-wide overarching policy for beyond economical repair requirements to include processes, cost factors for beyond economical repair calculations, approval authorities, and non-cost considerations. The updated policy will align with DoD Instruction 4140.01, "DoD Supply Chain Materiel Management Policy," December 14, 2011, and provide a clear method on how to make a decision on whether to repair or replace a part. The Office of the Under Secretary of Defense for Acquisition and Sustainment

will work with the F-35 Joint Program Office to incorporate the beyond economical repair analysis into the Life Cycle Sustainment Plan Performance-to-Plan process so that metrics, timelines, and progress will be tracked.

Reason Action Not Completed: The F-35 Joint Program Office has not issued DoD-wide policy for beyond economical repair that establishes minimum data and documentation requirements and aligns with DoD Instruction 4140.01.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, F-35 Joint Program Office Report: DODIG-2020-127, Evaluation of the Department of Defense and Department of Defense Education Activity Responses to Incidents of Serious Juvenile-on-Juvenile Misconduct on Military Installations, 9/4/2020

Description of Action: The Secretaries of the Army, Navy, and Air Force update Military Law Enforcement Organization and Military Criminal Investigative Organization policies to require personnel to document in all investigative case files all notifications to civilian legal authorities and installation commanders, and, when possible, the legal and administrative actions taken.

Reason Action Not Completed: The Office of the Provost Marshal General; Naval Criminal Investigative Service; Chief of Naval Operations; and Marine Corps Criminal Investigation Division are updating internal policies to require that appropriate law enforcement response and procedures pertaining to serious juvenile-on-juvenile misconduct incidents are documented.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Army, Navy, Marine Corps

Report: DODIG-2020-132, Evaluation of the U.S. Africa Command's Response to the Coronavirus Disease-2019, 9/30/2020

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Africa Command

Report: DODIG-2020-133, Evaluation of Department of Defense Medical Treatment Facility Challenges During the Coronavirus Disease-2019 (COVID-19) Pandemic, 9/30/2020

Description of Action: Establish a working group to address the personnel, supplies, testing capabilities, information technology, communication, and lines of authority challenges that exist between the Services

and the Defense Health Agency. The working group will establish milestones to develop guidance for coordinating the staffing of multi-Service military treatment facilities during the pandemic; create a pandemic-related informational website and a toll-free number for beneficiaries to find COVID-19-related information and ensure the website and toll-free number are advertised and maintained; issue clarifying guidance for defining essential personnel for civilian healthcare workers; and update contracts to allow for more flexibility regarding the use of contracted personnel during extenuating circumstances, such as a pandemic.

Reason Action Not Completed: The Office of the Assistant Secretary of Defense for Health Affairs has established a formal Military Health System COVID-19 After–Action Review working group comprised of representatives from across the Military Health System. The Offices of the Under Secretary of Defense for Personnel and Readiness and the Assistant Secretary of Defense for Health Affairs will use the After–Action Review working group to address the type of issues included in the DoD OIG recommendations and establish milestones for each of the challenges.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

DISCLOSURE OF GOVERNMENT CONTRACTOR AUDIT FINDINGS

DoD OIG

DoD OIG Report No. DODIG-2021-088	Date: May 21, 2021
Subject: Evaluation of the Air Force Systems Engineering Processes Used in the Development of the Refueling Boom for the KC-46A Tanker	
Report: \$100 million in Questioned Costs	
<p>The DoD OIG determined KC-46 Program Office officials did not effectively manage the development of the refueling boom for the KC-46A tanker. As a result, in 2018, when Boeing attempted to test full functionality of the KC-46A tanker refueling boom, flight test reports documented that refueling boom performance remained a problem during in-flight refueling of several different aircraft. In August 2019 and March 2020, the Air Force issued contract modifications, valued at \$100 million, for the redesign of the KC-46A tanker refueling boom. Had KC-46 Program Office officials effectively managed the development and testing of the refueling boom for the KC-46A tanker, the Air Force would not have had to spend an additional \$100 million for the redesign of the refueling boom to achieve its required performance.</p>	

DoD OIG Report No. DODIG-2021-091	Date: June 9, 2021
Subject: Audit of the Reimbursement for Department of Defense Mission Assignments for Coronavirus Disease–2019 Pandemic Response in the U.S. Northern Command Area of Responsibility	
Report: \$221.6 million in Funds Put to Better Use	
<p>The DoD OIG determined DoD tasked-unit personnel did not submit timely requests for partial or final reimbursement from Federal Emergency Management Agency (FEMA) for mission assignment support. As a result of untimely reimbursement requests, the DoD was not able to use \$221.6 million as intended in the DoD appropriations. If DoD tasked-unit personnel had submitted timely and supported reimbursement requests, FEMA would have reimbursed the DoD. The DoD then could have used the \$221.6 million from its support of COVID-19 pandemic response mission assignments to support DoD operations, rather than leaving the funds obligated and unused in FEMA's reimbursable account.</p>	

DoD OIG Report No. DODIG-2021-096	Date: June 25, 2021
Subject: Audit of the Military Departments' Purchases of Aviation Fuel and Non-Fuel Services Using the Aviation Into-Plane Reimbursement Card	
Report: \$250.5 million in Questioned Costs	
<p>The DoD OIG determined that Card program officials and card users did not comply with applicable regulations when making fuel and non-fuel purchases using the AIR Card and significant improvements are needed to strengthen the program. As a result of AIR Card program control weaknesses, the Military Departments incurred \$250.5 million in questioned costs, affecting the amount of funds available for readiness and other support functions.</p>	

DCAA

Audit Report No. 03531-2021B21000003	Date: April 1, 2021
Subject: Independent Audit Report on Proposed Direct Materials and Purchased Services Amounts in Contractor's Proposal, dated November 30, 2020	
Prepared For: Naval Supply Systems Command – Philadelphia	
Report: \$30.9 Million Questioned Costs	
DCAA identified \$30.9 million in questioned costs related to direct materials and purchased services. The questioned costs were a result of differences between proposed dual-sourced parts and lowest bid quotes; incorporating purchase order history; and current escalation. Significant areas of concern also included the contractor's failure to complete and submit adequate cost or price analyses to ensure reasonableness of direct materials and purchased services costs.	

Audit Report No. 02361-2021B21000001	Date: April 2, 2021
Subject: Independent Audit Report on Proposed Factored Material in Contractor's Proposal dated February 15, 2021	
Prepared For: Naval Sea Systems Command	
Report: \$113.9 Million Questioned Costs	
DCAA identified \$113.9 million of questioned costs related to Factored Material Costs based on Federal Acquisition Regulation (FAR) 31.201-3, Determining Reasonableness. DCAA's questioned amount represents the difference between contractor's proposed Factor Based Material and DCAA's re-calculated amount using a four-year average material factor and application of a forecast based escalation factor.	

Audit Report No. 04671-2021A21000002	Date: April 2, 2021
Subject: Independent Audit Report on Contractor's Proposed Direct Material/Subcontract Costs included in the Independent Government Estimate Most Likely Quantity CLINs	
Prepared For: Army Contracting Command – New Jersey	
Report: \$13.7 Million Questioned Costs	
DCAA identified \$35.6 million (\$13.7 million exclusive of assist reports and after government participation is applied) of questioned costs related to proposed direct material and subcontract costs. DCAA's significant findings include \$32.5 million in unreasonable Bill of Material costs due to updated quotes or lower quotes from competitors, lower historical pricing, errors in proposed quantities and unit pricing, and updated more current cost data.	

Audit Report No. 03441-2021N21000002	Date: April 6, 2021
Subject: Audit Report on Contractor's Proposal for Initial Maneuver-Short Range Air Defense Production Program	
Prepared For: Army Contracting Command - Redstone	
Report: \$19.9 Million Questioned Costs	
DCAA identified \$14.3 million in questioned direct material costs related to FAR 31.201-3, "Determining Reasonableness" and FAR 31.201-2(d), "Determining Allowability," and reported the associated material handling and general and administrative (G&A) costs of \$5.6M. The questioned direct costs were related to not selecting the lowest cost vendor (proper justification for deviation was not provided), updated pricing, commercial item pricing, and escalation.	

Audit Report No. 01431-2018P10100028	Date: April 7, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for the Year Ended December 31, 2018	
Prepared For: Defense Contract Management Agency	
Report: \$78.9 Million Questioned Costs	
Kearney & Company, an independent accounting firm, identified \$78.9 million in questioned costs related to a lack of supporting documentation (Subcontract agreements and similar documents) and the application of the Overhead and General and Administrative rates applied to the questioned subcontract costs.	

Audit Report No. 4181-2021S21000002	Date: April 8, 2021
Subject: Independent Audit Report on Sub-Contractor's Five Year Firm Fixed Price Subcontract Proposal to the Prime Contractor	
Prepared For: Naval Air Systems Command	
Report: \$73.0 Million Questioned Costs	
DCAA identified \$95.2 million in question costs (\$73 million identified in this report and \$22.2 million in an assist audit report) related to direct materials, subcontract costs, escalation factors, and international partner costs and fees. DCAA's significant findings included \$8.7M of unreasonable subcontract costs due to differences between proposed unit prices and purchase order history, quotes, and Long Term Agreements; \$11.2M of the proposed material escalation due to unreasonable escalation factors; and \$70 million of unreasonable international partner costs identified by a DCAA assist audit, and incorporation of historical decrements and current pricing.	

Audit Report No. 02351-2021P21000001	Date: April 9, 2021
Subject: Independent Audit Report on Proposed Direct Material Costs in the Contractor Production Proposal dated January 21, 2021	
Prepared For: Army Contracting Command - Redstone Arsenal	
Report: \$10.3 Million Total Questioned Costs	
DCAA identified \$10.3 million in questioned costs based on noncompliance with FAR Part 31.201-3(a), Determining Reasonableness, related to recent purchase history, selection of lowest bidder, incorporation of actual material costs for ordering period one, application of a DCAA determined quote decrement, and use of composite escalation factors.	

Audit Report No. 07421-2021M23000901	Date: April 9, 2021
Subject: Independent Audit Report on Direct and Indirect Rates for FY 2021- FY 2023	
Prepared For: Defense Contract Management Agency	
Report: \$86.8 Million Questioned Costs	
DCAA identified \$86.8 million in questioned costs related to direct labor rates, depreciation expense and new business funds. DCAA's questioned costs were based on updating escalation factors, adjusting the contractor's single site new business fund costs based on the application of forecast accuracy decrements, and applying consistent capitalization factors to the capital budget.	

Audit Report No. 04901-2021D21000001	Date: April 12, 2021
Subject: Independent Audit Report on Prime Contractor's FFP Forward Pricing Proposal	
Prepared For: Naval Supply Systems Command	
Report: \$17.8 Million Questioned Costs	
DCAA identified \$17.8 million in questioned cost due to errors in the direct labor rates and in the General and Administrative pool budgetary data, the proposed contract effort was not included in the projected bases for the overhead and General and Administrative rates, and proposed amounts varied significantly from historical incurred cost on prior builds without any support for the variances.	

Audit Report No. 07821-2021R21000003	Date: April 15, 2021
Subject: Independent Audit Report on Proposed Discrete Material and Other Direct Cost Amounts in the Contractor Forward Pricing Proposal dated November 13, 2020	
Prepared For: Army Contracting Command - Redstone	
Report: \$10.2 Million Questioned Costs and \$178 Million Unsupported Costs	
DCAA identified \$10.2 million in questioned costs consisting of \$9.9 million in discrete materials costs based on more current, accurate and complete data disclosed or identified during the audit, and \$326,245 of discrete Other Direct Costs based on more current, accurate and complete data. Also, the contractor did not provide adequate support for \$178 million of discrete material costs and should provide adequate documentation as required by the FAR to support reasonableness, allowability, and allocability of these proposed costs prior to negotiations.	

Audit Report No. 02821-2021E21000001	Date: April 16, 2021
Subject: Independent Audit Report on Proposed Direct Material Amounts and Direct Labor Hours for Option DD in the Contractor FY 2021 Forward Pricing Proposal dated December 19, 2020	
Prepared For: Naval Sea System Command	
Report: \$26.3 Million Questioned Costs	
DCAA identified \$26.3 million of questioned costs including \$24.6 million in direct material amounts based on purchase order history, incorporation of cost or price analyses, results of assist audits, and current actual costs. In addition to 130,520 direct labor hours questioned based on errors identified in the basis of estimate and incorporating more recent touch labor actuals.	

Audit Report No. 07621-2019Y10100001	Date: April 16, 2021
Subject: Independent Audit Report on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$106 Million Questioned Costs	
DCAA identified \$106 million in questioned costs related to asset depreciation and staffing services. DCAA's significant findings included \$103.3 million in depreciation adjustments of gain/loss on disposal of assets where contractor allocated all gains to property and nothing to buildings, and \$2.7 million in misallocated staffing services caused by use of incorrect allocation percentages.	

Audit Report No. 09321-2021C21000002	Date: April 22, 2021
Subject: Independent Audit Report on Proposed Price Proposal, dated January 18, 2021.	
Prepared For: Restricted	
Report: \$24.1 Million Questioned Costs	

Audit Report No. 09321-2021C21000002	Date: April 22, 2021
DCAA identified \$24 million in questioned costs and \$27 million in unsupported costs due to other direct costs not requested or needed for the contract, unreasonable and unallocable costs, on hand supplies not included in the estimate, removal of associated per diem and indirect costs, and lack of certified cost or pricing data.	

Audit Report No. 04281-2021S21000001	Date: April 23, 2021
Subject: Independent Audit Report on Proposed Amounts in Firm Fixed Price Subcontract Proposal dated December 11, 2020	
Prepared For: Naval System Sea Command	
Report: \$22.2 Million Questioned Costs	
DCAA identified \$22.2 million in questioned cost excluding results of government technical totaling \$0.6 million. DCAA's significant findings included questioned costs of \$14.4 million related to proposed material and interorganizational transfer estimates that were not based on current, accurate and complete data; \$0.7 million related to questioned direct labor hours and escalation as unreasonable according to FAR 31.201-3, Determining Reasonableness; and \$7.7 million related to application of proposed/accepted indirect rates to the questioned material and labor.	

Audit Report No. 05711-2021P21000002	Date: April 28, 2021
Subject: Independent Audit Report on Proposed Costs (Aircraft Material, Other Direct Services, and Travel) for the Combat Rescue Helicopter Lots 3-5	
Prepared For: Department of the Air Force	
Report: \$33.3 Million Questioned Costs	
DCAA identified reductions due to analysis of historical data, assist audit results, application of the under threshold quote decrement factor of 1.6 percent, and unreasonable escalation.	

Audit Report No. 09521-2021S21000001	Date: May 4, 2021
Subject: Independent Audit Report on Proposed Amounts in the Contractor Cost Plus Fixed Fee/Cost Plus Incentive Fee Proposal dated, March 1, 2021	
Prepared For: Department of the Navy	
Report: \$52.6 Million Questioned Costs	
DCAA identified \$52.6 million of questioned costs based on FAR 15.4, Contract Pricing, and FAR 31.201-3, Determining Reasonableness, specifically related to proposed direct labor (including escalation, tech evaluation results, budgetary data differences), and indirect costs associated with audit determined rates.	

Audit Report No. 02821-2021E21000002	Date: May 7, 2021
Subject: Independent Audit Report on Proposed Direct Material, Direct Labor, and Other Direct Cost Amounts in Contractor's Proposal dated January 28, 2021	
Prepared For: Naval Sea Systems Command	
Report: \$69.1 Million Questioned Costs	
DCAA questioned \$65 million based on a noncompliance with FAR 31.201-2(a)(4), "Determining Allowability," due to material costs claimed for the Field Service Representatives to support the Land-Based Phalanx Weapon System that are not required by the request for proposal. DCAA also questioned \$4.1 million of the proposed \$77.9 million in direct labor costs, based on FAR 31.201-3, "Determining Reasonableness," due to unreasonable escalation in the contractor's proposed direct labor rates.	

Audit Report No. 6821-2019F10100001	Date: May 7, 2021
Subject: Independent Audit Report on the Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$14.7 Million Questioned Costs	
DCAA identified \$14.7 million in questioned costs related to various indirect expenses including indirect labor, professional services, non-professional services, severance, rent, FICA, savings plans, and pensions. DCAA's questioned costs included \$5.8 million in pension directly associated with unallowable compensation; \$3.6 million in professional services costs that were in support of unallowable advertising activities and unallowable restructuring activities, or for lack of support; \$2.1 million in rent which was not allocable to the year under audit, or was not properly supported; and \$2 million in indirect labor costs that were not properly supported.	

Audit Report No. 07631-2019T10100001	Date: May 12, 2021
Subject: Independent Audit Report on the Contractor's Administrative and Centrally Managed Allocation Proposed Amounts for Calendar Year 2019	
Prepared For: Defense Contract Management Agency	
Report: \$41.9 Million Questioned Costs	
DCAA identified \$41.9 million in questioned costs related to Corporate Administrative costs of \$35.3 million questioned due to Labor and Labor related accounts, \$12.2 million for Legal costs and \$11.4 million for Consulting costs, as well as various other findings. Supplemental Executive Retirement Plan (SERP) Pension costs of \$6.6 million questioned due to directly associated unallowable compensation costs calculated as a percentage of SERP payments based on compensation over the Employee Compensation Ceiling Adjustment limits. Defined Contribution Retirement Plan costs of \$0.18 million were questioned due to inadequately recorded forfeitures.	

Audit Report No. 02871-2019A10100001	Date: May 14, 2021
Subject: Independent Audit Report on the Contractor Proposed Corporate Allocation Amounts on Unsettled Flexibly Priced Contracts for Calendar Year 2019	
Prepared For: Defense Contract Management Agency	
Report: \$11.7 Million Questioned Costs	
DCAA identified \$11.7 million in questioned costs allocable to Government contracts, including (in total exception dollars):	
<ul style="list-style-type: none"> • External Legal - \$7.3 million including \$2.2 million expressly unallowable costs based on – FAR 31.205-47, Costs Related to Legal and Other Proceedings. • Internal Legal - \$1.3 million unallowable external legal matters based on FAR 31.201-3, Determining Reasonableness. • Indirect Premium Airfare - \$1.9 million based on company-wide audit disclosing noncompliance with FAR 31.205-46(b), Travel Costs and the Fly America Act, and FAR 31.201-2(a)(4). • Washington Office Costs - \$1.1 million based on FAR 31.205-22, Lobbying and Political Activity Costs. • Organization Costs - \$3.7 million, including \$2.9 million expressly unallowable costs, due to unallowable acquisition and merger activities based on FAR 31.205-27, Organization Costs. • Foreign Housing Costs - \$1.0 million due to unreasonable foreign housing cost allowances and unsupported lease agreements for expatriate employees working in foreign locations. • Excess Pension - \$1.9 million directly associated with unallowable compensation costs in excess of the limitations in FAR 31.205-6(p), Compensation for Personal Services, Limitation on Allowability of Compensation and unallowable pension costs for a prior reported actuarial loss. 	

Audit Report No. 05921-2019U10100001	Date: May 19, 2021
Subject: Independent Audit Report on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Defense Contract Management Agency and Army Contracting Command – Detroit Arsenal	
Report: \$21.1 Million Questioned Costs	
DCAA identified \$21.1 million in questioned costs related to unallowable labor, freight, other direct costs, and travel. DCAA's significant findings included \$17.7 million related to costs claimed for Operational Exchange Vehicles (OEVs) that do not represent actual costs. The amount claimed is a "non-cash consideration" that represents the values of the OEV hulls that the contractor was required to recognize as revenue. In doing so, the costs were booked as other direct costs and included in the claimed amounts included in the incurred cost submission.	

Audit Report No. 05211-2019A10100001	Date: May 28, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for Calendar Year 2019	
Prepared For: Defense Contract Management Agency	
Report: \$32.5 Million Questioned Costs	
DCAA identified \$63.7 million in questioned costs (\$32.5 million after government participation is applied) related to freight cost and compensation. The majority of the questioned cost were due to the contractor's failure to comply with FAR 52.247-63(b), Preference for U.S. Flag Carriers. The contractor used service by foreign flag carriers to ship freight. Additionally, the contractor did not provide justification, required by the Fly America Act and FAR 52.247-63(b) explaining why service by U.S. flag air carriers was not available or why it was necessary to use foreign flag air carriers.	

Audit Report No. 07821-2019L10100001	Date: May 28, 2021
Subject: Independent Audit Report on Contractor's Proposed Segment Specific Amounts on Unsettled Flexibly Priced Contracts and Facilities Cost of Money for FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$13.9 Million Questioned Costs	
DCAA identified \$13.9 million in questioned costs. The questioned costs were related to subcontract fees included as reimbursable costs that were unallowable per contract terms.	

Audit Report No. 04281-2021K23000001	Date: June 2, 2021
Subject: Independent Audit Report on University's Proposed Fringe and Vacation Accrual/Disability Sick Leave Rates for FY 2022	
Prepared For: Office of Naval Research	
Report: \$10.5 Million Questioned Costs	
DCAA identified \$10.5 million in questioned costs related to proposed health care plan costs that were noncompliant with 2 CFR sec. 200.404. DCAA's significant findings include questioned costs of \$9.0 million of health plan costs that were noncompliant because the university's proposed health care cost increase was significantly higher than the expected industry increase for medical costs in the geographical area, and \$1.5 million due to an adjustment to the proposed headcount base to reflect the actual headcount by plan.	

Audit Report No. 4151-2020M17200002	Date: June 4, 2021
Subject: Independent Audit Report on Prime Contractor's Request for Equitable Adjustment Proposals	
Prepared For: Naval Facilities Engineering Command (NAVFAC)	
Report: \$41.7 Million Questioned Costs	
DCAA identified \$41.7 million in questioned costs related to the NAVFAC technical evaluation results and audit evaluations. DCAA's significant findings included \$16.8 million of questioned Equipment Stand By Costs based on the contractor's inability to provide necessary records or adequate documentation to support the proposed amounts; and contractor's inability to establish a nexus between its assertions regarding the alleged Government action or interaction, and the proposed compensable delay days used to calculate its quantum.	

Audit Report No. 5921-2021U21000001	Date: June 8, 2021
Subject: Independent Audit Report on Proposed Direct Material Costs, Non-BOM Material, Other Direct Costs, and Travel in Contractor's Proposal dated February 26, 2021	
Prepared For: Army Contracting Command-Detroit Arsenal	
Report: \$29.3 Million Questioned Costs	
DCAA identified \$41.3 million (\$29.3 excluding subcontract assist audit findings) in questioned costs. DCAA questioned \$38.4 million of proposed direct material based on incorporation of Defense Contract Management Agency evaluations, cost analyses, and assist audit reports, DCAA proposed amounts exceeding current purchase order prices with consideration to quantity and escalation per price analysis, not being the lowest quote available, not having adequate competition received, and inadequate source justification. DCAA questioned \$137,055 of proposed non-BOM material costs based on proposed amounts exceeding current purchase order prices with consideration to quantity and escalation per price analysis. DCAA questioned \$2.2 million of proposed other direct costs based on a miscalculation and incorporation of assist audits. DCAA questioned \$573,174 of proposed travel costs based on the removal of Foreign Military Sales programs from the contractor proposed calculation of the Travel Cost Estimating Relationship.	

Audit Report No. 07611-2021S21000003	Date: June 11, 2021
Subject: Independent Audit Report on Contractor's Price Proposal dated March 15, 2021	
Prepared For: Department of the Air Force	
Report: \$71.1 Million Questioned Costs	
DCAA identified \$71.1 million in questioned costs related to material costs over the Truth and Negotiations Act threshold due to: noncompliances with FAR 31.201-3, Determining Reasonableness; FAR 15.404-3, Subcontract Pricing Considerations; unneeded material items; lower CAR/PAR analysis.	

Audit Report No. 06881-2019F10100001	Date: June 15, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$14.9 Million Questioned Costs	
DCAA identified \$24.6 million in questioned costs (\$14.9 million after government participation is applied) related to indirect expenses including an overstatement of Independent Research and Development (IR&D), rent/lease, software maintenance, and allocated Sector Allocations. DCAA's significant findings included \$23.4 million in IR&D milestone payments recorded to deferred revenue and not properly credited to IR&D to reduce associated costs claimed.	

Audit Report No. 01191-2021G21000005	Date: June 17, 2021
Subject: Independent Audit Report on Sub-Contractor's Firm-Fixed-Price Subcontract Proposal, dated August 27, 2021	
Prepared For: Defense Contract Audit Agency	
Report: \$13.2 Million Questioned Costs	
DCAA identified \$13.2 million in questioned costs related to unreasonable labor costs, unallowable production quantities, unreasonable material unit prices with escalation, unallowable indirect costs, and the application of proposed rates to questioned base costs.	

Audit Report No. 09851-2019D10100006	Date: June 21, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$12.6 Million Questioned Costs	
DCAA identified \$12.6 million in questioned costs related to indirect expenses, including \$752,563 due to compensation above the executive compensation cap in accordance with FAR 31.205-6(p) Limitation on Allowability of Compensation for Certain Contractor Personnel; \$384,036 due to unreasonable executive compensation; and \$11.5 million due to eight labor categories (non-executive) considered unreasonable based on market analysis conducted in accordance with FAR 31.205-6, Compensation for personal services.	

Audit Report No. 07281-2019C10100001	Date: June 22, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$12.5 Million Questioned Costs	
DCAA identified \$12.5 million in questioned costs, of which \$5.4 million was based on FAR 31.201-3, Determining Reasonableness, for the contractor not keeping adequate documentation on how costs were determined reasonable. The audit team was able to perform alternative procedures to audit for reasonableness, including calculating a decrement based on prior historical purchases and utilizing data from the Defense Logistics Agency Web Federal Logistics Information System website. Another \$6.7 million was based on FAR 31.201-2, Determining Allowability, for lack of support for the proposed costs for the reasonableness of the costs and DCAA was unable to perform alternative procedures. Finally, \$499,474 was based on FAR 31.205-41, Taxes, for the contractor improperly calculating the General Services Tax amount associated with freight charges.	

Audit Report No. 4981-2021V21000003	Date: June 23, 2021
Subject: Independent Audit Report on Proposed Amounts in LOGCAP V Kuwait Proposal	
Prepared For: Army Contracting Command-Rock Island	
Report: \$35.8 Million Questioned Costs	
DCAA identified \$35.8 million in questioned costs related to direct labor, other direct costs, subcontracts, and indirect costs. DCAA's significant findings included \$32.4 million in subcontracts for which the contractor failed to perform adequate cost and price analyses to establish reasonableness, and proposed amounts were unreasonable compared to competitive vendor quotes.	

Audit Report No. 07421-2019M10100001	Date: June 23, 2021
Subject: Independent Audit Report on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$71.6 Million Questioned Costs	
DCAA identified \$69.7 million of questioned costs related to direct material and subcontract costs because the contractor failed to ensure costs incurred were fair and reasonable. DCAA also identified \$1.9 million of questioned costs related to commercial items transferred at price for which the contractor failed to adequately demonstrate commerciality and/or perform adequate price analyses.	

Audit Report No. 05921-2021H21000001	Date: June 24, 2021
Subject: Independent Audit Report on Contractor's Price Proposal, for Propellant Production and Facility Operation and Maintenance, 2022-2026	
Prepared For: Army Contracting Command-Rock Island	
Report: 90.4 Million Questioned Costs	
DCAA identified \$90.5 million of questioned costs. DCAA questioned direct labor hours as a result of incorporation of the technical evaluator's report, duplication of hours based on DCAA's labor mix analysis, material escalation based on outdated escalation factors and inconsistent methodology, natural gas costs based on updated forecasts and issues with supporting documentation, and subcontracts based on not incorporating results of cost and price analyses. DCAA also questioned indirect costs as a result of incorporating results of a recent Forward Pricing Rate Proposal audit at Radford, dated May 6, 2021, associated impact from questioned direct base costs described above, and General & Administrative questioned for excessive pass through on two subcontracts.	

Audit Report No. 03451-2019D10100001	Date: June 25, 2021
Subject: Independent Audit Report on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Supervisor of Shipbuilding- Gulf Coast	
Report: \$116.3 Million Questioned Costs	
DCAA identified \$116.3 million in questioned costs related to direct materials, rate calculation errors, executive compensation and other unallowable costs per contract terms and FAR Part 31. DCAA's significant findings included \$80.2 million in direct materials for which the contractor failed to issue/consume in FY 2019, which resulted in the material being billed to contracts without a need to fulfill the production plan.	

Audit Report No. 06851-2019A10100001	Date: June 25, 2021
Subject: Independent Audit Report on Contractor's Proposed Local Indirect Expenses, Direct Amounts, and Compensation, on Unsettled Flexibly Priced Contracts for Calendar Year 2019	
Prepared For: Defense Contract Management Agency	
Report: \$28 Million Questioned Costs	
DCAA identified \$28 million in questioned costs (\$27 million after government participation is applied) related to indirect expenses, other direct costs, subcontract, and inter-organizational work orders (IWOs). Significant findings included \$20.7 million related to environmental remediation and directly associated legal expenses as unreasonable and unallocable, and \$3.6 million in independent Research and Development (IR&D) costs that reflected (1) misallocated IR&D which should have been recorded as outgoing IWO costs to another contractor segment and (2) pre-contract costs which specifically benefited a US Government contract.	

Audit Report No. 07821-2021L21000003	Date: June 25, 2021
Subject: Independent Audit Report on Proposed Labor Hours and Direct Material Amounts in Contractor's Price Proposal dated February 23, 2021	
Prepared For: Department of the Air Force	
Report: \$135.8 Million Questioned Costs and \$5.1 Million Unsupported Costs	
DCAA identified \$135.8 million in questioned costs and \$5.1 million in unsupported costs. The audit found that the contractor overstated proposed discrete and bulk labor hours. In addition, the contractor did not complete cost/price analysis of a significant subcontractor.	

Audit Report No. 02811-2021C21000004	Date: June 29, 2021
Subject: Independent Audit Report on Proposed Direct Labor and Other Direct Costs in Contractor's Technical Services' Forward Pricing Proposal for Mobile Sensors Operations and Maintenance (O&M) Proposal dated April 28, 2021	
Prepared For: Air Force Acquisition Management and Integration Center Sustainment Center	
Report: \$14.2 Million Total Questioned Costs	
DCAA identified \$14.2 million in questioned other direct costs related to excessive and unreasonable Marine Service Compensation and Completion Bonuses in a forward pricing proposal audit report to the Air Force Acquisition Management and Integration Center Sustainment Center.	

Audit Report No. 01221-2021A21000001	Date: June 30, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Price Proposal dated March 5, 2021	
Prepared For: Army Contracting Command-Aberdeen Proving Ground	
Report: \$22.8 Million Questioned Costs and \$71 Million Unsupported Costs	
DCAA identified \$22.8 million in questioned costs and \$71 million in unsupported costs, consisting of proposed labor hours and material costs. DCAA also questioned a portion of the overhead, material handling, and General and Administrative rates.	

Audit Report No. 02361-2019B10100001	Date: June 30, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: Supervisor of Shipbuilding Groton, Connecticut	
Report: \$10.2 Million Questioned Costs	
DCAA identified \$10.6 million in indirect expenses (\$10.2 after government participation is applied) in questioned costs, including \$8.2 million, related to Contractor's response to a Department of Justice subpoena request, in a report on the contractor FY 2019 incurred cost submission (\$3.7 billion in auditable dollars). DCAA also identified a noncompliance with Cost Accounting Standard 417, Cost of Money as an Element of the Cost of Capital Assets under Construction, impacting the entire proposed Cost Accounting Standard 417 pool of \$6.7 million.	

Audit Report No. 02821-2021E21000003	Date: July 6, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Firm Fixed Price Proposal dated May 5, 2021	
Prepared For: Naval Sea Systems Command	
Report: \$10.1 Million Questioned Costs	
DCAA identified \$10.1 million in questioned costs based on purchase order history, cost or price analyses, updated actuals, weighted averages for hours per unit for parts that the contractor had proposed negative learning, and questioned rates.	

Audit Report No. 05711-2021P21000004	Date: July 7, 2021
Subject: Independent Audit Report on Proposed Aircraft Material Cost - Blade Repricing Proposal	
Prepared For: Defense Contract Management Agency/Defense Logistics Agency	
Report: \$14.6 Million Questioned Cost	
DCAA identified \$14.6 million in questioned Aircraft Material costs. The questioned costs are due to DCAA's analysis of historical data including more reasonable purchase history.	

Audit Report No. 09741-2021E21000005	Date: July 12, 2021
Subject: Independent Audit Report on Contractor's Proposal dated May 7, 2021.	
Prepared For: Department of the Navy	
Report: \$21.1 Million Questioned Costs	
DCAA identified \$21.1 million of questioned costs, including \$20.5 million of the questioned costs relate to questioned direct material costs pursuant to FAR 31.201-3, Determining Reasonableness, and FAR 15.404-3, Subcontract Pricing Considerations, due to decrements based on recent purchase history, vendor quotes, purchase order history, duplicate items, unutilized quantity discounts and failure to conduct the necessary cost and price analysis to establish reasonableness. In addition, \$623,000 of the questioned costs relate to the application of the indirect rates to the questioned direct material costs.	

Audit Report No. 02801-2021C21000007	Date: July 15, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Proposal, dated April 8, 2021	
Prepared For: Naval Sea Systems Command	
Report: \$51.8 Million Questioned Costs	
DCAA identified \$51.8 million in questioned costs related to the result of applying audit adjusted direct labor rates to proposed labor hours and audit adjusted indirect rates to appropriate base amounts as a result of the application of the Defense Contract Management Agency Forward Pricing Rate Recommendations. As previously reported, we identified significant direct labor and indirect rate exceptions within the contractor's Forward Pricing Rate Proposal, which are supported in the Defense Contract Management Agency Forward Pricing Rate Recommendations.	

Audit Report No. 01221-2021J21000002	Date: July 19, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Price Proposal dated April 12, 2021	
Prepared For: Army Contracting Command-New Jersey Picatinny Arsenal	
Report: \$13.6 Million Questioned Costs and \$14.7 Unsupported Costs	
DCAA identified \$13.6 million in questioned costs related to questioned materials, warranty costs, and applicable indirect rates.	

Audit Report No. 01661-2020C19500001	Date: July 22, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Gross Dollar Magnitude (GDM) Proposal	
Prepared For: Army Contracting Command – Aberdeen Proving Ground	
Report: \$14.9 Million in Understated Proposal Costs Identified	
DCAA identified \$14.9 million of understated costs related to a Cost Accounting Standards GDM proposal. The audit determined that the contractor's proposal did not include accurate and complete estimates to complete costs for FY 2017 through FY 2019. For direct costs, the proposal understated the costs by \$3.9 million and in total cost the proposal was \$14.9 million understated.	

Audit Report No. 09741-2019A10100001	Date: July 22, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$10.7 Million Questioned Costs	
DCAA identified \$10.7 million in questioned costs. Significant question costs related to:	
<ul style="list-style-type: none"> questioned project settlement costs of \$866.5k (\$18.6k indirect travel costs) pursuant to FAR 31.205-46(b), Travel Costs, FAR 47.403, Guidelines for implementation of the Fly America Act, FAR 31.201-2, Determining Allowability, FAR 31.201-3, Determining Reasonableness, and the contractor's policies and procedures; questioned direct labor costs of \$9.68 million on T&M contracts pursuant to FAR 52.232-7(a)(3), Payments Under Time-and-Materials and Labor-Hour Contracts, and FAA AMS 3.8.2-22, Substitution or Addition of Personnel, based on employees not meeting contract labor qualifications and not complying with contract requirements; questioned subcontract costs of \$162k pursuant to FAR 31.201-2, Determining Allowability, for costs billed that were not incurred; and questioned indirect travel costs of \$231,500 pursuant to FAR 31.205-46(b), Travel Costs, and FAR 47.403, Guidelines for implementation of the Fly America Act, FAR 31.201-2, Determining Allowability, FAR 31.201-3, Determining Reasonableness, and the contractor's policies and procedures. 	

Audit Report No. 03111-2019M10100015	Date: July 27, 2021
Subject: Independent Audit Report on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Department of State	
Report: \$12.7 Million Questioned Costs	
DCAA identified \$12.7 million in questioned costs related to indirect expenses and direct costs. DCAA's significant findings included \$10.8 million related to General and Administrative and CONUS Employee Fringe rates in excess of ceiling rates and \$1.9 million in direct labor costs for retention bonuses not paid in accordance with an established plan or agreement and the contractor failed to provide essential supporting documentation.	

Audit Report No. 02351-2021U21000008	Date: July 28, 2021
Subject: Independent Audit Report on Proposed Rates in Contractor's Firm-Fixed Price Proposals dated April 30, 2021	
Prepared For: Army Contracting Command - Rock Island, IL	
Report: \$11.2 Million Questioned Costs	
DCAA identified \$11.2 million in questioned costs. Significant audit findings include:	
<ul style="list-style-type: none"> Bomb Production Overhead - DCAA questioned the proposed rates by \$20.62 for FY 2022, and \$32.68 for FY 2023, due to the contractor not including all known/likely future business, when estimating the direct labor hour base, in accordance with FAR 31.201-3, Determining Reasonableness. General and Administrative – DCAA questioned the proposed rates by 3.77 percent in FY 2022, and 5.04 percent in FY 2023, due to the contractor not including all known/likely future business when estimating the total cost input base, in accordance with FAR 31.201-3, Determining Reasonableness. Material Handling Overhead – DCAA questioned the proposed rates by 3.42 percent in FY 2022, and 2.32 percent in FY 2023, due to significant difference from historical amounts, in accordance with FAR 31.201-3, Determining Reasonableness. 	

Audit Report No. 04581-2020A17200002	Date: July 28, 2021
Subject: Independent Audit Report on Claimed Amounts in Contractor’s Delay and Disruption Claim for Equitable Adjustment, Dated July 9, 2020 and Revised December 18, 2020	
Prepared For: United States Army Corps of Engineers	
Report: \$13.7 Million Questioned Costs	
DCAA identified \$13.7 million in questioned costs related to the contractor not providing necessary records or adequate documentation to support the claimed costs. DCAA found an additional issue of claimed costs outside of the claim’s established time period. The audit also incorporated the results of an assist audit, resulting in questioned subcontract costs and incorporated the Contracting Officer’s Final Determination on the schedule delay days.	

Audit Report No. 06711-2019I10100001	Date: July 29, 2021
Subject: Independent Audit Report on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$20 Million Questioned Costs	
DCAA identified \$20 million in questioned costs \$10.3 million after government participation is considered. The majority of the questioned costs are related to service purchase maintenance costs, indirect consulting and professional services, and outside legal. DCAA’s significant findings included \$13 million of service purchase maintenance costs for which the contractor failed to provide essential supporting documentation to support the proposed costs.	

Audit Report No. 09321-2021C21000005	Date: July 29, 2021
Subject: Independent Audit Report on Proposed Price Proposal, dated February 2, 2021	
Prepared For: Restricted	
Report: \$16.8 Million Questioned Costs	
DCAA identified \$16.8 million in question costs. \$10.5 million of the questioned costs relates to updated subcontract proposal, which decreased the proposal’s scope, quantities needed, and corrected errors from the original proposal; decreasing significantly the amount of proposed material quantities and costs. In addition, \$6.1 million of the questioned costs related to an updated proposal. The May 2021 proposal update decreased the proposal’s scope, the period of performance, and corrected errors in the original proposal; decreasing significantly the amount of proposed other direct costs.	

Audit Report No. 01431-2015B10100019/ 1431-2016B10100024/1431-2017B10100031	Date: July 30, 2021
Subject: Independent Audit Report on Contractor’s Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2015, FY 2016 and FY 2017	
Prepared For: USAID	
Report: \$46.6 Million Questioned Costs	
DCAA identified \$46.6 million in questioned costs related to Direct Labor, Direct Travel, Other Direct Costs, Rent, Subcontracts, Indirect Costs and more. DCAA’s significant findings included \$24.4 million related to a lack of supporting documentation and reasonableness.	

Audit Report No. 01191-2021G21000009	Date: August 2, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Firm-Fixed-Price Proposal, dated March 8, 2021	
Prepared For: DCAA	
Report: \$15.7 Million Questioned Costs	
DCAA identified \$15.7 million in questioned costs related to more recent vendor quotations and a calculation error for direct material prices, unreasonable loaned labor costs, unreasonable facility capital cost of money rates, directly associated indirect costs, and unreasonable foreign exchange rates.	

Audit Report No. 09321-2021C21000003	Date: August 3, 2021
Subject: Independent Audit Report on Proposed Price Proposal, dated March 22, 2021.	
Prepared For: Restricted	
Report: \$33.7 Million Questioned Costs	
DCAA identified \$33.7 million in questioned costs. Significant questioned costs included:	
<ul style="list-style-type: none"> • \$13.1 million due to the difference of the proposed direct labor costs, other direct costs, and direct material between the original proposal and updates due to an RFP scope change after the proposal was submitted. • \$14 million due to the questioned directly associated indirect costs regarding the RFP scope change after the proposal was submitted. • \$1 million due to a noncompliance with FAR 31.201-3, Determining Reasonableness, of the proposed labor and directly associated indirect costs. This included questioned hours/cost due to unreasonably prorating historical actuals in a non-casual/beneficial manner. This also included questioned costs due to an unreasonable labor mix that unjustifiably deviated from historical similar-to programs. • \$4.7 million due to questioned quantities for part numbers which were inadequately supported and included no justification for the quantity requirements proposed. • \$1 million due to unsupported engineering estimates that the contractor did not provide any supporting documentation for the basis of estimate. 	

Audit Report No. 4981-2021V21000004	Date: August 6, 2021
Subject: Independent Audit Report on Proposed Amounts in LOGCAP V Iraq Proposal	
Prepared For: Army Contracting Command-Rock Island	
Report: \$149.3 Million Questioned Costs	
DCAA identified \$149.3 million in questioned costs related to direct labor, direct material, other direct costs, subcontracts, and indirect costs. DCAA's significant findings included \$80.4 million in unreasonable and unallowable other direct costs, \$41.6 million in unreasonable and unallowable subcontracts, and \$23.8 million in unreasonable fringe costs.	

Audit Report No. 03441-2021N21000003	Date: August 18, 2021
Subject: Independent Audit Report on Prime Contractor's Claim under Contract Disputes Act	
Prepared For: Army Contracting Command - Redstone	
Report: \$57.0 Million Questioned Costs	
DCAA identified \$57 million in questioned costs related to determining reasonableness, allowability, and commercial item determination.	

Audit Report No. 01191-2021G21000012	Date: August 23, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Proposal, dated February 24, 2021	
Prepared For: Defense Contract Management Agency	
Report: \$23.1 Million Questioned Costs	
DCAA identified \$23.1 million in questioned costs related to updated flow down allocation costs, unallowable contingency costs, directly associated warranty costs, and unreasonable foreign exchange rates.	

Audit Report No. 4441-2021M21000001	Date: August 24, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's Price Proposal dated May 17, 2021	
Prepared For: Naval Air Systems Command	
Report: \$223.5 Million Questioned Costs	
DCAA identified \$223.5 million in questioned costs based on technical evaluation results and audit evaluations. DCAA's significant findings include \$65.7 million of unreasonable labor rates and recommended hours by the Naval Air Systems Command technical evaluation report, \$54 million of proposed auto allowance costs duplicated in proposed post allowance costs, \$6.7 million of proposed bonus costs not consistent with historical practices, \$18.4 million of unreasonable Annual Foreign Living Allowances, and \$6.6 million of travel and miscellaneous costs based on unreasonable rates.	

Audit Report No. 09521-2019C10100017	Date: August 26, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$12.8 Million Questioned Costs	
DCAA identified \$16.7 million of questioned costs (\$12.8 million after government participation is applied). DCAA questioned \$2.7 million of claimed intercompany fee costs related to work performed by other segments in accordance with FAR 31.205-26; \$31,445 of claimed Corporate Allocations in the Fringe Pool and \$191,032 of claimed Corporate Allocation costs in the General and Administrative Pool related to DCAA Corporate Audit Reports No. 9731-2019C10100001-S1, July 1, 2021 and Corporate DCAA Audit Report No. 9531-2019M10100011, July 23, 2021; and \$14.0 million of claimed IR&D costs in the General and Administrative Pool related to costs not entered in the Defense Technical Information Center database in accordance with DFARS 231.205-18. Finally, DCAA provided an upward adjustment of \$277,140 to the Overhead Pool for under accrued Enterprise Business Systems Information Technology allocation expenses, in accordance with FAR 31.201-3.	

Audit Report No. 03961-2021N21000002	Date: September 7, 2021
Subject: Independent Audit Report on Parts of a Proposal	
Prepared For: Army Contracting Command- Detroit Arsenal	
Report: \$48.8 Million Questioned Costs	
DCAA identified \$8 million in questioned direct material costs related to adequate cost or price analysis per FAR Part 15 and escalation factors applied per FAR Part 31. DCAA questioned \$10.5 million of the direct labor overhead pool related to unreasonable costs per FAR Part 31. DCAA questioned \$30 million of the General and Administrative pool costs as unallowable lobbying costs, and unreasonable costs in the legal, travel, home office and general accounts per FAR Part 31. In addition, DCAA upward adjusted the Total Cost Input Base per FAR Part 31 because the contractor has historically understated its Total Cost Input Base.	

Audit Report No. 05941-2021R21000002	Date: September 8, 2021
Subject: Independent Audit Report on Proposed Amounts in Contractor's FY 2021 to FY 2023 FFP Proposal dated September 14, 2020	
Prepared For: DCAA	
Report: \$25.7 Million Questioned Costs	
DCAA identified \$25.7 million in questioned costs (\$25.2 after government participation is applied) related to direct labor hours, direct materials/subcontracts, and direct and indirect rates. DCAA's significant findings included \$13.7M in questioned direct materials (\$12.65M) and material escalation (\$1.07M) due to computational errors and unit pricing curve analysis and \$7.5M in questioned proposed costs related to new equipment purchases and plant expansion per FAR 31.205-11(c).	

Audit Report No. 01151-2021T21000001	Date: September 10, 2021
Subject: Independent Audit Report on Proposed Travel and Material and Service Amounts in Contractor's Price Proposal for RFP N0003022R6002 (FY 2022 Omnibus Proposal) dated July 13, 2021	
Prepared For: Department of the Navy	
Report: \$43.1 Million Questioned Costs	
DCAA determined that the contractor's estimating methodology for the proposed direct travel costs is not a reasonable approach for estimating these types of costs. In addition, the contractor's estimating methodology for the proposed material & service costs did not comply with the requirement of FAR Part 15, Table 15-2, Section II, Paragraph A, Materials and Services. Therefore, DCAA questioned the total proposed direct travel and material & service costs in their entirety.	

Audit Report No. 02821-2021S21000005	Date: September 17, 2021
Subject: Independent Audit Report on Proposed Direct Material and Operations Direct Labor Amounts in Contractor's Proposal dated June 9, 2021 (Excluding Foreign Suppliers under Reciprocal Agreements)	
Prepared For: Naval Sea Systems Command	
Report: \$19.4 Million Questioned Costs	
DCAA identified \$19.4 million in questioned costs. Significant questioned costs relate to direct materials and direct labor. Questioned costs were based on: (i) consideration of a concurrent production effort which contractor excluded; (ii) incorporation of assist audit results; (iii) incorporation of Operations Labor rates under the current DCMA Forward Pricing Rate Recommendations as supported by DCAA's Forward Pricing Rate Proposal audit; (iv) incorporation of Defense Contract Management Agency technical reviews; (v) evaluation of competitive quotes and purchase order history; and (vi) incorporation of contractor's cost and price analyses.	

Audit Report No. 04671-2021D21000001	Date: September 17, 2021
Subject: Independent Audit Report on Proposed Direct Labor Rates, Indirect Rates and Other Direct Costs in Contractor's Cost Plus Fixed Fee dated June 23, 2021	
Prepared For: Department of the Army – Rock Island Contracting Center	
Report: \$55.6 Million Questioned Costs	
DCAA identified \$60.4 million of questioned costs (\$55.6 million exclusive of assist reports and after government participation is applied) related to proposed direct labor rates, and other direct costs. DCAA's significant findings include questioned other direct costs due to errors in the basis of estimate related to quantities, errors in the methodology of estimating costs, and proposed costs which were based upon the outdated labor escalation factors as well as the indirect portion of these other direct costs which have attached General and Administrative or Facilities Capital Cost of Money.	

Audit Report No. 02351-2021T21000001	Date: September 22, 2021
Subject: Independent Audit Report on Proposed Direct Material Cost in Contractor’s Proposal dated July 9, 2021	
Prepared For: Army Contracting Command – Detroit Arsenal	
Report: \$16.4 Million Total Questioned Costs	
DCAA identified \$16.4 million of questioned costs, including \$2.4 million that relate to direct material base unit costs on the Bills of Material for vendors under \$2 million that were unreasonable and therefore, noncompliant with FAR Part 31.201-3(a), Determining Reasonableness. Additional questioned costs for vendors over \$2 million are related to base unit costs. We questioned \$13.9 million of the proposed costs due to noncompliance with FAR Part 31.201-3(a), Determining Reasonableness from vendors with costs exceeding the \$2 million threshold set in Class Deviation 2018-O0015 to FAR 15.403-4(a)(1).	

Audit Report No. 03531-2014R10100001	Date: September 22, 2021
Subject: Independent Audit Report on Contractor’s Proposed Amounts on Unsettled Flexibly Priced Contracts for FYs 2014-2016	
Prepared For: Federal Retirement Thrift Investment Board	
Report: \$26.6 Million Questioned Costs	
DCAA identified \$26.6 million in questioned costs related to various direct and indirect expenses (Direct Labor, Other Direct Costs, Indirect Labor, Fringe Allocation, Telephone Office, Bonuses, Commissions, Temp Labor, Outside Services, Contractor, Professional Fees, Software Expense, Taxes/Fees/Licenses, and Depreciation). DCAA also recommended upward adjustments to the Fringe Base and General and Administrative Base. DCAA’s significant findings were primarily based on the contractor being unable to provide adequate supporting documentation to determine if the costs were compliant with FAR part 31 and with contract terms. DCAA recommend significant upward adjustments to the General and Administrative base because costs were excluded from the Total Cost Input base and were therefore not in accordance with FAR 31.203(d), Indirect Costs.	

Audit Report No. 09321-2018P10100001	Date: September 22, 2021
Subject: Independent Audit Report on Proposed Direct Cost Amounts on Unsettled Flexibly Priced Contracts for FY 2018	
Prepared For: Restricted	
Report: \$51.3 Million Total Questioned Costs	
DCAA identified \$51.3 million of question costs. The findings identified were due to the following:	
<ul style="list-style-type: none"> • \$29.7 million of subcontractor direct labor cost where the subcontractor did not provide any support. Therefore, we questioned the costs based FAR 31.201-2(d), Determining Allowability. • \$16.9 million of question subcontractor material and other direct costs due to the contractor’s failure to provide sufficient documentation to show that the cost were allocable and reasonable. • \$916 thousand due to a profit center being incorrectly allocated to the contract. • \$3.4 million due to a noncompliance with FAR 31.205-26(e), Material Costs. This noncompliance was caused by the contractor transferring and including Interdivisional Work Order at price instead of cost. 	

Audit Report No. 05611-2021A21000003	Date: September 13, 2021
Subject: Independent Audit Report on Proposed Direct Material, Subcontract, and Other Direct Costs in Contractor's Proposal dated June 14, 2021 and Addendum No. 1 dated July 14, 2021	
Prepared For: Army Contracting Command - Redstone	
Report: \$61.8 Million Total Questioned Costs	
DCAA identified \$61.8 million in questioned costs related to direct material, subcontract, and other direct costs that do not materially comply with solicitation terms related to pricing.	

Audit Report No. 03521-2021N21000001	Date: September 23, 2021
Subject: Independent Audit Report on Proposed Direct Labor Rates, Labor Uplifts, Escalation, Retention Cost, and Severance Cost in Subcontractor's Price Proposal dated June 3, 2021	
Prepared For: Army Contract Command – Rock Island	
Report: \$16.3 Million Questioned Costs	
DCAA identified \$16.3 million in questioned costs related to severance cost. The contractor proposed severance cost as a form of retention incentive; there is an advanced agreement in place for retention incentives that does not include severance cost. The advanced agreement states forms of retention incentives outside of the advanced agreement are not prohibited.	

Audit Report No. 09871-2019F10100001	Date: September 23, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: DCAA	
Report: \$23.9 Million Questioned Costs	
DCAA identified \$23.9 million in questioned costs relating to Direct Materials and other direct costs. The contractor did not provide support for these costs in accordance with FAR 31.201-2, Determining Allowability.	

Audit Report No. 09871-2019F10100002	Date: September 23, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: DCAA	
Report: \$18.9 Million Questioned Costs	
DCAA identified \$18.9 million in questioned costs relating to Direct Materials and Other Direct Costs. The contractor did not provide support for these costs in accordance with FAR 31.201-2, Determining Allowability.	

Audit Report No. 04671-2021D21000002	Date: September 23, 2021
Subject: Independent Audit Report on Proposed Direct Labor Rates and Other Direct Costs in Contractor's Cost Plus Fixed Fee and Award Fee dated June 29, 2021	
Prepared For: Department of Army – Rock Island Contracting Center	
Report: \$16.2 Million Questioned Costs	
DCAA identified \$16.2 million of questioned costs related to proposed direct labor rates, indirect costs, and other direct costs. DCAA's significant finding of \$14.1 million questioned other direct costs were based on errors in the basis of estimate related to quantities, errors in the methodology of estimating costs, and proposed costs which were based upon the outdated labor escalation factors.	

Audit Report No. 03521-2021N2100002	Date: September 24, 2021
Subject: Independent Audit Report on Proposed Direct Labor Rates, Labor Uplifts, Escalation, Retention Cost, Other Direct Cost, and Severance Cost in Subcontractor Price Proposal dated June 11, 2021	
Prepared For: Army Contract Command – Rock Island	
Report: \$12.7 Million Questioned Costs	
DCAA identified \$12.7 million in questioned costs related to severance cost. The contractor proposed severance cost as a form of retention incentive; there is an advanced agreement in place for retention incentives that does not include severance cost. The advanced agreement states forms of retention incentives outside of the advanced agreement are not prohibited.	

Audit Report No. 06711-2019B10100001	Date: September 28, 2021
Subject: Independent Audit Report on Unsettled Flexibly Priced Contracts for Contractor FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$36.6 Million Questioned Costs	
DCAA identified \$36.6 million in questioned costs. The majority of the questioned costs are related to settlement costs for internal projects, rent, machinery and equipment costs, productive supplies and inter-organizational transfers. DCAA's significant finding included \$34 million of settlement costs for which the contractor failed to provide essential supporting documentation to support the proposed costs.	

Audit Report No. 04581-2021G2100002	Date: September 30, 2021
Subject: Independent Audit Report on Proposed Direct Labor, Labor Overhead, Direct Material, Material Overhead, Travel, Other Direct Costs, Facilities Capital Cost of Money, and Selling General & Administrative Cost in Contractor's Proposal, dated June 28, 2021	
Prepared For: Army Contracting Command – Detroit Arsenal	
Report: \$18.2 Million Questioned Costs	
DCAA identified \$19.8 (\$18.2 million excluding a technical labor assist report) million in questioned costs of the \$26.1 million proposed. DCAA's significant findings included \$14.6 million in indirect costs due to rate adjustments, questioned base costs, and notably \$10.9 million in excessive pass through costs. DCAA also questioned \$1.7 million of direct material based on reviewing purchase history and analyzing escalation, \$1.6 million in labor costs based on incorporating the results of a technical review, \$1.2 million of freight based on the use of ocean freight instead of air freight, and \$770 thousand of travel based on current flight pricing and the incorporation of technical input on the number of trips.	

Audit Report No. 02391-2019C10100001, 02391-2019C10100002, 02391-C10100004	Date: September 30, 2021
Subject: Independent Audit Report on Contractor's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2019	
Prepared For: Defense Contract Management Agency	
Report: \$33.7 Million Questioned Costs	
DCAA identified \$33.7 million (\$12.6 million of questioned costs after Government Share/Participation and questioned costs related to home office allocations are recognized in Audit Report Numbers 2391-2019D10100001 and 2391-2019C101000003, respectively) of questioned costs. Of the total questioned costs, \$28.7 million related income taxes because the contractor did not timely apply the tax refunds/credits to the Government.	

RESULTS OF PEER REVIEWS

Peer Review of the Department of Defense Office of Inspector General Audit Organization

The U.S. Department of Transportation OIG conducted a peer review of DoD OIG audit operations system of quality control in effect for the 12-month period that ended March 31, 2021, and issued a final report on September 30, 2021. The DoD OIG received a peer review rating of pass. The system review report contained no recommendations.

Peer Review of Social Security Administration Office of Inspector General Audit Organization

The DoD OIG reviewed the Social Security Administration (SSA) OIG audit organization system of quality control in effect for the year ended March 31, 2021, and issued a final report on September 28, 2021. The SSA OIG audit organization received a peer review rating of pass. The DoD OIG issued a Letter of Comment identifying a finding which was not significant enough to affect the pass opinion expressed in the final report. The Letter of Comment contained one recommendation.

Peer Review of the Army Audit Agency Special Access Program Audits

The DoD OIG reviewed the system of quality control for the Army Audit Agency Special Access Program audits in effect for the 3-year period ended December 31, 2019. In the System Review Report, the Army Audit Agency received an external peer review rating of pass for its Special Access Program audits. The System Review Report contained no recommendations.

Peer Review of Defense Criminal Investigative Service by the Department of Agriculture Office of Inspector General

The Department of Agriculture OIG conducted an external peer review of the Defense Criminal Investigative Service and issued a final report on January 19, 2018. The Defense Criminal Investigative Service received a peer review rating of pass, and there are no outstanding recommendations.

Peer Review of the Air Force Audit Agency

The DoD OIG and the Army Audit Agency reviewed the system of quality control for the Air Force Audit Agency in effect for the 3-year period ended December 31, 2019. In the System Review Report, the Air Force Audit Agency received an external peer review rating of pass. The System Review Report contained no recommendations.

Peer Review of the Missile Defense Agency Internal Review Office

The DoD OIG reviewed the system of quality control for the Missile Defense Agency Internal Review Office in effect for the period ended September 30, 2020. In the System Review Report, the Missile Defense Agency Internal Review Office received an external peer review rating of pass. The DoD OIG issued a Letter of Comment that set forth one finding not considered of sufficient significance to affect the opinion expressed in the System Review Report. The Letter of Comment contained a recommendation that is no longer open.

Peer Review of the Army Audit Agency

The DoD OIG and the Naval Audit Service reviewed the system of quality control for the Army Audit Agency in effect for the 3-year period ended December 31, 2019. In the System Review Report, the Army Audit Agency received an external peer review rating of pass. The System Review Report contained no recommendations.

Peer Review of the Department of Defense Office of Inspector General Inspection and Evaluation Components

The Department Of Veteran Affairs OIG conducted a peer review of the DoD OIG components performing evaluations and issued a final external peer review report on September 14, 2021. The peer review team determined that the DoD OIG's policies and procedures for evaluations were generally consistent with the seven Blue Book standards addressed in the external peer review and that the four reports it reviewed generally complied with the seven covered Blue Book standards. The report contained no recommendations.

DCIS INVESTIGATIVE REPORTS ISSUED

Statistical Table ¹	
The total number of investigative reports issued during the reporting period ²	218
The total number of investigations referred to the Department of Justice for criminal prosecution during the reporting period ³	72
The total number of investigations referred to State and local prosecuting authorities for criminal prosecution during the reporting period ⁴	2
the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities ⁵	115

1. Descriptions of the metrics used for developing the data for the statistical tables under paragraph (17) of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix §5(b)(5).
2. In accordance with DCIS policy, 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 4/1/2021 through 9/30/2021. There are instances when DCIS does not author the ROI, in such events, a Case Termination is used (also in accordance with written DCIS policy). This metric does NOT include other types of reports authored by DCIS to include Information Reports, Case Initiation Reports, Case Summary Updates, Interview Form 1s, Significant Incident Reports, etc.
3. DCIS tracks referrals to the Department of Justice 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 72 investigations referred to the Department of Justice for criminal prosecution. These investigations involved 215 suspects, which included 76 business and 138 individuals.
4. 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 two investigations that was referred to State/Local prosecuting authorities for criminal prosecution. This investigation involved four suspects, which included zero businesses, and four individuals.
5. 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.

Includes any Federal Indictment, Federal Information, State/Local Charge, Foreign Charge, Article 32 UCMJ, or Federal Pre-Trial Diversion occurring between 4/1/2021 through 9/30/2021. This excludes any sealed charges. Only validated charges are included. Precluding Adjudicative Referral may have occurred in current reporting period or in previous period. This differs from the criminal charges reported in the statistical highlights on page 5, which also includes previously unreported criminal charges that occurred between 10/1/2020 and 3/1/2021.

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
BIS EEO	Department of Commerce Bureau of Industry and Security Office of Export Enforcement	ERM	Enterprise Risk Management
BLS	Base Life Support	ESA	Engineering Support Activity
BOS-I	Base Operations Support–Integrator	EVAL	Evaluations
CDP	Contractor Disclosure Program	FAR	Federal Acquisition Regulation
CID	Criminal Investigation Division	FBI	Federal Bureau of Investigation
CIGIE	Council of the Inspectors General on Integrity and Efficiency	FSRM	Facilities Sustainment, Restoration, and Modernization
CISA	Cybersecurity Information Sharing Act	FVAP	Federal Voting Assistance Program
CIVPAY	Civilian Pay	GAO	Government Accountability Office
CJIS	Criminal Justice Information Services	GCCS-J	Global Command and Control System–Joint
CJTF-OIR	Combined Joint Task Force–Operation Inherent Resolve	GFEBs	General Fund Enterprise Business System
CNRC	Commander, Navy Recruiting Command	GSSAP	Geosynchronous Space Situational Awareness Program
COOP	Continuity of Operations Plan	HHS	Department of Health and Human Services
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

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