



INSPECTOR GENERAL

U.S. Department of Defense

SEMIANNUAL REPORT TO CONGRESS

APRIL 1 *through* SEPTEMBER 30, 2022



INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

Required by Public Law 95-452

Mission

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

Vision

Engaged oversight professionals dedicated
to improving the DoD



Whistleblower Protection U.S. DEPARTMENT OF DEFENSE

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

For more information, please visit the Whistleblower webpage at
<http://www.dodig.mil/Components/Administrative-Investigations/Whistleblower-Reprisal-Investigations/Whistleblower-Reprisal/>
or contact the Whistleblower Protection Coordinator at
Whistleblowerprotectioncoordinator@dodig.mil



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

I am pleased to submit this Semiannual Report (SAR) summarizing the work of the Department of Defense Office of Inspector General (DoD OIG) from April 1 through September 30, 2022. This report describes significant oversight the DoD OIG has performed over the past 6 months.

During this reporting period, the DoD OIG continued to prioritize targeted oversight of the DoD's execution of funding for and delivery of aid to Ukraine. We issued two management advisories on the DoD's use of funds appropriated for Ukraine assistance, identifying multiple areas of concern that, if not adequately addressed, could reduce the traceability and transparency in the DoD's use of Ukraine supplemental funds. We also completed an audit of the capability and capacity of select training ranges in Europe, including ranges where the DoD and NATO partners train Ukrainian military personnel. In addition, the DoD OIG led collaborative efforts with our oversight partners to ensure comprehensive, coordinated oversight. For example, the DoD OIG formed and leads the Ukraine Oversight Interagency Working Group, which comprises representatives from multiple Federal OIGs, DoD audit agencies, and the Government Accountability Office. This working group promotes strategic oversight and information sharing, and proactively identifies potential duplication and gaps in oversight coverage.

The DoD OIG also continued its oversight of a broad spectrum of other DoD programs and operations. We issued 60 audit and evaluation reports and management advisories, 3 administrative reports of investigation, and a management advisory from our Diversity and Inclusion and Extremism in the Military (DIEM) Component. Altogether, these reports included 256 recommendations to the DoD for improvement. We completed 10 senior official, whistleblower reprisal, and Service member restriction

investigations, and oversaw 160 senior official, whistleblower reprisal, and Service member restriction investigations completed by the Military Service and Defense agency OIGs. In addition, we completed 221 criminal investigations, some conducted jointly with other law enforcement organizations, resulting in 119 arrests, 122 criminal charges, 89 criminal convictions, \$128.8 million in civil judgments and settlements, and \$190.3 million in criminal fines, penalties, and restitution. We also continued to provide oversight of funding Congress appropriated to the DoD for the coronavirus disease-2019 response, issuing six reports related to the DoD's pandemic response.

Among the many important reports we issued during the reporting period was an audit to determine the percentage of privatized military housing units that have been identified as unsafe, unhealthy, or both. This audit also attempted to determine the association of exposure to certain unsafe or unhealthy conditions in privatized military housing units and the rate of occurrence of associated medical conditions, and assessed DoD efforts to track relationships between exposures and adverse health impacts. The DoD OIG also issued a joint audit with the Department of Veterans Affairs (VA) OIG that determined that the DoD and VA did not take all actions needed to achieve interoperability of patient health care across DoD, VA, and external health care providers.

Our evaluations also produced important findings this reporting period, including two classified evaluations related to U.S. military strikes in Somalia and Afghanistan that reviewed, among other things, civilian casualty review and reporting processes and the post-strike reporting of information. Another evaluation determined that the process Air Force officials used to select Huntsville, Alabama, as the preferred permanent location for the U.S. Space Command headquarters complied with law and policy and was reasonable, though the DoD OIG recommended that the Secretary of Defense and Secretary of the Air Force conduct additional reviews before finalizing the decision.

Also during the reporting period, a Defense Criminal Investigative Service (DCIS) investigation resulted in 11 defendants pleading guilty in a \$300 million health care fraud conspiracy in which the founders of several lab companies paid kickbacks to induce medical professionals to order medically unnecessary tests. Another DCIS investigation resulted in a guilty plea from a Turkish national for a scheme to illegally export defense technical data to foreign nationals in Turkey for fraudulent manufacturing of various U.S. military parts in violation of the Arms Export Control Act.

The DoD OIG's Administrative Investigations Component completed several significant reports of investigation bearing on the ethical conduct of DoD leaders. For example, the DoD OIG investigated allegations that James Branham, the former Chief Operating Officer of the Armed Forces Retirement Home, sexually harassed subordinate female employees and reprimed against a female employee because she rejected his sexual advances. The investigation substantiated the allegations and determined that Mr. Branham engaged in an overall course of conduct in which he sexually harassed subordinate female employees.

As the Lead Inspector General (IG), the DoD IG works closely with our oversight partners, the Department of State and U.S. Agency for International Development IGs, as well as other partner agencies, to conduct oversight of overseas contingency operations. During the report period, those operations included Operation Inherent Resolve in Syria and Iraq and Operation Freedom's Sentinel and Operation Enduring Sentinel in Afghanistan. Lead IG work this reporting period included continued oversight related to DoD support for Afghan evacuees. We issued a management advisory that determined that the DoD successfully used the Civil Reserve Air Fleet to support noncombatant evacuation operations of Afghan refugees under Operation Allies Refuge. We also issued an audit report that determined that the DoD successfully provided housing and sustainment, medical care, and security for more than 34,900 Afghans traveling through two installations in Germany and for more than 73,500 Afghan evacuees at eight U.S. installations.

Finally, our DIEM Component made significant progress during the reporting period. Established in 2021, DIEM provides oversight of DoD programs and operations related to diversity and inclusion in the DoD and preventing and responding to supremacist, extremist,

and criminal gang activity in the military. This reporting period, DIEM issued a management advisory to inform DoD officials that race codes and categories used in the Military Health System Data repository did not comply with DoD or Office of Management and Budget regulations. In addition, DIEM coordinated with other DoD OIG Components to perform audits, evaluations, and investigations related to diversity and inclusion, extremism, and prohibited activities. Through the Evaluations Component, the DoD OIG issued two reports related to DIEM. One DIEM-related evaluation determined that DoD guidance does not have sufficiently detailed and easily understood definitions of extremism-related terminology, including the terms "extremist," "extremism," "active advocacy," and "active participations," and the DoD cannot fully implement policy and procedures to address extremist activity without clarifying these definitions.

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.



Sean W. O'Donnell
Acting Inspector General

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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..."	51
Section 5(a)(1)	"description of significant problems, abuses, and deficiencies..."	6-9, 12-25
Section 5(a)(2)	"description of recommendations for corrective action...with respect to significant problems, abuses, and deficiencies..."	7-9, 12-25
Section 5(a)(3)	"identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;"	79-126
Section 5(a)(4)	"a summary of matters referred to prosecutive authorities and the prosecution and convictions which have resulted."	26-30, 56, 58-59, 61
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."	64-70
Section 5(a)(7)	"a summary of each particularly significant report;"	6-9, 12-25, 33-34, 36-42
Section 5(a)(8)	<p>"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 –</p> <p>(A) for which no management decision had been made by the commencement of the reporting period;</p> <p>(B) which were issued during the reporting period;</p> <p>(C) for which a management decision was made during the reporting period, including-</p> <p>(i) the dollar value of disallowed costs; and</p> <p>(ii) the dollar value of costs not disallowed; and</p> <p>(D) for which no management decision has been made by the end of the reporting period;"</p>	73
Section 5(a)(9)	<p>"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 –</p> <p>(A) for which no management decision had been made by the commencement of the reporting period;</p> <p>(B) which were issued during the reporting period;</p> <p>(C) for which a management decision was made during the reporting period, including-</p> <p>(i) the dollar value of recommendations that were agreed to by management; and</p> <p>(ii) the dollar value of recommendations that were not agreed to by management; and</p> <p>(D) for which no management decision has been made by the end of the reporting period;"</p>	74
Section 5(a)(10)	<p>"a summary of each audit report, inspection report, and evaluation report issued before the commencement of the reporting period –</p> <p>(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;</p> <p>(B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and</p> <p>(C) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations;"</p>	79-126

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;”	6-7
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)	6
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;”	136
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;”	N/A
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;”	137
Section 5(a)(18)	“a description of the metrics used for developing the data for the statistical tables under paragraph (17);”	137
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)	30, 36-37, 41, 43
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;”	35-38
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.”	30, 38, 42

EXECUTIVE SUMMARY

REFERENCES	REQUIREMENTS	PAGES
Section 5 Statutory Note	"an annex on final completed contract audit reports...containing significant audit findings..." (referencing the National Defense Authorization Act of FY 2008, Pub. L. 110-181, § 845, 122 Stat. 3, 240 (2008))	127-135
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
FY 2021 NDAA Section 554(a) (4)(B)	"summary of the activities of the Deputy Inspector General [for DIEM] during the two fiscal quarters preceding the date of the report"	47-48

STATISTICAL HIGHLIGHTS

Summary of Activities	Total for the Reporting Period
Existing and Proposed Regulations Reviewed	126
AUDIT	
Reports and Management Advisories Issued	37
Recommendations Made with Questioned Costs	\$225.8 million
Recommendations Made with Funds Put to Better Use	\$5.2 million
Achieved Monetary Benefits	\$1.3 million
EVALUATIONS	
Reports and Management Advisories Issued	23
DEFENSE CRIMINAL INVESTIGATIVE SERVICE	
Total Investigative Receivables and Recoveries ¹	\$342.0 million
Recovered Government Property	\$1.8 million
Civil Judgments and Settlements	\$128.8 million
Criminal Fines, Penalties, and Restitution Ordered (Excludes Asset Forfeitures)	\$190.3 million
Administrative Recoveries ²	\$3.1 million
Inspector General Subpoenas Issued	920
Investigative Activities	
Arrests	119
Criminal Charges	122
Criminal Convictions	89
Suspensions	50
Debarments	72
Asset Forfeiture Results	
Seized	\$19.9 million
Final Orders of Forfeiture	\$6.9 million
Monetary Judgments	\$35.5 million
ADMINISTRATIVE INVESTIGATIONS	
Publicly Released Reports	3
Complaints Received	
Senior Official	493
Whistleblower Reprisal and Service Member Restriction	1,025
Complaints Closed	
Senior Official	629
Whistleblower Reprisal and Restriction	988

¹ Includes investigations conducted jointly with other law enforcement organizations.

² Includes contractual agreements and military nonjudicial punishment.

EXECUTIVE SUMMARY

Summary of Activities	Total for the Reporting Period
DoD OIG Investigations Closed	
Senior Official	4
Whistleblower Reprisal and Service Member Restriction	6
Service and Defense Agency IG Investigations Closed and Overseen by the DoD OIG	
Senior Official	50
Whistleblower Reprisal and Service Member Restriction	110
Service and Defense Agency IG Cases Overseen by the DoD OIG That Were Dismissed or Withdrawn	
Whistleblower Reprisal and Service Member Restriction	362
Whistleblower Protection Coordinator	
Contacts	784
Visits to Whistleblower Rights and Protections Webpage	14,720
DoD Hotline	
Contacts	10,931
Cases Opened	4,127
Cases Closed	3,971
Contractor Disclosures Received	176
DIVERSITY AND INCLUSION AND EXTREMISM IN THE MILITARY	
Reports and Management Advisories Issued	1
OFFICE OF PROFESSIONAL RESPONSIBILITY	
Substantiated Allegations of Senior Official Misconduct	1

1. OVERVIEW



The DoD OIG

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

- Recommend policies for and conduct, supervise, or coordinate other activities for the purpose of promoting economy and efficiency, and preventing and detecting fraud, waste, and abuse in DoD programs and operations.
- Serve as the principal advisor to the Secretary of Defense in matters of DoD fraud, waste, and abuse.
- Provide policy direction for and conduct, supervise, and coordinate audits and investigations relating to DoD programs and operations.
- Ensure that the Secretary of Defense and Congress are fully informed of problems in the DoD.
- Review existing and proposed legislation and regulations relating to programs and operations of the DoD regarding 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 Congress and make it 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. Our people are central to this vision. 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 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

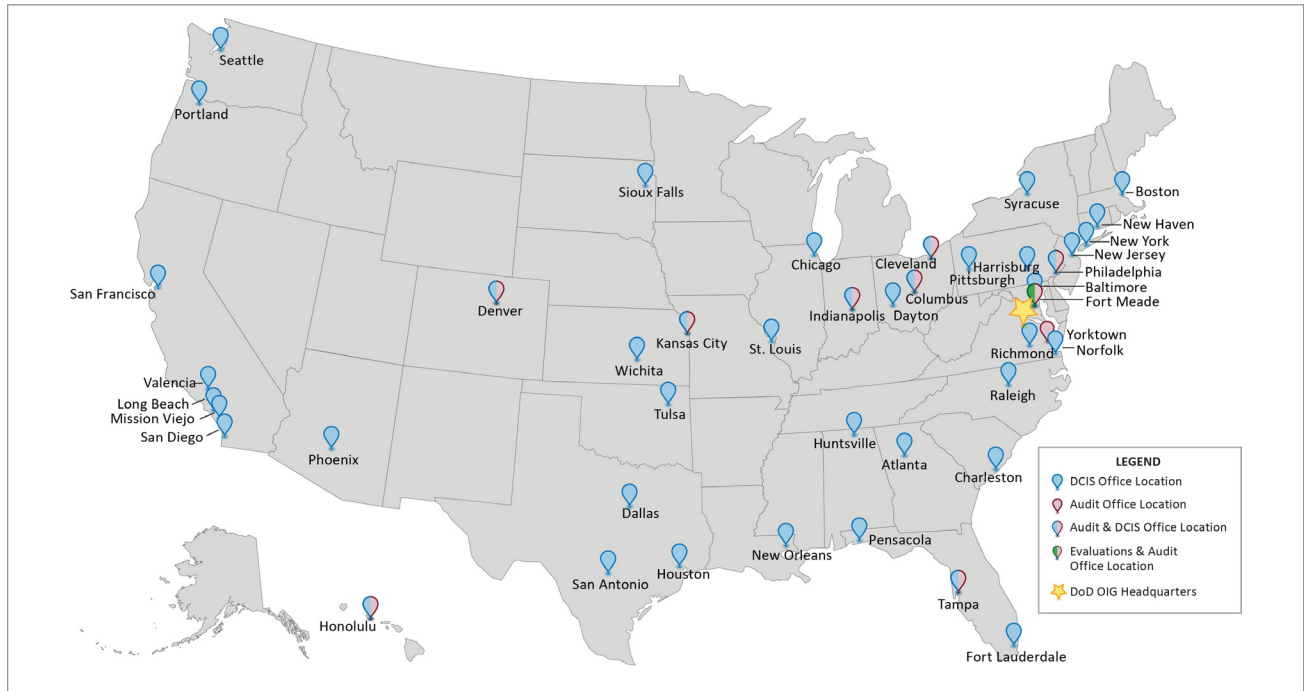
Our values define our organizational character and help guide the behaviors necessary to achieve our vision.

- Integrity
- Independence
- Excellence

Our 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.

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



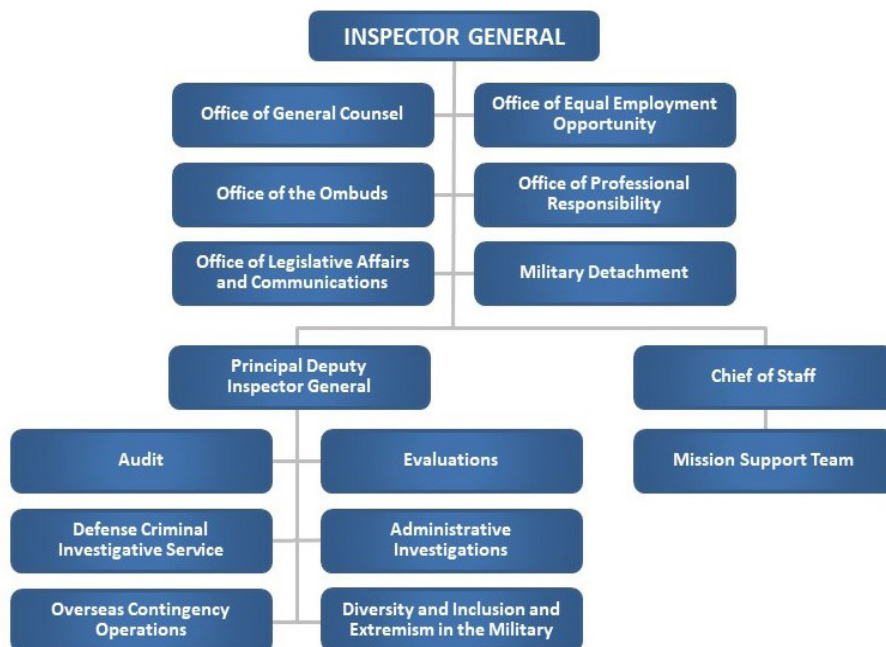
Source: The DoD OIG.

Figure 2. DoD OIG Field Offices Located Overseas



Source: The DoD OIG.

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

Evaluations (EVAL) conducts evaluations that promote the economy, efficiency, and effectiveness of DoD programs and operations. EVAL also conducts technical assessments of DoD programs and peer reviews of DoD audit components.

DEFENSE CRIMINAL INVESTIGATIVE SERVICE

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

Administrative Investigations (AI) investigates and oversees DoD Component investigations of allegations of misconduct by senior DoD officials, whistleblower reprisal, and Service member restriction from communication with an Inspector General or Member of Congress to help ensure ethical conduct throughout the DoD. 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.

OFFICE OF PROFESSIONAL RESPONSIBILITY

The Office of Professional Responsibility promotes confidence in the integrity and accountability of DoD OIG personnel by investigating credible allegations of misconduct by DoD OIG employees and military personnel.

OVERSEAS CONTINGENCY OPERATIONS

Overseas Contingency Operations coordinates comprehensive joint oversight and reporting on overseas contingency operations by the DoD OIG and other Federal OIGs to fulfill the DoD OIG's Lead IG responsibilities.

DIVERSITY AND INCLUSION AND EXTREMISM IN THE MILITARY

Diversity and Inclusion and Extremism in the Military coordinates comprehensive oversight of the policies, programs, systems, and processes regarding diversity and inclusion in the DoD and the prevention of and response to supremacist, extremist, and criminal gang activity in the Armed Forces.

SUMMARY OF TOP DOD MANAGEMENT CHALLENGES

The Reports Consolidation Act of 2000 requires each Federal Inspector General (IG) 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.

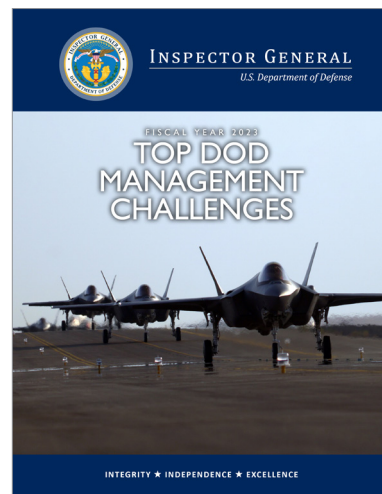
The following is the DoD OIG’s list of the top management and performance challenges facing the DoD in FY 2023. The DoD OIG identified these challenges based on a variety of factors, including DoD OIG oversight work, research, and judgment; oversight work done by other DoD Components; oversight work 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 uses this document to determine areas of risk in DoD operations and where to allocate DoD OIG oversight resources.

These are the top eight DoD management and performance challenges.

1. Building Enduring Advantages for Strategic Competition
2. Strengthening Cyberspace Operations and Securing Systems, Networks, and Data
3. Maintaining Superiority Through a Resilient Defense Industrial Base
4. Improving Financial Management and Budgeting
5. Adapting to Climate Change, Accelerating Resilience, and Protecting the Environment
6. Protecting the Health and Wellness of Service Members and Their Families
7. Recruiting and Retaining a Diverse Workforce
8. Accelerating the Transformation to a Data-Centric Organization

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

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



OTHER OVERSIGHT MATTERS

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

The 2022 Compendium identified 1,425 recommendations made by the DoD OIG that remained open as of March 31, 2022. Of the 1,425 open recommendations, DoD management agreed to take corrective action on 1,345 recommendations. Included in that total are 50 open recommendations from DoD OIG reports with potential monetary benefits of \$6.1 billion. The Compendium also included a chapter on the 195 recommendations that are at least 5 years old. While the overall number of aged recommendations has increased at a smaller rate since last year's Compendium, the number of recommendations over 7 years old has increased by 260 percent over the previous year. Additionally, the 2022 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, impact 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 2017 Compendium, the DoD has provided supporting documentation that led to the closure of over 3,500 recommendations.

Information Described in Sections 803(a) and 804(b) of the Federal Financial Management Improvement Act of 1996

Section 803(a) of the Federal Financial Management Improvement Act (FFMIA) requires agencies to assess annually whether their financial systems comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S. 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. In the DoD Agency Financial Report for FY 2021, DoD management stated that the DoD did not comply with section 803(a) of the FFMIA. The DoD's financial systems do not provide the capability to record financial transactions in compliance with Federal financial management requirements, applicable Federal accounting standards, and the U.S. General Ledger at the transaction level. The lack of compliance contributes to a number of material weaknesses, and 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 2021.

Substantiated Senior Official Cases Closed in Prior Reporting Periods for Which Management's Corrective Action Response Was Insufficient

In June 2021, the DoD OIG issued Report No. DODIG-2021-092, "Report of Investigation: Mr. Brett J. Goldstein, Defense Digital Service Director." The report provided the results of an investigation of allegations that Mr. Goldstein, the former Defense Digital Service (DDS) Director, fostered a negative work environment by failing to treat his subordinates with dignity and respect. The DoD OIG also examined an emergent allegation that Mr. Goldstein used and condoned the use of Signal, an unauthorized electronic messaging and voice-calling application, to discuss official DoD information. While we did not substantiate the allegation that Mr. Goldstein failed to treat subordinates with dignity and respect, we concluded that Mr. Goldstein did use and condone the use of Signal to discuss official DoD information. The DoD OIG recommended that the Secretary of Defense take appropriate action regarding the use of the unauthorized application. We received two responses from the DoD during the reporting period. The Director of Administration and Management (A&M) first reported that he had addressed the matter with the DDS and considered it closed. We requested a

more detailed response explaining how the A&M Director addressed the recommendation and describing the changes the DDS implemented regarding Signal. In his second response, the A&M Director stated that he coordinated with the DDS and confirmed with the DoD Chief Information Officer that the DDS “is in compliance” and does not use Signal for business involving Controlled Unclassified Information. The A&M Director provided no further information and again stated that he considered the matter closed. However, neither of the A&M Director’s responses stated whether the DDS still uses Signal for unclassified discussions, or whether the DDS has removed Signal as an application that DDS employees can download to their official mobile phones. In addition, the A&M Director did not specify which requirement the DDS complied with for the use of Signal, nor did he state the specific administrative action taken to address Mr. Goldstein’s use and support of his subordinates’ use of Signal. As the A&M Director’s second response continues to provide insufficient information regarding management’s corrective actions, we disagree with the A&M Director’s position that this recommendation is closed.

Coronavirus Disease–2019 Pandemic Oversight

During the reporting period, the DoD OIG completed six oversight reports and had seven ongoing audits related to the coronavirus disease–2019 (COVID-19) pandemic. We also sent one information memorandum to the Secretary of Defense regarding religious accommodation requests of Service members for the COVID-19 vaccination. To view the oversight products below, click on the title. In addition, we continued to track DoD Hotline complaints related to COVID-19.

Reports Issued

Report No. DODIG-2022-081, “Evaluation of Department of Defense Military Medical Treatment Facility Challenges During the Coronavirus Disease–2019 (COVID-19) Pandemic in Fiscal Year 2021”

This evaluation analyzed interview responses and documentation provided by senior officials at 30 DoD military medical treatment facilities (MTFs), the Military Medical Departments, the Defense Health Agency (DHA), and the Office of the Assistant Secretary of Defense for Health Affairs. Based on this information, the evaluation identified the most serious reported challenges and future concerns for the MTFs, and whether challenges reported in a

2020 DoD OIG report remained challenges in 2021. Among other findings, the evaluation determined that most of the MTFs reported staffing and manpower shortages as the most serious challenge encountered by medical personnel during the COVID-19 pandemic. In addition, officials from 11 of the 30 MTFs reported that staff burnout and fatigue was the most serious concern that might be encountered in the future. The DoD OIG made eight recommendations, including that the Assistant Secretary of Defense for Health Affairs develop DoD policy for Military Health System staff working in MTFs to include maximum consecutive hours to be worked, maximum shifts per week, and coverage of duties during absences. The DoD OIG also recommended that the DHA Director establish a working group to address staffing challenges identified by MTFs during this evaluation.

Report No. DODIG-2022-091, “Audit of U.S. Indo-Pacific Command’s Execution of Coronavirus Aid, Relief, and Economic Security Act Funding”

This audit determined that U.S. Indo-Pacific Command (USINDOPACOM) officials used Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to support COVID-19 pandemic response and operations in accordance with Federal laws and DoD policies. For the 64 projects reviewed, USINDOPACOM officials used \$26.1 million in CARES Act funds to prepare for, prevent, and respond to the COVID-19 pandemic, as intended by the CARES Act. The proper execution of USINDOPACOM’s CARES Act funds strengthens the public trust in the DoD’s ability to safeguard taxpayer dollars and provides Congress with greater assurance that CARES Act funds were spent to address DoD requirements and partner nation requests for the COVID-19 pandemic response. The DoD OIG did not make any recommendations in this report.

Report No. DODIG-2022-098, “Audit of North American Aerospace Defense Command and U.S. Northern Command Use of Coronavirus Aid, Relief, and Economic Security Act Funding”

This audit substantiated a DoD Hotline allegation that North American Aerospace Defense Command (NORAD) and U.S. Northern Command (USNORTHCOM) officials did not use all CARES Act funds for the COVID-19 pandemic response. This audit determined that, for the 25 COVID-19 transactions reviewed, officials from NORAD and USNORTHCOM used \$34.4 million of \$61.0 million in CARES Act funds to prevent, prepare for, and respond to the COVID-19 pandemic. However, NORAD and USNORTHCOM officials used \$19.2 million in CARES Act funds pay for projects unrelated to

Federal and DoD priorities for the COVID-19 pandemic response, possibly in violation of the purpose statute. In addition, they did not maintain adequate evidence to support whether they used an additional \$7.4 million for the COVID-19 pandemic response. This improper use of CARES Act funds diminishes congressional and taxpayer trust in the DoD. Additionally, for transactions without adequate evidence, NORAD and USNORTHCOM officials did not provide reasonable assurance that they used \$7.4 million in CARES Act funds for the COVID-19 pandemic response. Inadequate evidence along with non-specific transaction descriptions prevent DoD management, Congress, and the public from determining whether officials used CARES Act funds as intended. The DoD OIG made seven recommendations, including that the Commanders of NORAD and USNORTHCOM develop internal controls that ensure proper use of emergency authorized funds. The DoD OIG also recommended that Air Force budget officials develop and implement internal controls that verify whether emergency expenses meet funding requirements before reimbursement and retain sufficient evidence of verification.

Report No. DODIG-2022-102, “DoD Cooperative Agreements With Coronavirus Aid, Relief, and Economic Security Act Obligations”

This audit determined that the DoD obligated CARES Act funding to cooperative agreements for expenses incurred in preventing, preparing for, or responding to COVID-19. Specifically, for the 36 cooperative agreements the DoD OIG reviewed, the DoD Components complied with CARES Act requirements when they obligated \$127.1 million in CARES Act funding for purposes related to COVID-19, and by adequately justifying that the funds were for a purpose permitted by the CARES Act. Of the \$127.1 million in CARES Act funding that the DoD Components obligated, they expended \$90.3 million to protect DoD military and civilian personnel and their families and safeguard national security capabilities. The DoD OIG did not make any recommendations in this report.

Report No. DODIG-2022-131, “Audit of the DoD Certification Process for Coronavirus Aid, Relief, and Economic Security Act Section 4003 Loans Provided to Businesses Designated as Critical to Maintaining National Security”

This audit determined that officials from the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD [A&S]) did not adequately support their verifications that businesses held DX-priority

contracts or Top Secret facility clearances. In addition, OUSD(A&S) officials did not adequately support their recommendations to the Secretary of Defense and Deputy Secretary of Defense to certify businesses as critical to maintaining national security for loans under section 4003 of the CARES Act. Of the 74 businesses that Treasury Department officials provided to the DoD for review, OUSD(A&S) officials verified the DX-priority or Top Secret facility clearances for 16 businesses, and based on recommendations from the OUSD(A&S), the Secretary of Defense or Deputy Secretary of Defense certified that 19 other businesses were critical to maintaining national security. In addition, a Secretary of Defense memorandum to the Secretary of the Treasury certified a 20th business not included in the OUSD(A&S) recommendations. The DoD did not verify or certify the remaining 38 businesses to receive consideration for loans under section 4003 of the CARES Act. As a result, the OUSD(A&S) implemented a process that was inconsistent and ineffective for verifying or certifying businesses as critical to maintaining national security, possibly enabling unqualified businesses to receive section 4003 loans. Ultimately, Treasury Department officials made the final decision to approve section 4003 loans; however, Treasury Department officials relied on the analysis performed by OUSD(A&S) officials to initiate the loan underwriting process. Furthermore, the DoD’s lack of a definition and documentation trail put the Treasury Department at risk of potentially providing loans to companies that were not critical to maintaining national security. The DoD OIG made two recommendations, including that the Deputy Assistant Secretary of Defense for Industrial Policy perform an after-action review to document decisions, actions, best practices, and lessons learned when operating in a pandemic environment or other national emergency in which the DoD is tasked to provide critical information and analysis to support decisions in a short timeframe.

Report No. DODIG-2022-138, “Audit of U.S. Southern Command’s Execution of Coronavirus Aid, Relief, and Economic Security Act Funding”

This audit determined that U.S. Southern Command (USSOUTHCOM) officials generally used CARES Act funds to support the COVID-19 pandemic response and operations in accordance with Federal laws and DoD policies. For 83 of the 85 projects reviewed, USSOUTHCOM officials used \$32.34 million in CARES Act funds to prepare for, prevent, and respond to the COVID-19 pandemic. However, for the two remaining projects reviewed, USSOUTHCOM officials used \$1.10 million in CARES Act funds to construct maternity wards, a purpose that did not

meet the requirements of the CARES Act. In addition, USSOUTHCOM officials committed \$2.11 million in DoD humanitarian assistance and disaster relief funds for 10 projects before obtaining the Defense Security Cooperation Agency's concurrence to execute costs more than 10 percent above the approved project amounts. Following existing requirements and establishing additional controls can help the Defense Security Cooperation Agency and USSOUTHCOM improve oversight over humanitarian assistance projects and ensure that future emergency funding will be executed in accordance with Federal laws and DoD policies. The proper execution of USSOUTHCOM's CARES Act funds strengthens the public trust in the DoD's ability to safeguard taxpayer dollars, and provides Congress with greater assurance that CARES Act funds were spent to address DoD requirements and partner nation requests for the COVID-19 pandemic response. The DoD OIG made three recommendations, including that the USSOUTHCOM Humanitarian Assistance Program Manager take steps, such as issuing procedures or training briefs, to ensure the combatant command submits changes in project funding for approval from officials from the Defense Security Cooperation Agency and USSOUTHCOM, and documents the resulting decision.

Significant Problem Identified

Information Memorandum to the Secretary of Defense: Denials of Religious Accommodation Requests Regarding Coronavirus Disease-2019 Vaccination Exemptions

On June 2, 2022, the DoD Acting Inspector General informed the Secretary of Defense of potential noncompliance with standards for reviewing and documenting the denial of religious accommodation requests of Service members for the COVID-19 vaccination. In reviewing dozens of complaints to the DoD Hotline from Service members regarding denied religious accommodation requests, we found a trend of generalized assessments rather than the individualized assessment required by Federal law and DoD and Military Service policies. The denial memorandums we reviewed generally did not reflect an individualized analysis demonstrating that the Senior Military Official considered the full range of facts and circumstances relevant to the particular religious accommodation request. We also reviewed a selection of appellate authority decisions that overturned denials of religious accommodation requests, some of which included documentation that demonstrated a greater consideration of facts and circumstances involved in the request. Furthermore, we identified a concern

regarding the volume and rate at which Senior Military Officials made decisions to deny requests. We brought this to the Secretary's attention for any action he deemed appropriate to ensure that Senior Military Officials follow published guidance when acting on requests for religious accommodation. We did not publicly release this communication with the Secretary of Defense because it was based on preliminary analysis; however, it was later disclosed to the media and we subsequently published the memorandum in the Freedom of Information Act Reading Room on our public website.

Coronavirus Disease-2019 Pandemic-Related DoD Hotline Contacts

The DoD Hotline tracks complaints related to the COVID-19 pandemic. During this reporting period, the DoD Hotline received 159 contacts and referred 261 cases related to the pandemic. Allegations concerned COVID-19 vaccine requirements and exemptions, policy questions, teaching, and training. The DoD Hotline referred the most serious cases alleging that individuals were negligently exposed to or infected with COVID-19 to the Centers for Disease Control and Prevention, the Defense Health Agency, and the respective DoD Component. As of September 30, 2022, none of the complaints alleging that individuals were negligently infected with COVID-19 were substantiated.

Council of the Inspectors General on Integrity and Efficiency Annual Assessment Fee

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) is an independent entity within the Executive Branch established by the IG Reform Act of 2008. CIGIE's 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 OIGs. CIGIE's funding derives from annual fees paid by each Federal OIG. In July 2022, the assessment collected from the DoD OIG to fund CIGIE's FY 2023 operations was approximately \$1.5 million, or 0.36 percent of the DoD OIG's FY 2022 budget.



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
- Readiness and Global Operations

During the reporting period, Audit issued 37 reports and management advisories. Audit issued two additional publications—Understanding the Results of the Audit of the FY 2021 DoD Financial Statements and the Compendium of Open Office of Inspector General Recommendations to the Department of Defense. We summarize 25 of the oversight products issued by Audit below, and highlighted 6 of the publications earlier in the Other Oversight Matters section. To view an oversight product, click on the title.

Acquisition, Contracting, and Sustainment

Report No. DODIG-2022-078, “Audit of the Medical Conditions of Residents in Privatized Military Housing”

This audit determined the percentage of privatized military housing units that have been determined to be unsafe, unhealthy, or both. This audit also attempted to determine the association of exposure to certain unsafe or unhealthy conditions in privatized military housing units and the rate of occurrence of associated medical conditions. In addition, this audit assessed the DoD's efforts to track relationships between exposures and adverse health impacts. The results of this audit have been marked as controlled unclassified information and withheld from public release.

Report No. DODIG-2022-085, “Audit of the Army's Integrated Visual Augmentation System”

This audit determined that Army testing officials assessed user acceptance from Soldiers who used the Integrated Visual Augmentation System (IVAS) during various operational tests and used the results of those surveys to make changes to the system. However, IVAS program officials did not define minimum user acceptance levels to determine whether IVAS would meet user needs. Procuring IVAS without attaining user

acceptance could result in wasting up to \$21.88 billion in taxpayer funds to field a system that Soldiers may not want to use, or use as intended. The DoD OIG made three recommendations, including that the Assistant Secretary of the Army for Acquisition, Logistics, and Technology develop Army-wide policy requiring program officials to define suitable user acceptance measurements for testing and evaluation. The DoD OIG also recommended that the Program Executive Officer Soldier define clear measures of user acceptance levels to meet user needs before the next testing event designed to demonstrate, measure, and validate the capability sets of IVAS in operational environments.



Army Soldier Wearing IVAS
Source: Program Executive Office Soldier.

Report No. DODIG-2022-094, “Management Advisory: Tracking of Follow-On Production Other Transaction Agreements and Tracking and Awarding of Experimental Purpose Other Transactions”

This management advisory informed DoD leadership of the lack of policies and procedures for tracking Other Transaction (OT) agreements for follow-on production of a successful prototype, and for tracking and awarding OTs. The lack of policies and procedures resulted in Congress receiving inaccurate information regarding the number of prototype OTs. It also resulted in DoD officials and Congress having limited information regarding what technological advancements the OTs are being used for and the costs associated with those OTs. The DoD OIG made two recommendations, including that the Principal Director of Defense Pricing and Contracting develop policies for tracking OTs for follow-on production and OTs for experimental purposes, and work with the General Services Administration to implement any additional system changes in the Federal Procurement Data System—Next Generation needed to properly account for each type of OT.

Report No. DODIG-2022-103, “Audit of the Department of Defense’s Implementation of Predictive Maintenance Strategies to Support Weapon System Sustainment”

This audit determined that the DoD has made progress toward implementation of predictive maintenance strategies but has not fully implemented predictive maintenance on any of its weapon systems. DoD officials did not develop comprehensive strategic plans or policies, or have full visibility of predictive maintenance or Condition-Based Maintenance Plus (CBM+), the DoD’s overarching strategy of knowing the condition of parts to reduce or eliminate unscheduled maintenance. In addition, DoD officials did not develop training tailored to the appropriate levels in the life-cycle sustainment workforce necessary to implement predictive maintenance strategies. The DoD also identified challenges to implementing predictive maintenance, such as transitioning from a “run to failure” maintenance culture to a predictive maintenance culture, lack of a standardized method to distinguish parts removed based on forecasts, lack of accurate and usable data and algorithms to make maintenance forecasts, and limited funding and resources. The DoD’s goal is that the Military Services will implement and execute CBM+ to reduce total life-cycle sustainment cost and minimize unscheduled maintenance. Therefore, the DoD could miss opportunities to decrease maintenance cost and increase weapon system availability if predictive maintenance strategies are not fully implemented across the Military Services, as appropriate. The DoD OIG made 12 recommendations, including that the Deputy Assistant Secretary of Defense for Materiel Readiness, in coordination with the Military Service-level CBM+ focal points and other relevant stakeholders, develop and execute a mechanism to report and provide visibility of CBM+ and predictive maintenance projects and tools and standardize a method to distinguish parts removed due to predictive maintenance forecasts.



Army Bradley Fighting Vehicle
Source: The Army.

Report No. DODIG-2022-104, “Audit of Sole-Source Depot Maintenance Contracts”

This audit determined that DoD contracting officials negotiated fair and reasonable prices for 13 of 34 sole-source and single-source depot maintenance contracts reviewed, valued at \$1.7 billion, by complying with Federal and DoD acquisition regulations, and implementing sole-source pricing best practices during contract planning, proposal evaluation, and negotiations. However, DoD contracting officials may not have negotiated fair and reasonable prices for 21 of 34 sole-source and single-source depot maintenance contracts reviewed, valued at \$4.6 billion, because DoD officials did not provide well-defined requirements, in accordance with Federal and DoD acquisition regulations. In addition, factors beyond the control of the DoD contracting officials limited their ability to negotiate fair and reasonable prices. The audit also determined that, although Naval Sea Systems Command (NAVSEA) contracting officials solicited dry dock-ship repair contracts using competitive procedures in accordance with Federal and Defense acquisition regulations, NAVSEA contracting officials awarded 17 of 49 contracts as single-source contracts from FY 2017 through FY 2021. As a result, single-source contracts increased the risk of higher costs and contributed to schedule delays. Any schedule delays in returning ships to the Navy’s fleet could affect the Navy’s readiness worldwide. The DoD OIG made 14 recommendations, including that DoD officials require contracting officials responsible for specific contracts in the audit sample to work with program offices to determine whether the existing processes can be improved. The DoD OIG also recommended that DoD officials require contracting officers to request uncertified cost and pricing data that is sufficient to support the contracting officers’ determination of fair and reasonable prices when negotiating sole-source commercial contracts.

Report No. DODIG-2022-122, “Audit of TRICARE Ambulance Transportation Reimbursements”

This audit determined that the Defense Health Agency (DHA), through its contractors, made improper payments for ground ambulance transportation services. The DHA improperly paid \$28,516.97 on 85 of the 182 claims in the audit’s statistical sample. In addition, the Military Health System Data Repository (MDR) contained inaccurate and incomplete transport and payment information. Without sufficient medical documentation and adequate controls, the DHA will continue to incur millions of dollars in improper payments on ground

ambulance transports and miss the opportunity to potentially recover an estimated \$118.85 million in improper payments. In addition, improper payment estimates and reporting will be understated, inaccurate and incomplete data will affect the DHA's ability to review and report on data for ground ambulance transports, and overseas transport claims will not have accurate baseline costs for future comparison. Finally, without adequate controls to prevent overpaying for services not provided, the DHA will continue to waste funds that could otherwise enhance the quality of health care for beneficiaries. The DoD OIG made 12 recommendations, including that the DHA Director reinforce contractor requirements to obtain documentation necessary to support the medical necessity of ambulance transports and require TRICARE contractors to re-educate providers about the importance of submitting supporting documentation with claims and in response to requests for post-payment reviews.

Report No. DODIG-2022-126, "Audit of the Department of the Navy's Controls over the Federal Employees' Compensation Act Program"

This audit determined that the Department of the Navy did not effectively manage the Federal Employees' Compensation Act (FECA) Program. The Department of the Navy commands that we reviewed did not consistently implement the FECA Program, such as assigning staff, completing chargeback reviews, and tracking and monitoring overpayments. In addition, Injury Compensation Program Administrators generally processed initial claims with the Department of Labor Office of Workers' Compensation Programs as required. However, Injury Compensation Program Administrators did not always maintain complete records needed to implement the FECA Program, perform annual reviews of a sample of long-term claim files, request current medical reports from the Department of Labor Office of Workers' Compensation Programs, or identify claimants who could return to work. As a result, the Department of the Navy did not have the ability to verify the accuracy of the Department of the Navy FECA chargeback costs, overpaid at least \$325,070 for FECA benefits that claimants or their beneficiaries were not entitled to receive, and missed opportunities to return employees to work. The DoD OIG made 10 recommendations, including that DoD officials update FECA guidance to clearly establish the Injury Compensation Program Administrator roles and responsibilities, and develop and issue guidance providing a consistent approach for implementing the FECA Program and command assessments.

Report No. DODIG-2022-127, "Audit of DoD Other Transactions and the Use of Nontraditional Contractors and Resource Sharing"

This audit determined that, although DoD agreement officers awarded OT for prototypes in accordance with the United States Code, additional OT policies are needed. This audit reviewed 34 prototype OT awards, valued at \$5 billion, and found that agreement officers did not always verify the status of nontraditional defense contractors (NDC), validate that NDCs participating in prototype awards actually completed the significant work, or approve costs incurred prior to award or appropriately award resource share OTs. The DoD takes on more risk when it uses OTs to get participation from NDCs. However, without validating NDC status, conducting appropriate oversight to ensure the NDC performs the requirements of the OT agreement as proposed, and validating resource share contributions, agreement personnel may not meet the conditions of the United States Code. In addition, the Government may be paying more than the amount required in the resource share agreement, and traditional contractors may obtain an OT for which they are ineligible. Because of agreement personnel's noncompliance with the United States Code and failure to approve costs incurred before award, the Department of the Navy incurred \$800,000 in questioned costs associated with an Armored Reconnaissance Vehicle Research Area 2 Full-System Technology Demonstrator. The DoD OIG made five recommendations, including that the Principal Director of Defense Pricing and Contracting require agreement officers to validate the NDC status prior to award and include documentation of the verification in the OT file.

Report No. DODIG-2022-137, "Audit of the Military Services' Award of Cost-Reimbursement Contracts"

This audit determined that Military Service contracting officials did not consistently award cost-reimbursement contracts in accordance with Federal and DoD regulations and guidance. Contracting officials consistently complied with cost-reimbursement contract requirements when awarding 38 of 83 cost-reimbursement contracts, valued at \$20.54 billion. However, contracting officials did not consistently award the remaining 45 cost-reimbursement contracts, valued at \$6.94 billion, in accordance with Federal and DoD regulations and guidance. As a result, Military Service contracting officials potentially increased contracting risks when awarding cost-reimbursement contracts

without proper approvals, justifications, transition strategies, adequate Government resources, and adequate accounting systems. Cost-reimbursement contracts are high risk for the DoD due to the potential for cost escalation and because the Government pays a contractor's costs up to the amount obligated on the contract, even without a final deliverable. The DoD OIG made 13 recommendations, including that the Principal Director of Defense Pricing and Contracting clarify whether any exemptions exist regarding the applicability of current regulations for contracting officials to document approval for the use of cost-reimbursement contracts in the contract file. The DoD OIG also recommended that the Principal Director issue guidance to emphasize coordination between contracting officials and the Defense Contract Management Agency, as part of acquisition planning, to ensure adequate Government resources are available to award and manage cost-reimbursement contracts before contract award.

Cyberspace Operations

Report No. DODIG-2022-089, "Joint Audit of the Department of Defense and the Department of Veterans Affairs Efforts to Achieve Electronic Health Record System Interoperability"

This audit determined that the DoD and Department of Veterans Affairs (VA) took action to achieve interoperability of patient health care information across DoD, VA, and external health care providers by acquiring Cerner Millennium, deploying the electronic health record (EHR) system at 49 DoD facilities and one VA health care facility, and launching the Joint Health Information Exchange. However, the DoD and the VA did not take all actions needed to achieve interoperability. This audit found that the DoD and VA did not consistently migrate patient health care information from the legacy electronic health care systems into Cerner Millennium to create a single, complete patient EHR, or develop interfaces from all medical devices to Cerner Millennium so that patient health care information will automatically upload to the system from those devices. In addition, the DoD and the VA did not ensure that users were granted access to Cerner Millennium for only the information needed to perform their duties. Achieving interoperability between the DoD, VA, and external health care providers through the deployment of a single EHR system is critical because health care providers will have the ability to securely transfer and share health care information for the Nation's 9.6 million Armed Forces members, dependents, and retirees, and

9.2 million enrolled users. As the DoD and the VA continue to deploy Cerner Millennium, health care providers at those facilities should be confident that a patient's EHR is accurate and complete regardless of where the point of care occurred. The DoD and VA OIGs made five recommendations, including that the Deputy Secretary of Defense and Deputy Secretary of Veterans Affairs review the actions of the Federal EHR Modernization Program Office and direct the Program Office to develop processes and procedures in accordance with the Program Office charter and National Defense Authorization Acts.

Report No. DODIG-2022-090, "Management Advisory: DoD Health Care Provider Concerns Regarding the Access to Complete and Accurate Electronic Health Records"

This management advisory provided the DHA Director with concerns identified by DoD health care providers in response to a survey the DoD OIG administered during the joint audit of DoD and VA efforts to achieve EHR interoperability. DoD health care provider responses to the survey identified concerns regarding the ability to access patient health care information, the accuracy and completeness of that information, and the accuracy and completeness of patient health care information from medical devices. The responses also identified the type of information that DoD health care providers considered inaccurate and incomplete, the other means health care providers used to obtain health care information, and the impact on patient care. The DoD OIG made one recommendation that the DHA Director, in coordination with DoD health care providers, assess the functionality of Military Health System GENESIS, the DoD's new EHR system, to determine whether the concerns identified by the survey respondents still exist and, if the concerns still exist, develop and implement plans of action to address the concerns.

Report No. DODIG-2022-092, "Management Advisory on DoD's Compliance With the Cybersecurity Information Sharing Act of 2015"

This management advisory provided DoD management the status of the DoD's compliance with the Cybersecurity Information Sharing Act of 2015 (CISA). The DoD Components met CISA requirements for four of the five areas reviewed. However, four of the eight DoD Components—the Defense Information Systems Agency (DISA), Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency, and Defense Counterintelligence

and Security Agency (DCSA)—did not have sufficient policies or procedures for sharing cyber threat indicators as required by CISA. The DoD OIG made 10 recommendations, including that the Chief of Staff of the Joint Force Headquarters—DoD Information Network, in coordination with the DISA Chief Information Officer, update and issue the “Joint Force Headquarters—DoD Information Network/Defense Information Systems Agency Cyber Threat Information Sharing Policy Implementation and Capability Procedures Document.” The DoD OIG also recommended that the DIA Chief Information Security Officer update and reissue the “Incident Response Team Standard Operating Procedure,” June 17, 2019, and that the DCSA Chief Information Security Officer update and reissue the “Enterprise Incident Response Plan Standard Operating Procedure,” July 20, 2020.

Report No. DODIG-2022-107, “Audit of the Development and Maintenance of Department of Defense Security Classification Guides”

This audit determined that DoD Component original classification authorities (OCAs) did not develop or maintain security classification guides (SCGs) in accordance with Federal and DoD guidance. The audit reviewed 50 SCGs from a universe of 1,501. Of the 50 SCGs reviewed, the OCAs could not locate 3 and did not properly cancel another 4 that were no longer needed. For the remaining 43 SCGs, the OCAs did not identify and review existing classification guidance to avoid classification conflicts between similar information for 38 SCGs or identify the reasons for classifying information for 23 SCGs. In addition, the OCAs did not identify the classification level of information for 34 SCGs, conduct a 5-year review and update for 20 SCGs, or complete mandatory classification training before exercising their authority for 34 SCGs. Based on the universe of 1,501 SCGs, the audit projected that the OCAs did not develop or maintain 1,257 SCGs (83.7 percent) in accordance with DoD guidance, and that the OCAs would not be able to locate or had improperly canceled 244 SCGs (16.3 percent). Inaccurate and incomplete SCGs increase the risk that derivative classifiers will incorrectly interpret or apply the guidance and therefore over- or under-classify information, classify similar information inconsistently across programs, or not declassify information in a timely manner. If immediate actions are not taken to address issues identified in this report, the DoD increases the risk of unauthorized disclosure of classified information and the potential for threat actors to gain unauthorized access to information about critical programs and

systems. The DoD OIG made five recommendations, including that the Under Secretary of Defense for Intelligence and Security direct all DoD Component Heads to account for all SCGs under their purview and establish a process to ensure that DoD Components, the OCAs, and the Defense Technical Information Center comply with DoD requirements.

Report No. DODIG-2022-125, “Audit of Department of Defense Components’ Response to the SolarWinds Orion Compromise”

This audit determined the actions taken by the DoD to identify, respond to, and mitigate any compromise to DoD networks and systems that resulted from its use of SolarWinds Orion software. This report is classified.

Report No. DODIG-2022-141, “Audit of DoD Component Insider Threat Reporting to the DoD Insider Threat Management and Analysis Center”

This audit determined that the DoD Component Hubs reviewed—the Army, Navy, Marine Corps, Defense Logistics Agency, and DHA—did not consistently report to the DoD Insider Threat Management and Analysis Center (DITMAC) insider threat incidents that involved a covered person and met one or more of the reporting thresholds. Specifically, of the 215 insider threat incidents the DoD OIG reviewed from those Hubs, 200 incidents involved a covered person and met one or more of the thresholds. Of those 200 incidents, the Hubs reported 115 to DITMAC, but did not report the other 85. Furthermore, of the 115 insider threat incidents that the Hubs reported to DITMAC, the time it took the Hubs to report the incidents ranged from 1 day to over 2 years. Insider threat incidents have resulted in harm to the United States and the DoD through espionage, terrorism, unauthorized disclosure of national security information, and the loss or degradation of DoD resources and capabilities. Unless the Hubs consistently report insider threat incidents to DITMAC as required, DITMAC cannot fully accomplish its mission to provide the DoD with a centralized capability to identify, mitigate, and counter insider threats and reduce harm to the United States and the DoD by malicious insiders. The DoD OIG made nine recommendations, including that the Secretaries of the Army and Navy require their Insider Threat Hub Director to review the insider threat incidents that the DoD OIG determined should have been reported to DITMAC and report those incidents as required.

Financial Management and Reporting

Report No. DODIG-2022-108, “Audit of the Department of Defense’s FY 2021 Compliance With Payment Integrity Information Act Requirements”

This audit determined that the DoD did not comply with Payment Integrity Information Act of 2019 (PIIA) requirements in its FY 2021 reporting of improper payments. The DoD complied with five of the PIIA’s six payment integrity requirements, but did not comply with one requirement. Specifically, the DoD published unreliable, improper, and unknown payment estimates for all nine DoD programs required to report estimates. This is the 11th consecutive year that the DoD has not produced reliable estimates and the first year the DoD has not complied with the PIIA improper payment reporting requirements. With unreliable estimates in the DoD Agency Financial Report, DoD leadership and Congress cannot accurately determine whether the DoD has the resources needed and the controls in place to reduce its improper payments. The DoD OIG made nine recommendations, including that the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, develop and implement a process to obtain accurate confirmed fraud amounts, report them in paymentaccuracy.gov, and consider the fraud amounts when reviewing and approving the Sampling and Estimation Methodology Plans for each program.

Report No. DODIG-2022-112, “Management Advisory: The DoD’s Use of Ukraine Supplemental Appropriations Act, 2022 Funds”

This management advisory determined that, as of June 2, 2022, the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD (OUSD(C)/CFO), had implemented procedures for DoD Components to follow in reporting through the Advancing Analytics system (Advana) the execution of \$6.5 billion in funds appropriated to the DoD to provide assistance to Ukraine. Advana is the official reporting system for Ukraine Supplemental Appropriations Act, 2022 funds. It is a common enterprise data repository and a centralized data and analytics platform that provides DoD users with common business data, decision support analytics, and data tools. OUSD(C)/CFO personnel have improved the functionality of Advana to increase the traceability, transparency, and reporting of Ukraine supplemental funds execution, including the tracking of journal vouchers and the reporting of Ukraine Security Assistance Initiative funds. OUSD(C)/CFO personnel

implemented processes to help ensure that DoD Components are reporting, through their respective accounting systems, the transactions supporting the assistance the DoD is providing to Ukraine. However, the DoD’s use of systems that are not able to feed directly into Advana could limit the transparency of the execution of the Ukraine supplemental funds. DoD leadership and Congress rely on accurate financial information reporting when ensuring transparency and accountability of the DoD’s use of the Ukraine Supplemental Appropriations Act, 2022 funds. As the DoD is building processes and procedures to ensure the transparency of reporting for Ukraine supplemental funds, this advisory identified multiple areas of concern that, if not adequately addressed, could reduce the traceability of Ukraine supplemental funds and the transparency in the DoD’s reporting. Among these areas of concern are the need for business rules as a workaround for reporting Standard Financial Information Structure elements and manually input accounting data in lieu of systems that do not interface with Advana, and the use of summary journal vouchers and other adjusting methods to reclassify base funded transactions to supplemental funded transactions. Addressing the areas of concern identified in the advisory will be critical for improved transparency in reporting the use of appropriated funds as the DoD continues to provide support to Ukraine and if the DoD supports another contingency in the future.

Report No. DODIG-2022-133, “Management Advisory: The DoD’s Use of Additional Ukraine Supplemental Appropriations Act, 2022 Funds”

This management advisory determined that the OUSD(C)/CFO continued to implement and improve procedures for DoD Components to follow in reporting, through Advana, the execution of the additional \$20.1 billion appropriated to the DoD to provide further assistance to Ukraine. However, as the DoD is building processes and procedures to ensure the transparency of the reporting for the Ukraine supplemental funds, the DoD OIG identified areas of concern that, if not adequately addressed, could cause the DoD to inaccurately report the budget execution status of Ukraine supplemental funds in Advana. These areas of concern are the DoD’s processes for reporting the movement of funds to the Foreign Military Sales Trust Fund, the DoD’s use of journal vouchers limiting Advana’s reporting, and the DoD’s inconsistent recording of allotments received. The DoD OIG made one recommendation that the OUSD(C)/CFO update Advana’s business rules to ensure it accurately captures the budgetary status of the Ukraine supplemental funds for all DoD Components.

Understanding the Results of the Audit of the FY 2021 DoD Financial Statements

This report explains the results of the FY 2021 financial statement audit in clear and understandable terms for Congress and the public. In addition, the report describes the contents of the DoD Agency Financial Report, the purpose and importance of the financial statement audit, and the roles and responsibilities of DoD management and the auditors who reviewed the financial statements. On November 15, 2021, the DoD OIG issued a disclaimer of opinion on the FY 2021 Agency-Wide Financial Statements, meaning an overall opinion could not be expressed on the financial statements under audit because the DoD was unable to provide sufficient evidence for the auditors to support an opinion. The DoD OIG identified 28 material weaknesses and four significant deficiencies in FY 2021. Of the material weaknesses and significant deficiencies identified, 25 material weaknesses and two significant deficiencies were repeated from FY 2020, two significant deficiencies from FY 2020 were upgraded to material weaknesses, one new material weakness and one new significant deficiency were reported, and one material weakness from FY 2020 was downgraded to a significant deficiency. The DoD's effort to achieve a clean audit opinion began more than 30 years ago. Based on the results for FY 2021, the DoD estimates that it will not obtain a clean opinion for at least another 7 years.

Readiness and Global Operations

Report No. DODIG-2022-105, "Audit of the Reuse of Defense Logistics Agency Disposition Services Excess Property"

This audit determined that, in 2020, the Military Services reused 166,421 items, valued at \$18.1 million, from excess property inventory in serviceable, like-new condition managed by Defense Logistics Agency (DLA) Disposition Services. However, the Military Services could have avoided purchasing up to an additional 132,838 DLA-managed items, valued at \$5.2 million, by reusing serviceable, like-new property already available at DLA Disposition Services. By not reusing available excess property from DLA Disposition Services, the Military Services wasted up to \$5.2 million purchasing items that they could have obtained at little to no cost. Reusing serviceable, like-new property from DLA Disposition Services rather than initiating new purchases allows the Military Services to allocate funds to other critical areas and demonstrates good stewardship of taxpayer money. The DoD OIG made nine recommendations, including that the DLA Director,

in coordination with DLA Disposition Services, promote excess property reuse by establishing and offering periodic educational sessions with Military Department headquarters and Military Service activities. The DoD OIG also recommended that Military Service officials reinforce and periodically communicate to ordering activities DoD- and Service-specific reuse policies that promote maximizing reuse of excess property as a supply source, and provide details regarding newly established DLA Disposition Services educational sessions, reuse website information, and instructions on how to search and place orders for excess property.

Report No. DODIG-2022-106, "Audit of U.S. Army Base Operations and Security Support Services Contract Government-Furnished Property in Kuwait"

This audit determined that the Army did not properly account for Government-furnished property (GFP) provided to the base operations and security support services contractor in Kuwait. Army officials did not ensure that the Kuwait accountable property records included at least 23,374 out of 147,362 GFP items recorded by the contractor, or accurate costs of GFP items for all 61 items in our nonstatistical sample. In addition, Army officials did not ensure that Kuwait accountable property records included all required GFP data elements, such as contract numbers for the 123,988 GFP items recorded in the Kuwait accountable property records and unique item identifiers or serial numbers for 111,877 out of the 123,988 GFP items. As a result of the Army's lack of accountability of GFP items provided to the contractor in Kuwait, the Kuwait and contractor accountable property records differed by 23,374 GFP items, increasing the risk of loss or theft of these items. According to the administrative contracting officer, the contractor self-reported \$13.5 million in GFP losses over the life of the contract. However, without accurate GFP accountable records, the Army cannot verify that the contractor identified and reported all contractor GFP losses. The DoD OIG made six recommendations, including that the Area Support Group-Kuwait property book officer conduct a reconciliation of the Kuwait accountable property records with the contractor GFP records and address discrepancies, including discrepancies in missing unique item identifiers and contract numbers. The DoD OIG also recommended that Army officials modify the Kuwait Base Operations and Security Support Services contract to convert contractor-acquired property to GFP, and ensure that all GFP that is authorized to be used on the Logistics Civil Augmentation Program V contract is added to that contract.

Report No. DODIG-2022-110, “Audit of Training Ranges in the U.S. European Command”

This audit determined whether select training ranges in Europe have the capability and capacity to support the training requirements of forces assigned or allocated to the U.S. European Command. This report contains controlled unclassified information.



U.S. Army Live-Fire Exercise at Grafenwoehr Training Area in Germany

Source: Defense Visual Information Distribution Service.

Report No. DODIG-2022-114, “Special Report: Lessons Learned From the Audit of DoD Support for the Relocation of Afghan Nationals”

This audit determined that the DoD successfully provided housing and sustainment, medical care, and security for more than 34,900 Afghans traveling through two installations in Germany and for more than 73,500 Afghan evacuees at eight U.S. installations. This special report identified eight lessons learned from 11 management advisories the DoD OIG issued related to Operation Allies Refuge and Operation Allies Welcome. The lessons learned include establishing agreements between Federal agencies to define roles and responsibilities, establish standard accountability procedures, identify funding limitations, and reprogram funds when possible to resource mission essential requirements. The DoD OIG did not make any recommendations in this report.

Report No. DODIG-2022-128, “Audit of Department of Defense Stipends Provided to the Vetted Syrian Opposition from the Counter-Islamic State of Iraq and Syria Train and Equip Fund”

This audit determined whether the DoD verified that Vetted Syrian Opposition groups met DoD requirements when providing the groups with stipends from the Counter-Islamic State of Iraq and Syria Train and Equip

Fund for Syria. Additionally, the audit determined whether the DoD established internal controls to ensure the stipend payments were accurately distributed to Vetted Syrian Opposition groups. This report is classified.

Report No. DODIG-2022-134, “Management Advisory: Audit of the Navy’s Accelerated Promotion Programs”

This management advisory informed Congress and DoD leadership of the status of the audit of the Navy’s Accelerated Promotion Programs (APPs). The objective of the audit is to determine whether employees hired at the Navy’s four public shipyards were affected by the suspension of the APP in 2016 and, if so, determine the number of employees affected, the monetary impact to those employees, and whether they are entitled to additional compensation. Section 1115 of the National Defense Authorization Act for FY 2022 requires the DoD OIG to conduct an assessment of the impacts resulting from the Navy’s suspension of the Entry Level Naval Shipyards Engineer APP from January 23, 2016, through December 22, 2016. This management advisory determined that the majority of Navy shipyard personnel hired at the four public shipyards from January 23, 2016, through December 22, 2016, received accelerated promotions through a Navy APP. Specifically, 544 of 603 Navy shipyard personnel (90 percent) received accelerated promotions, and 59 of 603 Navy shipyard personnel (10 percent) did not receive accelerated promotions through a Navy APP. For the 59 personnel who did not receive an accelerated promotion through a Navy APP, this management advisory determined that 11 Navy shipyard personnel were eligible for a promotion through a Navy APP, and that 48 Navy shipyard personnel were not. The final audit report will address the remaining congressionally requested actions and additional areas identified during the audit. The DoD OIG did not make any recommendations in this management advisory.

EVALUATIONS

The DoD OIG's Evaluations Component conducts evaluations of DoD operations, programs, policies, and procedures. Evaluations also conducts technical assessments of DoD programs and peer reviews of DoD audit components. The Evaluations Component consists of two operating directorates.

- Program, Combatant Command, and Overseas Contingency Operations
- Space, Intelligence, Engineering, and Oversight

During the reporting period, Evaluations issued 23 reports and management advisories. We summarize 21 of the oversight products issued by Evaluations below, and highlight one evaluation report earlier in the Other Oversight Matters section. To view an oversight product, click on the title.

Program, Combatant Command, and Overseas Contingency Operations

Report No. DODIG-2022-082, "Followup Evaluation of Report No. DODIG-2019-088, 'Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait,' June 11, 2019"

This evaluation determined that the U.S. Army Contracting Command–Rock Island, U.S. Air Forces Central, and Executive Director of the Army and Air Force Exchange Service implemented actions that met the intent of 14 of the 22 recommendations from Report No. DODIG-2019-088, "Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait," June 11, 2019. However, 8 of the 22 recommendations had not been fully implemented. For example, the follow-up evaluation found that the Air Force did not include Combating Trafficking in Persons (CTIP) guidance in policies intended to support implementing and developing targeted Trafficking in Persons (TIP) monitoring, and did not show how its CTIP program was tailored to the Kuwait operational environment. The DoD OIG made 10 recommendations, including that the Commander of Army Contracting Command–Rock Island and the Commander of U.S. Air Forces Central provide verification that the contracts reviewed during this follow-up evaluation contain updated CTIP clauses and inclusion of specific Kuwaiti labor law requirements to allow for tailored TIP monitoring.

Report No. DODIG-2022-083, "Evaluation of the Department of Defense's Efforts to Address the Climate Resilience of U.S. Military Installations in the Arctic and Sub-Arctic"

This evaluation determined that U.S. military installation leaders at six Arctic and sub-Arctic installations did not conduct installation resilience assessments and planning required by DoD guidance and public law. DoD guidance requires DoD Components to integrate climate change considerations into DoD Component policy, guidance, plans, and operations. In addition, public law requires commanders of major military installations to identify, assess, and develop plans to address military installation resilience and environmental risks and threats to assets, infrastructure, and mission. Without DoD and Service Component emphasis on installation climate resilience, military installation leaders focused on existing weather and energy challenges rather than analyzing their installations' infrastructure, assets, and mission exposure and vulnerability to climate change. In addition, the DoD and Service Components did not provide guidance for implementing military installation resilience assessments, and installation leaders lacked resources to analyze and assess climate change. The DoD OIG made three recommendations in this report, including that the Assistant Secretary of Defense for Energy, Installations, and Environment incorporate into DoD policy the installation master planning requirements on climate change adaptation and resilience that were established in public law.

Report No. DODIG-2022-088, "Evaluation of the DoD's Actions to Develop Interoperable Systems and Tools for Forecasting Logistics Demand Across the Joint Logistics Enterprise"

This evaluation determined that the DoD's systems and tools used to forecast logistics demand for campaign planning across the Joint Logistics Enterprise (JLEnt) were not interoperable. The evaluation also determined that the Defense Logistics Management Standards are not sufficient to achieve overall interoperability because DoD policies do not assign roles and responsibilities for the development of interoperable JLEnt systems. The lack of interoperability led to potentially inaccurate or untimely forecasts for logistics demands. In addition, the inability to produce accurate and timely forecasts of joint logistics needs created an unmitigated risk to the DoD's ability to plan and logistically support operations and contingencies. The DoD OIG made five recommendations, including that the Under

Secretary of Defense for Acquisition and Sustainment review and identify DoD issuances related to forecasting logistics demand for campaign planning and establish a DoD-wide executive agent or management action group to track and monitor ongoing development and implementation of interoperable systems and tools.



DoD personnel review a logistics map.
Source: U.S. Central Command.

Report No. DODIG-2022-093, “Management Advisory: February 23, 2019 Kinetic Strike on Al-Shabaab in Somalia”

This evaluation is classified.

Report No. DODIG-2022-095, “Evaluation of Department of Defense Efforts to Address Ideological Extremism Within the Armed Forces”

This evaluation determined that DoD Instruction 1325.06, “Handling Dissident and Protest Activities Among Members of the Armed Forces,” November 27, 2009 (Incorporating Change 1, Effective February 22, 2012), does not have sufficiently detailed and easily understood definitions of extremism-related terminology, including the terms “extremist,” “extremism,” “active advocacy,” and “active participation.” Officials from the Office of the Under Secretary of Defense for Personnel and Readiness (USD[P&R]), the Office of the Under Secretary of Defense for Intelligence and Security, and the Military Services consistently stated that Service members and commanders do not know what behaviors constitute extremism or extremist activity. As a result, the DoD cannot fully implement policy and procedures to address extremist activity without clarifying the definitions of “extremism,” “extremist,” “active advocacy,” and “active participation.” The DoD OIG made three recommendations, including that the USD(P&R), in coordination with the DoD Office of General Counsel, update DoD Instruction 1325.06 to clarify the meanings of terms related to extremism and extremist activity. On December 20, 2021, the Secretary of Defense

updated DoD Instruction 1325.06 to provide a clarifying definition for the term “extremist activities” and the term “active participation.” This action fully addressed the recommendation to clarify the meanings of terms related to extremism and extremist activity. In addition, the DoD OIG recommended that the Secretaries of the Military Departments review their extremist-related policies, procedures, and training materials to ensure conformity upon revision of the Instruction.

Report No. DODIG-2022-109, “Management Advisory: The DoD’s Use of the Civil Reserve Air Fleet in Support of Afghanistan Noncombatant Evacuation Operations”

This management advisory provided DoD officials the results of an evaluation concerning the activation and use of the Civil Reserve Air Fleet to support the noncombatant evacuation of Afghan refugees under Operation Allies Refuge. U.S. Transportation Command leaders and other key agency officials proactively sought volunteers from commercial air carriers in the initial phases of the Afghanistan noncombatant evacuation operations, informed and updated air carrier officials, activated the required number of aircraft within time standards, and followed required procedures and operations during the Civil Reserve Air Fleet activation and deactivation. The DoD OIG did not make any recommendations in this report.

Report No. DODIG-2022-123, “Quality Control Review of the Clark Nuber P.S. FY 2020 Single Audit of The Geneva Foundation”

This quality control review determined that Clark Nuber auditors did not comply with generally accepted government auditing standards and Uniform Guidance requirements when they reviewed the Special Tests and Provisions compliance requirement for The Geneva Foundation. Specifically, Clark Nuber auditors identified key personnel requirements as a special test and provision that they planned to test. However, Clark Nuber audit documentation did not include evidence of the audit procedures performed to test the Foundation’s compliance with key personnel requirements. As a result of the lack of documentation, the DoD OIG concluded that Clark Nuber auditors did not support their conclusion and need to perform additional audit procedures before users of the single audit report can rely on the auditors’ conclusion that the Foundation complied with key personnel requirements. Except for Clark Nuber’s review of the Special Tests and Provisions compliance requirement, the FY 2020 single audit of the Foundation complied with generally accepted government auditing

standards and Uniform Guidance requirements. The DoD OIG made two recommendations, including that Clark Nuber Shareholder perform and document additional audit procedures for the FY 2020 single audit to test the Foundation's compliance with key personnel requirements, and update the FY 2020 single audit report of The Geneva Foundation, as necessary, for the results of the additional audit procedures.

Report No. DODIG-2022-124, "External Peer Review of the United States Special Operations Command, Office of Inspector General, Audit Branch"

This report reviewed the system of quality control for the U.S. Special Operations Command, Office of Inspector General, Audit Branch (SOIG-A), in effect for the 3-year period ended December 31, 2021. In the DoD OIG's opinion, the system of quality control for the SOIG-A in effect for the 3-year period, has been suitably designed and complied with to provide the SOIG-A with reasonable assurance of performing and reporting in conformity in all material respects with generally accepted government auditing standards and applicable legal and regulatory requirements. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The SOIG-A has received an external peer review rating of pass. The DoD OIG did not make any recommendations in this report.

Report No. DODIG-2022-132, "Evaluation of Kinetic Targeting Processes in the U.S. Africa Command Area of Responsibility"

This evaluation determined whether the U.S. Africa Command (USAFRICOM) and U.S. Special Operations Command (USSOCOM) established and followed targeting procedures in the USAFRICOM area of responsibility to reduce civilian casualties and collateral damage. The evaluation also determined whether USAFRICOM and USSOCOM followed civilian casualty report procedures in the USAFRICOM area of responsibility. This report is classified.

Report No. DODIG-2022-136, "Evaluation of the U.S. Special Operations Command Armed Overwatch Program"

This evaluation determined the extent to which the USSOCOM Armed Overwatch program met established operational and mission program requirements. The evaluation focused on USSOCOM, the Joint Special Operations Command, the U.S. Air Force Special Operations Command, and other DoD Components that support the procurement and development of the Armed Overwatch program. This report is classified.

Report No. DODIG-2022-142, "Special Report: Lessons Learned From Security Cooperation Activities in Afghanistan, Iraq, and Africa"

This special report summarizes challenges and lessons learned in 37 reports issued from 2015 to 2021 by the DoD OIG, Government Accountability Office, and Special Inspector General for Afghanistan Reconstruction relating to U.S. and Coalition efforts to provide security cooperation to foreign partners in Afghanistan, Iraq, and Africa. This special report may inform and assist current and future U.S. security cooperation activities worldwide. For example, problems with accountability and control of U.S.-provided equipment could result in loss of sensitive equipment that is susceptible to theft, misuse, or diversion. Additionally, systemic challenges with training and advising resulted in partner nation over-reliance on U.S. and Coalition forces to execute essential functions such as logistics, maintenance, and support. The DoD OIG did not make new recommendations in this report.

Report No. DODIG-2022-144, "Evaluation of the DoD's Implementation of the Military Leadership Diversity Commission's 2011 Report Recommendations and the DoD Diversity and Inclusion Strategic Plan for 2012 to 2017"

This evaluation determined that the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD[P&R]) and the Service-level diversity and inclusion offices took some actions but did not fully implement 12 of 18 recommendations identified in the 2011 Military Leadership Diversity Commission report. The OUSD(P&R) and Service-level diversity and inclusion offices did not oversee implementation of the recommendations because the DoD does not have an official who is responsible for conducting oversight of the implementation of the recommendations. Additionally, officials for the Office for Diversity, Equity, and Inclusion, aligned under the OUSD(P&R), stated that they have no programs or requirements to track this progress. As a result of a lack of defined policy, roles and responsibilities, and data collection, the DoD cannot determine what progress has been made and what still needs to be accomplished. The DoD OIG made 44 recommendations, including that the USD(P&R) appoint an official responsible for oversight of progress toward implementing recommendations from the Military Leadership Diversity Commission.

Space, Intelligence, Engineering, and Oversight

Report No. DODIG-2022-084, “Evaluation of the Department of Defense’s Transition From a Trusted Foundry Model to a Quantifiable Assurance Method for Procuring Custom Microelectronics”

This evaluation determined that the Office of the Under Secretary of Defense for Research and Engineering (OUSD[R&E]) developed plans to transition from a trusted foundry model to a quantifiable assurance method for procuring custom state-of-the-art microelectronics from the commercial market. However, the OUSD(R&E) is behind schedule for establishing trusted supply chain and operational security standards by the January 1, 2021, deadline as required by the National Defense Authorization Act for FY 2020, and is still developing the standards and instructions necessary to implement a quantifiable assurance method to procure custom microelectronics. As a result, the OUSD(R&E) did not establish trusted supply chain and operational security standards for procuring custom microelectronics by the deadline established in public law. The DoD OIG made two recommendations, including that the OUSD(R&E) develop a process to prioritize the quantifiable assurance method efforts of supporting DoD laboratories.

Report No. DODIG-2022-086, “Evaluation of the Defense Logistics Agency Lifetime Buys of Parts Used in Intelligence, Surveillance, and Reconnaissance Systems”

This evaluation determined whether DoD Components complied with DoD policy and guidance when conducting lifetime buys of parts used in Intelligence, Surveillance, and Reconnaissance systems and whether the use of lifetime buys reduces DoD supply chain risks. This report contains controlled unclassified information.

Report No. DODIG-2022-087, “Quality Control Review of the Deloitte & Touche LLP FY 2020 Single Audit of Battelle Memorial Institute and Subsidiaries”

This review determined that Deloitte & Touche complied with generally accepted government auditing standards and Uniform Guidance requirements when it performed the FY 2020 single audit of Battelle. Non-Federal entities that expend Federal funds of \$750,000 or more in a year are subject to Public Law 104-156, “Single Audit Act Amendments of 1996,” (the Single Audit Act) and

Title 2 Code of Federal Regulations part 200 (Uniform Guidance) audit requirements. During FY 2020, Battelle spent \$714.1 million in Federal awards on one major program, the Research and Development Cluster. Of the \$714.1 million, Battelle spent \$354.3 million on DoD awards within the Research and Development Cluster. Battelle engaged Deloitte & Touche to perform its FY 2020 single audit. The DoD OIG did not make any recommendations in this report.

Report No. DODIG-2022-096, “Evaluation of the Air Force Selection Process for the Permanent Location of the U.S. Space Command Headquarters”

This evaluation determined that the process Air Force officials used to select Huntsville, Alabama, as the preferred permanent location for the U.S. Space Command headquarters (USSPACECOM HQ) complied with law and policy, and was reasonable in identifying Huntsville as the preferred permanent location. Overall, the basing action process directed by the Secretary of Defense (SECDEF) complied with Federal law and DoD policy, and the Air Force complied with the SECDEF’s requirements for the basing action, though Basing Office personnel did not fully comply with Air Force records retention requirements. The evaluation determined that Basing Office personnel developed relevant and objective evaluation factors and associated criteria to assess, score, and rank candidate locations. In addition, the Acting Assistant Secretary of the Air Force for Energy, Installations, and Environment, and Basing Office personnel sought input from stakeholders, including USSPACECOM officials. The DoD OIG made four recommendations, including that the Secretary of Defense direct a review of concerns expressed by military senior leaders regarding USSPACECOM’s full operational capability. The DoD OIG also recommended that the Secretary of the Air Force review the Basing Office’s analysis of the selection criteria of childcare, housing affordability, and access to military and veteran support to verify that the USSPACECOM HQ basing decision was supported.

Report No. DODIG-2022-101, “External Peer Review of the Defense Commissary Agency Internal Review Office”

This report reviewed the system of quality control for the Defense Commissary Agency Internal Review (DeCA IR) Office in effect for the 3-year period ended January 31, 2021. A system of quality control encompasses the DeCA IR Office’s structure, policies adopted, and procedures established to provide it with reasonable assurance of conforming in all

material respects with generally accepted government auditing standards and applicable legal and regulatory requirements. The elements of quality control are described in Government Auditing Standards. In the DoD OIG's opinion, except for the deficiencies described in this report, the system of quality control for the DeCA IR Office in effect for the 3-year period ended January 31, 2021, has been suitably designed and complied with to provide the DeCA IR Office with reasonable assurance of performing and reporting in conformity in all material respects with generally accepted government auditing standards and applicable legal and regulatory requirements. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The DeCA IR Office has received an external peer review rating of pass with deficiencies. The DoD OIG made nine recommendations, including that the DeCA IR Office Chief update standard operating procedures to include the specific procedures used for performing quality reviews, in accordance with the 2018 revision of Government Auditing Standard 5.42, and require that the basis for conclusions reached in quality reviews be fully documented.

Report No. DODIG-2022-113, "Evaluation of Efforts by the Office of the Under Secretary of Defense for Research and Engineering and Defense Advanced Research Projects Agency to Mitigate Foreign Influence"

This evaluation determined that the OUSD(R&E) implemented procedures to monitor and mitigate foreign influence in the DoD's research and development programs by initiating a Science and Technology Protection Working Group, developing standardized science and technology protection plan templates, and creating modernization priority areas. The DoD OIG recommended that DoD officials update the memorandum of agreement to comply with requirements in DoD Instructions 5200.39 and O-5240.24 for research, development, and acquisition programs with Critical Program Information. The DoD OIG also recommended that DoD officials implement the Counterintelligence Support Plan and memorandum of agreement to comply with DoD Instruction 5200.39 and DoD Instruction O-5240.24 requirements for the DoD research, development, and acquisition programs with Critical Program Information.

Report No. DODIG-2022-115, "Evaluation of DoD Law Enforcement Organizations' Response to Active Shooter Incidents"

This evaluation determined that the DoD does not have an overall law enforcement policy covering DoD Law Enforcement Organizations' (LEOs') response to an active shooter incident, but five existing policies contain some elements that provide active shooter incident response requirements. These elements, although related to emergency management, arming of personnel, lessons learned, incident response plans, and training, provide only minimal active shooter incident response requirements. Due to the lack of an overall active shooter DoD law enforcement policy, DoD LEOs did not consistently comply with the five existing DoD policies and did not establish consistent policies, plans, or training for responding to an active shooter incident. This report contained a recommendation that the Under Secretary of Defense for Intelligence and Security update DoD Directive 5210.56, or other appropriate policy, to include and standardize active shooter incident response procedures and planning, equipment, and training requirements for all DoD and Service LEOs.



U.S. Army military police conduct training for active shooter response.

Source: The U.S. Army.

Report No. DODIG-2022-117, "Evaluation of the August 29, 2021, Strike in Kabul, Afghanistan"

This evaluation determined whether the August 29, 2021 strike in Kabul, Afghanistan, was conducted in accordance with DoD policies and procedures. Specifically, the evaluation reviewed the pre-strike targeting process, damage assessment and civilian casualty review and reporting process, and post-strike reporting of information. This report is classified.

Report No. DODIG-2022-135, “Evaluation of High-Altitude Electromagnetic Pulse Life Cycle Testing and Facility Infrastructure”

This evaluation determined the extent to which DoD program managers for mission-critical aircraft planned and conducted high-altitude electromagnetic pulse (HEMP) life-cycle testing in accordance with DoD Instruction 3150.09. The evaluation also determined whether HEMP testing facilities possessed the necessary infrastructure to support mission-critical aircraft life-cycle testing. This report is classified.

Report No. DODIG-2022-139, “Evaluation of the Department of Defense's Reform of Privatized Military Housing Oversight Related to Health, Safety, and Environmental Hazards”

This evaluation determined that DoD officials have taken steps to implement FY 2020 National Defense Authorization Act (NDAA) provisions related to health, safety, and environmental hazards in military housing. Specifically, DoD officials issued policies to require installation military housing officials to implement the FY 2020 NDAA oversight provisions. They also issued

policies to require the inclusion of FY 2020 NDAA provisions in future legal agreements, and sought agreement from landlords to retroactively include FY 2020 NDAA provisions in existing legal agreements. However, despite DoD officials’ attempts to seek agreement from the landlords, not all landlords have agreed to voluntarily include three FY 2020 NDAA provisions retroactively in existing legal agreements. This occurred because the landlords are not legally required to retroactively include the three FY 2020 NDAA provisions in existing legal agreements. As a result, tenants whose landlords refused to voluntarily include the FY 2020 NDAA provisions retroactively in existing legal agreements do not have access to the same rights as tenants whose landlords agreed to include those provisions. The DoD OIG did not make any recommendations in this report. This report is the second of three DoD OIG reports required by the FY 2020 NDAA. We published the first report, DODIG-2022-004, “Evaluation of the Department of Defense’s Implementation of Oversight Provisions of Privatized Military Housing,” on October 21, 2021.



A privatized military housing unit.
Source: The U.S. Army.

DCIS INVESTIGATIONS

The DoD OIG's Defense Criminal Investigative Service (DCIS) investigates criminal matters related to DoD programs and operations. DCIS investigative priorities include the following.

- Procurement Fraud
- Product Substitution and Financial Crimes
- Public Corruption
- Health Care Fraud
- Counterproliferation
- Cyber Crimes and Computer Network Intrusion

The following examples highlight investigations DCIS and its Federal law enforcement partners completed during the reporting period. To view the press release with more details on a case, click on the title.

Procurement Fraud

Procurement fraud investigations are a major portion of DCIS cases. Procurement fraud includes cost and labor mischarging, defective pricing, price fixing, bid rigging, and defective and counterfeit parts. The potential damage from procurement fraud extends well beyond financial losses. This crime poses a serious threat to the DoD's ability to achieve its objectives and can undermine the safety and operational readiness of Service members.

Defendants Agrees to Settle Kickback and False Claims Allegations

On June 14, 2022, Kellogg Brown & Root Services and three other companies (collectively KBR) agreed to a civil settlement of \$13.7 million to resolve a lawsuit seeking damages and penalties for alleged violations of the False Claims Act and the Anti-Kickback Statute, and for breach of contract. The settlement amount includes a payment of \$12 million by KBR, in addition to \$1.7 million KBR previously paid in contract restitution relating to the subcontracts at issue in the lawsuit. The lawsuit concerned the Logistics Civil Augmentation Program III contract, under which KBR was required to provide logistics support to U.S. Army forces in Iraq, and subcontracts that KBR awarded to two local companies to perform work on its behalf. As alleged in the lawsuit, certain KBR employees responsible for awarding these subcontracts rigged the bidding process in favor of the two companies and, to reward this favorable treatment, principal officers from the companies paid kickbacks to the responsible KBR employees. The lawsuit also alleged that the

subcontract prices were inflated and that, after the award of the subcontracts, KBR employees extended the duration of the subcontracts at the inflated prices. This alleged conduct violated the False Claims Act and the Anti-Kickback Act and breached the Logistics Civil Augmentation Program III contract. DCIS investigated this matter jointly with the Army Criminal Investigation Division (CID).

Contractors Sentenced for Roles in \$335 Million Fraud Scheme

On September 22, 2022, Patrick Dingle was sentenced for his role in a \$335 million scheme to defraud Federal programs that award contracts to small business firms owned by minorities, veterans, and service-disabled veterans. Dingle was sentenced to 60 months in prison and ordered to forfeit more than \$4.6 million in profit received from the scheme. Dingle and his co-conspirators formed Zieson Construction Company (Zieson) to obtain Government contracts set aside for service-disabled veterans and minorities. To obtain these contracts, for which they were not eligible, Dingle and his co-conspirators falsely claimed that Stephon Ziegler, an African American service-disabled veteran, was the owner of Zieson. In actuality, Dingle and his co-conspirators controlled and operated Zieson and received most of the profits. Between 2009 and 2018, Zieson received 199 Federal set-aside contracts for which the Government paid Zieson \$335 million. On May 12, 2022, Ziegler was sentenced to 12 months in Federal prison for his role in the scheme. On September 6, 2022, Ziegler and Zieson were debarred from receiving Federal contracts until June 2026. DCIS jointly investigated this matter with the OIGs of the Department of Veterans Affairs (VA), General Services Administration (GSA), Department of Labor (DOL), Small Business Administration, and Department of Agriculture; the Internal Revenue Service—Criminal Investigation (IRS-CI), U.S. Secret Service, and DOL Employee Benefits Security Administration; and the Army CID, Air Force Office of Special Investigations (AFOSI), Naval Criminal Investigative Service (NCIS), and Defense Contract Audit Agency.

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 collaborates in working groups and task forces with Federal law enforcement partners, supply centers, and the defense industrial base 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.

Contractor Agrees to Pay \$4.2 Million to Resolve Allegations of False Claims Act Violation

On August 30, 2022, Philips North America (Philips) agreed to pay approximately \$4.2 million to resolve allegations that it substituted key components of a mobile patient monitoring device that it sold to military purchasers without recertifying the device for military airworthiness. Philips manufactures medical devices for sale to the Government, including the Military Service. According to the settlement agreement, from January 1, 2012, through November 27, 2018, Philips sold the device to the Army, Navy, Air Force, and Defense Logistics Agency. The DoD requires airworthiness and safe-to-fly testing and certification on medical devices used in certain aircraft environments to ensure that the medical device does not adversely affect the operation of aircraft systems or vice-versa. Philips admitted that, after receiving initial airworthiness and safe-to-fly certifications for the device from the Army in 2008 and the Air Force in 2011, Philips made modifications to the device but did not adequately notify the relevant military testing facilities to determine whether the device modifications required retesting for certification. DCIS investigated this matter jointly with the NCIS, AFOSI, and Army CID.

Man Ordered to Spend 46 Months in Federal Prison in His Second Federal Case Stemming from Sale of Bogus Aircraft Parts

On September 26, Aman Khan was sentenced to 46 months in prison, and was ordered to pay more than \$1.5 million in restitution and to forfeit all aircraft components seized from his former business. Khan pleaded guilty on June 6, 2022, to two counts of fraud involving aircraft parts in interstate and foreign commerce, admitting that he sold fraudulent, counterfeit and unapproved aircraft parts from his

company, California Aircraft and Avionics Corporation. Khan manufactured various parts—including wheel assemblies and aircraft turbine gas nozzles that were ordered for North Atlantic Treaty Organization jets—and submitted documents that falsely certified the origin of the equipment and conformity to approved design data. Khan had a previous conviction for aircraft parts fraud and export violations. In 2005, Khan was sentenced to 188 months in Federal prison for both falsely certifying flight-critical aircraft parts sold by his company and, in a separate case, for selling parts for military fighter jets to China. DCIS investigated this matter jointly with the OIGs of the Department of Transportation and National Aeronautics and Space Administration, the Department of Commerce's Office of Export Enforcement, and the Federal Bureau of Investigation (FBI).

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 Federal funds. DCIS combats public corruption through its criminal investigations.

Contractor Pleads Guilty to Bribing a Government Official

On April 15, 2022, Jennifer A. Strickland, President of SDC Contracting (SDC), pleaded guilty to bribing a GSA contracting official in exchange for Federal construction contracts to SDC, a company that provided construction and renovation services at Federal buildings. From July 2018 until December 2019, Strickland made cash payments totaling \$43,500 to the GSA contracting official in return for the award of a contract valued at approximately \$1.37 million. On August 12, 2022, Strickland was sentenced to 18 months' home confinement and 3 years' probation, and was ordered to pay a \$100 special assessment fee, \$43,500 in forfeiture, and a \$20,000 fine. DCIS investigated this matter jointly with the FBI, NCIS, and GSA OIG.

Former Senior Navy Employee Convicted for Bribery, Conspiracy, and Lying to Investigators

On August 19, 2022, Fernando Xavier Monroy, the former Director of Operations for the Navy Military Sealift Command Office in Busan, South Korea, was convicted of bribery, conspiracy to commit bribery, and making false statements. Monroy conspired with the owner of DK Marine, a South Korea-based company that provided services to the Navy, and a former civilian Navy cargo ship captain. Monroy conspired

to unlawfully provide services for the Navy ship, captained by one of Monroy's co-conspirators, during a December 2013 port visit in Chinhae, South Korea. He also provided another co-conspirator with confidential and proprietary internal Navy information. In exchange for steering business and providing such information to his co-conspirators, Monroy's co-conspirators bribed him with cash, personal travel expenses, meals and alcoholic beverages, and the services of prostitutes. DCIS investigated this matter jointly with NCIS.

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.

11 Defendants Plead Guilty in \$300 Million Health Care Fraud

On April 20, 2022, 11 defendants pleaded guilty in a \$300 million health care fraud conspiracy. The founders of several medical lab companies, including Unified Laboratory Services (Unified), Spectrum Diagnostic Laboratory (Spectrum), and Reliable Labs (Reliable), paid kickbacks to induce medical professionals to order medically unnecessary lab tests, which they then billed to Medicare, TRICARE, and other Federal health care programs. The medical professionals accepted the bribes and ordered millions of dollars' worth of tests. Meanwhile, Unified, Spectrum, and Reliable disguised the kickbacks as legitimate business transactions in the form of medical advisor agreement payments, salary offsets, lease payments, and marketing commissions. The labs, through marketers, paid doctors hundreds of thousands of dollars for "advisory services" that were never performed in order to induce specimen referrals. In all, the defendants were sentenced to a combined 250 months' confinement and ordered to pay nearly \$21 million in restitution, of which \$251,393 went to TRICARE. DCIS investigated this matter jointly with the FBI, Department of Health and Human Services OIG, and VA OIG.

Florida Businessman Pleads Guilty in Conspiracies to Commit Health Care Fraud, Pay and Receive Unlawful Kickbacks, and Money Laundering

On September 15, 2022, Daniel Hurt pleaded guilty to conspiracy to commit health care fraud, pay and receive unlawful kickbacks, and commit money laundering. Hurt owned several clinical laboratories that conducted or arranged for a variety of medical tests and paid kickbacks in bribes to various entities who supplied referrals and orders for Federal health care programs without regard to medical necessity. To disguise the kickbacks and bribes, Hurt entered into sham contracts with the marketers to make it appear that they were providing and being paid for legitimate marketing and referral services. In addition, Hurt, acting through entities he controlled, entered into similar agreements and business arrangements with a hospital that disguised the payments he received from the facility as purportedly legitimate payments, including payments related to management services at the hospital's laboratory. As a result, Medicare paid Hurt's laboratories at least \$53.3 million in claims, including at least \$26.9 million that Hurt received from the Medicare reimbursements. As part of his plea, Hurt agreed to pay restitution of \$97.3 million, including \$18.4 million in restitution to TRICARE and \$450,844 in restitution to the Civilian Health and Medical Program of the VA. He also agreed to forfeit \$31.1 million and a luxury boat. DCIS investigated this matter jointly with the FBI, Department of Health and Human Services OIG, IRS-CI, DOL Employee Benefits Security Administration, VA OIG, Food and Drug Administration—Office of Criminal Investigation, and Army CID.

Counterproliferation

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.

Former CEO Pleads Guilty to Conspiring to Export Defense Articles Illegally

On June 9, 2022, Joe Sery, former owner and chief executive officer of Tungsten Heavy Powder & Parts (THPP), pleaded guilty to a conspiracy to export defense articles on the U.S. Munitions List from the United States to the People's Republic of China, the Republic of India, and elsewhere. Sery conspired to

export the articles without first obtaining a valid license or approval for such export from the Department of State, in violation of Federal export laws pursuant to the International Traffic in Arms Regulations (ITAR). Additionally, Sery entered into contracts with various aerospace and defense companies on behalf of THPP. He then obtained ITAR-controlled technical data and drawings from these companies to allow THPP to fulfill the contracted order. Sery created a non-THPP e-mail address to receive ITAR controlled documents, and exported technical drawings from the United States via e-mail messages to his business partner, Dror Sery, including while Dror Sery was located in India and the People's Republic of China. DCIS investigated this matter jointly with Homeland Security Investigations, Army CID, and the National Security Division of the Department of Justice (DOJ).

Man Pleads Guilty to Wire Fraud and Illegally Exporting Defense Articles to Turkey

On August 10, 2022, Arif Ugur, a Turkish national, pleaded guilty in connection with his scheme to illegally export defense technical data to foreign nationals in Turkey for the fraudulent manufacturing of various U.S. military parts, in violation of the Arms Export Control Act. Ugur founded and was the sole managing partner of the Anatolia Group Limited Partnership (Anatolia), through which he bid on and acquired numerous contracts to supply the DoD with a variety of machine parts and hardware items intended for use by

the U.S. military. Many of these contracts required that the parts be manufactured in the United States. In his initial bids and in subsequent e-mail communications with DoD representatives, Ugur falsely claimed that Anatolia manufactured the parts in the United States; however, Ugur had no manufacturing facilities in the United States or elsewhere. Instead, Ugur contracted with a Turkish manufacturer to make the parts and then passed them off to the DoD as if they had been manufactured by Anatolia in the United States. DCIS investigated this matter jointly with Homeland Security Investigations and the Department of Commerce Office of Export Enforcement.

Asset Forfeiture Division

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

During the reporting period, DCIS seized assets totaling \$19.9 million, consisting of U.S. currency, financial instruments, and real property. In addition, DCIS obtained final orders of forfeiture totaling \$6.9 million, and money judgments in the amount of \$35.5 million.

Figure 3. Asset Forfeiture Program as of September 30, 2022

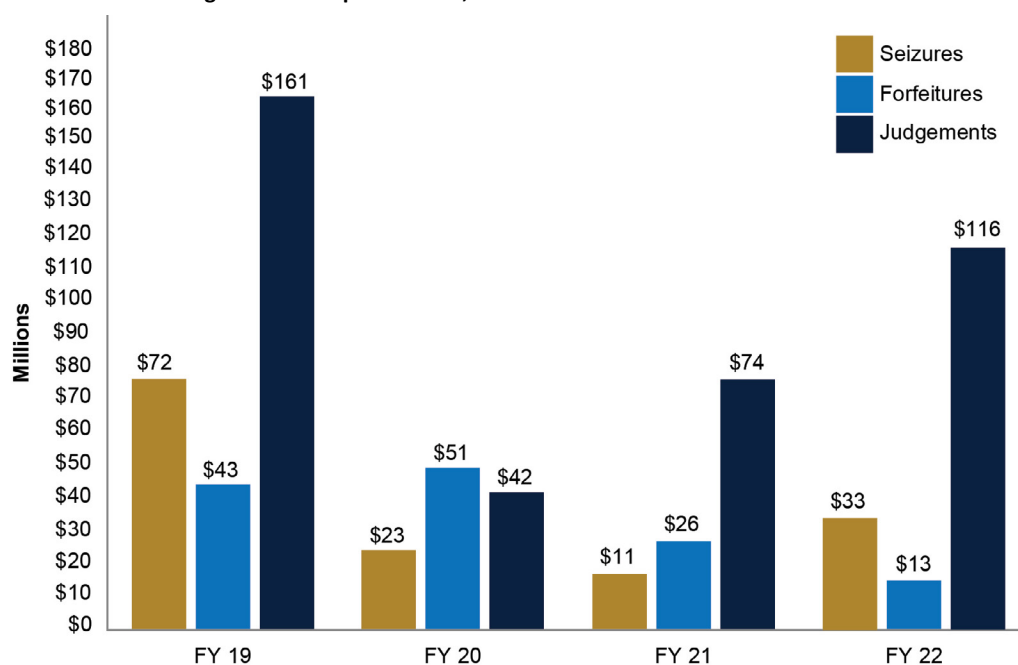
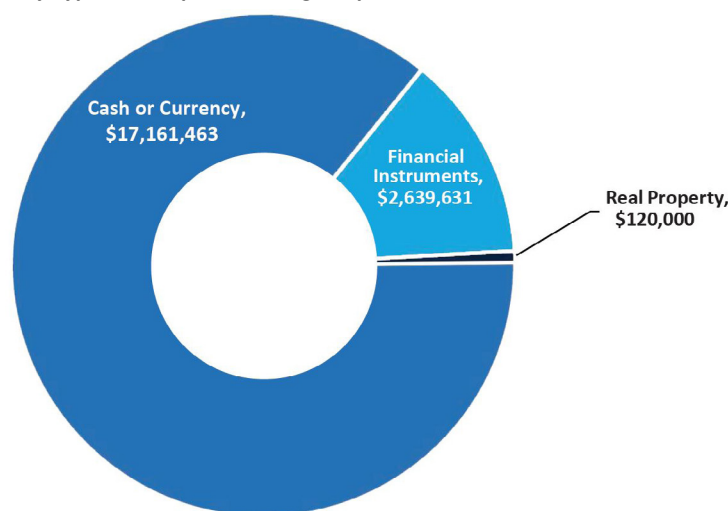


Figure 4. Value of Seized Assets by Type From April 1 Through September 30, 2022



Cases Involving Senior Government Employees

These are the detailed facts and circumstances of DCIS investigations involving senior Government employees, General Schedule (GS)-15 and above (including members of the Senior Executive Service and Senior-level employees) or military officer pay grade O-6 and above, in which the allegations of misconduct were substantiated or the investigation was closed during the reporting period and not disclosed to the public. The following includes the name of the senior Government employee if the name was already made public by the DoD OIG, and the status and disposition of the matter—including whether the matter was referred to the DOJ, the date of the referral, whether the DOJ declined the referral, and if so, the date of the declination.

- DCIS investigated allegations that an Army GS-15 employee received illegal gratuities. The investigation did not corroborate the allegations. In February 2022, the DOJ declined to prosecute due to insufficient evidence.
- DCIS investigated allegations that an Air Force GS-15 employee may have engaged in conflicts of interest and violated restrictions regarding participation in matters that were previously under their official responsibility. The investigation did not corroborate the initial allegations and, in November 2021, the DOJ declined to prosecute due to lack of criminal intent, weak or insufficient evidence, and no evident Federal offense.
- DCIS investigated allegations that an Air Force Senior Executive Service member (SES) and an Air Force colonel (O-6) used their official

positions to create, register, and administer a DoD Special Access Program (SAP) and an Intelligence Community Controlled Access Program (CAP). The investigation determined that neither the SES nor the colonel knew that the real purpose of the unauthorized SAP and CAP programs was to conceal a fraud scheme to steer contracts for the enrichment of the target of the investigation. The investigation also revealed that the SES used their position to obtain employment for their adult child. In June 2020, the DOJ declined to prosecute the SES and colonel; however, the Air Force took administrative action.

Subpoena Program

The DoD OIG has authority to 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. A DoD OIG subpoena request must meet three criteria.

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

Figure 5. DoD OIG Subpoenas Issued from April 1 Through September 30, 2022

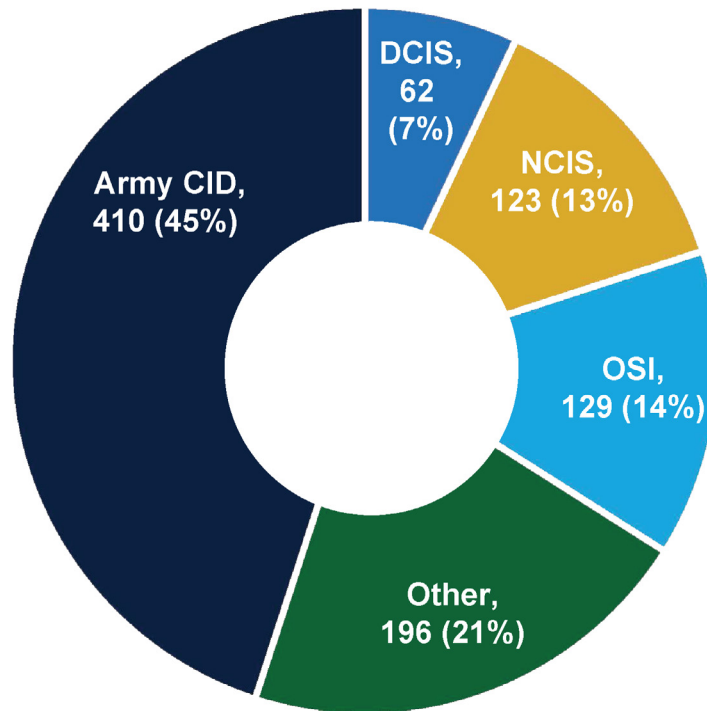
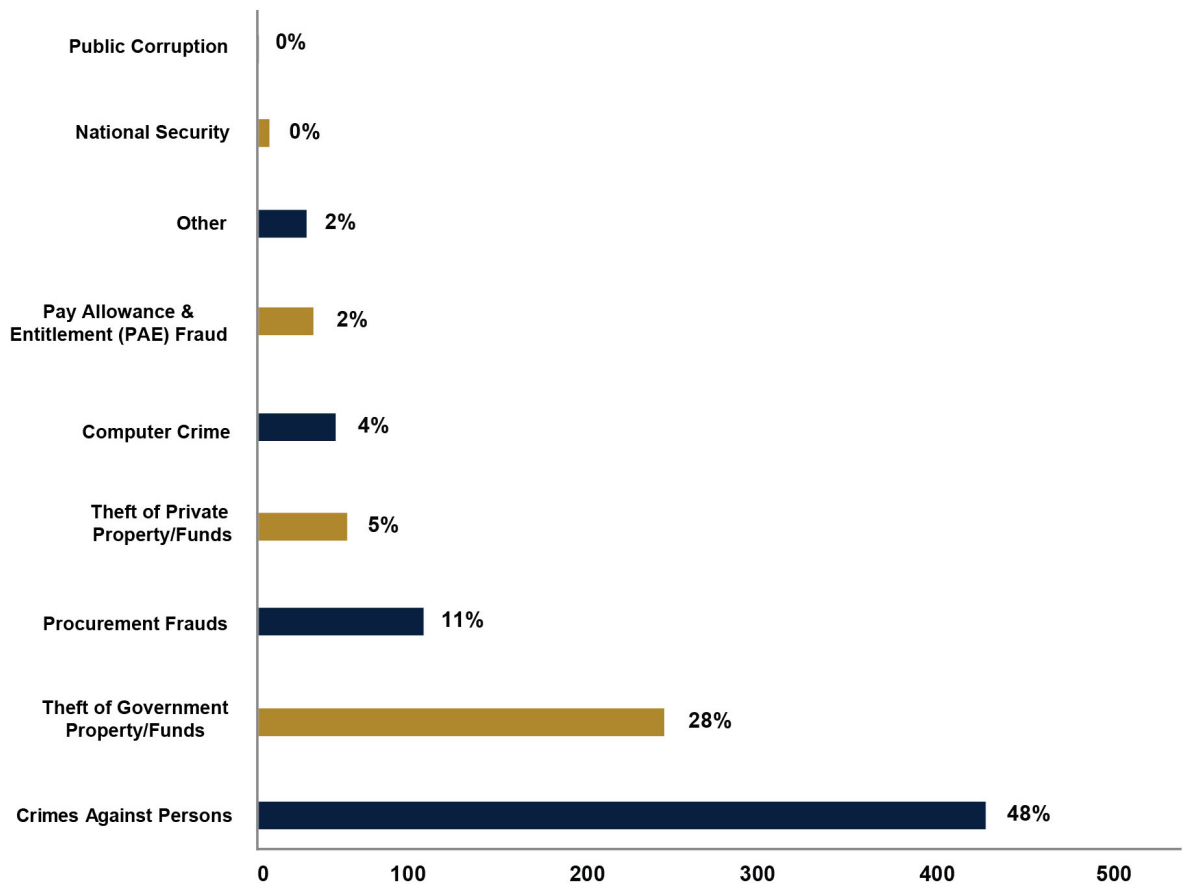


Figure 6. Subpoenas Requested from April 1 Through September 30, 2022



ADMINISTRATIVE INVESTIGATIONS

The DoD OIG's Administrative Investigations (AI) Component helps ensure ethical conduct throughout the DoD by conducting investigations and overseeing investigations of allegations of misconduct, whistleblower reprisal, and Service member restriction. The AI Component consists of 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 various DoD Components, including the Office of the Secretary of Defense, Defense agencies and field activities, the Military Services, and other agencies outside the DoD. The DoD Hotline also refers cases to internal DoD OIG Components for audit, evaluation, or investigation. To prioritize cases for referral, the DoD Hotline uses the following criteria.

Priority 1: Immediate Action/Referred Within 1 Day

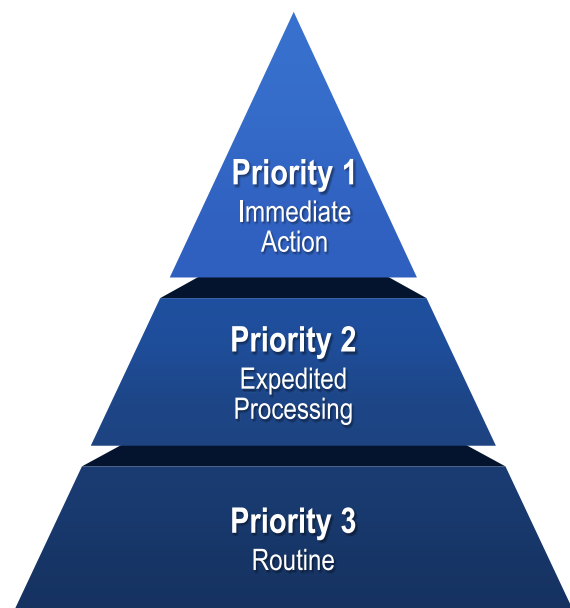
- Life-threatening emergencies—handled immediately and to the exclusion of everything else
- Intelligence matters, including disclosures under the Intelligence Community Whistleblower Protection Act
- Significant issues dealing with the DoD nuclear enterprise
- Substantial and specific threats to public 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 matters warranting referral



The DoD Hotline received 10,931 contacts from the general public and members of the DoD community during this reporting period: 3,918 via Internet, 4,056 via telephone, 2,285 via other DoD Components and Federal agencies, and 672 via letter or fax.

During this reporting period, the DoD Hotline's webpages received 126,720 views, a 10-percent increase in views 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 Component 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.

During this reporting period, the DoD Hotline opened 4,127 cases and closed 3,971 cases. Of those opened cases, 1,824 were referrals to the Military Services, 184 to Office of the Secretary of Defense organizations, 466 to Defense agencies and field activities, 1,343 to internal DoD OIG Components, and 310 to non-DoD agencies. The DoD Hotline refers some cases to

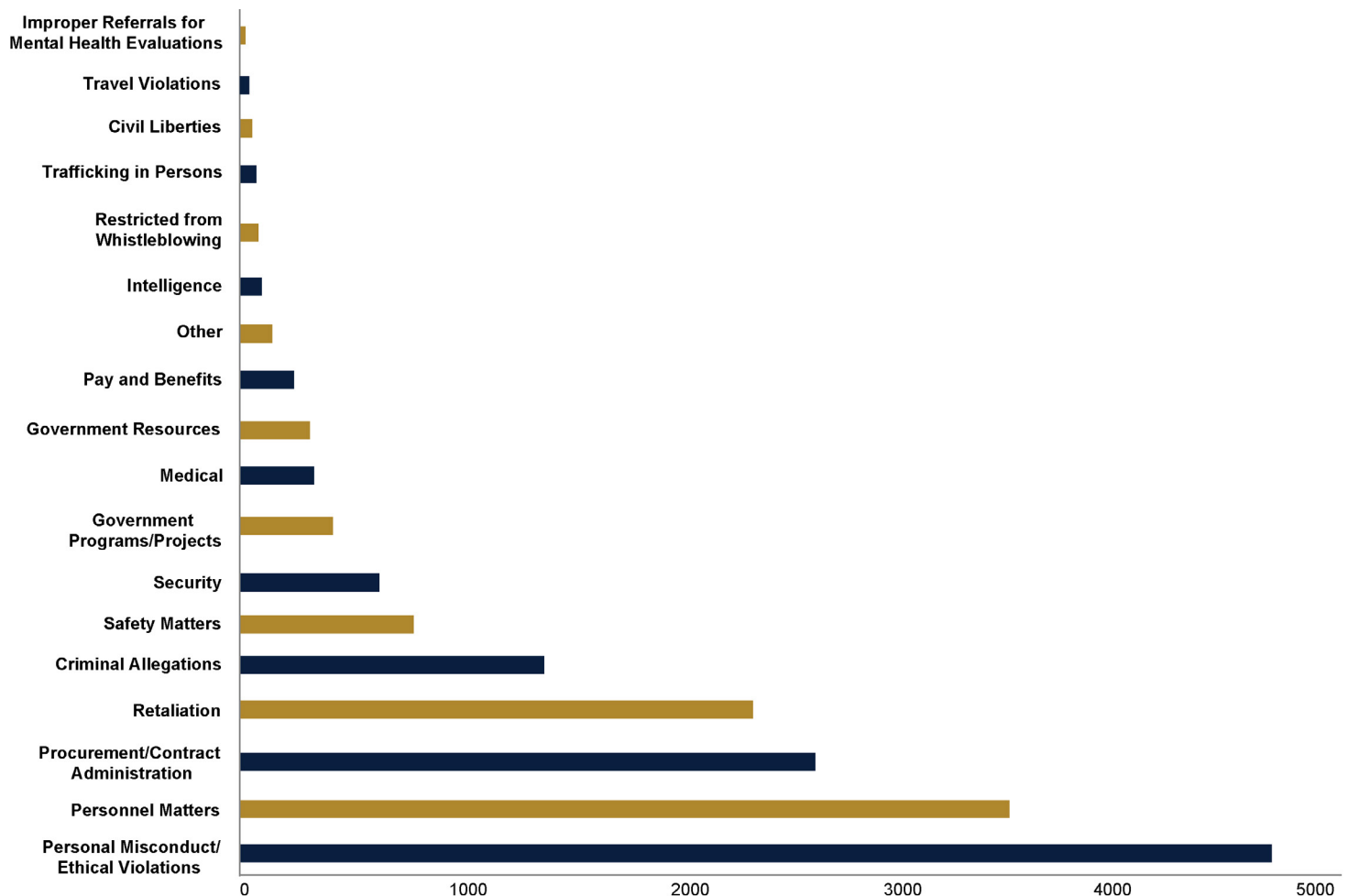
multiple organizations. As of September 30, 2022, the DoD Hotline had 2,889 open cases that were opened in this and prior reporting periods.

Also during this reporting period, the majority of allegations the DoD Hotline received were related to personal misconduct and ethical violations, personnel matters, and procurement and contract administration. In addition, the DoD Hotline continued to track contacts received related to COVID-19. These contacts are discussed in the Other Oversight Matters section under COVID-19 Pandemic Oversight.

Significant DoD Hotline Cases and Recoveries

For this reporting period, DoD Hotline inquiries resulted in the recovery of \$30.6 million, of which \$20.8 million was reimbursed through the Contractor Disclosure Program.

Figure 7. Types of Allegations Received by the DoD Hotline from April 1 Through September 30, 2022



The following summaries provide significant results from DoD Hotline cases completed during the reporting period.

- Following a complaint to the DoD Hotline, a joint investigation by the DCIS, Army Criminal Investigation Division, and Department of State substantiated an allegation that a DoD subcontractor inflated costs associated with providing military working dogs used in the Tactical Explosive Detection Dog program during a 3-year period. The subcontractor inflated operational costs to the prime contractor, who in turn submitted false data to the Government for reimbursement. The subcontractor entered into a civil settlement agreement to pay the Government \$1.35 million, including \$900,000 in restitution and a \$450,000 civil penalty.
- Following a complaint to the DoD Hotline, a DCIS investigation substantiated allegations of procurement fraud and theft of public funds by a DoD contractor for the Defense Logistics Agency (DLA). The DoD contractor provided defective motors for a DLA contract and then, when suspended, created a subsidiary contracting company for providing the defective products. The DLA debarred the subsidiary company from Government contracting from April 5, 2021, to February 3, 2024. In addition, the DLA extended the debarment of the DoD contractor from May 1, 2023, to May 1, 2026. On December 15, 2021, a district judge sentenced the DoD contractor owner to \$345,576 in restitution, forfeiture of \$224,670, 60 months of probation, and a fine of \$100.
- Following a complaint to the DoD Hotline, a DCIS investigation substantiated an allegation that a DoD contractor installed remanufactured transmissions in aircraft tugs sold to the DoD, falsely claiming the aircraft tugs were new. A settlement was reached regarding the False Claims Act Violation for \$92,400. The DoD contractor agreed to pay \$46,000 in restitution, distributed among the affected agencies. As a result, \$35,933 was returned to the DoD, including \$30,800 to the Army, \$3,422 to the Navy, and \$1,711 to DLA. Additionally, \$1,711 was returned to the Department of Homeland Security. The DoD contractor paid the remaining \$46,200 in damages to the U.S. Treasury.
- Following a complaint to the DoD Hotline, a DCIS investigation substantiated an allegation that a DoD contractor employee misallocated \$88,000 in

expenses to the U.S. Forces Korea Transformation and Restationing Project Management Support Services Contract. The DoD contractor agreed the charges were misallocated, and the costs were transferred to the company's overhead account. The DoD contractor transferred the employee back to the United States. The substantiated allegation was reported to the DoD Consolidated Adjudications Services.

- Following a complaint to the DoD Hotline, a Marine Corps IG investigation substantiated allegations that a colonel used contemptuous words toward senior officials, used racial slurs, made sexist comments, and told offensive jokes. The colonel was involuntarily retired at the grade of lieutenant colonel. The command reported the substantiated allegations to the DoD Consolidated Adjudications Facility.

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 subcontract. Such disclosures are required by Federal Acquisition Regulation 52.203-13, "Contractor Code of Business Ethics and Conduct," a clause included in Government contracts.

Significant Contractor Disclosure Program Cost Savings and Cases

During this reporting period, the DoD OIG received 176 contractor disclosures that identified \$4.8 million 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, noncompliance and mismanagement of contracts, and fraud. Additionally, we verified that contractors reimbursed \$20.8 million to the Government from disclosures submitted during this period and prior fiscal years. Since the disclosure program began in 2008, disclosures have resulted in approximately \$433.9 million in recoveries and fines.

- A DoD contractor disclosed that one of its employees improperly applied volume discounts on contracts over 8 years, resulting in cost overcharges for equipment and materials to the Government. The contractor, along with an outside auditing firm, initiated an inquiry into this matter and determined that the Government overpaid \$10.6 million. The contractor terminated

the employee responsible for the wrongdoing and implemented measures to prevent recurrence. The contractor agreed to pay the Government \$12.3 million, of which \$1.7 million was designated as interest. Additionally, the General Services Administration OIG, DCIS, Army Criminal Investigation Division, and Naval Criminal Investigative Service jointly investigated this matter and determined that no additional action was warranted.

- A DoD contractor disclosed that one of its employees filed false claims for workers' compensation based on injuries alleged to have occurred while working at a Government location. These claims resulted in cost overcharges to the Government. The contractor initiated an investigation into this matter and terminated the employee. The contractor determined the financial impact was \$27,870.36 and credited this amount back to the Government. The contractor also filed a claim with the Department of Labor Relations. The former employee was sentenced to 3 years of probation, ordered to pay \$12,682.74 in restitution to the contractor, and debarred from doing business with the Government for 3 years and 6 months.

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
- nonappropriated fund instrumentality employees who are paid from nonappropriated 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 Defense agency OIGs. In addition, the WRI Directorate investigates and oversees investigations of allegations that Service members were restricted from

communicating with a Member of Congress or an IG. The WRI Directorate conducts these investigations and oversight under the authority of the IG Act, Presidential Policy Directive 19, and 10 U.S.C. §§ 1034, 1587, and 4701.

Alternative Dispute Resolution Program

The DoD OIG's Alternate 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.

As neutral third parties, DoD OIG ADR attorneys facilitate the ADR process and help the parties resolve the complaint. If both parties in a complaint (the complainant and the 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. Some examples of resolution include monetary relief, expungement of negative personnel records, neutral references, re-characterizing a discharge as a resignation, temporary reinstatement until new employment is secured, agency personnel training, debt forgiveness, reassignment, and leave restoration. During the reporting period, 22 cases involving allegations of whistleblower reprisal were voluntarily resolved by the complainants and their employers through the ADR process. As of September 30, 2022, the DoD OIG had 28 ongoing cases in the ADR process.

Reprisal and Service Member Restriction Investigations

During the reporting period, the DoD OIG received 1,025 complaints alleging reprisal or restriction of a Service member from communicating with a Member of Congress or an IG.

WRI received 593 complaints through the DoD Hotline. In addition, the Service and DoD agency OIGs received 432 complaints that they reported to the DoD OIG.

Of the 593 complaints received by the DoD OIG during this reporting period:

- 164 were under review or investigation by the DoD OIG;

- 359 were closed without investigation because they did not raise an inference of reprisal, were untimely, the DoD OIG referred the complainant to the Office of Special Counsel (which has primary jurisdiction over civilian reprisal complaints), or they were withdrawn;
- 8 were resolved through the DoD OIG ADR process;
- 37 were referred to either a Service or Defense agency OIG; and
- 25 were pending in ADR at the DoD OIG.

Of the 432 complaints received at a Service or DoD agency IG and then reported to the DoD OIG during this reporting period:

- 28 were assumed by the DoD OIG for review and investigation;
- 4 were submitted to and under review at the DoD OIG;
- 31 will be closed by the DoD OIG pending notification to the complainant;
- 141 were closed by the DoD OIG and the complainant was notified; and
- 228 were still open.

Of the 988 complaints closed by the DoD OIG and the Service and Defense agency OIGs during this reporting period, some of which were received in prior reporting periods:

- 783 were closed without an investigation by the DoD OIG, Service OIG, or Defense 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;
- 67 were withdrawn by the complainant;
- 22 were resolved through the DoD OIG ADR process; and
- 116 were closed following full investigation by either the DoD OIG, Service OIG, or Defense agency OIG.

Of the 116 investigations closed during this reporting period, 98 involved whistleblower reprisal (11 substantiated) and 18 involved restriction from communicating with a Member of Congress or an IG (5 substantiated).

There are 775 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 775 open reprisal complaints:

- 28 were pending in the ADR process at the DoD OIG;
- 211 were under review by the DoD OIG;
- 533 were under review by a Service or DoD agency OIG; and
- 3 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, Service OIGs, and Defense Agency OIGs

Of the 116 whistleblower reprisal investigations closed during the reporting period, 11 were substantiated. We publicly released three reports of investigation regarding substantiated allegations. To view a report of investigation, click on the title.

Report No. DODIG-2022-097, “Whistleblower Reprisal Investigation: Colonel Yevgeny S. Vindman, U.S. Army”

This report presented the results of the investigation of allegations that various former White House officials, including former President Donald J. Trump, took actions against then Army Lieutenant Colonel (LTC) Yevgeny Vindman while he was serving at the National Security Council in Washington, D.C., in reprisal for his protected communications. The investigation concluded that White House officials subjected LTC Vindman to unfavorable personnel actions, as defined by law. The DoD OIG did not make any recommendations regarding LTC Vindman, who has since been promoted to the rank of colonel and retired and whose performance record has been corrected. In addition, the DoD OIG did not make any recommendations with respect to the White House officials, who did not work in the DoD and have since departed their positions at the White House.

Report No. DODIG-2022-100, “Report of Investigation: Mr. James M. Branham, Former Chief Operating Officer, Armed Forces Retirement Home”

The DoD OIG initiated an investigation to address allegations that Mr. James M. Branham, former Chief Operating Officer, Armed Forces Retirement Home, sexually harassed subordinate female employees

and reprisal against a female employee because she rejected his sexual advances.¹ The DoD OIG concluded that Mr. Branham initiated and engaged in an intimate, personal, and physical relationship with a subordinate female employee. Additionally, Mr. Branham sexually harassed two subordinate female employees and reprisal against one of them because she rejected his sexual advances. Mr. Branham resigned from his position during the investigation. The DoD OIG initiated this investigation based on a complaint filed with the DoD Hotline. This case was not referred to the Department of Justice for prosecution.

Report No. DODIG-2022-111, “Whistleblower Reprisal Investigation: Program Executive Office, Defense Counterintelligence and Security Agency, Fort Meade, Maryland”

This report presented the results of the investigation into allegations that Patricia P. Stokes, the now-retired former Director of the Defense Vetting Directorate at the Defense Counterintelligence and Security Agency (DCSA), reprisal against a subordinate GG-15 employee because he reported abuse of authority, gross waste of funds, gross mismanagement, and violations of DoD regulations and policies. The investigation concluded that Ms. Stokes subjected the Complainant to an unfavorable personnel action, as defined by law. Ms. Stokes has retired from Government service. Accordingly, the DoD OIG forwarded its report to the Director of Washington Headquarters Services for inclusion in Ms. Stokes’ personnel file. The DCSA made the Complainant whole by changing his evaluation.

The following summaries describe the remaining substantiated allegations of reprisal.

- An Army National Guard chief warrant officer withheld a favorable award and issued an unfavorable change of rater noncommissioned officer evaluation report to an Army National Guard sergeant first class in reprisal after the sergeant first class made a protected communication to the chain of command regarding a hostile and toxic work environment. Corrective action is pending.
- A Defense agency GS-15 supervisor issued a written reprimand and reassigned duties to an Army colonel in reprisal after the colonel informed several senior managers in the chain of command that the office lacked intelligence oversight policy. Corrective action is pending.
- An Air Force chief master sergeant issued a letter of counseling to an Air Force senior master sergeant and requested removal of the senior master sergeant’s special duty identifier in reprisal after the senior master sergeant reported a hostile and toxic work environment to their chain of command and an Air Force Equal Opportunity Office. Corrective action is pending.
- A Marine Corps major issued a Marine Corps first sergeant a negative counseling and relieved the first sergeant from the first sergeant’s position in reprisal after the first sergeant made protected communications to the chain of command and a Marine Corps IG about misconduct and a violation of visitor policy by the major. Corrective action is pending.
- An Air Force civilian employee influenced the reassignment of an Air Force master sergeant to a night shift schedule in reprisal after the master sergeant made protected communications to the chain of command regarding potential violations of an Air Force instruction. Corrective action is pending.
- An Air National Guard technical sergeant issued a letter of reprimand to an Air National Guard airman first class in reprisal for the airman first class making a protected communication to the command’s equal opportunity office alleging sexual harassment against a former supervisor. Corrective action is pending.
- An Army captain submitted an unfavorable noncommissioned officer evaluation report for an Army sergeant first class in reprisal after the sergeant first class made protected communications to members of the chain of command and an Army IG. The sergeant first class reported reprisal occurring within the unit, counterproductive leadership, violations of the open door policy, abuse of authority, and the failure of the company commander to take appropriate action. Corrective action is pending.
- An Army National Guard major counseled an Army National Guard captain. The same major, along with another Army National Guard major, influenced a third Army National Guard major to relieve the captain from command, remove additional duties, and threaten the captain with an involuntary early release, Uniform Code of Military Justice action, withholding of promotion, and a reprimand. The majors took these actions in reprisal after the captain made protected

¹ WRI investigated this matter jointly with AI’s Investigations of Senior Officials Directorate.

communications to the chain of command about Defense Travel System fraud. Corrective action is pending.

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

Of the 18 investigations closed during the reporting period, 5 substantiated allegations of Service member restriction. The following summaries describe the substantiated allegations of restriction closed during the period.

- An Air Force civilian employee restricted an Air Force master sergeant from preparing or making protected communications to an IG or Members of Congress by making comments that created a chilling effect regarding discussing problems outside of the organization. The civilian employee received verbal counseling.
- An Army staff sergeant restricted an Army sergeant and two Army specialists from speaking with an IG when the staff sergeant made negative comments about the IG's ability to assist Soldiers and delayed the Soldiers' requests to meet with an IG for more than 21 days. Corrective action is pending. This summary includes the results of three investigations.
- An Air Force chief master sergeant restricted subordinates from contacting an IG or a Member of Congress when he stated during a meeting, "If anyone speaks of this outside of this room, they will get an instant letter of reprimand." Corrective action is pending.

Corrective and Remedial Actions for Substantiated Reprisal Cases Closed in Prior Reporting Periods

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

- A Navy chief petty officer requested the revocation of a Navy seaman apprentice's computer access in reprisal after the seaman apprentice made protected communications to a Navy lieutenant commander. The seaman apprentice alleged that the chief petty officer discriminated against the seaman apprentice based on gender and disability. The chief petty officer received a letter of counseling.
- A Navy commander refused to endorse a Navy chief petty officer's favorable annual fitness

report in reprisal after the chief petty officer made protected communications to the commander and another higher-level commander. The chief petty officer alleged that the commander refused to remove three previously issued adverse counselings that the chief petty officer believed were unjustified and unsupported from the chief petty officer's unit-level and official personnel records. The commander received a letter of counseling.

- A Navy commanding officer issued a Navy lieutenant commander an unfavorable fitness report in reprisal after the lieutenant commander made protected communications to members of the chain of command alleging that the commander engaged in inappropriate behavior with junior officers and fraternized with an enlisted Service member. The commanding officer received a letter of counseling, and the lieutenant commander received a corrected fitness report.

The following are substantiated reprisal cases that were closed in prior reporting periods for which management decided not to take corrective action.

- An Army colonel issued an Army command sergeant major an unfavorable noncommissioned officer evaluation report in reprisal after the command sergeant major made protected communications during an Army Regulation 15-6 investigation alleging that the commander created a hostile work environment. The command took no corrective action because the colonel retired before the investigation was complete.
- An Army National Guard colonel reassigned another Army National Guard colonel to a position not commensurate with the rank of colonel in reprisal after the colonel made protected communications to the chain of command alleging that the subject colonel created a hostile work environment. The command took no corrective action because the subject colonel retired before the investigation was complete, and the complainant retired before the command determined an appropriate remedy.

Untimely Departmental Responses to Substantiated Whistleblower Reprisal Investigations

During this reporting period, there were no cases to which the DoD failed to respond within 180 days of receiving the report of investigation from the relevant OIG or responded after more than 180 days elapsed.

Whistleblower Reprisal and Service Member Restriction Investigations Closed as Not Substantiated Involving Subjects in the Grade of O-6 and Above or Federal Employees in Grades GS-15 and Above

The following is a whistleblower reprisal investigation closed as not substantiated involving subjects who are senior Government employees, General Schedule (GS)-15 and above (including members of the SES and Senior-level employees) or military officers pay grade O-6 and above, and non-GS employees making 120 percent or more of the minimum GS-15 rate of pay.

A Defense agency GS-15 employee alleged that two SESs and a GS-15 employee counseled the GS-15 complainant, reduced an evaluation component rating, threatened to terminate the complainant's employment, and referred the complainant for psychiatric examination. The complainant alleged that these actions were in reprisal after the complainant reported a hostile work environment, harassment, and discrimination to the Equal Opportunity Office, and reported a substantial and specific danger to public safety, gross mismanagement, abuse of authority, waste of funds, and violations of DoD policy to the Defense agency IG. This investigation was initiated following a complaint filed with the DoD Hotline.

During the reporting period, no whistleblower restriction investigations were closed as not substantiated involving subjects who are commissioned officers at or above the pay grades of O-6 or employees who are GS-15 and above.

Whistleblower Protection Coordinator

The Whistleblower Protection Coordinator (WPC) employs a comprehensive strategy to educate all DoD employees about prohibitions on retaliation for protected disclosures and remedies for retaliation. DoD employees include Service members, defense contractors, subcontractors, grantees, sub-grantees, civilian appropriated fund and nonappropriated fund instrumentality employees, and employees within the DoD intelligence community. The comprehensive education 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
- help the DoD OIG facilitate communication and coordination with the Office of Special Counsel, the Council of the Inspectors General on Integrity and Efficiency, Congress, and other agencies that review whistleblower reprisals, about 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. The WPC engaged with 784 contacts and recorded 14,720 visits to the WPC and Whistleblower Reprisal Complaint and Investigation webpages on the DoD OIG website.

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 generals and flag officers, and above), DoD political appointees, senior officials in the Joint or Defense Intelligence Community, and SESs, as well as allegations not suitable for assignment to Military Services or Defense agency OIGs.

The ISO Directorate also conducts oversight reviews of Military Service and Defense agency OIG investigations of senior official misconduct. These reviews involve active duty, retired, Reserve, or National Guard military officers in the rank of one-star general or flag officer and above; officers selected for promotion to the grade of one-star general or flag officer whose names are on a promotion board report forwarded to the Military Department Secretary; SESs; Defense Intelligence SESs and Defense Intelligence Senior Leaders; and political appointees within the DoD.

CORE MISSION AREAS

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

As of September 30, 2022, the DoD OIG had 400 open senior official cases. From April 1 through September 30, 2022, the DoD OIG received 493 complaints of senior official misconduct and closed 629 cases. Of the 629 cases closed, 575 were closed after an intake review was performed, which includes 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 54 cases were closed following a formal investigation by the DoD OIG, Military Service OIGs, Defense agency OIGs, or other organizations. Each investigation by a Service OIG, Defense agency OIG, or other organizations was

subject to an oversight review by the DoD OIG. In 14 of the formal investigations, allegations of misconduct were substantiated.

Table 1 shows the number of complaints open and received since April 1, 2022, and the number of cases closed, substantiated, and still open as of September 30, 2022.

Table 1. Senior Official Complaints Open, Received, and Closed from April 1 Through September 30, 2022

Service or Agency in Which the Allegations Occurred	DoD OIG Workload		Cases Closed from April 1, 2022 – September 30, 2022				Cases Remaining Open as of September 30, 2022			
	Cases Open on April 1, 2022	Complaints Received Since April 1, 2022	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	56	66	86	0	4	1 (25%)	14	0	2	16
Army	115	124	148	1	7	3 (38%)	38	0	1	44
Marine Corps	29	44	44	0	5	2 (40%)	5	0	0	19
Navy	126	120	114	1	9	1 (10%)	27	2	0	93
CCMD ³ / Defense Agency/ Other	210	139	183	2	25	7 (26%)	37	7	8	87
Total	536	493	575	4	50	14 (26%)	121	9	11	259

¹ These include both DoD OIG and Component Investigations.

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

³ CCMD is the acronym for combatant command.

Source: The DoD OIG.

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, or retirement. The DoD OIG processed 20,298 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 case during the reporting period. The DoD OIG published the results of this case in the following report.

- The DoD OIG initiated an investigation to address allegations that Mr. James M. Branham, former Chief Operating Officer, Armed Forces Retirement Home, sexually harassed subordinate female employees and reprimanded against a female employee because she rejected his sexual advances.² The DoD OIG concluded that Mr. Branham initiated and engaged in an intimate, personal, and physical relationship with a subordinate female employee. Additionally, Mr. Branham sexually harassed two subordinate female employees and reprimanded against one of them because she rejected his sexual advances. Mr. Branham resigned from his position during the investigation. The DoD OIG initiated this investigation based on a complaint filed with the DoD Hotline. This case was not referred to the Department of Justice for prosecution.

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

Service and DoD agency IGs substantiated 10 significant senior official cases during the reporting period.

- A Defense Intelligence SES provided false or inaccurate statements about her technical qualifications in her SES application. The SES's actual experience was limited to non-supervisory duties, but her SES application reflected that she performed supervisory duties. In addition, her supervisor, another SES, improperly took her to meetings, which led to the perception that he was doing so to give her an advantage in the hiring

process. Corrective action is pending for both SESs. This investigation was initiated following a complaint filed with the DoD Hotline.

- A Marine Corps major general used a non-DoD e-mail account to discuss and exchange official Marine Corps information. For approximately 1 year, the major general routinely used this non-DoD e-mail account in violation of guidance from the Under Secretary of the Navy. The major general received verbal counseling. This investigation was initiated following a complaint filed with the DoD Hotline.
- An SES harassed his subordinate employee by inquiring about her weekend plans; inviting her to lunch, which she declined; and then later directing his military aide to schedule a lunch appointment with her. The employee found the SES's actions to be personal, offensive, and unwelcome, given the power imbalance due to their difference in grade. Corrective action is pending.
- An Air Force colonel engaged in unprofessional and inappropriate behavior with a female subordinate officer in a public setting at a bar, which compromised his standing as an officer. The colonel flirted with the female officer, put his hands on her waist, and hugged her. Corrective action is pending.
- A Defense Intelligence Senior Leader (SL) failed to follow regulations and displayed lack of candor during an IG investigation. The SL acted partially and preferentially by providing sensitive internal correspondence to a former job applicant in support of the former applicant's Equal Employment Opportunity complaint against the agency. In doing so, the SL misused information technology resources and improperly disclosed sensitive agency documents. While testifying during the investigation, the SL failed to exhibit candor because the investigator determined that the SL's testimony conflicted with digital forensic evidence. Corrective action is pending.
- A Defense Intelligence SES failed to act impartially by providing preferential treatment to a subordinate employee by reviewing, editing, and commenting on the subordinate's resume for a position vacancy. The SES was on the hiring panel for that vacancy and did not provide those services to any of the other job candidates. The member and the employee engaged in activities that indicated a close personal relationship, and the member sent personal chat messages to the employee using acronyms that alluded to a romantic relationship. Both parties acknowledged

² ISO investigated this matter jointly with WRI.

having feelings toward one another and admitted to a prior physical relationship. Corrective action is pending.

- An SES provided preferential treatment and used his official position for private gain when he endorsed the services of non-DoD personnel. The SES used his official position to steer employment opportunities to two individuals with whom he had personal relationships. Corrective action is pending.
- An Army major general failed to display Army values and core leader competencies by engaging inappropriately with individuals on social media platforms. Corrective action is pending.
- An Army brigadier general provided counterproductive leadership on multiple occasions. For example, he made derogatory comments about subordinates, leaders, and external organizations; created the perception that he favored certain personnel; micromanaged personnel; failed to recognize subordinates' accomplishments appropriately; showed a lack of concern for his subordinates' welfare; and did not take responsibility for his own actions. Corrective action is pending. This investigation was initiated following a complaint filed with the DoD Hotline.
- A Defense Intelligence SL sexually harassed a subordinate employee through inappropriate and sexually suggestive communications via personal e-mail, phone, text, and encrypted chat applications. His unwanted sexual advances included explicit comments, sexual innuendos, requests for photographs, unwanted visits to her residence, and unsolicited physical contact. The SL received a suspension without pay and a reduction in grade.

Senior Official Cases Not Substantiated by the DoD OIG

The DoD OIG closed three senior official cases that were not substantiated during the reporting period.

- The DoD OIG investigated allegations that a former SES engaged in improper personnel practices during hiring actions for civilian, military, and contractor personnel. We did not substantiate the allegations. We concluded that the SES conducted duties without partiality or favoritism, regularly consulted staff, and did not direct or pressure staff to violate standards regarding various personnel issues related to civilian, military, or contractor personnel. The SES retired during the investigation. The DoD OIG initiated this investigation based on a complaint filed with the DoD Hotline.
- The DoD OIG investigated allegations that a former SES failed to treat an employee and contractor with respect and misused the SES position to disadvantage a DoD contractor. We did not substantiate the allegations. We concluded that the SES did not direct profanity toward or use profanity to describe the employee, and that the SES did not insult or demean the contractor. We also concluded that the SES did not downgrade the ratings or rewrite a Contractor Performance Assessment Report to downgrade a particular DoD contractor. The SES left Government service before completion of the investigation. The DoD OIG initiated this investigation based on complaints filed with the DoD Hotline.
- The DoD OIG investigated allegations that a Navy vice admiral made false official statements to senior Navy officials on three occasions. We did not substantiate the allegations. We concluded that the vice admiral did not make a false official statement, as defined by Article 107 of the Uniform Code of Military Justice, on any of the three occasions. The DoD OIG initiated this investigation based on complaints filed with the DoD Hotline.

OFFICE OF PROFESSIONAL RESPONSIBILITY

The Office of Professional Responsibility (OPR) investigates allegations of misconduct by DoD OIG employees and military personnel. The OPR mission is to promote confidence in the integrity and accountability of DoD OIG personnel by investigating credible allegations of misconduct. OPR had one investigation that substantiated misconduct by a DoD OIG employee.

- A DoD OIG GS-15 supervisor mishandled sensitive information when they shared the name of a complainant with the subject of that complaint. On another occasion, the same GS-15 supervisor mishandled sensitive medical information when they shared a subordinate employee's medical situation with another subordinate employee. Additionally, the GS-15 supervisor did not follow agency instructions when they failed to report a foreign contact on a security form, and lacked candor when they failed to provide pertinent information for an official inquiry when interviewed by OPR. Corrective action is pending.



Source: iStock.

OVERSEAS CONTINGENCY OPERATIONS

The DoD OIG's Overseas Contingency Operations (OCO) Component supports the DoD IG's Lead IG responsibilities to coordinate and report on oversight of overseas contingency operations. OCO coordinates with the OIGs of the Department of State (State) and the U.S. Agency for International Development (USAID), collectively known as the Lead IG agencies. The Lead IG agencies and other oversight partners coordinate oversight, develop interagency strategic oversight plans, and produce quarterly reports.

Lead Inspector General

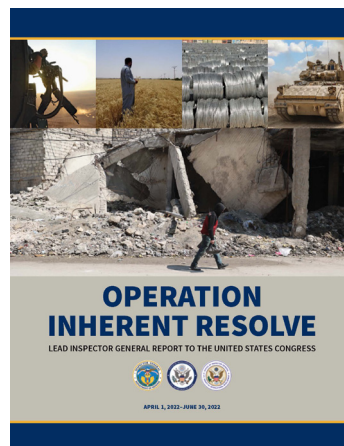
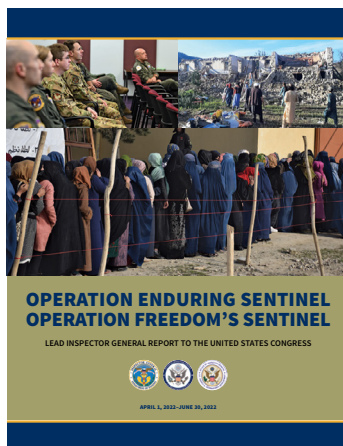
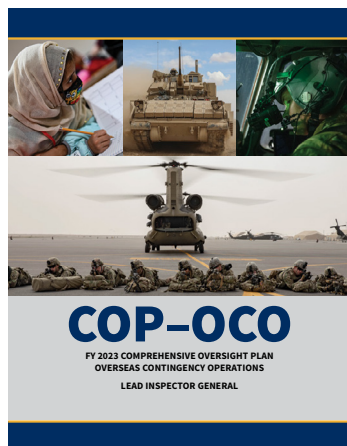
For each OCO, one of the three Lead IG agencies is responsible for the oversight and reporting for all aspects of the OCO. During this reporting period, the DoD IG was the Lead IG for three OCOs: Operation Freedom's Sentinel (OFS), Operation Enduring Sentinel (OES), and Operation Inherent Resolve (OIR). The DoD OIG along with the OIGs for State and USAID issued quarterly reports for the three OCOs. Lead IG responsibilities for OFS ended on September 30, 2022. The Lead IG will issue its final report on OFS in November 2022, covering fourth quarter FY 2022.

Oversight of activities related to U.S. engagement in Afghanistan continues under OES as does Lead IG reporting.

OFS had two complementary missions: (1) the U.S. counterterrorism mission against al-Qaeda, ISIS-Khorasan (ISIS-K), and their affiliates in Afghanistan; and (2) the North Atlantic Treaty Organization (NATO)-led Resolute Support mission (Resolute Support) to train, advise, and assist Afghan security forces. In August 2021, the United States withdrew all military, diplomatic, and humanitarian assistance personnel from Afghanistan. OFS ended on September 30, 2021.

The OES mission is to combat terrorist groups such as al-Qaeda and ISIS-K through efforts launched and directed from locations outside Afghanistan. The OES mission also includes continued support to State and other Government agency efforts to evacuate American citizens and other designated persons from Afghanistan, as well as State's continued diplomatic engagement with Afghanistan and Central Asian and South Asian regional partners.

The OIR mission is to train, advise, and assist partner forces until they can independently defeat the Islamic State of Iraq and Syria (ISIS) in designated areas of Iraq and Syria to set conditions for long-term security cooperation frameworks. 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.



Quarterly Reporting, Strategic Planning, and Coordination

The three Lead IG agencies issued quarterly reports to Congress for each OCO with a designated Lead IG. The reports discuss operations and ongoing and planned 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 OFS, OES, and OIR. The DoD OIG also published classified appendixes for OFS and OIR during the reporting period, and provided those appendixes to relevant agencies and congressional committees. All unclassified Lead IG quarterly reports can be accessed at <https://www.dodig.mil/Reports/Lead-Inspector-General-Reports/>.

The Lead IG agencies develop and carry out joint strategic plans for comprehensive oversight of each OCO. 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 contains the joint strategic oversight

plans for OIR and OES, as well as other projects related to previous Lead IG contingency operations.

The Lead IG issued the FY 2023 COP-OCO to Congress on September 30, 2022. The FY 2023 COP-OCO describes projects that the Lead IG agencies and other partners expect to conduct during FY 2023. This is the 9th annual joint strategic oversight plan from the Lead IG. The FY 2023 COP-OCO details 130 ongoing and planned oversight projects, some of which apply to multiple OCOs. The projects are informed by past oversight work and management challenges identified by the Lead IG agencies and partner agencies. To view the FY 2023 COP-OCO, use the link provided above.

Lead IG Oversight Work

The Lead IG agencies perform audits, evaluations, and investigations related to OCOs. The Lead IG agencies published six reports and one management advisory related to the OCOs during this reporting period. Table 2 lists the final title, number, and date of issuance for the six reports and one management advisory for OFS, OES, and OIR. The summaries for these projects are included in the Audit and Evaluations sections of this report.

Table 2. DoD OIG OCO-Related Reports and a Management Advisory Issued from April 1 Through September 30, 2022

Report	Report Number	Date Issued
Department of Defense Office of Inspector General		
Special Report: Lessons Learned From Security Cooperation Activities in Afghanistan, Iraq, and Africa	DODIG-2022-142	September 29, 2022
Audit of Department of Defense Stipends Provided to the Vetted Syrian Opposition From the Counter Islamic State of Iraq and Syria Train and Equip Fund	DODIG-2022-128	September 13, 2022
Evaluation of the August 29, 2021, Strike in Kabul, Afghanistan	DODIG-2022-117	August 15, 2022
Special Report: Lessons Learned From the Audit of DoD Support for the Relocation of Afghan Nationals	DODIG-2022-114	August 5, 2022
Management Advisory: The DoD's Use of the Civil Reserve Air Fleet in Support of Afghanistan Noncombatant Evacuation Operations	DODIG-2022-109	June 28, 2022
Audit of Army Accountability of Government-Furnished Property under Base Operations Contracts in Kuwait	DODIG-2022-106	June 22, 2022
Follow-Up Evaluation of Report No. DoDIG-2019-088, "Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait-June 11, 2019"	DODIG-2022-082	April 8, 2022

Source: The DoD OIG.

During this reporting period, DCIS and investigative components of other Lead IG agencies coordinated on 42 open OFS- and OES-related investigations and 72 open OIR-related investigations. The open investigations involve allegations of procurement and grant fraud, corruption, computer intrusion, theft, and human trafficking.

Lead IG Hotline Activities

Each Lead IG agency has a dedicated hotline to receive complaints and contacts specific to its agency. 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 18 cases related to OFS and OES and 116 cases related to OIR. The DoD Hotline referred these cases within the DoD OIG, to the other Lead IG agencies, or to other investigative organizations for review and investigation as appropriate. The majority of the cases opened during the reporting period related to misconduct, criminal allegations, and whistleblower reprisal.



U.S. Army Soldiers board an aircraft before conducting a helicopter landing zone training.
Source: The U.S. Army.

DIVERSITY AND INCLUSION AND EXTREMISM IN THE MILITARY

The DoD OIG's Diversity and Inclusion and Extremism in the Military (DIEM) Component coordinates comprehensive oversight of the policies, programs, systems, and processes regarding diversity and inclusion in the DoD and the prevention of and response to supremacist, extremist, and criminal gang activity in the Armed Forces. The DIEM Component also coordinates oversight of specific topic areas prescribed by the Secretary of Defense or the DoD IG, such as military sexual assault and sexual harassment. DIEM coordinates internally with other DoD OIG Components and externally with the Office of the Secretary of Defense, Military Departments, and other DoD Components to coordinate reviews, audits, evaluations, and investigations between the DoD OIG and the DoD. Specifically, DIEM meets periodically with DoD stakeholders to clarify oversight requests and to discuss potential oversight topics.

During the reporting period, the Deputy IG for DIEM conducted 15 introductory engagements with senior-level stakeholders within the DoD. During these meetings, DIEM introduced the Component and mission, and established relationships within the DoD to ensure appropriate coordination with, and timely reporting from, the Military Departments.

On July 27, 2022, the Deputy Secretary of Defense issued a memorandum to implement the requirement for the Military Services to report allegations of active participation in extremist and criminal gang activities to the DoD OIG. The memorandum requires the Secretaries of the Military Departments to establish policies to ensure the timely collection and reporting of allegations to DIEM through the Service IGs. DIEM is establishing a standardized process for the receipt of the required data in coordination with the Service IGs. The establishment of the Military Departments' reporting policies and the timely reporting of data to the DoD OIG will further enable DIEM to execute the responsibilities set forth in section 554 of the National Defense Authorization Act for FY 2021, as amended.

Reporting Requirements

DIEM has statutory reporting requirements that include preparing semiannual and occasional reports to the Secretary of Defense and the DoD IG, and publishing annual reports to the congressional committees on the Armed Forces. During the reporting period, DIEM issued the following management advisory. To view the management advisory, click on the title.

Report No. DODIG-2022-099, "Management Advisory: The Military Health System Data Repository Contained Noncompliant Race Coding Values and Categories"

This management advisory informed the Under Secretary of Defense for Personnel and Readiness that race codes and categories used in the Military Health System Data Repository, administered by the Defense Health Agency (DHA), did not comply with DoD or Office of Management and Budget regulations. For example, DHA databases had more than 36 million records that contained noncompliant coding. Furthermore, the Defense Manpower Data Center transmitted the categories and codes to multiple DHA databases, further disseminating the noncompliant race codes and categories. The DoD OIG made one recommendation that the Under Secretary of Defense for Personnel and Readiness review race codes and categories used in DoD personnel databases and update those databases to ensure compliance with DoD regulations.

Data Management

DIEM personnel coordinate with the DoD OIG's Administrative Investigations Component using an established process for tracking and reporting prohibited activity allegations received by the DoD Hotline, allegations referred for inquiry, inquiry results, and actions taken on substantiated allegations of prohibited activity by a Service member.

DIEM personnel work with the DoD Hotline to document and track:

- prohibited activities among members of the Armed Forces;
- referrals of allegations for inquiry to IGs, Military Criminal Investigative Organizations, DoD Components and agencies, or Federal or local law enforcement agencies;
- inquiry results from such referrals; and
- action taken or not taken with respect to such referrals.

DIEM personnel coordinated with the DoD Hotline to capture statistics on prohibited activities by Service members. Table 3 summarizes prohibited activity data collected for the period of April 1 through September 30, 2022.

Table 3. Summary of Prohibited Activity Data from April 1 Through September 30, 2022

Reported Category	Total
Contacts alleging supremacist, extremist, or criminal gang activity by a Service member	5
Cases with allegations of prohibited activity referred for investigation or inquiry*	11
Cases with allegations of prohibited activity substantiated by an investigation or inquiry	0
Number of Service members who engaged in prohibited activities and were subject to action	0
Number of Service members who engaged in prohibited activities who were not subject to action	0
Allegations referred to Federal or local law enforcement agencies	0

* Category includes allegations received prior to the reporting period and referred during the reporting period.

Source: The DoD Hotline.

Oversight Work

During the reporting period, the DoD OIG published two reports and one management advisory related to the DIEM mission. Table 4 lists the final report title, report number, and date of issuance for these oversight products. The summaries for these projects are included in the DIEM and Evaluations sections of this report.

Table 4. DIEM Oversight Reports Issued by the DoD OIG from April 1 Through September 30, 2022

Report	Report Number	Date Issued
Evaluation of Department of Defense Efforts to Address Ideological Extremism Within the U.S. Armed Forces	DODIG-2022-095	10-May-22
Management Advisory: The Military Health System Data Repository Contained Noncompliant Race Coding Values and Categories	DODIG-2022-099	24-May-22
Evaluation of the DoD's Implementation of the Military Leadership Diversity Commission's 2011 Report Recommendations and the DoD Diversity and Inclusion Strategic Plan for 2012 to 2017	DODIG-2022-144	30-Sep-22

Source: The DoD OIG.

3. ENABLING MISSION AREAS



CONGRESSIONAL ENGAGEMENTS

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

Congressional Hearings

Hearing on Suicide Prevention and Related Behavioral Health Interventions in the Department of Defense

On April 6, 2022, the Deputy IG for Evaluations, Michael Roark, testified before the Senate Armed Services Committee, Subcommittee on Personnel, at its hearing on “Suicide Prevention and Related Behavioral Health Interventions in the Department of Defense.” In his testimony, Mr. Roark discussed three evaluation reports on suicide prevention for transitioning Service members, access to mental health care, and the impact of the COVID-19 pandemic on military treatment facilities.³ Mr. Roark testified that the DoD did not screen for suicide risk or provide uninterrupted mental health care to transitioning Service members as required by Federal and DoD guidance. Specifically, the DoD did not establish and implement oversight of mental health assessment and suicide risk screening processes for transitioning Service members. Mr. Roark also testified that the DoD did not consistently meet outpatient mental health access to care standards for active duty Service members and their families, in accordance with law and applicable DoD policies. He also discussed feedback provided by officials from 30 military treatment facilities (MTFs) sharing concerns regarding staff member burnout and fatigue during the COVID-19 pandemic. MTF officials stated that burnout adversely affected staff members’ psychological health and caused them to use emergency mental health services for behavioral health problems and suicidal ideations.

The written statement for Mr. Roark’s hearing testimony is available at:

<https://www.dodig.mil/Reports/Testimony/Article/3004621/statement-of-michael-roark-deputy-inspector-general-for-a-hearing-on-suicide-pr/>

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 100 congressional inquiries. In addition, OLAC proactively informed congressional stakeholders about DoD OIG reports and 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. Of note this reporting period, OLAC facilitated several briefings for congressional staff regarding the DoD OIG’s targeted oversight work related to Ukraine. During these briefings, DoD OIG leaders and staff discussed ongoing audits and evaluations, and the Defense Criminal Investigative Service’s proactive efforts to assess potential fraud vulnerabilities and its commitment to monitor and investigate cases involving weapons and counterproliferation. DoD OIG leaders and staff also shared key takeaways from recent visits to Germany and Poland to meet with U.S. European Command officials, observe DoD operations in support of Ukraine, and coordinate with partner oversight and law enforcement agencies.

³ The three evaluation reports discussed during the hearing were Report Nos. DODIG-2022-030, “Evaluation of the Department of Defense’s Implementation of Suicide Prevention Resources for Transitioning Uniformed Service Members”; DODIG-2020-112, “Evaluation of Access to Mental Health Care in the Department of Defense”; and DODIG-2022-081, “Evaluation of Department of Defense Military Medical Treatment Facility Challenges During the Coronavirus Disease-2019 (COVID-19) Pandemic in Fiscal Year 2021.”

Legislation and Regulations

In addition to working with the DoD and Congress to amend existing law, pursuant to the IG Act, the DoD OIG also independently reviews proposed legislation relating to the programs and operations of the DoD. During the reporting period, the DoD OIG reviewed proposed legislation at the request of congressional staff, the DoD, and CIGIE. For example, the DoD OIG reviewed numerous provisions in the House and Senate versions of the National Defense Authorization Act and provided staff with informal comments. The DoD OIG also submitted a formal appeal regarding section 538 of the House version of the FY 2023 National Defense Authorization Act that would require mandatory notification of members of the Armed Forces identified in certain records of criminal investigations. In addition, the DoD OIG provided the CIGIE comments on proposed amendments to the IG Act.



Source: iStock.



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 A 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 Division (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 USAAA relies on a workforce of approximately 500 auditors and support staff who provide audit support to all aspects of Army operations. The USAAA is an integral part of the Army team and its mission is to serve the Army's emerging 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 aligns its audit coverage with the Army's highest priorities and high-risk areas. During the reporting period, the USAAA published 43 reports, made more than 169 recommendations, and identified about \$321 million in potential monetary benefits.

Report No. A-2022-0043-B0Z, "Category Management–Cost Savings and Initiatives"

This audit determined that the Army took some actions to identify projected cost savings; however, the USAAA could not determine whether the Army met its savings goal for category management (CM). CM is the business practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings. The Army took some actions to improve purchases of goods and services. These actions included codifying a requirement to incorporate CM principles when developing acquisition strategies; identifying and leveraging contracting centers of excellence; and developing some category intelligence reports and capstone projects to identify potential costs savings and initiatives, cost avoidances, and opportunities for efficiencies. Although category personnel were able to identify a small number of cost savings and initiatives, the Army did not have a system to track cost savings data for individual contract actions, or processes to identify and report CM-related cost savings at the command, category, or enterprise levels. In addition, the Army did not have codified definitions of cost savings and cost avoidance or a defined methodology showing commands how to calculate them. As a result, the Army had limited ability to assess the positive impact of its CM efforts and whether initiatives to generate cost savings, cost avoidances, or process improvements were put into motion at the command, category, or enterprise levels. These limitations also prevented Army leaders from determining if realized savings were redirected to fund the Army's highest priorities. The USAAA made 11 recommendations, including that the Office of Business Transformation evaluate the Army's enterprise strategy to generate the CM savings goal, determine its feasibility and, if it remains, determine the best approach to realize intended CM benefits given continual improvements to policies, processes, and system data availability and reliability.

Report No. A-2022-0042-AXZ, "Army Data Center Optimization"

This audit determined that the Army met the DoD's goal to close at least 60 percent of its data centers by 2022. Specifically, the Army closed 63 percent of its data centers by the end of FY 2021 and projected to close another 3 percent by the end of FY 2022. However, the Army struggled to meet other aspects of optimization initiatives, such as reporting accurate cost savings and aligning data center closures with cloud migration activities. Only one data center could provide supporting documentation for its closure report, but

the documentation covered equipment turn-in only. Only 11 percent of data center closure reports had complete information with 15 percent reporting zero costs. The Army also lacked a holistic view of the time and money associated with data center closures. Since 2015, the Army approved 75 closure deferrals with delays ranging from 3 months to 6 years. These conditions occurred because the Army did not require data center owners to support data center closure reports. Army officials did not synchronize data center closures and cloud migration efforts. This affected the ability of the Deputy Chief of Staff, G-6, and the Enterprise Cloud Management Agency to ensure that applications hosted by the data center migrated in a timely manner and the center could close on time. In addition, the Army Portfolio Management System lacked sufficient and accurate information for senior Army leaders to manage data center deferrals. The USAAA made three recommendations, including that the Deputy Chief of Staff, G-6, require that application owners request deferrals for their applications that affect data center closures.

Report No. A-2022-0065-BOZ, “Global Combat Support System-Army—Related Divestitures of Legacy System”

This audit determined that the Army generally migrated legacy systems identified in the Global Combat Support System-Army (GCSS-Army) Baseline report as performing duplicate capabilities as GCSS-Army, and retired those systems during GCSS-Army Increment 1. From 2012 through 2017, the Army fielded Increment 1 to innovate supply, maintenance, property accountability, and associated financial management operations across the Army and provided a right-sized tactical logistics solution for Army personnel. Of the four systems identified for this phase of divestitures, the Army retired the Standard Army Retail Supply System Level 1 and Standard Army Retail Supply System Level 2 in FY 2016 and the Standard Army Maintenance System-Enhanced in FY-2018, and partially divested the Property Book Unit Supply-Enhanced system in FY 2018. The baseline functioning of the Property Book Unit Supply-Enhanced System remains active to fulfill U.S. Army Special Operations Command requirements for a secure operating environment not available in any alternative system. The Army began implementing Increment 2 capabilities in June 2021. This functionality allows integration of aviation data with GCSS-Army and provides more asset visibility for combatant commanders and senior leaders. With the implementation of these additional capabilities, the Army planned to divest four additional legacy systems. Of the four systems identified for this phase

of divestitures, one system is on track for migration to GCSS-Army in FY 2022 and three systems were supposed to begin migrating capabilities to GCSS-Army from FY 2025 through FY 2027. However, development of the Army’s Enterprise Business Systems-Convergence initiative has paused execution of those plans. The USAAA made no recommendations in this report.

Report No. A-2022-0081-IIZ, “Cybersecurity in the Defense Industrial Base”

This audit determined that Army cybersecurity policies were not driven by a standardized process nor periodically monitored for effectiveness by a cybersecurity oversight forum. Instead, the Office of the Chief Information Officer developed cybersecurity policy in an ad-hoc manner and issued policy without collaborating with the Army’s defense industrial base user community. The USAAA made three recommendations, including that the Chief Information Officer develop a standardized process for the development of cybersecurity policy.

Report No. A-2022-0083-FIZ, “Army Medical Reform”

This audit determined that the Army successfully tracked and completed 47 of the 52 Army medical reform requirements (about 90 percent) in the National Defense Authorization Acts (NDAA) for FY 2017 and FY 2019. The Army successfully tracked the remaining five requirements but had not yet completed these because the deadline was not until the end of FY 2022 or later. The USAAA also determined that the Army identified and mitigated risks to accomplishing these requirements, but challenges remained. For example, while the responsibility for administering military treatment facilities transitioned to the Defense Health Agency (DHA), their day-to-day management remained with the Army via direct support memorandums of agreement and other interagency agreements. In addition, Army subject matter experts were unsure if the remaining medical force would be sufficient to accomplish the Army’s enduring medical missions. As a result, there is increased risk that the Army will not be able to maintain visibility of the readiness of the medical Force. Also, the Army may experience challenges gaining the DHA resources necessary to aid in performing its enduring medical missions. The USAAA made four recommendations, including that the Assistant Secretary of the Army for Manpower and Reserve Affairs commission U.S. Army Manpower Analysis Agency to begin a manpower study to evaluate medical manpower requirements to validate that the Army manpower authorizations allocated to fulfill enduring medical missions are appropriate.

U.S. Army Criminal Investigation Division

The Army Criminal Investigation Division (CID) mission 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. The following summaries highlight significant investigative cases.

Contractors Violate the False Claims Act

Army CID's Rock Island Fraud Resident Agency initiated this joint investigation with DCIS after a Qui Tam that alleged DynCorp International (DynCorp) violated the False Claims Act. The complaint alleged that information technology support personnel hired for the Logistics Civil Augmentation Program (LOGCAP) IV contract were directed to work on projects and contracts unrelated to LOGCAP IV contracting efforts, and their labor was billed directly to the Government. During the execution of freight forwarding operations under the contract, both DynCorp and Damco, a subcontractor, passed on unallowable shipping, accessorial fees, and other indirect costs associated with oversize charges and air fuel surcharges to the Government. On May 31, 2022, DynCorp and Damco agreed to pay the Government \$17 million, of which \$16.4 million was allocated to the LOGCAP IV contract. Additionally, DynCorp and Damco are required to pay the Government \$600,000 for passing unallowable shipping and accessorial fees on to the Government during execution of the Army's Counter Narco-terrorism Technology Program Office contract and the Department of State's Civilian Police contract. Furthermore, DynCorp and Damco must pay an additional \$8.4 million for relator attorney's fees. The total settlement agreement between DynCorp, Damco, and the Government was \$25.4 million.

Soldier Convicted of Rape and Sexual Assault

Army CID initiated this investigation upon notification from the Sexual Assault Response Coordinator at Fort Bliss, Texas, that a male specialist was sexually assaulted in the barracks. Army CID agents interviewed the specialist, who stated that he met Private Second Class Bryam G. Nieves-Vele on social media and they began a friendship. The specialist stated that, while he was in Nieves-Vele's barracks room, Nieves-Vele committed sexual acts on the specialist without the specialist's consent. The specialist related that he repeatedly told Nieves-Vele "no" and attempted to physically resist, but was forcefully pinned to the bed by Nieves-Vele.

Army CID agents identified a witness who corroborated the specialist's allegations. Nieves-Vele requested an attorney and declined to be interviewed. Army CID used digital forensic equipment to extract evidence, including text messages, that corroborated the incident and geo-data that placed Nieves-Vele at the scene. A crime scene examination identified Nieves-Vele's DNA. On April 1, 2022, in a general court-martial at Fort Bliss Nieves-Vele was found guilty of rape and sexual assault, and was sentenced to confinement for 14 years, reduction in grade to E-1, forfeiture of all pay and allowances, and a dishonorable discharge. Nieves-Vele was also required to register as a sex offender.

Soldier Pleads Guilty to Distributing, Possessing, Receiving, or Viewing Child Pornography

Army CID's Major Cybercrime Unit initiated this investigation following notification from the National Center for Missing and Exploited Children Cyber Tipline that several files depicting child pornography were uploaded to a Google account connected to Specialist Mercedes Manning, who was stationed at Fort Bliss, Texas. Army CID agents executed a search warrant for Manning's residence and seized several items of digital media as evidence. Forensic examination of the digital media revealed child pornography. On April 7, 2022, in a general court-martial at Fort Bliss, Manning pled guilty to distributing, possessing, receiving, or viewing child pornography and was sentenced to 50 months' confinement, reduction in grade to E-1, forfeiture of all pay and allowances, and a dishonorable discharge. Manning was also required to register as a sex offender.

NAVY

Naval Audit Service

In support of Sailors, Marines, civilians, and families, the Naval Audit Service (NAVAUDSVC) mission is to provide Department of the 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, the 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. The NAVAUDSVC published 14 audits that address significant areas, such as DoD Electronic Mall (EMALL) and Federal Mall (FedMall) purchases, depot maintenance workload between

private and public sectors, small business subcontracting, and service commitments of Navy scholarship recipients. Of note, one report included \$45,200 in potential monetary benefits claimed during the period.

Report No. N2022-0016, “Electronic Mall and Federal Mall Purchases”

This audit determined that selected Navy commands received substituted products from purchases made through DoD EMALL and FedMall systems. Furthermore, the commands did not receive goods ordered at a fair market price. The NAVAUDSVC identified 47 transactions (valued at \$1.7 million) from eight Navy commands with substituted products. In addition, the NAVAUDSVC estimated that the commands paid approximately 135 percent more than fair market value for some items. The product substitution and excessive markups went undetected because transactions were not being reconciled with DoD EMALL or FedMall transaction data and the documentation necessary to perform the reconciliations was not being maintained. Furthermore, items were being bundled into one transaction and sold to commands as a kit or set without a clear distinction of what items were included. Without an effective reconciliation process, there is no assurance commands received what they ordered and that product substitution and excessive markups are not occurring. The NAVAUDSVC made 11 recommendations, including that the Deputy Assistant Secretary of the Navy for Procurement establish specific Department of the Navy policy for FedMall purchase transactions and coordinate with the Defense Logistics Agency to provide FedMall data.

Report No. N2022-0020, “Small Business Subcontracting at the Naval Supply Systems Command”

This audit determined that Naval Supply Systems Command did not effectively manage the Small Business Subcontracting Program and noted several deficiencies. For example, contracting officers did not always ensure prime contractors submitted individual subcontracting reports in the Electronic Subcontracting Reporting System, or that the individual subcontracting report submissions were timely or reviewed in a timely manner. In addition, when prime contractors did not meet small business subcontracting goals, the contracting officers did not determine why, nor document whether contractors made a good faith effort to meet subcontracting goals. Furthermore, contracting officials did not always ensure Contractor Performance Assessment Reporting System reports included a review of the prime contractor’s small

business performance as required. As a result, small businesses may not have received subcontracting opportunities. Additionally, Naval Supply Systems Command contracting officials are not fully informed about contractors’ past performance when making future business decisions, and Naval Supply Systems Command may have missed opportunities to identify potential instances of a failure of good faith compliance by contractors. The NAVAUDSVC made four recommendations, including that the Commander, Naval Supply Systems Command, in conjunction with Commander, Naval Supply Systems Command Office of Small Business Programs, develop and implement a contracting officer transition process, implement consistent and frequent training, and improve oversight for multiple aspects of the Small Business Subcontracting Program.

Report No. N2022-0021, “Allocation of Depot Maintenance Workload Between Public and Private Sectors at United States Marine Corps”

This audit determined that the Marine Corps FY 2021 Depot Maintenance Workload Distribution Report to the Office of the Chief of Naval Operations Fleet Readiness Division was accurate, based on the scope of the NAVAUDSVC review at Marine Corps Systems Command in Quantico, Virginia, and adequately supported by documentation, with minor discrepancies noted. The minor discrepancies found by the audit team were generally due to a lack of oversight, as well as the result of a system-generated error. When the report is accurate, the user can rely on it to ensure proper distribution of the public and private workload. Maintaining sufficient, appropriate documentation provides assurance that the Marine Corps complies with depot maintenance allocation requirements for the amounts the NAVAUDSVC reviewed. The NAVAUDSVC did not make recommendations in this report.

Report No. N2022-0023, “Management of Postgraduate Service Obligations”

This audit determined that the Navy did not effectively manage postgraduate service obligations. The NAVAUDSVC found that 8 of 62 Service members reviewed (13 percent) did not complete their service obligation, and the NAVAUDSVC was unable to verify recoupment was established. Three of the eight Service members owed approximately \$45,200, and the remaining five Service members still owed the Navy a total of 5.8 years of active duty service when they separated. The NAVAUDSVC made four recommendations, including that the Commander, Navy Personnel Command develop a standard

operating procedure and/or policy establishing roles and responsibilities for the entire graduate education program, and determine whether the program should be included in the Command's Integrated Risk Management program.

Report No. X2022-0001, "Agreed Upon Procedures Engagement of the Internal Controls Around Existence and Completeness of Navy Vessels (Ships and Submarines)"

This agreed-upon procedures attestation engagement, requested by the Deputy Assistant Secretary of the Navy for Financial Operations, confirmed processes were in place for acquiring, reconciling, and disposing of vessels in support of the Department of Navy Statement of Assurance. The NAVAUDSVC performed six procedures at Naval Sea Systems Command (NAVSEA) and confirmed that supporting documentation was reviewed and approved by a supervisor and recorded in the Navy Enterprise Resource Planning Accountable Property System of Record (ERP APSR) for seven newly acquired vessels. The NAVAUDSVC also confirmed that the ending trial balance matched the Navy ERP APSR. For six commands required to report, the NAVAUDSVC confirmed a senior-level executive approved the annual physical inventory by September 30, 2021, and NAVSEA completed a 100-percent inventory reconciliation prior to the end of the fiscal year. For 15 vessel dispositions, the NAVAUDSVC also confirmed 15 were removed from the Navy ERP APSR, 12 were removed within the same month as the legal date on the key supporting documents, 2 were removed in the month following the date on the key supporting documents, and 1 was removed 2 years following the date of the key supporting documents. In addition, for the three quarter-end trial balance in General Ledger Account (general equipment), the roll-forward/beginning balance for the testing period matched the prior-quarter ending balance, acquisitions were added to and dispositions were removed from the trial balance during the testing period, and the ending trial balance matched the Navy ERP APSR. The NAVAUDSVC did not make any recommendations in this report because this is an agreed-upon procedure.

Naval Criminal Investigative Service

The Naval Criminal Investigative Service (NCIS) is the civilian Federal law enforcement agency 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, to protect and preserve the superiority of the Navy and Marine Corps.

Contractor Violated the Civil False Claims Act

NCIS initiated this investigation after receiving information that, in February 2022, equipment vendor TriMark USA (TriMark) paid \$48.5 million to resolve admissions and allegations that TriMark subsidiaries improperly manipulated and obtained contracts set aside for a Service-Disabled Veteran-Owned Small Business (SDVOSB). During the investigation of the TriMark companies, NCIS received information that the defendants conspired with Hensel Phelps Construction Company to use a SDVOSB as a pass-through on a small business subcontract to renovate the Armed Forces Retirement Home in Washington, D.C., under a General Services Administration (GSA) contract valued at \$49,267,000. The information alleged that, as part of its arrangement with Hensel Phelps, TriMark established a second-tier subcontract agreement with Aldevra, a subcontractor, for the sole purpose of taking over Aldevra's subcontract and, in turn, 99 percent of the revenue under the subcontract. As a result, Hensel Phelps was able to claim credit for subcontracting the project to a small business, even though Aldevra provided no value and TriMark performed all substantive work under the subcontract. Of the \$1,078,504 subcontract for the project, TriMark billed the Government \$1,062,500, leaving Aldevra to collect only \$16,020. On May 6, 2022, Hensel Phelps agreed to pay the Government \$2,804,110 to resolve allegations that it improperly manipulated a Federal subcontract designated for a SDVOSB. NCIS investigated this matter jointly with the DCIS, GSA OIG, Air Force Office of Special Investigations, Army Major Procurement Fraud Unit, and Department of Homeland Security.

Marines Plead Guilty to Child Sexual Exploitation Offenses

NCIS initiated this investigation regarding Marine Corps Sergeant Michael D. Hamby for the sexual exploitation of a child. Federal search warrant results indicated that Hamby had been communicating with Marine Corps Reserve Sergeant Alexander E. Vazquez regarding sexual acts with a 3-year-old child. NCIS received the search warrant information and initiated an investigation. The search warrant returns indicated that Vazquez and Hamby discussed meeting in person at Hamby's on-base residence to engage in sexual acts with each other and the child. Furthermore, a review of messages between Vazquez and Hamby revealed that they met at Hamby's on-base residence on October 22, 2016. On June 6, 2018,

NCIS agents executed a Federal search warrant at Vazquez's off-base residence and seized multiple items of evidence suspected to contain child pornography. NCIS agents interviewed Vazquez, who admitted to engaging in sexual acts with the 3-year-old child, as well as viewing and downloading child pornography. On April 4, 2022, Hamby was convicted in Federal court of enticement, sentenced to 28 years and 3 months' confinement and 20 years' supervised release, and required to register as a sex offender. On April 5, 2022, Vazquez was convicted of the receipt of images of minors engaged in sexually explicit conduct and was sentenced to 20 years' confinement and 20 years' supervised release, and required to register as a sex offender.

Sailor Convicted of Premeditated Murder and Battery Upon a Spouse

NCIS initiated this investigation upon notification of the death of the spouse of Navy Lieutenant Craig R. Becker in Mons, Belgium. On October 8, 2015, Lieutenant Becker's spouse fell to her death from her seventh floor apartment. Although law enforcement initially deemed her death a suicide, investigative actions indicated homicide with Becker as the subject. The Belgian Federal Police had initial jurisdiction over the investigation, with NCIS and U.S. Army Criminal Investigation Division, Belgium providing assistance and command liaison. NCIS and Belgian Federal Police conducted witness interviews, which indicated that Becker had a history of being physically and verbally abusive toward his wife and that she feared for her safety. Background record checks revealed a prior investigation in which Becker had strangled his wife. A crime scene analysis demonstrated an accidental fall from the apartment was unlikely. Toxicology reports showed she had toxic levels of a controlled pain medication in her system prior to her death. On January 5, 2018, the U.S. Government assumed jurisdiction over the matter and Belgian Federal Police turned control of the investigation over to NCIS. On April 30, 2022, after several years of legal proceedings, including a review by the U.S. Court of Appeals for the Armed Forces, Becker was found guilty of premeditated murder and battery upon a spouse in a general court-martial at Navy Region Europe. Becker was sentenced to confinement for life, with the possibility of parole, and dismissal from the Navy.

AIR FORCE

Air Force Audit Agency

The Air Force Audit Agency (AFAA) 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 this reporting period, the AFAA published 43 enterprise-level audit reports that included 90 recommendations and \$186 million in audit-estimated potential monetary benefits to DAF senior officials. Furthermore, installation-level audit teams published 184 audit reports with 724 recommendations and an additional \$229,000 in audit-estimated potential monetary benefits to installation commanders.

Finally, as part of the DAF recommendation tracking closure efforts, the AFAA partnered with Air Force and Space Force professionals to facilitate the closure of seven Government Accountability Office recommendations and eight DoD OIG recommendations, enabling management to better implement corrective actions and eliminate negative conditions. The following summaries highlight significant AFAA Enterprise-level audit reports issued during the period.

Report No. F2022-0005-020000, "Dormitory Maintenance"

This audit determined that DAF officials did not complete dormitory emergency maintenance within a 24-hour timeframe for 30 percent of work orders reviewed, and completed only 90 percent of preventative maintenance tasks. In addition, officials retired 2,839 preventative maintenance tasks without justification, and failed to document and could not validate that dormitory inspections occurred at all locations reviewed. Timely dormitory maintenance and documenting inspections is vital to Airman and Guardian retention, readiness, and morale; reduces exposures to health and safety hazards; and helps to maintain dormitories in optimal condition. In addition, documented inspections ensure inspection programs remain active, commanders retain appropriate

awareness of Airman and Guardian living conditions, and potential issues affecting Airmen and Guardians are identified before becoming health, life, or safety concerns. This condition occurred due to conflicting or inadequate guidance and insufficient oversight. Management completed one corrective action during the audit. The AFAA made three recommendations, including that the Deputy Chief of Staff for Logistics, Engineering, and Force Protection to improve dormitory maintenance.

Report No. F2022-0007-040000, “Air National Guard Enlisted Initial Skills Training”

This audit determined that Air National Guard personnel did not properly manage the timely assignment and attendance of new enlisted members in basic military and technical training. For example, 16 percent (2,231) of the 14,113 newly enlisted members did not attend basic military training within 360 days of enlistment (averaging 422 days). In addition, 14 percent (2,004) of 14,113 members did not attend technical training within 45 days after basic military training, incurring a break in training ranging from 46 to 829 days (averaging 166 days). Minimizing breaks in training reduces travel costs and disruption to the member’s family life and civilian job, and improves retention and readiness levels. These conditions occurred due to inadequate processes and insufficient managerial oversight. DoD Instruction 1215.06, “Uniform Reserve, Training, and Retirement Categories for the Reserve Components,” March 11, 2014, states that all newly enlisted Service members (those who have not previously served) should attend basic military training within 360 days after enlistment, to the extent that it is practical. Because the Air National Guard lacked adequate processes to comply with the Instruction, it paid enlisted members more than \$1 million in salary between their 360th day of service and attendance at basic military training. Moreover, returning unneeded training allocations allows the DAF to maximize the use of 66 technical training instructors costing over \$6.3 million for FY 2021. Air National Guard personnel implemented two corrective actions during the audit, and the AFAA made six recommendations to the Air National Guard Readiness Center Commander to improve timeliness of enlisted initial skills training and use of technical training allocations.

Report No. F2022-0007-L40000, “Air Training Munitions”

This audit determined that DAF personnel did not properly manage air training munitions. Specifically, munitions personnel did not accurately record

35 percent (43 of 124) of sampled air training munition line items reviewed. Accurately recording aircrew training munitions expenditures helps DAF leaders make informed decisions to forecast, procure, allocate, and fund future munitions requirements. This condition occurred because of system interface issues, noncompliance with guidance, and insufficient oversight. DAF personnel implemented two corrective actions to record air training munitions expenditures. Therefore, the AFAA did not make any additional recommendations.

Report No. F2022-0010-L40000, “F-35 Spare Parts Disposal”

This audit determined that Air Force F-35 logistics personnel did not properly support parts transferred for demilitarization for 28 percent (27 of 97) of sampled spare parts, or provide support for proper disposal or demilitarization of parts issued to maintenance for 20 percent (24 of 119) of sampled spare parts reviewed. Proper F-35 spare part disposal management decreases the risk of compromising Air Force security and distribution of sensitive military items to parties outside of the DoD, including foreign vendors in countries where individuals may have interests adverse to those of the United States. This condition occurred because of noncompliance with guidance related to disposals, demilitarizations, and training, and went undetected due to inadequate oversight. Air Force Directorate of Logistics, Force Development personnel implemented three corrective actions to address the identified deficiencies. Therefore, the AFAA did not make any additional recommendations.

Report No. F2022-0004-L10000, “Independent Auditor’s Report on Applying Agreed Upon Procedures, Fiscal Year 2022 Assessable Unit Walkthrough, Test of Design and Test of Effectiveness”

The Deputy Assistant Secretary for Financial Operations requested this agreed-upon procedures engagement. The procedures included walkthroughs, test of design, and test of effectiveness of procedures as outlined in the business process cycle memorandums for 21 respective assessable units. The audit team performed 21 agreed upon procedures that offered insight to management for the end-to-end processes, design, and effectiveness of internal controls.

AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

The Air Force Office of Special Investigations (AFOSI) mission is to identify, exploit, and neutralize criminal, intelligence, and terrorist threats in multiple domains to the DAF, the DoD, and the Government. The following summaries highlight significant investigative cases.

Airman Convicted of Possession and Distribution of Child Exploitation Material

AFOSI initiated this investigation after receiving a cyber-tip that indicated an Internet protocol address associated with Senior Airman Kyle M. Kroetz at Joint Base Langley-Eustis, Virginia, received, possessed, and distributed Child Exploitation Material (CEM). AFOSI executed search warrants and seized 30 items of evidence. Digital forensic consultants conducted forensic extractions of electronic devices, which identified images consistent with CEM and associated messenger applications Kroetz used to distribute CEM to at least 67 users. Forensic examination also revealed 375 website links on his phone that were for current or disabled sites that contained CEM. Kroetz requested an attorney and declined to be interviewed. On April 4, 2022, in a general court-martial at Shaw Air Force Base, South Carolina, Kroetz was found guilty of three specifications of possession and distribution of CEM and was sentenced to 68 months' confinement, reduction in grade to E-1, and a dishonorable discharge. Kroetz was also required to register as a sex offender. AFOSI investigated this matter jointly with the Southern Virginia Internet Crimes Against Children Task Force.

Airman Convicted of Attempted Murder, Kidnapping, Rape, Aggravated Assault, and Production/Distribution of Child Pornography

AFOSI initiated this investigation after a witness reported through a cyber-tip line concerning text messages from Senior Airman Logan A. McLeod at Maxwell Air Force Base, Alabama. The AFOSI investigation revealed that McLeod planned to kidnap, rape, torture, and murder multiple individuals. McLeod was also in the planning stages of building an underground prison to hold child victims so he could rape and murder them without detection. During an undercover AFOSI and Homeland Security Investigations operation, McLeod paid a person posing as a human trafficker to buy a mother and her 14-year-old daughter as his "slaves." He also purchased items, including chains, padlocks, tape, superglue, and a straitjacket to torture and rape his victims at a residence he had rented for 10 days. McLeod planned to conclude

the almost 2-week experience by sexually abusing the mother and killing her while the 14-year-old child was tied to her. McLeod then planned to sexually abuse the child and record the entire event to sell the footage on the dark web. AFOSI and Homeland Security Investigations arrested McLeod when he drove to the rented residence with a duffle bag full of items he wanted to use in the commission of his crimes. Evidence collected during the investigation included store footage of McLeod making the purchases, data from seized digital devices, physical items in his possession, and recorded communications between McLeod, an undercover agent, and a confidential source. On August 22, 2022, in a general court-martial at Maxwell Air Force Base, Alabama, McLeod was found guilty of 17 specifications of attempted murder, rape, aggravated assault, and production and distribution of child pornography, and was sentenced to 140 years' confinement with the sentences running concurrently. McLeod was reduced in grade to E-1 and dishonorably discharged from the Air Force. McLeod was also required to register as a sex offender. AFOSI investigated this matter jointly with Homeland Security Investigations.

Civilian Pleads Guilty to Receiving Stolen Government Money

AFOSI initiated this investigation after receiving allegations that Anthony R. Jones filed fraudulent travel vouchers tied to Workers' Compensation Program (WCP) benefits under the Federal Employee Compensation Act (FECA). Jones initiated the vouchers in 2013 while employed at Tinker Air Force Base, Oklahoma. A review of WCP documentation revealed that Jones filed over 500 medical travel refund requests between January 1, 2015, and August 13, 2019, totaling \$82,004.57. A review of Jones' finances indicated he received \$63,641.69 of the initial claim amount. In August 2019, Jones participated in a voluntary interview with AFOSI and Department of Labor OIG agents, where he stated that he filed three WCP claims while employed at Tinker Air Force Base, and was awarded approximately \$10,000 in 2015. Jones denied submitting any travel requests and claimed the signatures on the requests were not his. Following the interview, documents reflecting his known signature were collected from his apartment's leasing office as well as the Department of Motor Vehicles in Oklahoma City, Oklahoma. The signatures appeared similar to signatures present on the WCP travel requests. Additionally, the purchases made used the same bank account that received the claims payments. On April 6, 2022, after pleading guilty to one count of receiving stolen Government money, Jones was sentenced to 6 months' confinement, 1 year of probation, and \$55,210.50 in restitution. AFOSI investigated this matter jointly with the Department of Labor OIG.



5. APPENDIXES



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 2022 Top DoD Management Challenges. For more information about these management challenges, visit <https://www.dodig.mil/Reports/Top-DoD-Management-Challenges/Article/2842057/top-dod-management-challenges-fiscal-year-2022/>.

DoD OIG

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

U.S. 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 2022 Top DoD Management Challenges	DoD OIG	Service Audit Agencies	Total
Maintaining the Advantage in Strategic Competition	11	7	18
Assuring Space Dominance, Nuclear Deterrence, and Missile Defense	2	1	3
Strengthening DoD Cyberspace Operations and Securing Systems, Networks, and Data	3	11	14
Reinforcing the Supply Chain While Reducing Reliance on Strategic Competitors	5	19	24
Increasing Agility in the DoD's Acquisition and Contract Management	6	10	16
Improving DoD Financial Management and Budgeting	21	30	51
Building Resiliency to Environmental Stresses	1	2	3
Protecting the Health and Wellness of Service Members and Their Families	6	10	16
Recruiting and Retaining a Modern Workforce	1	1	2
Preserving Trust and Confidence in the DoD	8	2	10
Other	0	7	7
Total	64	100	164

Maintaining the Advantage in Strategic Competition

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-082	Followup Evaluation of Report No. DODIG-2019-088, "Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait," June 11, 2019	4/8/2022
DoD OIG	DODIG-2022-093	Management Advisory: February 23, 2019 Kinetic Strike on Al-Shabaab in Somalia	5/6/2022
DoD OIG	DODIG-2022-109	Management Advisory: The DoD's Use of Civil Reserve Air Fleet in Support of Afghanistan Noncombatant Evacuation Operations	6/28/2022
DoD OIG	DODIG-2022-110	Audit of Training Ranges in the U.S. European Command	7/7/2022
DoD OIG	DODIG-2022-113	Evaluation of Efforts by the Office of the Under Secretary of Defense for Research and Engineering and Defense Advanced Research Projects Agency to Mitigate Foreign Influence	7/22/2022
DoD OIG	DODIG-2022-114	Special Report: Lessons Learned From the Audit of DoD Support for the Relocation of Afghan Nationals	8/5/2022
DoD OIG	DODIG-2022-117	Evaluation of the August 29, 2021, Strike in Kabul Afghanistan	8/15/2022

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-128	Audit of Department of Defense Stipends Provided to the Vetted Syrian Opposition From the Counter-Islamic State of Iraq and Syria Train and Equip Fund	9/13/2022
DoD OIG	DODIG-2022-132	Evaluation of Kinetic Targeting Processes in the U.S. Africa Command Area of Responsibility	9/19/2022
DoD OIG	DODIG-2022-136	Evaluation of the U.S. Special Operations Command Armed Overwatch Program	9/22/2022
DoD OIG	DODIG-2022-142	Special Report: Lessons Learned From Security Cooperation Activities in Afghanistan, Iraq, and Africa	9/29/2022
USAAA	A-2022-0051-AXZ	Common Authorized Stockage Lists	5/13/2022
USAAA	A-2022-0056-FIZ	Completion of Initial Military Training, U.S. Army Reserve	6/29/2022
USAAA	A-2022-0061-AXZ	Next Generation Squad Weapons	6/9/2022
USAAA	A-2022-0071-AXZ	Army Prepositioned Stocks-2, Contractor Maintenance	7/28/2022
AFAA	F-2022-0003-O30000	Deployable Air Traffic Control and Landing Systems	6/3/2022
AFAA	F-2022-0005-O30000	Relevant and Realistic Threat Emitters for Training Ranges	7/20/2022
AFAA	F-2022-0007-O30000	Air Forces Central Integrated Defense Program	8/23/2022

Assuring Space Dominance, Nuclear Deterrence, and Missile Defense

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-096	Evaluation of the Air Force Selection Process for the Permanent Location of the U.S. Space Command Headquarters	5/11/2022
DoD OIG	DODIG-2022-135	Evaluation of High-Altitude Electromagnetic Pulse Life Cycle Testing and Facility Infrastructure	9/20/2022
AFAA	F-2022-0008-O20000	Facility Nuclear Certification	9/26/2022

Strengthening DoD Cyberspace Operations and Securing Systems, Networks, and Data

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-092	Management Advisory on DoD's Compliance With the Cybersecurity Information Sharing Act of 2015	5/10/2022
DoD OIG	DODIG-2022-107	Audit of the Development and Maintenance of Department of Defense Security Classification Guides	6/21/2022
DoD OIG	DODIG-2022-125	Audit of the Department of Defense Components' Response to the SolarWinds Orion Compromise	9/1/2022
USAAA	A-2022-0042-AXZ	Army Data Center Optimization	4/14/2022
USAAA	A-2022-0065-BOZ	Global Combat Support System-Army--Related Divestitures of Legacy Systems	7/6/2022
USAAA	A-2022-0066-FIZ	Safeguarding Personnel Information Within the Commander's Risk Reduction Toolkit	7/28/2022
USAAA	A-2022-0076-IIZ	Cyber Spend – The Budget	8/10/2022
USAAA	A-2022-0079-AXZ	Command Cyber Readiness Inspections	8/22/2022
USAAA	A-2022-0081-IIZ	Cybersecurity in the Defense Industrial Base	9/20/2022

Agency	Report Number	Report Title	Date
NAVAUDSVC	N2022-0025	United States Navy TEMPEST Program	9/16/2022
AFAA	F-2022-0009-O10000	Ports, Protocols, and Services	5/11/2022
AFAA	F-2022-0011-O10000	Integrated Base Defense Security System Risk Management Framework	6/2/2022
AFAA	F-2022-0012-O10000	Cybersecurity of Automatic Test Systems and Equipment	9/7/2022
AFAA	F-2022-0009-O30000	Air Operations Center Data Access and Continuity of Operations	9/30/2022

Reinforcing the Supply Chain While Reducing Reliance on Strategic Competitors

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-084	Evaluation of the Department of Defense's Transition From a Trusted Foundry Model to a Quantifiable Assurance Method for Procuring Custom Microelectronics	5/2/2022
DoD OIG	DODIG-2022-086	Evaluation of the Defense Logistics Agency Lifetime Buys of Parts Used in Intelligence, Surveillance, and Reconnaissance Systems	4/19/2022
DoD OIG	DODIG-2022-088	Evaluation of the DoD's Actions to Develop Interoperable Systems and Tools for Forecasting Logistics Demand Across the Joint Logistics Enterprise	4/28/2022
DoD OIG	DODIG-2022-103	Audit of the Department of Defense's Implementation of Predictive Maintenance Strategies to Support Weapon System Sustainment	6/13/2022
DoD OIG	DODIG-2022-105	Audit of the Reuse of Defense Logistics Agency Disposition Services Excess Property	6/15/2022
USAAA	A-2022-0053-AXZ	Army Working Capital Fund Backorders at the National Level	5/13/2022
USAAA	A-2022-0057-AXZ	On Order Excess for Secondary Items, U.S. Army Materiel Command	8/29/2022
NAVAUDSVC	N2022-0017	Allocation of Depot Maintenance Workload Between Public and Private Sectors at Naval Sea Systems Command	5/19/2022
NAVAUDSVC	N2022-0018	Allocation of Depot Maintenance Workload Between Public and Private Sectors at U.S. Pacific Fleet	6/6/2022
NAVAUDSVC	N2022-0019	Allocation of Depot Maintenance Workload Between Public and Private Sectors at Naval Supply Systems Command	6/23/2022
NAVAUDSVC	N2022-0021	Allocation of Depot Maintenance Workload Between Public and Private Sectors at United States Marine Corps	7/8/2022
NAVAUDSVC	N2022-0026	Allocation of Depot Maintenance Workload Between Public and Private Sectors within the Department of the Navy – Summary Report	9/21/2022
AFAA	F-2022-0007-L20000	User-Calibrated Test Equipment	4/7/2022
AFAA	F-2022-0006-L40000	Air Force Military Travel Authorization and Cargo Transactions	5/2/2022
AFAA	F-2022-0007-L40000	Air Training Munitions	5/12/2022
AFAA	F-2022-0008-L40000	Area of Responsibility Pallets and Nets	5/23/2022
AFAA	F-2022-0007-O20000	Air Force Facility Energy Reporting	6/28/2022
AFAA	F-2022-0004-A00900	Security Incident Reporting	7/6/2022
AFAA	F-2022-0009-L40000	Follow-up, F-35 Spare Parts Management	7/12/2022
AFAA	F-2022-0010-L40000	F-35 Spare Parts Disposal	8/1/2022
AFAA	F-2022-0011-L40000	Retention Authority Allowance Equipment	8/17/2022
AFAA	F-2022-0012-L40000	Spares Requirement Review Board Adjustments	9/15/2022
AFAA	F-2022-0009-L20000	Execution and Prioritization of Repair Support System (EXPRESS) Inductions	9/28/2022
AFAA	F-2022-0008-O30000	Ready Spacecrew Advanced Training	9/29/2022

Increasing Agility in the DoD's Acquisition and Contract Management

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-085	Audit of the Army's Integrated Visual Augmentation System	4/20/2022
DoD OIG	DODIG-2022-094	Management Advisory: Tracking of Follow-on Production Other Transaction Agreements and Tracking and Awarding of Experimental Purpose Other Transactions	5/11/2022
DoD OIG	DODIG-2022-104	Audit of Sole-Source Depot Maintenance Contracts	7/21/2022
DoD OIG	DODIG-2022-106	Audit of U.S. Army Base Operations and Security Support Services Contract Government-Furnished Property in Kuwait	6/22/2022
DoD OIG	DODIG-2022-127	Audit of DoD Other Transactions and the Use of Nontraditional Contractors and Resource Sharing	9/8/2022
DoD OIG	DODIG-2022-137	Audit of the Military Services' Award of Cost-Reimbursement Contracts	9/26/2022
USAAA	A-2022-0043-BOZ	Category Management-Cost Savings and Initiatives	4/11/2022
USAAA	A-2022-0046-AXZ	Contracting for Secondary Items, U.S. Army Tank-automotive and Armaments Command	4/28/2022
USAAA	A-2022-0058-BOZ	Accountability of Acquisition and Cross-Servicing Agreements	8/11/2022
USAAA	A-2022-0067-AXZ	Long-Range Hypersonic Weapon Funding Requirements Process	7/19/2022
USAAA	A-2022-0069-BOZ	Quick Reaction Memorandum for the Audit of Other Transactions Authority-Consortium Management Fees	7/12/2022
USAAA	A-2022-0074-BOZ	Use of the Logistics Civil Augmentation Program in CONUS Operations	8/11/2022
USAAA	A-2022-0077-BOZ	Contracts for the Expedited Professional and Engineering Support Services Program, U.S. Army Contracting Command	8/24/2022
NAVAUDSVC	N2022-0016	Department of Defense Electronic Mall and Federal Mall Purchases	4/21/2022
NAVAUDSVC	N2022-0020	Small Business Subcontracting at the Naval Supply Systems Command	7/6/2022
AFAA	F-2022-0006-L30000	Adversary Air Training Contract Management	7/18/2022

Improving DoD Financial Management and Budgeting

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-087	Quality Control Review of the Deloitte & Touche LLP FY 2020 Single Audit of Battelle Memorial Institute and Subsidiaries	4/22/2022
DoD OIG	DODIG-2022-091	Audit of U.S. Indo-Pacific Command's Execution of Coronavirus Aid, Relief, and Economic Security Act Funding	5/5/2022
DoD OIG	DODIG-2022-098	Audit of North American Aerospace Defense Command and U.S. Northern Command Use of Coronavirus Aid, Relief, and Economic Security Act Funding	5/17/2022
DoD OIG	DODIG-2022-101	External Peer Review of the Defense Commissary Agency Internal Review Office	6/2/2022
DoD OIG	DODIG-2022-102	DoD Cooperative Agreements With Coronavirus Aid, Relief, and Economic Security Act Obligations	6/8/2022
DoD OIG	DODIG-2022-108	Audit of the Department of Defense's FY 2021 Compliance With Payment Integrity Information Act Requirements	6/28/2022
DoD OIG	DODIG-2022-112	Management Advisory: The DoD's Use of Ukraine Supplemental Appropriations Act, 2022 Funds	7/8/2022
DoD OIG	DODIG-2022-116	Transmittal of the Independent Auditor's Report on the SSAE 18 Examination of the Defense Enterprise Accounting and Management System as of June 30, 2022	8/12/2022
DoD OIG	DODIG-2022-118	Transmittal of the Independent Auditor's Report on the SSAE 18 Examination of the Defense Automatic Addressing System for the Period October 1, 2021, Through June 30, 2022	8/12/2022
DoD OIG	DODIG-2022-119	Transmittal of the Independent Auditor's Report on the SSAE 18 Examination of the Wide Area Workflow Module for the Period October 1, 2021, Through June 30, 2022	8/12/2022

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-120	Transmittal of the Independent Auditor's Report on the SSAE 18 Examination of the Defense Agencies Initiative System for the Period October 1, 2021, Through June 30, 2022	8/12/2022
DoD OIG	DODIG-2022-121	Transmittal of the Independent Auditor's Report on the SSAE 18 Examination of the Defense Property Accountability System for the Period October 1, 2021, Through June 30, 2022	8/12/2022
DoD OIG	DODIG-2022-122	Audit of TRICARE Ambulance Transportation Reimbursements	8/17/2022
DoD OIG	DODIG-2022-123	Quality Control Review of the Clark Nuber P.S. FY 2020 Single Audit of The Geneva Foundation	9/1/2022
DoD OIG	DODIG-2022-124	External Peer Review of the United States Special Operations Command, Office of Inspector General, Audit Branch	9/1/2022
DoD OIG	DODIG-2022-126	Audit of the Department of the Navy's Controls Over the Federal Employees' Compensation Act Program	9/7/2022
DoD OIG	DODIG-2022-129	Transmittal of the Independent Auditor's Report on the SSAE 18 Examination of the Government-Furnished Property System for the Period February 1, 2022 through July 31, 2022	9/12/2022
DoD OIG	DODIG-2022-130	Transmittal of the Independent Auditor's Report on the Army's System Supporting the Delivery of General Fund Enterprise Business System Administrative, Operational, Contract Vendor Pay, and Civilian Pay Transaction Processing Support Services as of July 31, 2022	9/15/2022
DoD OIG	DODIG-2022-133	Management Advisory: The DoD's Use of Additional Ukraine Supplemental Appropriations Act, 2022 Funds	9/19/2022
DoD OIG	DODIG-2022-138	Audit of U.S. Southern Command's Execution of Coronavirus Aid, Relief, and Economic Security Act Funding	9/27/2022
DoD OIG	DODIG-2022-140	Independent Auditor's Report on the Agreed-Upon Procedures for Reviewing the FY 2022 Civilian Payroll Withholding Data and Enrollment Information	9/27/2022
USAAA	A-2022-0044-AXZ	Modernization and Use of Army Ammunition Facilities, Lake City Ammunition Plant	4/19/2022
USAAA	A-2022-0047-BOZ	Living Quarters Allowance Payments—Korea	4/26/2022
USAAA	A-2022-0048-BOZ	Miscellaneous Pay Transactions, U.S. Army Reserve	5/10/2022
USAAA	A-2022-0049-BOZ	Audit of Management of Corrective Actions for G-4 Repeat NFRs, GI-2020-10 and AMMOSOC-2020-09	5/6/2022
USAAA	A-2022-0054-BOZ	Independent Auditor's Report on the Examination of the Government Purchase Card Program—Lodging in Kind and Subsistence in Kind	6/2/2022
USAAA	A-2022-0055-BOZ	Mass Transportation Benefit Program	6/1/2022
USAAA	A-2022-0060-BOZ	Army Recruiter Performance Pay Pilot	8/9/2022
USAAA	A-2022-0062-AXZ	Audit of Procurement Requirements for Furnishings Program in Europe	6/9/2022
USAAA	A-2022-0064-BOZ	Management of Corrective Actions for Deputy Chief of Staff, G-4 Repeat Notices of Findings and Recommendations	7/12/2022
USAAA	A-2022-0070-AXZ	Financial Management Practices Program Executive Office Enterprise Information Systems	7/25/2022
USAAA	A-2022-0073-BOZ	Audit of Management of Corrective Actions for G-4 Repeat Notice of Findings and Recommendations GG-2019-09	9/6/2022
USAAA	A-2022-0078-BOZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of FY 22 Munitions Continuous Monitoring	8/24/2022
USAAA	A-2022-0080-AXZ	Reimbursable Services—U.S. Army Installation Management Command Directorate-Europe	9/2/2022
USAAA	A-2022-0084-AXZ	Depot-Level Maintenance Workload Reporting—FY 21	9/28/2022
NAVAUDSVC	X2022-0001	Agreed Upon Procedures Engagement of the Internal Controls Around Existence and Completeness of Navy Vessels (Ships and Submarines)	8/17/2022
NAVAUDSVC	N2022-0024	Naval Facilities Engineering Command Atlantic Validation and Approval of Property Management Incentive Fees	9/13/2022
AFAA	F-2022-0001-L10000	Overseas Housing Allowance (OHA) Entitlements	4/8/2022
AFAA	F-2022-0002-L10000	Agreed-Upon Procedures, Air Force Working Capital Fund Supply Expense	4/28/2022

Agency	Report Number	Report Title	Date
AFAA	F-2022-0006-O20000	Agreed-Upon Procedures, Operational Energy Savings Account	5/6/2022
AFAA	F-2022-0010-O10000	Agreed-Upon Procedures, Security Assistance Management Information System Controls	5/11/2022
AFAA	F-2022-0003-L10000	Agreed-Upon Procedures, Air Force Working Capital Fund – Supply Revenue, Test of Design and Test of Effectiveness	7/15/2022
AFAA	F-2022-0006-O30000	Intelligence, Surveillance and Reconnaissance Innovation Fund Follow-Up	8/11/2022
AFAA	F-2022-0004-L10000	Agreed-Upon Procedures, Fiscal Year 2022 Assessable Unit Walkthrough, Test of Design, and Test of Effectiveness	8/12/2022
AFAA	F-2022-0008-L20000	F-35 Cooperative Training Material Weakness Validation	8/17/2022
AFAA	F-2022-0005-L10000	Agreed-Upon Procedures, Fiscal Year 2022 Assessable Unit Substantive Procedures-General Equipment	9/26/2022
AFAA	F-2022-0009-O20000	Real Property Outgrants	9/26/2022
AFAA	F-2022-0008-L30000	Base Maintenance Contract Labor	9/27/2022
AFAA	F-2022-0005-A00900	Agreed-Upon Procedures, Program #1 Existence and Completeness of Assets	9/29/2022
AFAA	F-2022-0006-A00900	Agreed-Upon Procedures, Program #2 Existence and Completeness of Assets	9/29/2022
AFAA	F-2022-0007-A00900	Agreed-Upon Procedures, Program #3 Existence and Completeness of Assets	9/29/2022

Building Resiliency to Environmental Stresses

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-083	Evaluation of the Department of Defense's Efforts to Address the Climate Resilience of U.S. Military Installations in the Arctic and Sub-Arctic	4/13/2022
USAAA	A-2022-0063-BOZ	Planning for Environmental Impacts to U.S. Army Garrison Kwajalein Atoll	7/6/2022
AFAA	F-2022-0007-O40000	Air National Guard Initial Enlisted Training	7/18/2022

Protecting the Health and Wellness of Service Members and Their Families

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-078	Audit of Medical Conditions of Residents in Privatized Military Housing	4/1/2022
DoD OIG	DODIG-2022-081	Evaluation of Department of Defense Military Medical Treatment Facility Challenges During the Coronavirus Disease-2019 (COVID-19) Pandemic in Fiscal Year 2021	4/5/2022
DoD OIG	DODIG-2022-089	Joint Audit of the Department of Defense and the Department of Veterans Affairs Efforts to Achieve Electronic Health Record System Interoperability	5/3/2022
DoD OIG	DODIG-2022-090	Management Advisory: DoD Health Care Provider Concerns Regarding the Access to Complete and Accurate Electronic Health Records	5/5/2022
DoD OIG	DODIG-2022-139	Evaluation of the Department of Defense's Reform of Privatized Military Family Housing Oversight Related to Health, Safety, and Environmental Hazards	9/29/2022
DoD OIG	DODIG-2022-141	Audit of the DoD Component Insider Threat Reporting to the DoD Insider Threat Management and Analysis Center	9/28/2022
USAAA	A-2022-0045-FIZ	Capital Improvements for Privatized Housing, U.S. Army Garrison Fort Detrick and Walter Reed Army Medical Center	4/14/2022
USAAA	A-2022-0072-BOZ	Army Physical Security Program, Hawaii	8/3/2022
USAAA	A-2022-0075-FIZ	Army Drinking Water Inspection Program	8/17/2022
USAAA	A-2022-0083-FIZ	Army Medical Reform	9/26/2022
NAVAUDSVC	N2022-0022	Physical Security and Anti-Terrorism Review of Bancroft Hall	7/14/2022
AFAA	F-2022-0006-O40000	Weather and Safety Leave	4/4/2022
AFAA	F-2022-0005-O20000	Dormitory Maintenance	4/18/2022

Agency	Report Number	Report Title	Date
AFAA	F-2022-0004-O30000	Air Force Innovation Programs	6/2/2022
AFAA	F-2022-0009-O40000	Aviation Bonus Program	8/23/2022
AFAA	F-2022-0010-O40000	Medical Continuation Program	9/26/2022

Recruiting and Retaining a Modern Workforce

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-134	Management Advisory: Audit of the Navy's Accelerated Promotion Programs	9/21/2022
USAAA	A-2022-0050-FIZ	Summary Report - Timeliness of Individual Soldier Orders in the Reserve Component	5/3/2022

Preserving Trust and Confidence in the DoD

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2022-095	Evaluation of Department of Defense Efforts to Address Ideological Extremism Within the Armed Forces	5/10/2022
DoD OIG	DODIG-2022-097	Colonel Yevgeny S. Vindman, U.S. Army Whistleblower Reprisal Investigation	5/18/2022
DoD OIG	DODIG-2022-099	Management Advisory: The Military Health System Data Repository Contained Noncompliant Race Coding Values and Categories	5/24/2022
DoD OIG	DODIG-2022-100	Report of Investigation: Mr. James M. Branham Former Chief Operating Officer Armed Forces Retirement Home	6/8/2022
DoD OIG	DODIG-2022-111	Program Executive Office Defense Counterintelligence and Security Agency Forte Meade, Maryland Whistleblower Reprisal Investigation	7/13/2022
DoD OIG	DODIG-2022-115	Evaluation of DoD Law Enforcement Organizations' Response to Active Shooter Incidents	8/10/2022
DoD OIG	DODIG-2022-131	Audit of the DoD Certification Process for Coronavirus Aid, Relief, and Economic Security Act Section 4003 Loans Provided to Businesses Designated as Critical to Maintaining National Security	9/20/2022
DoD OIG	DODIG-2022-144	Evaluation of the DoD's Implementation of the Military Leadership Diversity Commission's 2011 Report Recommendations and the DoD Diversity and Inclusion Strategic Plan for 2012 to 2017	9/30/2022
AFAA	F-2022-0007-L30000	Agreed-Upon Procedures, Marketing and Recruiting Programs	7/26/2022
AFAA	F-2022-0008-O40000	Foreign Government Employment	8/15/2022

Other

Agency	Report Number	Report Title	Date
USAAA	A-2022-0052-BOZ	Nonaudit Service, Fort Bragg, Larceny Research	5/4/2022
USAAA	A-2022-0059-FIZ	Audit of the U.S. Army Corps of Engineers' Disaster Response for Hurricane Ida—Unwatering Mission	6/13/2022
USAAA	A-2022-0068-FIZ	Audit of the U.S. Army Corps of Engineers' Disaster Response to Hurricane Ida—Temporary Roofing Mission	8/11/2022
USAAA	A-2022-0082-BOZ	Independent Auditor's Report on the Agreed-Upon Procedure Attestation of Potentially Improper Travel Payments, Fort Belvoir	9/16/2022
NAVAUDSVC	N2022-0023	Management of Postgraduate Service Obligations	7/22/2022
NAVAUDSVC	AG2022-0001	Naval Audit Service Input for the Department of the Navy Fiscal Year 2022 Statement of Assurance	8/10/2022
NAVAUDSVC	N2022-0027	Followup Audit on Sensitive Support Activities and Actions at Integration Support Directorate	9/22/2022

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

Reports Issued	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
DODIG-2022-098, Audit of North American Aerospace Defense Command and U.S. Northern Command Use of Coronavirus Aid, Relief, and Economic Security Act Funding	5/17/2022	\$26,630,773	\$7,426,902	\$0
DODIG-2022-105, Audit of the Reuse of Defense Logistics Agency Disposition Services Excess Property	6/15/2022	\$0	\$0	\$5,166,058
DODIG-2022-104, Audit of Sole-Source Depot Maintenance Contracts	7/21/2022	\$919,613	\$0	\$0
DODIG-2022-122, Audit of TRICARE Ambulance Transportation Reimbursements	8/17/2022	\$118,850,000	\$0	\$0
DODIG-2022-126, Audit of the Department of the Navy's Controls Over the Federal Employee's Compensation Act Program	9/1/2022	\$325,070	\$325,070	\$0
DODIG-2022-127, Audit of DoD Other Transactions and the Use of Nontraditional Contractors and Resource Sharing	9/8/2022	\$800,000	\$800,000	\$0
DODIG-2022-128 Audit of Department of Defense Stipends Provided to the Vetted Syrian Opposition From the Counter Islamic State of Iraq and Syria Train and Equip Fund	9/13/2022	\$75,057,900	\$75,057,900	\$0
DODIG-2022-138 Audit of U.S. Southern Command's Execution of Coronavirus Aid, Relief, and Economic Security Act Funding	9/27/2022	\$3,205,711	\$0	\$0
Total*		\$225,789,067	\$83,609,872	\$5,166,058

* Does not include amounts related to a CUI report.

STATUS OF DOD OIG AND SERVICE AUDIT REPORTS AS OF SEPTEMBER 30, 2022

Status of DoD OIG and Service audit 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
DoD OIG		
Number of Reports Open as of April 1, 2022	298	\$6,105,495,278
Number of Reports Issued During April 1 – September 30, 2022	61	\$230,955,125 ¹
Number of Reports Closed During April 1 – September 30, 2022	51	\$610,391,492 ²
Number of Reports Open as of September 30, 2022	308 ³	\$6,224,058,911
Service Audit Agencies⁴		
Number of Reports Open as of April 1, 2022	330 ⁵	\$4,518,053,711 ⁵
Number of Reports Issued During April 1 – September 30, 2022	96	\$507,227,787
Number of Reports Closed During April 1 – September 30, 2022	69	\$20,581,197
Number of Reports Open as of September 30, 2022	357	\$4,571,102,297

1. The DoD OIG issued audit and evaluation reports during the reporting period with estimated monetary benefits of \$225.8 million in questioned costs (includes \$83.6 million in unsupported costs) and \$5.2 million in funds that could be put to better use.
2. Final management action was taken on eight reports with estimated monetary benefits of \$605.2 million in questioned costs (includes \$602 million in unsupported costs) and \$5.2 million in funds that could be put to better use. Management recovered \$1.3 million of the identified \$605.2 million in questioned costs.
3. Of the 308 open reports, there were 30 reports with estimated monetary benefits of \$6.2 billion. Total monetary benefits recovered cannot be determined until the recommended actions are completed.
4. Amounts calculated by the U.S. Army Audit Agency, Air Force Audit Agency, and Naval Audit Service.
5. Incorporates retroactive adjustments.

STATUS OF DOD MANAGEMENT DECISIONS ON DOD OIG REPORTS WITH QUESTIONED COSTS AS OF SEPTEMBER 30, 2022

Status of DoD management decisions on DoD OIG-issued audit and evaluation reports with questioned costs.

Status	Number of Reports	Questioned Costs	Unsupported Costs ¹
No management decision had been made by the beginning of the reporting period	0	\$0	\$0
Issued during the reporting period	7 ²	\$225,789,067	\$83,609,872
Subtotals	7	\$225,789,067	\$83,609,872
Management decision was made during the reporting period ³	7	\$225,789,067	\$83,609,872
(i) Dollar value of disallowed costs	0	\$0	\$0
(ii) Dollar value of costs not disallowed	0	\$0	\$0
No management decision had been made by the end of the reporting period	0	\$0	\$0

1. Unsupported costs is a subcategory of questioned costs.
2. The DoD OIG issued seven audit and evaluation reports (Report Nos. DODIG-2022-098, DODIG-2022-104, DODIG-2022-122, DODIG-2022-126, DODIG-2022-127, DODIG-2022-128, and DODIG-2022-138) during the reporting period that identified \$225.8 million in questioned costs (includes \$83.6 million in unsupported costs).
3. Total value of disallowed costs and costs not disallowed cannot be determined until the recommended management actions are completed.

Questioned Cost: A cost that is questioned by the DoD OIG because of (1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (2) a finding that, at the time of the review, such cost is not supported by adequate documentation; or (3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Unsupported Cost: A cost that is questioned by the DoD OIG because it found that, at the time of the review, the cost was not supported by adequate documentation.

Disallowed Cost: A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.

Management Decision: The evaluation by the management of an establishment of the findings and recommendations included in an audit or evaluation report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.

STATUS OF DOD MANAGEMENT DECISIONS ON DOD OIG REPORTS WITH FUNDS TO BE PUT TO BETTER USE AS OF SEPTEMBER 30, 2022

Status of DoD management decisions on DoD OIG-issued audit and evaluation reports with funds to be put to better use.

Status	Number	Funds to be Put to Better Use
No management decision had been made by the beginning of the reporting period	1 ¹	\$620,162
Issued during the reporting period	1 ²	\$5,166,058
Subtotals	2	\$5,786,220
Management decision was made during the reporting period		
(i) Dollar value of recommendations that were agreed to by management	1	\$620,162
(ii) Dollar value of recommendations that were not agreed to by management	1	\$5,166,058
No management decision had been made by the end of the reporting period	0	\$0

1. Report No. DODIG-2022-047 identified \$620,162 in funds that could be put to better use.
2. Report No. DODIG-2022-105 identified \$5.2 million in funds that could be put to better use.

Funds to Be Put to Better Use: Funds that could be used more efficiently if management of an entity took actions to start and complete the recommendation, including (1) reductions in outlays; (2) deobligation of funds from programs or operations; (3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (4) costs not incurred by implementing recommended improvements related to the operations of the entity, a contractor, or grantee; (5) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (6) any other savings that specifically are identified.

STATUS OF DOD MANAGEMENT ACTIONS ON DOD OIG REPORTS WITH QUESTIONED COSTS AS OF SEPTEMBER 30, 2022

Status of DoD management actions on DoD OIG-issued audit and evaluation reports and total dollar value of recommendations with questioned costs.

Status	Number of Reports	Questioned Costs
A management decision was made by the beginning of the reporting period, but final action had not been taken	15	\$4,211,369,745
A management decision was made during the reporting period	7	\$225,789,067
No management decision was made during the reporting period	0	\$0
Subtotals	22	\$4,437,158,812
Final action was taken during the reporting period	5 ¹	\$605,225,434
(i) Dollar value of disallowed costs that were recovered by management		\$0
(ii) Dollar value of disallowed costs that were written off by management		\$0
No final action had been taken by the end of the reporting period	18 ²	\$4,329,933,378

1. Final action was taken on Report Nos. DODIG-2022-096, DODIG-2022-126, DODIG-2022-127, DODIG-2022-128, and DODIG-2022-138.
2. For 18 of these audit and evaluation reports, management agreed to take the recommended actions, but the total monetary benefits recovered cannot be determined until those recommended actions are completed.

Final Action: The completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit or evaluation report. In the event that the management of an establishment concludes no action is necessary, final action occurs when a management decision has been made.

STATUS OF DOD MANAGEMENT ACTIONS ON DOD OIG REPORTS WITH FUNDS TO BE PUT TO BETTER USE AS OF SEPTEMBER 30, 2022

Status of DoD management actions on DoD OIG-issued audit and evaluation reports and total dollar value of recommendations with funds to be put to better use.

Status	Number of Reports	Funds to be Put to Better Use
A management decision was made by the beginning of the reporting period, but final action had not been taken	11	\$1,893,505,371
A management decision was made during the reporting period	2	\$5,786,220
No management decision was made during the reporting period	0	\$0
Subtotals	13	\$1,899,291,591
Final action was taken during the reporting period	1 ¹	
(i) Dollar value of recommendations that were actually completed		\$0
(ii) Dollar value of recommendations that management concluded should not or could not be implemented or completed		\$5,166,058 ²
No final action had been taken by the end of the reporting period	12 ³	\$1,894,125,533

1. Final action was taken on DODIG-2022-105.
2. For Report No. DODIG-2022-105, management wasted up to \$5.2 million by purchasing items instead of reusing serviceable excess property from Defense Logistic Agency Disposition Services.
3. For 12 of these audit and evaluation reports, management agreed to take the recommended actions, but the total monetary benefits recovered cannot be determined until those recommended actions are completed.

CONTRACT AUDIT REPORTS ISSUED¹

Type of Audit ²	Reports Issued	Dollars Examined (in millions)	Questioned Costs ³ (in millions)	Funds Put to Better Use (in millions)
Incurred Costs, Operations Audits, Special Audits	902	\$151,593.1	\$1,031.6	— ⁴
Forward Pricing Proposals	337	\$32,640.6	—	\$2,764.8 ⁵
Cost Accounting Standards	302	\$76.7	\$2.5	—
Defective Pricing	13	(Note 6)	\$58.7	—
Totals	1,554	\$184,310.4	\$1,092.8	\$2,764.8

1. This schedule represents Defense Contract Audit Agency (DCAA) contract audit reports issued during the 6 months ended September 30, 2022. 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. We received the data in the schedule from DCAA. 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, 2022, was 4,889. Some completed assignments do not result in a report 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 generally accepted government auditing standards, so the number of audit reports issued is less than the total number of assignments completed.
2. This schedule represents audits performed by DCAA summarized into four principal categories, which are defined as:
 - Incurred Costs – Audits of direct and indirect costs charged to Government contracts to determine that the costs are reasonable, allocable, and allowable as prescribed by the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, 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 CAS 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).
3. Questioned costs represent costs that DCAA has questioned because they do not comply with rules, regulations, laws, and/or contractual terms.
4. 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.
5. Represents potential cost reductions that may be realized during contract negotiations.
6. 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 ACTION ON POST-AWARD CONTRACT AUDITS¹

Type of Audit	Number of Reports	Costs Questioned ⁷ (\$ in millions)	Costs Sustained ⁸ (\$ in millions)
Open Reports:			
Within Guidelines ²	143	\$557.8	N/A ⁹
Overage, greater than 6 months ³	675	\$5,922.5	N/A
Overage, greater than 12 months ⁴	485	\$4,483.9	N/A
Under Criminal Investigation ⁵	59	\$248.8	N/A
In Litigation ⁶	214	\$1,371.9	N/A
Total Open Reports	1,576	\$12,584.9	N/A
Dispositioned (Closed) Reports	289	\$1,548.3	\$516.6 (33.4%) ¹⁰
All Reports	1,865	\$14,133.2	N/A

1. We are reporting on the status of significant post-award contract audits in accordance with DoD Instruction 7640.02, "Policy for Follow-up on Contract Audit Reports," April 15, 2015. The data in the table represents the status of Defense Contract Audit Agency post-award reports, including reports on incurred costs, defective pricing, equitable adjustments, accounting and related internal control systems, and Cost Accounting Standard noncompliances. The DoD Components provided the data. We have not verified the accuracy of the provided data.
2. Contracting officers assigned to take action on these reports met the resolution and disposition time frames established by Office of Management and Budget (OMB) Circular A-50, "Audit Follow-up," and DoD Instruction 7640.02. OMB Circular A-50 and DoD Instruction 7640.02 require that contracting officers resolve audit reports within 6 months. Generally, contracting officers resolve an audit when they determine a course of action that they document in accordance with agency policy. DoD Instruction 7640.02 also requires that a contracting officer disposition an audit report within 12 months. Generally, contracting officers disposition a report when they negotiate a settlement with the contractor, or they issue a final decision pursuant to the Disputes Clause.
3. Contracting officers have not resolved these overage reports within the 6-month resolution requirement.
4. Contracting officers have not dispositioned these overage reports within the 12-month disposition requirement.
5. Contracting officers have deferred action on these reports until a criminal investigation is complete.
6. Contracting officers have deferred action on these reports until related ongoing litigation is complete.
7. Costs Questioned represents the amount of audit exception, potential cost avoidance, or recommended price adjustment in the audit report.
8. Costs Sustained represents the questioned costs, potential cost avoidance, or recommended price adjustment sustained by contracting officers. Contracting officers report Cost Sustained when they disposition a report.
9. Not applicable.
10. For the 6-month period ended September 30, 2022, contracting officers sustained \$516.6 million (33.4 percent) of the approximately \$1.5 billion questioned in the dispositioned reports. The 33.4-percent sustention rate represents a decrease from the 55-percent rate reported for the period ended March 31, 2022.

Note: This appendix fulfills the requirement in DoD Instruction 7640.02, Enclosure 2, Section (1)(d).

STATUS OF REPORTS WITH ACTION PENDING AS OF SEPTEMBER 30, 2022^{1,2,3}

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 is revising Army Regulation 380-67, "Personnel Security Program," January 24, 2014. The regulation is undergoing another Army-wide staffing review due to the addition of new guidelines and the modification of current procedures. Estimated completion date is September 30, 2023.

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 that U.S. Treasury account symbols are used only as intended and revise the DoD Financial Management Regulation to reflect and implement 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 issued Marine Administrative Message 329/21 on July 7, 2021, to address arms, ammunition, and explosives physical security policy; provide small arms accountability guidance; and identify required training and education. The content of Marine Administrative Message 329/21 is being incorporated into the revised Marine Corps Order 5530.14A.

Principal Action Office: Marine Corps

Report: DODIG-2012-107, Defense Finance and Accounting Service Needs to Improve the Process for Reconciling the Other Defense Organizations' Fund Balance With Treasury, 7/9/2012

Description of Action: Develop a systems infrastructure to enhance the current solution used to reconcile Funds Balance With Treasury. Pilot the use of the 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.

Reason Action Not Completed: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not provided evidence to support that Advana can perform reconciliations from the financial statements and Central Accounting Reporting System to the detailed voucher level transactions. Advana is running Phase 4, which should allow validation by the Defense Finance Accounting Service. All remaining Treasury Index 97 entities that do not have a clean, independent audit opinion will transfer to Advana for fourth quarter FY 2022 reporting. Estimated completion date is November 30, 2022.

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

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 80 unresolved recommendations as of March 31, 2022, 17 of which were unresolved because the DoD disagreed with the recommendation. The other 63 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 includes details about unresolved recommendations will be updated in the next Compendium.

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

³ For summaries that do not include an estimated completion date, the Principal Action Office did not provide a date.

Report: DODIG-2013-031, Audit of the F-35 Lightning II Autonomic Logistics Information Systems (ALIS), 12/10/2012

Description of Action: Modify the contract to include security architecture tests for all systems that affect ALIS. Include the Program Security Officer, Air Force Office of Special Investigations, and Air Force and Navy certifying officials in the approval process to ensure special access program requirements are taken into consideration as early as possible. Develop and maintain a listing of all foreign-developed software, as well as all documentation of third-party testing approvals. Implement and require the use of either the Navy-developed checklist or a comparable checklist for software approval. Test ALIS in realistic, deployable settings.

Reason Action Not Completed: The F-35 Joint Program Office has not provided a modified contract to include security architecture tests for all systems that affect ALIS and any new systems that process or maintain Government data. In addition, the F-35 Joint Program Office did not provide the checklists used for software approval, and was not able to provide tests that were conducted in realistic, deployable settings.

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, stated 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 Director also stated that his office will 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 U.S. Treasury Pilot Program is scheduled to begin the standardization of the Statement of Net Cost in first quarter FY 2023. Members of the DoD pilot program working group will collaborate with internal stakeholders and redefine the DoD's major

programs to standardize the Statement of Net Cost. The U.S. Treasury 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. The DoD is planning to test the U.S. Treasury Pilot Program using fourth quarter FY 2022 data. If successful, the prototype pilot program could potentially be used as the new Statement of Net Cost beginning in third quarter FY 2023 until the U.S. Treasury Pilot Program is completed. Estimated completion date is September 30, 2023.

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: The Army suspended revision of Army Regulation 40-68 due to the 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 January 1, 2023.

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: 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, in

May 2021, the contractor appealed the Armed Services Board of Contract Appeals' decision. This matter is in active litigation at the U.S. Court of Appeals 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: Implement a comprehensive program review process to verify that the critical asset identification and prioritization process is working effectively for DoD Components and Defense Critical Infrastructure Sector Lead Agents to identify, prioritize, and coordinate critical asset information that could affect each other's missions and functions.

Reason Action Not Completed: Office of the Under Secretary of Defense for Policy personnel stated that the comprehensive program reviews are no longer a requirement but have not provided support for this statement.

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 (GFEBS) to produce an Army-wide real property

universe that reconciles to the financial statements by general ledger account codes, including Army National Guard real property data.

Reason Action Not Completed: The Business Intelligence team within GFEBS is coordinating with the product director and key stakeholders to finalize the methodology and document the requirements, fields, and variables necessary for developing the Real Property Asset Management Business Intelligence report. The Army is executing a 3-year plan to validate the Accountable Property System of Record data for all real property assets. An independent public accounting firm, KPMG, determined that the condition identified by the DoD OIG still exists and reissued Notice of Findings and Recommendations GG-2022-15.

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. 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 include the updated intellectual property protection language in Small Business Innovation Research contracts. The Defense Acquisition Regulation Council is reviewing a proposed update to the Defense Federal Acquisition Regulation Supplement to address the issue. Once the 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.

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 IED Defeat Organization (JIEDDO) Counter-IED Operations/Intelligence Integration Center (COIC), 4/4/2014

Description of Action: Approve guidance to include Joint Improvised Explosive Device Defeat Organization roles and responsibilities, clarify intelligence collection activities, and assign an Executive Agent for external oversight.

Reason Action Not Completed: The Defense Threat Reduction Agency's Charter (DoD Directive 5105.62) is in coordination with the Office of the Under Secretary of Defense for Acquisition and Sustainment. Estimated completion date is November 30, 2022.

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: The Under Secretary of Defense for Intelligence and Security delayed updates to DoD Manual 5200.02, "Procedures for the DoD Personnel Security Program (PSP)," October 29, 2020, due to the requirement to incorporate investigation standards and continuous vetting. (National-level policy requirements are still in development.) Estimated completion date is September 30, 2023.

Principal Action Office: Under Secretary of Defense for Intelligence and Security, DoD Office of 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 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 Office of the Assistant Secretary of the Army (Financial Management and Comptroller) has not configured the GFEBS and

other financial systems and processes to comply with the U.S. Standard General Ledger requirements at the transaction level. In addition, the Army has not fully analyzed all financial processes to determine whether transactions are being recorded in accordance with U.S. Standard General Ledger requirements.

Principal Action Office: Army

Report: DODIG-2014-093, Inspection of the Armed Forces Retirement Home, 7/23/2014

Description of Action: Revise DoD Instruction 1000.28, "Armed Forces Retirement Home," February 1, 2010, to include a section outlining standards that are appropriate for the Armed Forces Retirement Home to follow with regard to non-medical operations.

Reason Action Not Completed: The Armed Forces Retirement Home has not revised DoD Instruction 1000.28. In May 2022, the AFRH submitted a draft copy of the DoD Instruction (DoDI) 1000.28. However, the draft Instruction did not identify applicable DoD and VA standards that would be followed by the AFRH with regard to non-medical operations. This recommendation will remain open until the applicable standards are incorporated in the revised DoD Instruction 1000.28.

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 for future Wounded Warrior Regiment staffing and manning requirements.

Reason Action Not Completed: The Marine Corps has not provided evidence to support: 1) the results of the Wounded Warrior Regiment staffing and manning requirements (based on the operational planning team efforts and independent review of current operating resources); 2) the selection, screening, and assignment process for Enlisted Active Component Marines filling Wounded Warrior Battalions positions; or 3) a standard process whereby regiment and battalion leaders can interview potential Enlisted Active Component Marine Corps candidates for Wounded Warrior Battalions to ensure they are the "best fit" and most qualified.

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: Review, research, and pursue collections on the remaining open delinquent medical service accounts.

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

Reason Action Not Completed: Defense Health Agency and Military Service Uniform Business Office officials 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-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: On February 1, 2022, the Office of the Assistant Secretary of Defense for Readiness issued a policy memorandum entitled “Standards and Guidance for Managing Environmental Health Hazards in Department of Defense Housing,” which provides guidance for environmental health and safety personnel supporting military installation management of environmental health hazards in both accompanied and unaccompanied DoD housing. The Military Departments are required to implement and follow the general procedures for managing DoD residents’ concerns for potential environmental health risks in DoD housing, and apply the specific standards, guidance, and procedures for managing moisture and mold, lead-based paint, radon, and asbestos-containing materials. These processes, standards, and guidance will be incorporated into DoD Instruction 6055.01, “DoD Safety and Occupational Health (SOH) Program,” October 14, 2014, and DoD Instruction 6055.05, “Occupational and Environmental Health (OEH),” November 11, 2008, by June 30, 2023.

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 standardized DoD 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: The DHA continues to work with the Service Officials, who believe standardized forms should remain at the Service level. An ultimate decision to have a DoD form accompanying a Service Component-specific DoD Instruction and processes may be unattainable and the standardized form would remain at the Service level. Estimated completion date is December 31, 2022.

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 Military Service guidance to provide policy and procedures for data collection and for submission and reporting of suicide events data.

Reason Action Not Completed: The Office of the Assistant Secretary of Defense for Health Affairs has not implemented guidance that requires each suicide event involving a member of a covered Military Service to be reviewed by a multidisciplinary board established at the command or installation level, or by the Chief of the covered Military Service. The DoD OIG recommendations to update guidance and procedures is now combined with DoD’s actions to meet the requirements under the FY 2021 National Defense Authorization Act pertaining to suicide events. Estimated completion date is December 30, 2022.

Principal Action Office: Assistant Secretary of Defense for Health Affairs, Army, 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: 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: The Air Force has not provided support to show how it inspected and accepted the F119 spare parts purchased by Pratt and Whitney to ensure the spare parts conformed

with contract quality and quantity requirements. The Air Force continues to develop a feasible solution for acceptance of the F119 spare parts purchased by Pratt and Whitney to ensure the spare parts conform with contract quality and quantity requirements

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: 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 the DoD.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, is deploying the U.S. Treasury's 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 also has affected the development of cost estimates. DoD Component costs are dependent on the solutions developed by the vendors for their enterprise resource planning and financial systems. Also, while base vendor solutions were being delivered starting in March 2021 and continuing through the remainder of FY 2022, not all U.S. Treasury required functionalities were developed and additional customization is needed to meet DoD requirements. As a result, the initial timeline for implementation was extended to October 1, 2022, for new orders and October 1, 2023, for existing orders. Enhancements are projected to be released after the initial implementation dates; therefore, costs will be determined when final products are delivered by the vendors. Estimated completion date is October 31, 2024.

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

Report: DODIG-2015-057, Audit of a Classified Program, 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 develop and field the BUILDER Sustainment Management System's inspection module for water retention structures. A module within the system will incorporate the Federal Guidelines for Dam Safety. Estimated completion is FY 2025.

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 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, the Department of State, and the Under Secretary of Defense for Intelligence and Security. The draft memorandum of understanding is in formal coordination. Estimated completion date is October 31, 2022.

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-2015-081, Evaluation of Department of Defense Compliance with Criminal History Data Reporting Requirements, 2/12/2015

Description of Action: Submit the missing 304 fingerprints and 334 final disposition reports to the Federal Bureau of Investigation for inclusion in the Integrated Automated Fingerprint Identification System.

Reason Action Not Completed: The Naval Criminal Investigative Service has not provided the remaining missing fingerprints and final disposition reports to the Federal Bureau of Investigation for inclusion in the Integrated Automated Fingerprint Identification System/Next Generation Identification database. Estimated completion date is February 28, 2023.

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 on escape system performance. Estimated completion date is March 15, 2023.

Principal Action Office: 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. Review and approve current standard operating procedures to ensure the Fund Balance With Treasury reconciliation is completed according to DoD and

U.S. Treasury policies, and that reconciliations are tested and proven to be a sustainable and repeatable process.

Reason Action Not Completed: The 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. Estimated completion date is February 28, 2023.

Principal Action Office: Navy

Report: DODIG-2015-111, F-35 Engine Quality Assurance Inspection, 4/27/2015

Description of Action: Ensure that critical safety item contract requirements and the contractor's critical safety item program processes and specifications meet the intent of the Joint Critical Safety Item Instruction and supplemental guidance of the Joint Aeronautical Commanders Group Aviation Critical Safety Item Management Handbook.

Reason Action Not Completed: The F-35 Joint Program Office has not awarded the Lot 15 to 17 Propulsion Production Contract, which was to include changes to the requirements of the F135 Critical Safety Item Statement of Work. These changes should ensure that the program processes and specifications meet the intent of the Joint Critical Safety Item Instruction and supplemental guidance of the Joint Aeronautical Commanders Group Aviation Critical Safety Item Management Handbook. Estimated completion date is December 30, 2022.

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: Issue policy that requires Naval Sea Systems Command business units to complete contractor performance assessment reports within 120 days of the end of the contract performance period. Require Naval Sea Systems Command offices responsible for any contract requiring assessment reports to ensure the contract is properly registered in the Contractor Performance Assessment Reporting System (CPARS). Require first-line managers for the contracting officer's representative to review the assessment reports prior to sending them to the contractor for review, and require all contracting officer's representatives to complete CPARS training.

Reason Action Not Completed: Naval Sea Systems Command has not provided policies that require a 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 or to require CPARS training modules on quality and narrative writing as well as periodic refresher training. Estimated completion date is December 30, 2022.

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: The Army continues to develop the Total Asset Visibility–Contractor Logistics Modernization Program module, which will track receipt, acceptance, and consumption of Government-furnished material. However, 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 use 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. Since August 2020, the Navy Enterprise Resource Planning system has implemented new processes and functionality to ensure timely processing of Wide Area Work Flow transactions for firm-fixed-priced services, source acceptance material contracts, and grants. These newly implemented processes ensure compliance with the Statement of Federal Financial Accounting Standards 1. In addition, the Navy is updating the Wide Area Work Flow interface with the Navy Enterprise Resource Planning system to accepted standards. Additional functionality is required for destination acceptance material and contract financing-type contracts. Implementation of the remaining functionality has been delayed to allow the Navy to complete other strategic efforts for system migrations. Estimated completion date is November 30, 2024.

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: The Navy Personnel Command must implement remaining corrective actions for 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. Estimated completion date is April 1, 2023.

Principal Action Office: Navy

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 Services,” September 1, 2020.

Reason Action Not Completed: The Navy has not finalized revisions to Navy Instruction 1730.08B, “Accommodation of Religious Practices,” March 28, 2021, including the updated guidance regarding religious accommodations contained in DoD Instruction 1300.17. Estimated completion date is October 31, 2023.

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

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. Estimated completion date is December 15, 2023.

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 of the Joint Chiefs of Staff revises the Joint Capabilities Integration and Development System Manual to specify that sponsors for acquisition programs must notify the Joint Chiefs of Staff when deferrals to operationally testing system performance will delay demonstrating primary system requirements beyond the scheduled date for initial operational capability, as defined in the requirements document.

Reason Action Not Completed: The Vice Chairman of the Joint Chiefs of Staff has not finalized revisions to the Joint Capabilities Integration and Development System Manual, delaying the update to Navy Instruction 5000.2F.

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 completed initial staffing of draft Army Regulation 210-XX and comments are being adjudicated. Army Regulation 210-XX is targeted to be issued by first quarter FY 2023. The Navy’s last remaining corrective action to address fire-protection deficiencies is scheduled to be completed by March 31, 2023.

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: The Defense Pricing and Contracting cannot seek a modification to the DFARS to establish a requirement to train DoD contractor personnel on recognizing and preventing violence in the workplace until the issuance of DoD Instruction 5200.XX, “Prevention, Assistance, and Response Capabilities,” which was undergoing the DoD policy coordination process. In April 2022, the draft DoD Instruction 5200.XX was pulled from the policy coordination process in order to expedite the publication of relevant prevention, assistance, and response guidance to the workforce by rewriting DoD Instruction 5205.16. The DoD Instruction 5205.16 is expected to be issued by December 31, 2022. That DoD Instruction will be superseded in 2023 with a DoD manual addressing

additional prevention, assistance, and response related functions. Once established, the Defense Pricing and Contracting can propose an update to the DFARS.

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: Report is classified.

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: Develop and communicate comprehensive procedures to out-process Invoice, Receipt, Acceptance, and Property Transfer system users who leave commands. Both users and supervisors should provide a formal notification to the Invoice, Receipt, Acceptance, and Property Transfer system group administrator indicating that a user is separating from the command and the corresponding system access should end.

Reason Action Not Completed: The Navy has not provided the procedures that document its process for out-processing users who leave commands, and evidence that supports the implementation of those procedures.

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: Develop a coordinated and standardized strategy to exchange and manage problem disbursement data that focuses on the end-to-end integrated business process that includes the identification of key internal and compensating controls at the Defense Finance and Accounting Service and the Other Defense Organizations. Review the strategy's implementation plan to track progress and assist with addressing implementation challenges.

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 correct and reduce problem disbursements in a timely manner.

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

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: Centralize the Other Defense Organizations' civilian pay reconciliation process.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, is centralizing these processes in Advana, but has not provided evidence to support that Advana can perform the Other Defense Organizations' civilian payroll reconciliation processes. Estimated completion date is October 2022.

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: Defense Health Agency and Military Service Uniform Business Office officials are working together to develop a plan to review and process the delinquent medical service accounts debt. Estimated completion date is May 31, 2023.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2016-080, Army's Management of Gray Eagle Spare Parts Needs Improvement, 4/29/2016

Description of Action: Complete the actions necessary to include Gray Eagle spare parts in an Army Accountable Property System of Record.

Reason Action Not Completed: The Army has not provided support that shows Grey Eagle spare parts are in an Army Accountable Property System of Record.

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 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, is developing end-to-end processes that will document the reconciliation of the universe of transactions. Estimated completion date is February 28, 2023. The DoD OIG is currently conducting its annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions.

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 Test and Evaluation Master Plan to revise the planned test strategy, test schedule, and developmental and operational funding, and to 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 September 30, 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: The Army is updating Army Materiel Command Regulation 750-55, "U.S. Army Materiel Command Organic Industrial Base (OIB) Operations Management," May 16, 2019, to include procedures for computing inventory valuation at MAC, monitoring MAC values, and making supported corrections of MAC values. Estimated completion date is December 30, 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: Reconcile amounts reported by field locations in the summary data submission to General Accounting and Finance System—Reengineered on a quarterly basis and resolve differences.

Reason Action Not Completed: The Air Force is working to establish interfaces with service providers and contractor systems to improve the flow of data from all field-level locations. The improved data flow will assist in finalizing a transaction level reconciliation from the field level to the general ledger in General Accounting and Finance System—Reengineered. Estimated completion date is November 15, 2022.

Principal Action Office: Air Force

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: 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 used those accounts. However, 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: 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. Indo-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 provided sufficient documentation to support its efforts to analyze whether approved renewable energy projects are cost-effective.

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 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 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 BUILDER Sustainment Management System. Estimated completion date is December 30, 2022. In addition, 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-2017-030, USSOCOM 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: The U.S. Special Operations Command continues working to implement the Defense Property Accountability System warehouse module to account for all wholesale level inventory. The 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 of 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 update DoD Instruction 1300.24. Estimated completion date is August 31, 2023.

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: 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 Real-Time Reutilization Asset Management facilities. Standardize 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. Include guidance 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 ongoing to revise Chief of Naval Operations Instruction 4440.26A to include appropriate retention and disposition guidance for excess consumable material in 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 Military Service Uniform Business Office officials 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-2017-057, 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,” June 23, 2022, 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 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. The Army will reclassify the six relocatable buildings as real property once it issues the updated relocatable policy. Estimated completion date is September 30, 2023.

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 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, 2023.

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 U.S. 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 implementing 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, conducted risk assessments or improper payment estimate reporting for all 11 DoD programs required to report estimated improper unknown payment rates. At that time, only limited reporting of the Defense Health Agency's administrative costs in the Military Health Benefits program was available. This process is ongoing. Estimated completion date

is November 30, 2022. The DoD OIG is currently conducting its annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions.

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 the 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. Estimated completion date is September 30, 2022.

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 is waiting for the DoD Special Access Program Central Office to establish necessary measures to identify classified and special access program contracts with the individual special access program security offices. Once the DoD Special Access Program Central Office establishes necessary measures for the Defense Contract Audit Agency, the Defense Contract Audit Agency can fully implement a process for annual planning and coordination.

Principal Action Office: Defense Contract Audit Agency

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 section 2282, title 10, United States Code, 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. 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 procedures, 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 should 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: The 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. Estimated completion date is September 30, 2022.

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 developed and implemented policy to maintain 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 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 training programs.

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

Report: DODIG-2017-123, The Troops-to-Teachers Program, 9/28/2017

Description of Action: Develop and implement policies to define Troops-to-Teachers program requirements for participant eligibility, and implement, manage, and oversee the Troops-to-Teachers grant program to ensure the planned way forward complies with regulations. Develop procedures for reviewing participant applications that align with newly developed Troops-to-Teachers policy and provide training for all Government and contract employees working with the Troops-to-Teachers program after new policy and procedures are created.

Reason Action Not Completed: All efforts to implement corrective actions were paused due to the Defense-Wide Review's decision to end the Troops-to-Teachers program by October 1, 2020. However, on December 27, 2021, the FY 2022 National Defense Authorization Act reauthorized the Troops-to-Teachers program after the DoD ended the program in FY 2021. Congress directed the DoD to continue the program until at least July 1, 2025, and submit a full analysis of the program by December 2022, and annually thereafter. The FY 2022 National Defense Authorization Act did not provide funding to restart the Troop-to-Teachers program; therefore, the DoD is reviewing program requirements and determining funding levels prior to submitting an out-of-cycle funding request to Congress.

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: Designate an Office of Primary Responsibility to develop and implement detailed procedures on gross violation of human rights reporting within the Department, define "credible information" and establish the specific process as it applies to gross violation of human rights determinations.

Reason Action Not Completed: The Under Secretary of Defense for Policy has not issued DoD Instruction 2110.A, "Implementation of DoD Leahy Law Restrictions on Assistance to Foreign Security Forces."

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. Provide a copy of all newly developed or updated policies, training lesson plans, and field implementation guidance. Review criminal investigative databases and files to ensure that all fingerprint cards and final disposition reports for anyone investigated for, or convicted of, qualifying offenses before 1998 have been reported to the Federal Bureau of Investigation (FBI) Criminal Justice Information Service.

Reason Action Not Completed: The Army has not revised Regulation 190-45 to require submission of fingerprint cards to the Federal Bureau of Investigation when probable cause is established. The Air Force, Navy, and Marine Corps have not confirmed that all fingerprint cards and final disposition reports for individuals investigated for, or convicted of, qualifying offenses before 1998 have been reported to the FBI.

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 Madigan Army Medical Center's Patient Safety Indicator 90 (PSI-90) performance after the new PSI-90 measures and benchmarks are available to determine whether the facility is outperforming, performing the same as, or underperforming compared to other health care facilities. Take appropriate action to correct all identified deficiencies.

Reason Action Not Completed: The Office of the Assistant Secretary of Defense for Health Affairs continues to address the data system issue at sites that have implemented the new Military Health System GENESIS. Once resolved, this will allow calculation of the Madigan Army Medical Center PSI-90 metric. Estimated completion date is September 30, 2022.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

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 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 Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD and the Defense Finance and Accounting Service continue to build out the DoD's Universe of Transactions within Advana in support of the Other Defense Organizations' financial reporting including a target to complete the Other Defense Organizations' reconciliations by FY 2023. The Under Secretary of Defense (Comptroller) and the Defense Finance and Accounting Service continue to work toward the full migration of the Department 97 Reconciliation and Reporting Tool into the Advana web-based application. Three pilot entities have transitioned to the Advana tool starting with the FY 2022 Period 1 (October) reconciliations.

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. Direct the Commanding General 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.

Reason Action Not Completed: According to the Army, updating DoD Manual 5101.17 and revising Engineering Pamphlet 75-1-3 have been delayed pending the DoD update of DoD Directive 5101.17E, "Roles and Responsibilities Associated with the Recovery of Chemical Warfare Materiel," May 11, 2016, Change 3, Effective May 9, 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, 12/21/2017

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: Revise Chief of Naval Operations Instruction 11010.33C, "Procurement, Lease and Use of Relocatable Buildings," March 7, 2006; 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, "Relocatable Buildings," June 23, 2022. Train Department of Public Works personnel on the proper classification of relocatable buildings.

Reason Action Not Completed: Revisions to Chief of Naval Operations Instruction 11010.33C; Marine Corps Order 11000.12, Appendix G; and the Handbook to reflect recent updates made to DoD Instruction 4165.56 are ongoing.

Principal Action Office: Navy, Marine Corps

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. Based on the cost of additional construction rework, either recoup funds paid by the Government or obtain other appropriate consideration.

Potential Monetary Benefits: Cannot be quantified at this time.

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 whether 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. Establish a threshold at which the DoD 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. A technical update was completed on October 5, 2018, to address the transfer of responsibilities from the former DoD Chief Management Office to the Armed Forces Retirement Home. However, this change did not address the specific agreed upon interests.

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 reviewed and revised DoD guidance based on lessons learned and best practices, or 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: Update DoD Instruction 6055.17 to require DoD Components to complete risk assessments at all locations worldwide to determine whether locations require an emergency management program and report the results of the assessments to the responsible combatant command. Also, develop an assessment process to ensure that DoD Components are effectively and consistently applying and integrating the DoD Emergency Management Program.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment has not published an updated DoD Instruction 6055.17 or developed an assessment process.

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

Report: DODIG-2018-099, Army Internal Controls Over Foreign Currency Accounts and Payments, 3/29/2018

Description of Action: Update Army accounting systems once the Under Secretary of Defense (Comptroller)/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-2018-109, 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. 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 San Diego Naval Medical Center has not obtained appropriate waivers for systems that do not support the use of Common Access Cards. Also, 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 medical treatment facilities could not mitigate in a timely manner.

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 developed internal controls to ensure that Defense Contract Management Agency contracting officials develop performance work statements for service acquisitions, or that contracting officer's representatives or contracting officers perform inspections and monitor contractor performance on service contracts and 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 should 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 should 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: Development and issuance of draft Commander, Navy Installations Command Instruction 11350.XX, "Integrated Solid Waste Management," is delayed due to ongoing significant revisions to DoD Instruction 4715.23, "Integrated Recycling and Solid Waste Management," August 31, 2018. Commander, Navy Installations Command estimates that its draft instruction will be completed 60 days after the revised DoD Instruction 4715.23 has been published.

Principal Action Office: Navy, Marine Corps

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 U.S. Treasury on a daily basis. Improve the Cash Management Report process to produce one consolidated Cash Management Report that reports all Other Defense Organizations financial activity.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, issued a memorandum that requires disbursing officers and disbursing accountable officials to provide daily reporting to the U.S. Treasury. However, these requirements were not incorporated into the DoD Financial Management Regulation. 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 of all Other Defense Organizations' financial activity or perform detailed reconciliations for Treasury Index 97 Fund Balance With Treasury accounts at the voucher level for all Other Defense Organizations. Once fully operational, entities will transition to the Advana solution in a phased approach.

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: Develop guidance requiring DoD organizations involved with a military construction project to draft a charter early in the project life cycle, focusing on communications and accountability. Develop guidance establishing metrics that include financial risk management parameters and triggers, including threshold changes to scope, cost, or timeline; emerging issues; dispute resolution; and statutory reporting requirements when higher headquarters engagement is required. Conduct program life-cycle evaluations to determine the success of the Cost Estimating Improvement Program.

Reason Action Not Completed: The Assistant Secretary of Defense for Energy, Installations, and Environment has not provided evidence to support the development of guidance. Also, project charters are in the process of a second round of pre-implementation testing, which has been extended to September 30, 2022. The U.S. Air Force Civil Engineer Center has not finished program life-cycle evaluations to determine the success of the Cost Estimating Improvement Program. The collection and analysis of metrics will require a 4-year evaluation cycle based on planning, programming, design, and execution timelines. Estimated completion date is September 30, 2025.

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

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

the project development, budgetary submissions, design reviews, planning, construction management, and assessment of contractor performance. Issue guidance to establish metrics that include financial risk management parameters and triggers, including 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 being updated for a second round of testing in FY 2022 prior to implementation. Estimated completion date for revised implementation guidance is February 28, 2023.

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: Determine budgeted civilian pay funding levels using full-time equivalents calculated based on projected hours to be worked, as required by Office of Management and Budget Circular No. A-11, "Preparation, Submission, and Execution of the Budget," June 2015.

Reason Action Not Completed: The Marine Corps has not reviewed its processes and command metrics and established budget cycle procedures to demonstrate that civilian pay funding levels and full-time equivalents are calculated in accordance with Office of Management Budget Circular No. A-11.

Principal Action Office: Marine Corps

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

Description of Action: Update Army policies 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-2018-141, United States Marine Corps Aviation Squadron Aircraft Readiness Reporting, 8/8/2018

Description of Action: Develop and implement procedures to ensure that intermediate commands verify the completeness and accuracy of their subordinate units' readiness reports. Also, implement training on reporting readiness in accordance with revised Marine Corps Order 3000.13A, "Marine Corps Readiness Reporting," for reporting units and organizations.

Reason Action Not Completed: The Marine Corps has not implemented training on readiness reporting.

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-2018-145, Air Force C-5 Squadrons' Capability to Meet U.S. Transportation Command Mission Requirements, 8/13/2018

Description of Action: 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 March 31, 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. Ensure that contracting officers appoint a qualified contracting officer's representative or contracting officer's technical representative to conduct regular surveillance of contractors at sea and during shipyard availabilities. Ensure the contracting officer's representative or contracting officer's technical representative execute quality assurance using a quality assurance surveillance plan.

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

Reason Action Not Completed: Military Sealift

Command is incrementally updating the technical drawings and manuals for its prepositioning fleet subject to receiving additional requested funding, and expects to complete all updates by FY 2024. The Military Sealift Command did not ensure that contracting officers appointed qualified contracting personnel to conduct regular surveillance of contractors at sea and during shipyard availabilities. In addition, the Military Sealift Command did not provide evidence that contracting officer's representatives or contracting officer's technical representatives executed quality assurance using a quality assurance surveillance plan.

Principal Action Office: Navy

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-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 Finance Program Manager. Ensure that the individual completes the Joint Knowledge Online-Training providing access and basic instruction for the Acquisition and Cross-Servicing Agreement Finance Program Manager to build, track, and manage transactions in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System. In addition, input and track remaining Acquisition and Cross-Servicing Agreement transactions in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System.

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

Reason Action Not Completed: The Marine Corps has not provided evidence to support that the Acquisition and Cross-Servicing Agreement Finance Program Manager has completed Joint Knowledge Online-Training, or that remaining Acquisition and Cross-Servicing Agreement transactions are in a completed status in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System.

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 DoD-wide policy implementing Cybersecurity Information Sharing Act of 2015 requirements, including a requirement for 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 DoD Chief Information Officer finalized a draft revision of DoD Instruction 8530.01, "Cybersecurity Activities Support to DoD Information Network Operations," July 25, 2017. The draft instruction is undergoing a DoD Office of General Counsel legal sufficiency review.

Principal Action Office: DoD Chief Information Officer

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 issued draft DoD Instruction 3305.XX, "DoD Intelligence

and Security Training." DoD Instruction 3305.XX needs a legal sufficiency review, after which formal coordination will begin. Estimated completion date is January 31, 2023.

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 that 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 support that an initial inventory of DoD business and information technology software has been completed, or 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, Followup 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. Require all Services to develop procedures to review and process their old delinquent accounts. Establish standardized guidance to identify which reports

medical treatment facilities must review in the Armed Forces Billing and Collection Utilization Solution system to identify accounts ready to be billed.

Reason Action Not Completed: The Defense Health Agency Uniform Business Office is implementing a program guide that addresses the backlog of old and current delinquent accounts for all medical treatment facilities, and includes details on how the medical treatment facilities will implement the established policy, including identifying the proper authority by which medical treatment facilities can obtain approval to terminate the debt.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

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. 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 Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not developed and implemented an annual review process of the Defense Finance and Accounting Service Commercial Pay Program to identify all types of payments made across DoD Components. The Under Secretary of Defense (Comptroller) also has not verified that existing risk assessments and sampling plans covered all defined commercial payment types, or updated risk assessments and sampling plans for program segments that experienced a significant change in legislation or a significant increase in funding level. Estimated completion date is November 30, 2022. The DoD OIG is currently conducting its annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions.

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 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 August 31, 2023.

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.

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. Estimated completion date is October 31, 2022.

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: Joint Chiefs of Staff; Under Secretary of Defense for Policy; 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 a policy requiring Military Department personnel to: 1) calculate changes in subsidy cost for all Government Direct Loans and Government Loan Guarantees; 2) submit the calculations to the Assistant Secretary of Defense for Sustainment for review and to the Office of Management and Budget for approval; and 3) ensure that the approved amount of funding is in the DoD Family Housing Improvement Fund before agreeing to any loan term changes.

Reason Action Not Completed: The Assistant Secretary of Defense for Sustainment is developing policy specific to projects with Government Direct Loans and Government Loan Guarantees. Estimated completion date is December 30, 2022.

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-2019-061, 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 Army has not completed a review of general public tenants. 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. Ensure that contracting officers identify and resolve Government-furnished property list inaccuracies and incomplete or missing entries before attachment to and award of subsequent contracts. Establish and implement procedures for property officials to continuously input the data required by DoD Instruction 5000.64 in the F-35 Program Office 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 reviewed the accounting and management actions of the F-35 Program Office. The F-35 Joint Program Office has not established a 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 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-2019-071, 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 Under Secretary of Defense for Intelligence and Security is working to finalize a revision to DoD Instruction 5240.24, "Counterintelligence (CI) Activities Supporting Research, Development, and Acquisition (RDA)," June 8, 2011. In August 2022, the DoD Office of General Counsel initiated a legal sufficiency review of revised DoD Instruction 5240.24. In addition, the Office of the Under Secretary of Defense for Intelligence and Security intends to cancel DoD Instruction 5240.19 because the latest Information Assurance issuances make DoD Instruction 5240.19 obsolete.

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 identified the system errors that prevented the billing and payment of inpatient professional fees, or corrected the system errors that prevented billing and payment of inpatient professional fees. The Defense Health Agency also has not coordinated with other sharing sites to determine whether those sites were affected by the error and that personnel at those sites implemented corrective action, or developed and issued guidance to other impacted sites.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

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 to verify that all subjects of domestic violence incidents from 1998 to present are titled and indexed in the Defense Central Index of Investigations. Ensure subject fingerprint cards and final disposition reports are collected and submitted to the Federal Bureau of Investigation'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 Secretaries of the Army, Navy, and Air Force have not provided evidence to support that 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 have not provided evidence to support that they have collected and submitted subject fingerprint cards and final disposition reports to the Federal Bureau of Investigation's Criminal Justice Information Services Division database. Marine Corps Installations Command has not 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 Missile Defense Agency, Pentagon Force Protection Agency, and Defense Commissary Agency Use of Their Authorities to Conduct Counterintelligence Inquiries, 4/16/2019

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Missile Defense Agency

Report: DODIG-2019-078, 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: The Under Secretary of Defense for Acquisition and Sustainment continues working to publish 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 Deputy Assistant Secretary of Defense for Force Education and Training and the Assistant Secretary of Defense for Sustainment have not reviewed the individual Services' range plans. In addition, they have not developed or 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) or the need to join neighboring airspace on a continuing basis. 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.

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

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

Description of Action: Update applicable cemetery regulations in accordance with DoD Instruction 1300.31, "DoD Cemeteries," August 3, 2022.

Reason Action Not Completed: The Air Force, Army, and Navy have not published updated cemetery regulations to implement DoD Instruction 1300.31, which provides guidance on the operation, management, accountability, and inspections of military cemeteries. Estimated completion date is January 30, 2023.

Principal Action Office: Army, Navy, Air Force,

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

Description of Action: Develop corrective action plans to address the DoD OIG recommendations, including performing quarterly inspections of DoD and contractor facilities to monitor Special Defense Acquisition Fund inventory.

Potential Monetary Benefits: \$736,000,000 (Funds Put to Better Use)

Reason Action Not Completed: The Defense Security Cooperation Agency is working to implement 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: 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. Develop a process that uses the amount paid for the Commercial Pay and DoD Travel Pay programs. 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 Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not provided evidence to support that the processes the Defense Finance and Accounting Service implemented to obtain and test the Commercial Pay and Travel programs population for FY 2021 use the actual paid amounts from every system. The Defense Finance and Accounting Service has not implemented additional control measures and included all necessary payments in the Military Pay, Civilian Pay, and Military Retirement populations, and reported accurate improper payment estimates in the Agency Financial Report. The Defense Finance and Accounting Service has not provided evidence to support that reviewers are testing for improper payments by examining pay account supporting documentation to validate that civilian employees were eligible for the payments they received. Estimated completion date is February 28, 2023. The DoD OIG is currently conducting its annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions.

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: Incorporate combating trafficking in persons guidance in existing policies, such as the U.S. Air Forces Central Contracting Policy and Guidance Handbook, tailored to contracts performed in the U.S. Central Command area of responsibility.

Reason Action Not Completed: The Air Force has not updated policies, such as the Contracting Policy and Guidance Handbook, to support the implementation and development of trafficking in persons-related guidance.

Principal Action Office: Army, Air Force

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: Modify the memorandum of understanding between the Marine Corps and the Bureau of Medicine and Surgery (BUMED) to ensure compliance with DoD, Secretary of the Navy, and BUMED Instructions. The memorandum should also clarify that Substance Abuse Counseling Center counselors may not make substance use disorder diagnoses independently without clinical privileges, and that all substance use disorder diagnoses must be documented in the DoD Health Record.

Reason Action Not Completed: The Navy has not updated Marine Corps orders, policies, or the memorandum of understanding between the Marine Corps and BUMED to ensure compliance with DoD, Secretary of the Navy, and BUMED guidance applicable to Marine Corps Substance Abuse Counseling Centers. Estimated completion date is March 31, 2023.

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 update the quality assurance surveillance plan, approve the site surveillance plans, and require contracting officer's representatives to provide monthly information on contractor performance. Assign contracting officer's representatives to provide oversight at all F-35 sites and collect contractor performance data from contracting officer's representatives and the Defense Contract Management Agency to identify systemic contractor performance problems.

Reason Action Not Completed: The F 35 Joint Program Office is evaluating contractual alternatives for the sustainment contracts to allow 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-2019-105, Audit of Protection of DoD Controlled Unclassified Information on Contractor-Owned Networks and Systems, 7/23/2019

Description of Action: Publish a Defense Federal Acquisition Regulation Supplement (DFARS) rule (Case 2019-D041). The rule will implement a standard DoD-wide methodology for assessing DoD contractor compliance with all security requirements in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, and the DoD Cybersecurity Maturity Model Certification. The DFARS rule will require DoD Component contracting offices and 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 contract's period of performance.

Reason Action Not Completed: The DoD Chief Information Officer is pursuing the rulemaking process in Title 32 of the Code of Federal Regulations to establish Cybersecurity Maturity Model Certification 2.0 program requirements. In addition, Federal Acquisition Regulation Case 2017-016, "Controlled Unclassified Information," is in the final stages of review before submission to the Office of Management and Budget.

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, reporting of, and response to insider threats.

Reason Action Not Completed: The Combatant Commands have requested funding for Insider Threat Program Managers. The Combatant Commands will be able to complete the recommendation once funding is available. In addition, COVID-19 restrictions limited staff training opportunities to qualify as a full-time Insider Threat Program manager. Estimated completion date is second quarter FY 2023.

Principal Action Office: DoD Chief Information Officer, 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 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. Coordinate with the 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 began the process of designing custom reporting tools and infrastructure to consolidate and track standardized Uniform Business Office metrics across Military Health System—GENESIS Initial Operational Capability and Non-Initial Operational Capability locations. These reports will include metrics to assist with measuring timely and accurate filing of claims as outlined by third-party insurance requirements and Defense Health Agency Procedures Manual 6015.01. However, the Defense Health Agency has not provided evidence to support that

these claims reports are being produced, or analyses showing that 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. The Defense Health Agency plans to develop a report to assist with the identification of patient category code errors and guidance on procedures to correct patient category codes in Military Health System—GENESIS. The Defense Health Agency started to review patient category code error at medical treatment facilities with and without Military Health System—GENESIS. However, the Defense Health Agency has not provided evidence of its findings or the written guidance on procedures to correct patient category codes. Estimated completion date is May 5, 2023.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

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 Title 42 Code of Federal Regulations 405.502 and Centers for Medicare and 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.

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. In addition, the Defense Health Agency has not identified why TRICARE region contractors did not use existing reimbursement rates, confirmed that TRICARE regional contractors were 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 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: The update to DoD Instruction 6400.06, “Domestic Abuse Involving DoD Military and Certain Affiliated Personnel,” May 26, 2017, remains 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. Estimated completion date is June 30, 2023.

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 contract W912EP-18-C-0003 and make any necessary corrections and recommendations to ensure future responses to contingency operations are executed consistently. Prepare an after-action report to provide lessons learned to the contracting community. Review all labor and material costs for contract W912EP-18-C-0003 and determine whether they are supportable and allowable in accordance with Federal Acquisition Regulation 31.201-2, “Determining Allowability.”

Potential Monetary Benefits: \$29,200,000 (Questioned Costs)⁷

⁷ Federal Emergency Management Agency officials provided the funds to U.S. Army Corps of Engineers (USACE) for the disaster relief response mission and the funds will not benefit the DoD. The DoD OIG will work with the Department of Homeland Security OIG to ensure that any disaster relief funds USACE contracting officials determine as unallowable are recouped from the contractors and returned to the Federal Emergency Management Agency or the Department of Treasury.

Reason Action Not Completed: The Defense Contract Audit Agency is working with the U.S. Army Corps of Engineers and a contractor to finalize a review of all labor and material costs under contract W912EP-18-C-0003 and preparing an after-action report that will include lessons learned. In addition, the U.S. Army Corps of Engineers finalized a forensic audit and the results are undergoing a legal review before executing a final contract closeout. The U.S. Army Corps of Engineers Director of Contracting is also preparing an after-action report based on the results of the forensic audit to communicate the corrective actions needed to ensure future responses to contingency operations are executed consistently. Estimated completion date is December 30, 2022.

Principal Action Office: Army

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

Description of Action: Require the additive manufacturing leads to implement a process that compiles a complete list of all parts produced using additive manufacturing and parts waiting for approval to share within each Military Service, and update the list as needed. Conduct a review to identify the appropriate funding and number of personnel to pursue benefits of additive manufacturing throughout the DoD.

Reason Action Not Completed: The Marine Corps has not compiled complete and accessible lists of parts produced and parts awaiting approval to share within each Military Service. In addition, the Navy and Marine Corps have not provided documentation verifying that they have developed an estimate of the appropriate funding and staffing levels.

Principal Action Office: Under Secretary of Defense for Research and Engineering, 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 sample of additional soils that are representative of the compositions and concentrations found in actual V-22 operational environments in the testing for the Engine Air Particle Separator and engine.

Reason Action Not Completed: The Navy has not completed testing to characterize performance during soil ingestion and applied the results to the Engine

Air Particle Separator. Also, the Navy has not provided test results on the environmentally representative soil samples.

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-2020-029, 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 developed and implemented its Obsolescence Management Plan to minimize the impact of the obsolete parts.

Principal Action Office: Navy

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 whether 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. Review the actions of the contracting officers to determine whether management action is necessary to hold those individuals accountable.

Reason Action Not Completed: The Defense Contract Management Agency has not determined whether any of the \$219 million in questioned costs discussed in two Defense Contract Audit Agency reports were unallowable on Government contracts and taken steps to recoup any costs that are not allowable. In addition, the Defense Contract management Agency has not provided support that it has reviewed the contracting officers' actions on the two Defense Contract Audit Agency reports to determine 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 the Instruction.

Principal Action Office: Navy

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 DoD members if they do not complete Customer Satisfaction Surveys

within 1 month after receiving shipments to increase the survey completion percentage and develop a more accurate Best Value Score.

Reason Action Not Completed: The U.S. Transportation Command is pursuing a Customer Satisfaction Survey contract. Rather than continuing to struggle with the 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 30, 2022.

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 Assistant Secretary of Defense for Health Affairs has not finalized revisions to 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 updated its manual content for the supervisory review process area and is in the process of coordinating policy issuance.

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-2020-060, Audit of Contract Costs for Hurricane Recovery Efforts at Navy Installations, 2/12/2020

Description of Action: Request a refund or a price adjustment for the excess payment made to the prime contractor identified in the DoD OIG report.

Potential Monetary Benefits: For Official Use Only.

Reason Action Not Completed: The Defense Contract Audit Agency conducted an independent audit of costs paid under task order N4008518F6819. The contractor disagreed with the Defense Contract Audit Agency's audit findings, and the Navy is conducting further analysis and seeking additional clarification from the contractor to resolve the disagreement. Estimated completion date is September 30, 2022.

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: Coordinate with the Military Departments and Defense agencies to review 17 contractors that received DoD Service-Disabled Veteran-Owned Small Business (SDVOSB) set-aside or sole-source contracts, but were denied SDVOSB status by the Department of Veterans Affairs Center for Verification and Evaluation. Determine whether the contractors meet the requirements for SDVOSB status. Based on the review, the Director of the DoD Office of Small Business Programs should take action, as appropriate, against any contractors found to have misrepresented their SDVOSB 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 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 of whether the information is sufficient to justify referral to the Small Business Administration, Department of Justice, or other administrative remedy. Estimated completion date is December 30, 2022.

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. Establish policy, processes, training, and management oversight procedures for Navy Security Forces personnel to collect and submit deoxyribonucleic acid samples to the U.S. Army Criminal Investigation Laboratory for entry into the Federal Bureau of Investigation Combined Deoxyribonucleic Acid Index System as required by DoD Instruction 5505.14.

Reason Action Not Completed: The Army has not updated Army Regulation 190-47 to require military correctional facility commanders to send DD Form 2791 to the U.S. Army Crime Records Center and the U.S. Marshals Service National Sex Offender Targeting Center. The Secretary of the Navy has not issued guidance that outlines Navy Security Forces processes and procedures and oversight for collecting and submitting deoxyribonucleic acid samples to the U.S. Army Criminal Investigation Laboratory for entry into the Federal Bureau of Investigation Combined Deoxyribonucleic Acid Index System.

Principal Action Office: 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, Navy

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: Revise Chairman of the Joint Chiefs of Staff Instruction 6510.05, "Department of Defense Cyber Red Teams," May 15, 2018, and Chairman of the Joint Chiefs of Staff Manual 6510.02, "Information Assurance Vulnerability Management (IAVM) Program," November 5, 2013, to include requirements for addressing DoD Cyber Red Team-identified vulnerabilities and reporting actions taken to mitigate those vulnerabilities.

Reason Action Not Completed: The DoD Chief Information Officer is drafting DoD Instruction 8585.XX, which will supersede Chairman of the Joint Chiefs of Staff Instruction 6510.05 and Manual 6510.02. Estimated completion date is December 30, 2022.

Principal Action Office: Secretary of Defense, Joint Chiefs of Staff, U.S. Strategic Command, U.S. Southern Command, Marine Corps

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 respective military installations and direct base commanders with secure hold areas to provide the training to appropriate staff.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment has not completed an analysis of the tangible benefits of a centralized rail tracking system. The Office of

the Assistant Secretary of the Army for Acquisition, Logistics, and Technology has not developed and implemented training for secure hold requirements.

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

Report: DODIG-2020-077, Evaluation of Niger Air Base 201 Military Construction, 3/31/2020

Description of Action: Establish a coordination and decision-making process with key stakeholders for troop labor construction projects, including a forum to directly communicate with the military construction program manager, designer of record, construction provider, and base support integrator, as applicable.

Reason Action Not Completed: The U.S. Africa Command has not improved coordination and communication in the decision-making process with key stakeholders for troop labor construction projects.

Principal Action Office: 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.

Reason Action Not Completed: 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 evidence to support that all community-based clinics have established baseline levels of protection that meet minimum DoD standards and access controls based on risk. Estimated completion date is October 31, 2022.

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 policies 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 Under Secretary of Defense for Acquisition and Sustainment and the Under Secretary of Defense for Personnel and Readiness have not established or revised appropriate DoD policies to address health and safety hazards in military family housing to manage health, safety, and environmental risks to acceptable levels for military family housing residents. The Office of the Assistant Secretary of the Army for Installations, Energy, and Environment has not updated policies to align with revisions to DoD policy for health and safety hazard management and oversight policies and procedures that assess the management of health and safety hazards in Government-owned and Government-controlled military family housing.

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

Report: DODIG-2020-084, Audit of Military Department Management of Unfinitized 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 an unfinitized 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 section 2326, title 10, United States Code, "Unfinitized Contractual Actions: Restrictions," when preparing the contract risk sections of DD Form 1547, "Record of Weighted Guidelines." Implement the use of the updated DFARS Part 215 and DD Form 1547, "Weighted Guidelines," at Navy contracting activities when determining profit for future unfinitized contract actions.

Reason Action Not Completed: DFARS Case 2021-D0003, "Unfinitized Contract Actions," was opened to implement the recommended DFARS updates. Estimated completion date is June 30, 2023. The Navy has not implemented the use of the revised DD Form 1547.

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

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: Issue guidance implementing the Joint Trauma Education and Training Branch's standardized training program for all mobile medical teams. 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 Navy and Air Force have not directed the implementation of the Joint Trauma Education and Training Branch's standardized training program, or updated curriculum or processes for tactical training of mobile medical teams. Estimated completion date is December 30, 2023.

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

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. 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 revised Travel Instruction 7002.5 to correct existing guidance and responsibilities regarding Regional Center travel. Until the Defense Security Cooperation Agency publishes a revised Travel Instruction 7002.5, the five Regional Centers for Security Studies cannot develop and publish their subordinate policies. Estimated completion date for publishing Travel Instruction 7002.5

is October 31, 2022. Estimated completion date for the regional centers to publish their subordinate policies is November 30, 2022.

Principal Action Office: 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.

Potential Monetary Benefits: \$1,959,000 (Questioned Costs)

Reason Action Not Completed: The Defense Health Agency issued Defense Health Agency Procedures, Guidance, and Information 246.470-2, "Quality Assurance," September 16, 2020, to inform the acquisition workforce that the Defense Health Agency Non-Personal Services (Non-IT) Performance Work Statement template was revised. However, Procedures, Guidance, and Information 246.470-2 does not require a higher-level reviewer to sample key personnel approvals, or designate who will perform the role of a higher-level review to ensure contracting officers are appropriately approving contractor personnel.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

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.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment has not published guidance for estimating and presenting costs on DD Form 1391.

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

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: The Deputy Assistant Secretary of the Army for Procurement and the Army Contracting Command–Headquarters continue coordinating to include contingency contracting officials in the design, development, and testing of the Army Contract Writing System. Estimated completion date is October 31, 2027.

Principal Action Office: Army

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 reviewing protection-providing organizations' performance of protective security details annually 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 February 2022, at the direction of the Office of the Secretary of Defense, coordination for updating DoD Instruction O-2000.22, "Designation and Physical Protection of DoD High-Risk Personnel," was paused pending the outcome of a Secretary of Defense-directed Operation Planning Team review of the requirements for security details for DoD senior leaders. Estimated completion date is June 30, 2023.

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 correct the security control weaknesses related to not using strong passwords, monitoring networks and systems for unusual user and system activity, locking systems for inactivity, and implementing physical security controls.

Reason Action Not Completed: The Air Force and Marine Corps have not provided support that they developed and implemented a plan to correct the security weaknesses.

Principal Action Office: Air Force, Marine Corps

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: 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: The Office of the Under Secretary of Defense for Intelligence and Security is updating DoD Manual 5200.45, "Instructions for Developing Security Classification Guides," April 2, 2013. Estimated completion date is March 31, 2023.

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

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 for updating BUILDER Sustainment Management System data to reflect the status of repair as reported in Defense Medical Logistics Standard Support–Facilities Management. Grant the BUILDER Sustainment Management System access to local facility management personnel. Implement standard training for facility management personnel to use Defense Medical Logistics Standard Support–Facilities Management and the BUILDER Sustainment Management System.

Reason Action Not Completed: The Defense Health Agency has not provided the approved standard operating procedures for its BUILDER Enterprise Sustainment Management System. The Defense Health Agency also has not provided support that facilities management personnel received training on

the BUILDER Sustainment Management System process and Defense Medical Logistics Standard Support–Facilities Management or that this training has been incorporated into the Defense Health Agency Training Management System.

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 Under Secretary of Defense for Acquisition and Sustainment has not finalized the revision to DoD Directive 5101.20E, "DoD Biological Select Agents and Toxins (BSAT) Biosafety and Biosecurity Program." Estimated completion date is October 31, 2022.

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, 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: The U.S. Special Operations Command has not published guidance to include the new processes or update the applicable criteria on issuing fielding and deployment releases. Estimated completion date is October 31, 2022.

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: The Assistant Secretary of Defense for Health Affairs has not updated 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. The Defense Health Agency Director has not developed 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.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

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: 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 an inspection methodology, a prioritized list of deficiencies identified, Public Works Department Great Lakes

corrective actions taken to address each deficiency, or verification from subject matter experts and the Naval Station Great Lakes Fire Department building monitor that the actions taken to resolve the deficiencies were completed. Estimated completion date is September 30, 2022.

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 Director, Financial Improvement and Audit Remediation, has not completed analysis, including performing an independent and objective review of the current administrative rates charged to foreign customers and using the review results 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 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 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 Deputy Chief of Naval Operations, Fleet Readiness and Logistics, Navy Shore Readiness has not incorporated 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. Estimated completion date is December 30, 2022.

Principal Action Office: Defense Security Cooperation Agency

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: 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: The Under Secretary of Defense for Acquisition and Sustainment continues 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 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 Under Secretary of Defense for Acquisition and Sustainment has not issued DoD-wide policy for beyond economical repair that establishes minimum data and documentation requirements and aligns with DoD Instruction 4140.01. Estimated completion date is December 29, 2023.

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

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: 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 Army Provost Marshal General, the Naval Criminal Investigative Service, the Chief of Naval Operations, and the 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. Estimated completion date is December 29, 2023.

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 medical treatment facilities during the pandemic. The working group will also 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. The working group will issue clarifying guidance for defining essential personnel for civilian health care 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 Assistant Secretary of Defense for Health Affairs has not established a formal Military Health System COVID-19 After-Action Review working group composed of representatives from across the Military Health System.

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

Report: DODIG-2021-001, Audit of the Solicitation, Award, and Administration of Washington Headquarters Services Contract and Task Orders for Office of Small Business Programs, 10/7/2020

Description of Action: Develop and implement policies and procedures to verify and ensure that program officials develop performance work statements with contract requirements that are clear and specific and have objective terms and measurable outcomes, and that contracting officer's representatives perform required contract administration duties.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment has not provided recent performance work statements and supporting documents to ensure that contract requirements are clear and specific and have objective terms and measurable outcomes, or evidence of efforts to ensure that contracting officer's representatives are performing contract administration duties.

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

Report: DODIG-2021-002, Evaluation of the U.S. European Command's Response to the Coronavirus Disease–2019, 10/8/2020

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. European Command

Report: DODIG-2021-024, Audit of the Accuracy of the Improper Payment Estimates Reported for Mechanization of Contract Administration Services System, 11/12/2020

Description of Action: Develop and implement a post-pay review process that reviews for propriety to the certified voucher in accordance with the Post-Pay Review for Commercial Pay standard operating procedures.

Reason Action Not Completed: The Defense Finance Accounting Service is working to incorporate the certified voucher number as one of the key attributes for sampling and to provide documentation supporting the implementation of a reconciliation process for the Commercial Pay program population universe. Estimated completion date is October 31, 2022. The DoD OIG is currently conducting its annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions.

Principal Action Office: Defense Finance and Accounting Service

Report: DODIG-2021-041, Evaluation of the Department of Defense Processes to Counter Radio Controlled Improvised Explosive Devices, 1/22/2021

Description of Action: Revise DoD Directive 5101.14, "DoD Executive Agent and Single Manager for Military Ground-Based Counter Radio-Controlled Improvised Explosive Device Electronic Warfare (CREW) Technology," June 21, 2019, to clarify the appointment of the Secretary of the Army as the counter radio-controlled improvised explosive device electronic warfare Executive Agent. Modify counter radio-controlled improvised explosive device electronic warfare Executive Agent responsibilities to include coordinating across the DoD, with other Government agencies, and with foreign partners to ensure counter radio-controlled improvised explosive device electronic warfare unity of effort, common standards, system interoperability, and threat prioritization.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment continues to revise DoD Directive 5101.14. Estimated completion date is October 31, 2022.

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

Report: DODIG-2021-043, Audit of Depot-Level Repairable Items at Tobyhanna Army Depot, 1/8/2021

Description of Action: Evaluate the implementation of the corrective actions designed to improve parts. Submit the 463 manufacturer parts identified as meeting the criteria for national stock number assignment to the Defense Logistics Information Service for national stock number assignment. Analyze transactions from February 2020 through the present to identify additional manufacturer parts that meet the national stock number assignment criteria, and submit those parts for national stock number assignment.

Reason Action Not Completed: The Army Communications-Electronic Command is working to implement corrective action plans to improve parts availability. In addition, a review of local purchases that focused on converting manufacturer part numbers to national stock number assignment candidates is ongoing.

Principal Action Office: Army

Report: DODIG-2021-046, Evaluation of the Aircraft Monitor and Control System's Nuclear Certification, 1/22/2021

Description of Action: Review and revise the Aircraft Monitor and Control System Project Officers Group Charter to be compliant with DoD and Air Force directives. Specifically, periodic test reporting to Major Commands and the Nuclear Weapons Council Standing and Safety Committee, will delineate responsibilities in the Aircraft Monitor and Control System Project Officers Group Charter. The charter will also specify an appropriate mechanism to elevate testing conflicts for resolution to the Nuclear Weapons Council Standing and Safety Committee, if warranted. In addition, the Aircraft Monitor and Control System Project Officers Group will form a Test Schedule Subgroup for establishing and publishing an annual DoD Department of Energy compliant Aircraft Monitor and Control testing schedule.

Reason Action Not Completed: The Air Force has not provided a revised Aircraft Monitor and Control System Project Officers Group Charter or annual

DoD-Department of Energy Aircraft Monitor and Control testing schedule. Estimated completion date is March 31, 2023.

Principal Action Office: Air Force

Report: DODIG-2021-047, Evaluation of Department of Defense Contracting Officer Actions on Questioned Direct Costs, 1/21/2021

Description of Action: Reopen 12 Defense Contract Audit Agency audit reports in the Contract Audit Follow-Up System to coordinate the settlement of questioned direct costs.

Potential Monetary Benefits: \$231,500,000 (Questioned Costs)

Reason Action Not Completed: The Defense Contract Management Agency contracting officer has not provided evidence to support that the contracting officers completed actions required to settle questioned direct costs. Estimated completion date is October 31, 2022.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Defense Contract Management Agency

Report: DODIG-2021-053, Audit of the Defense Logistics Agency's Sole-Source Captains of Industry Strategic Support Contracts, 2/11/2021

Description of Action: Validate the estimates from the business case analysis on the Boeing Captains of Industry contract to identify actual savings and compare the results to the expected cost savings documented in the price negotiation memorandum. Determine whether the business case analysis calculations and assumptions need to be changed in order to improve future estimates.

Reason Action Not Completed: The Defense Logistics Agency has not validated the cost savings on the Boeing contract, including explaining any significant differences between expected and actual costs savings or identifying actions to improve future estimates. The Defense Logistics Agency cannot complete the cost savings validation until Boeing provides the contractual information, which is expected between September and December 2022.

Principal Action Office: Defense Logistics Agency

Report: DODIG-2021-054, Audit of Cybersecurity Controls Over the Air Force Satellite Control Network, 2/17/2021

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Space Force

Report: DODIG-2021-056, Evaluation of Defense Contract Management Agency Actions Taken on Defense Contract Audit Agency Report Findings Involving Two of the Largest Department of Defense Contractors, 2/26/2021

Description of Action: Review the contracting officers' decision to not uphold the \$97 million of questioned costs in the eight Defense Contract Management Agency incurred cost audit reports. Determine whether the costs are unallowable in accordance with the Federal Acquisition Regulation, and take steps to settle all findings as necessary. Require the supervisors of the contracting officers for the 14 audit reports to receive training on the level of review necessary to ensure that contracting officers complete actions appropriately when they address Defense Contract Management Agency audit reports. Implement policy that requires contracting officers to retain key documents on audit reports in the Defense Contract Management Agency's Electronic Document Records Management System.

Potential Monetary Benefits: \$97,000,000
(Questioned Costs)

Reason Action Not Completed: The Defense Contract Management Agency has not reopened the reports in the Contract Audit Follow-up System, reviewed the contracting officers' decision, or recouped any unallowable costs. The Defense Contract Management Agency has not verified that the supervisors assigned to the 14 audit reports have completed training, or implemented policy that requires a contracting officer to retain key documents in the Electronic Document Records Management System. Estimated completion date is October 31, 2022.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2021-058, Evaluation of the U.S. Central Command's Response to the Coronavirus Disease–2019, 3/3/2021

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Central Command

Report: DODIG-2021-063, Audit of Host Nation Logistical Support in the U.S. European Command, 3/23/2021

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

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

Report: DODIG-2021-064, Audit of Maintaining Cybersecurity in the Coronavirus Disease–2019 Telework Environment, 3/29/2021

Description of Action: Revise Air Force Instruction 36-816, "Civilian Telework Program," October 29, 2018, to incorporate language requiring all new and renewal telework agreements to include a telework training certificate before authorizing DoD personnel to telework.

Reason Action Not Completed: The Air Force plans to issue revised Air Force Instruction 36-816. Estimated completion date is March 30, 2023.

Principal Action Office: DoD Chief Information Officer, Air Force

Report: DODIG-2021-065, Evaluation of Access to Department of Defense Information Technology and Communications During the Coronavirus Disease–2019 Pandemic, 3/30/2021

Description of Action: Revise the "Functional Campaign Plan–Pandemics and Infectious Diseases" and the "Global Integration Framework–Pandemics and Infectious Diseases" to include the use of telework for essential and non-essential personnel, and align the plans with the DoD Telework Policy. Establish management oversight procedures to verify that DoD Components have performed the testing, training, and exercise requirements of the "Functional Campaign Plan–Pandemics and Infectious Diseases," the "Global Integration Framework–Pandemics and Infectious Diseases," the DoD Telework Policy, and DoD Component-specific pandemic plans.

Reason Action Not Completed: The Assistant Secretary of Defense for Homeland Defense and Global Security has not updated the "Functional Campaign Plan–Pandemics and Infectious Diseases" or the "Global Integration Framework–Pandemics and Infectious Diseases" plans to include the use of telework for essential and non-essential personnel. The Under Secretary of Defense for Policy has not established oversight procedures for verifying that DoD Components have performed the required testing, training, and exercises.

Principal Action Office: Under Secretary of Defense for Policy, Assistant Secretary of Defense for Homeland Defense and Global Security

Report: DODIG-2021-066, Evaluation of Department of Defense Voting Assistance Program for Calendar Year 2020, 3/29/2021

Description of Action: Develop and implement agreements, such as memorandums of understanding, with all external stakeholder agencies to enhance outreach and ensure a collaborative and efficient effort to support Uniformed and Overseas Citizen Absentee Voter Act voters and their eligible family members, including those in deployed, dispersed, and tenant organizations.

Reason Action Not Completed: The Federal Voting Assistance Program, Defense Personnel and Family Support Office has not established agreements with appropriate Federal stakeholder agencies as required by Executive Order 14019 and in support of the 2024 general election.

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

Report: DODIG-2021-067, Evaluation of the U.S. Indo-Pacific Command's Response to the Coronavirus Disease–2019, 3/31/2021

Description of Action: Update the annex to the Commander of U.S. Indo-Pacific Command, "Headquarters Continuity of Operations Plan," June 19, 2015, to incorporate the policies, procedures, and responsibilities for executing mission essential staff functions in a socially distanced or telework environment, as well as lessons learned from the COVID-19 pandemic response.

Reason Action Not Completed: The U.S. Indo-Pacific Command has not updated the continuity of operations plan.

Principal Action Office: U.S. Indo-Pacific Command

Report: DODIG-2021-068, Evaluation of the U.S. Southern Command's Response to the Coronavirus Disease–2019, 3/31/2021

Description of Action: Update the U.S. Southern Command, "Continuity of Operations Plan (COOP)," March 26, 2019, and incorporate policies, procedures, and responsibilities for executing mission essential functions in a socially distanced or telework environment. Also, develop a detailed mass telework policy and plan to identify and distribute software and equipment to support mass telework scenarios.

Reason Action Not Completed: The U.S. Southern Command COOP is pending approval and is expected to be issued by October 1, 2022. The U.S. Southern Command has not provided an updated telework policy.

Principal Action Office: U.S. Southern Command

Report: DODIG-2021-069, Audit of the Impact of Coronavirus Disease–2019 on Basic Training, 3/31/2021

Description of Action: Develop procedures to ensure compliance with the implementation of COVID-19 guidance at basic training centers.

Reason Action Not Completed: The Marine Corps has not provided evidence to support how it assesses compliance with the implementation of COVID-19 guidance or how personnel are held accountable for noncompliance as appropriate at basic training centers.

Principal Action Office: Marine Corps

Report: DODIG-2021-071, Audit of DoD Hotline Allegation Concerning U.S. Army Communications-Electronics Command Billings to Customers, 4/5/2021

Description of Action: Initiate a preliminary review of the potential Antideficiency Act violations. Complete the review within 4 months of the Assistant Secretary of the Army (Financial Management and Comptroller) direction to initiate the review. Discontinue the process of using assessments and centralized accounts to hold excess funds, and instead return excess funds to customers.

Potential Monetary Benefits: \$7,800,000 (Questioned Costs)

Reason Action Not Completed: The Army Material Command has not provided the DoD OIG with the results of the preliminary review. Estimated completion date is September 30, 2022.

Principal Action Office: Army

Report: DODIG-2021-072, Audit of the Award and Administration of the National Guard Youth Challenge Program Cooperative Agreements, 4/2/2021

Description of Action: Identify all Challenge Program cooperative agreements that were open after 1 year and either close them or require the grantee to provide an explanation for why they cannot be closed. Establish and implement a plan to identify whether the Challenge Program is achieving long-term benefits of providing opportunities for cadets to be productive citizens.

Reason Action Not Completed: The National Guard Bureau has not completed a review of cooperative agreements that are still open after 1 year and provided evidence to support that it closed each cooperative agreement or received a valid explanation for why the cooperative agreement is still open. The Office of the Assistant Secretary of Defense for

Manpower and Reserve Affairs has not provided a plan for achieving long-term program benefits and measuring program effectiveness.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, National Guard Bureau

Report: 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

Description of Action: Revise Defense Health Agency Procedural Instruction 6025.31, "Military Medical Treatment Facility Pharmacy Operations," December 20, 2019, to limit Schedule II amphetamine prescriptions used to treat attention-deficit hyperactivity disorder to no more than a 100-day supply, except for applicable deployments.

Reason Action Not Completed: The Defense Health Agency Pharmacy Operations Division is implementing a change request to Defense Health Agency Procedural Instruction 6025.31. Estimated completion date is September 30, 2022.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2021-075, Audit of Department of Defense Infrastructure Planning in Australia, 4/8/2021

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Marine Corps

Report: DODIG-2021-077, Audit of Other Transactions Awarded Through Consortiums, 4/21/2021

Description of Action: Update the Other Transactions Guide to address policies and procedures relevant to awarding and tracking other transaction projects when using a consortium. Coordinate with the General Services Administration to update the Federal Procurement Data System-Next Generation database to more accurately capture data related to other transactions awarded through consortiums. Establish DoD-level training for awarding other transactions through a consortium and a DoD-level agreement officer delegation and warrant process.

Reason Action Not Completed: Defense Pricing and Contracting is still developing proposed updates to the Other Transactions Guide and amending the current data collection tool based on the General Services Administration changes to the Federal Procurement Data System-Next Generation database. Also,

Defense Pricing and Contracting has not developed training for awarding other transactions through consortiums or established overarching standards for agreements officer delegation and warranting procedures that maintain flexibility for component workforce development.

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

Report: DODIG-2021-080, Audit of the Department of Defense Compliance in FY 2020 With Improper Payment Reporting Requirements, 5/7/2021

Description of Action: Develop an improper payment definition that can be consistently applied to the Payment Recapture Audit Program for the recapture of improper payments and the improper payments identified in the calculation of the improper payment estimate. Document the process used to reconcile the gross pay amounts for FY 2021 to ensure consistency and transparency within the process.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not consistently applied the definition of improper payments to the Payment Recapture Audit program and the testing, review, and calculation of improper payments. Estimated completion date is November 30, 2022. The Defense Finance and Accounting Service has not formally documented the process used to reconcile the gross payment amounts for FY 2021. Estimated completion date is April 30, 2023. The DoD OIG is currently conducting its annual Improper Payments Elimination and Recovery Act review to verify the implementation of corrective actions.

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

Report: DODIG-2021-082, Evaluation of Combatant Command Counter Threat Finance Activities, 5/18/2021

Description of Action: Develop a plan of action and milestones to provide guidance on personnel policy issues related to DoD Counter Threat Finance. Also, develop a plan of action and milestones, in conjunction with the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments, to assess annually the sufficiency and readiness of civilian and uniformed personnel to meet DoD Counter Threat Finance-related requirements and address any deficiencies or readiness issues discovered.

Reason Action Not Completed: The Under Secretary of Defense for Personnel and Readiness has completed its assessment regarding the sufficiency and readiness of the DoD to meet Counter Threat Finance-related requirements. However, the completed assessment is pending concurrence from the DoD Office of General Counsel. Estimated completion date for the assessment is December 31, 2022. The Under Secretary will then publish an update to the assessment by July 1, 2023.

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

Report: DODIG-2021-086, Audit of Aircraft Readiness at the Naval Aviation Warfighting Development Center, Fallon, Nevada, 5/25/2021

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: 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

Description of Action: Revise acquisition policy to require program managers of major defense acquisition programs to conduct technology readiness assessments, develop and execute technology maturation plans, and develop and revise Test and Evaluation Master Plans.

Reason Action Not Completed: The Under Secretary of Defense for Research and Engineering is revising DoD Instruction 5000.89, "Test and Evaluation," November 19, 2020, and updating its related guidebook.

Principal Action Office: Under Secretary of Defense for Research and Engineering

Report: DODIG-2021-090, Audit of Munitions Storage in the U.S. European Command, 6/10/2021

Description of Action: Report is classified

Reason Action Not Completed: Report is classified

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, U.S. European Command, Army, Marine Corps

Report: 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

Description of Action: Review all COVID-19 pandemic response mission assignments to ensure reimbursement requests for costs incurred are submitted in accordance with the DoD Financial Management Regulation and DoD Directive 3025.18, "Defense Support of Civilian Authorities (DSCA)," March 19, 2018. Require tasked units to review all COVID-19 pandemic response mission assignments for completeness and accuracy, and submit reimbursement requests for those costs to the Federal Emergency Management Agency in accordance with DoD policy. Develop and provide to tasked units Component-specific desk manuals for mission assignments that include, at a minimum, step-by-step procedures for initial set-up, real-time cost input, cost tracking, cost reporting, and submitting partial and final billings to ensure compliance with DoD policy. Train tasked unit personnel to navigate Component-specific desk manuals and apply the procedures appropriately.

Potential Monetary Benefits: \$169,003,146 (Funds Put to Better Use)

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, has not completed a review of all COVID-19 pandemic response mission assignments. The Army, Navy, Air Force, Marine Corps, and National Guard Bureau have not completed their reviews of mission assignments costs and developed Component-specific desk manuals for tasked units and training plans on how to use the desk manual.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Army; Air Force; Navy; Marine Corps; National Guard Bureau

Report: DODIG-2021-093, Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives, 6/11/2021

Description of Action: Implement a control for depots to follow the Defense Transportation Regulation requirement to place copies of DD Form 2890, "DoD Multimodal Dangerous Goods Declaration," in waterproof envelopes, and attach the envelopes to the outside and inside door of the container.

Reason Action Not Completed: The Army Materiel Command has not provided evidence to support that controls are in place to certify that depots are using

waterproof envelopes and attaching the envelopes to the outside and inside door of the containers, in accordance with the requirements outlined in the Defense Transportation Regulation for containerized ammunition shipments. Estimated completion date is December 30, 2022.

Principal Action Office: Army

Report: DODIG-2021-094, Audit of Department of Defense Joint Bases, 6/18/2021

Description of Action: Establish a clear order of precedence between the memorandum of agreement, joint base policy, and Service policies for joint bases. Develop internal procedures and collaborative processes, and establish training or direct joint base commanders to issue local guidance. Additionally, issue updated guidance to clarify existing processes, roles, and responsibilities pertaining to governance and operations of joint bases.

Reason Action Not Completed: The, Army, Navy, and Air Force have not completed actions to establish clear order of precedence between the memorandum of agreement, joint base policy, and Service policies for joint bases, develop internal procedures and collaborative processes, and establish training or direct joint base commanders to issue local guidance. Additionally, the Under Secretary of Defense for Acquisition and Sustainment has not updated applicable joint base-related guidance. Estimated completion date is April 28, 2023.

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

Report: DODIG-2021-095, Audit of Accounting Corrections on the SF 1081, 6/25/2021

Description of Action: Update the Defense Joint Military Pay System to ensure that all disbursements cite the correct accounting information or develop alternative automated solutions. Make corrections to the Defense Finance and Accounting Service Transaction Interface Module to post intra-governmental transactions to the correct account at the point of receipt.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, is working with the Defense Finance and Accounting Service Director to replace the Defense Joint Military Pay System, the Navy Personnel and Pay System in FY 2024, Air Force Integrated Personnel and Pay System in FY 2025, and Integrated Personnel and Pay System-Army in FY 2026. The Systems will be programmed to ensure that all disbursements cite the

correct accounting information. The Defense Finance and Accounting Service is developing a system change request to provide a standardized method for posting intra-governmental transactions to the correct account at the point of receipt. The system change request is undergoing system acceptance testing to establish performance measures. Estimated completion date is October 31, 2024.

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

Report: 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

Description of Action: Direct the Military Service Component Program Managers to require monthly reviews of high-risk transactions. Also, review all AIR Card accounts for accuracy and review the FY 2020 "Fuel Capacity Report" to determine which merchant-billed transactions exceeded aircraft fuel capacity and correct any violations of policy. Hold card users, accountable officials, and certifying officers accountable for non-contract purchases that resulted in waste of funds.

Potential Monetary Benefits: \$2,920,280 (Questioned Costs)

Reason Action Not Completed: The Army and Navy have not provided evidence to support that they require Component Program Managers to review all AIR Card accounts. They also have not provided evidence to support that they required the Program Managers to review the FY 2020 "Fuel Capacity Report" and correct any violations of policy, or to hold card users, accountable officials, and certifying officers accountable for non-contract purchases that resulted in waste of funds. In addition, the Army, Navy, and Air Force have not provided evidence to support that they require Component Program Managers to conduct monthly reviews of high-risk transactions.

Principal Action Office: Army, Navy, Air Force

Report: DODIG-2021-098, Audit of the Cybersecurity of Department of Defense Additive Manufacturing Systems, 7/1/2021

Description of Action: Require all additive manufacturing systems to obtain an authority to operate before their use in accordance with DoD policy. Require additive manufacturing system owners to identify and implement security controls.

Reason Action Not Completed: The Navy and Marine Corps have not provided approved guidance requiring all additive manufacturing systems to obtain an authority to operate or documentation showing that additive manufacturing systems have initiated the risk management framework process.

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

Report: DODIG-2021-099, Audit of Physical Security Conditions at the U.S. Transportation Command Military Ocean Terminals, 7/8/2021

Description of Action: Review updates to military ocean terminals' physical security plans to ensure that remaining instances of noncompliance discussed in the DoD OIG report have been addressed. Complete and issue all military ocean terminals' draft standard operating procedures for physical security personnel.

Reason Action Not Completed: The U.S. Transportation Command has not developed standard operating procedures.

Principal Action Office: U.S. Transportation Command

Report: 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

Description of Action: Develop and approve plans of action and milestones to execute activities to implement the October 6, 2018, memorandum between the DoD and Department of Homeland Security regarding cybersecurity and cyberspace operations. Track activities executed and identify gaps that limit the DoD and Department of Homeland Security in fully implementing all lines of effort in the 2018 memorandum.

Reason Action Not Completed: The Cyber Protection and Defense Steering Group has not developed an implementation plan with milestones and completion deadlines to ensure that all activities to implement the 2018 memorandum are executed. The Cyber Protection and Defense Steering Group has not tracked activities executed and identified gaps that limit the DoD and Department of Homeland Security in fully implementing all lines of effort in the 2018 memorandum.

Principal Action Office: Deputy Secretary of Defense, Joint Chiefs of Staff

Report: DODIG-2021-102, Audit of the DoD's Management of Global Train and Equip Program Resources Provided to U.S. Africa Command Partner Nations, 7/21/2021

Description of Action: Develop a written process that details the roles and responsibilities of the U.S. Africa Command Building Partner Capacity and end-use monitoring officials in their day-to-day oversight and monitoring of Security Cooperation Officers. This process should ensure that U.S. Africa Command Building Partner Capacity and end-use monitoring officials have a process in place to review the Security Cooperation Information Portal and enforce Security Cooperation Officer compliance with transfer and routine and enhanced end-use monitoring requirements of the Security Assistance Management Manual. Also, update the Security Assistance Management Manual to include explicit language describing the Combatant Commands' responsibility for oversight of the Security Cooperation Officers' transfer documentation in the Security Cooperation Information Portal. The update should also include the frequency with which combatant commands should review Security Cooperation Officers' routine and enhanced end-use monitoring documentation in the Security Cooperation Information Portal.

Reason Action Not Completed: The U.S. Africa Command is updating U.S. Africa Command Instruction 2100.01. The Defense Security Cooperation Agency has not provided the updated Security Assistance Management Manual.

Principal Action Office: U.S. Africa Command, Defense Security Cooperation Agency

Report: 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

Description of Action: Revise DoD Instruction 4715.18, "Emerging Chemicals (ECS) of Environmental Concern," September 4, 2019, to include requirements for Emerging Chemical Program officials to initiate proactive risk management actions based on measurable risks to DoD areas of concern to mitigate contaminant effects of emerging chemicals at DoD installations. Also, develop a plan to track, trend, and analyze DoD firefighter perfluoroalkyl and polyfluoroalkyl substances blood test results at a DoD-wide level, in accordance with DoD Instruction 6055.05, "Occupational and Environmental Health (OE)," November 11, 2008.

Reason Action Not Completed: The Under Secretary of Defense for Acquisition and Sustainment is coordinating a draft policy memorandum with the appropriate DoD stakeholders. The DoD intends to incorporate this information into the next update of DoD Instruction 4715.18, expected by September 2025. The Director, Force Safety and Occupational Health, is coordinating the draft report of statistical analysis of the FY 2021 blood test results with Office of the Secretary of Defense stakeholders and DoD Components.

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

Report: DODIG-2021-106, Audit of the Department of Defense's Controls on Health Information of Well-Known Department of Defense Personnel, 8/25/2021

Description of Action: Perform a review of unauthorized and undetermined access of protected health information of all personnel identified by the DoD OIG. Based on the results, initiate the appropriate disciplinary actions for individuals without authorization to access the information of all personnel, and report the incidents in accordance with applicable laws and DoD guidance.

Reason Action Not Completed: The Defense Health Agency has not completed its review. Estimated completion date is second quarter FY 2023.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2021-110, Audit of the Department of Defense Recruitment and Retention of the Civilian Cyber Workforce, 7/29/2021

Description of Action: Require DoD Components to code filled and unfilled positions to meet Federal requirements and comply with the DoD Cyber Workforce Identification and Coding Guide. Develop a cyber workforce common data model using the Advana platform that includes billet and position data in a standardized format and allows analytics that measure recruitment and retention key performance indicators.

Reason Action Not Completed: The DoD Chief Information Officer has not updated all work role codes for filled and unfilled positions. In addition, the DoD Chief Information Officer has not provided documentation that shows the Advana platform includes quality assurance checks to ensure that work role coding complies with the DoD Cyber Workforce Identification and Coding Guide.

Principal Action Office: DoD Chief Information Officer

Report: DODIG-2021-122, Management Advisory Memorandum Regarding Internal Control Weaknesses Over TRICARE Payments for the Administration of COVID-19 Vaccines, 9/8/2021

Description of Action: Perform a review to determine whether effective internal controls are in place regarding TRICARE payments for the administration of COVID-19 vaccines. If the Defense Health Agency Director determines internal controls are not effective, initiate corrective actions to address the issues and risks to avoid future improper payments.

Reason Action Not Completed: The Defense Health Agency has not completed a review of internal controls and initiated corrective actions taken to address potential control weaknesses.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: 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

Description of Action: Conduct a risk assessment outlining the impact of not having Program Protection Implementation Plans in place prior to November 2020. Also, conduct a cost benefit analysis on the feasibility of requesting that contractors develop the plans. Develop a plan to prioritize the development of Program Protection Implementation Plans based on the level of risk.

Reason Action Not Completed: The U.S. Special Operations Command has not completed the risk assessment or cost benefit analysis.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2021-126, Evaluation of the Department of Defense's Mitigation of Foreign Suppliers in the Pharmaceutical Supply Chain, 9/20/2021

Description of Action: Create a chartered working group to meet at least quarterly to assess risks to the pharmaceutical supply chain and identify the pharmaceuticals most critical to beneficiary care at DoD medical treatment facilities that are affected by those risks. Develop and issue implementing guidance for DoD supply chain risk management for DoD materiel in accordance with DoD Instruction 4140.01, "DoD Supply Chain Materiel Management Policy," March 6, 2019.

Reason Action Not Completed: The Defense Health Agency continues efforts to develop a chartered working group to assess risks to the pharmaceutical supply chain, identify the pharmaceuticals most critical to DoD stakeholders, and establish policy for allocating scarce pharmaceutical resources in case of a supply disruption. The Under Secretary of Defense for Acquisition and Sustainment has not published guidance for DoD supply chain risk management for DoD materiel in accordance with DoD Instruction 4140.01.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Assistant Secretary of Defense for Health Affairs

Report: DODIG-2021-127, Followup Audit of Army Oversight of Logistics Civil Augmentation Program IV Government-Furnished Property in Afghanistan, 9/22/2021

Description of Action: Update standard operating procedures to include the corrective actions taken to resolve the backlog of Government-furnished property transactions. Due to the end of military operations in Afghanistan, the original report recommendations on better managing Government-furnished property are no longer feasible for Logistics Civil Augmentation Program operations that were in Afghanistan. However, it is important that the Army improve Government-furnished property accountability for Logistics Civil Augmentation Program contracts used in other countries and in future contingency operations.

Reason Action Not Completed: The U.S. Army Sustainment Command has not issued standard operating procedures that include the corrective actions taken to resolve the backlog of Government-furnished property transactions, reconciliation and accountability policy, and the item-unique identification requirement.

Principal Action Office: Army

Report: DODIG-2021-133, Audit of Navy and Marine Corps Actions to Address Corrosion on F/A-18C-G Aircraft, 9/29/2021

Description of Action: Assess the actions implemented to address corrosion and determine whether these actions reduced the number of instances of corrosion that should have been identified at the organizational level, reduced costs associated with corrosion prevention or correction, or improved readiness.

If actions did not result in fewer instances, the Commander, Naval Air Forces will identify alternate initiatives to address organizational-level corrosion.

Reason Action Not Completed: The Navy has not completed an assessment to determine the effectiveness of the corrective actions taken to address corrosion and determine whether these actions resulted in fewer instances of corrosion, reduced costs, or improved readiness. Estimated completion date is May 31, 2023.

Principal Action Office: Navy

Report: 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

Description of Action: Develop and implement an action plan, with milestones, to oversee Controlled Unclassified Information training within the DoD, and to oversee the effective implementation of the DoD Controlled Unclassified Information Program by all DoD Components.

Reason Action Not Completed: The Under Secretary of Defense for Intelligence and Security has not developed an action plan to oversee Controlled Unclassified Information training within the DoD, or to oversee the effective implementation of the DoD Controlled Unclassified Information Program.

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

FINAL COMPLETED CONTRACT OR CONTRACT-RELATED AUDITS CONTAINING SIGNIFICANT FINDINGS

DoD OIG

Audit Report No. DODIG-2022-085	Date: April 20, 2022
Subject: Audit of the Army's Integrated Visual Augmentation System	
The DoD OIG determined that Army testing officials assessed user acceptance from Soldiers who used the Army's Integrated Visual Augmentation System (IVAS) during various operational tests and used the results of those surveys to make changes to the system. However, IVAS program officials did not define minimum user acceptance levels to determine whether IVAS would meet user needs. Procuring IVAS without attaining user acceptance could result in wasting up to \$21.88 billion in taxpayer funds to field a system that Soldiers may not want to use, or use as intended.	

Audit Report No. DODIG-2022-094	Date: May 11, 2022
Subject: Management Advisory: Tracking of Follow-On Production Other Transaction Agreements and Tracking and Awarding of Experimental Purpose Other Transactions	
This management advisory informed DoD leadership of the lack of policies and procedures for tracking other transaction (OT) agreements for follow-on production of a successful prototype, and for tracking and awarding OTs under section 2373, title 10, United States Code, "Procurement for Experimental Purposes." The lack of policies and procedures resulted in Congress receiving inaccurate information regarding the number of prototype OTs. It also resulted in DoD officials and Congress having limited information regarding what technological advancements the OTs are being used for and the costs associated with those OTs.	

Audit Report No. DODIG-2022-098	Date: May 17, 2022
Subject: Audit of North American Aerospace Defense Command and U.S. Northern Command Use of Coronavirus Aid, Relief, and Economic Security Act Funding	
Potential Monetary Benefit: \$26.6 Million in Questioned Costs (\$7.4 million Unsupported Costs)	
The DoD OIG determined that North American Aerospace Defense Command (NORAD) and U.S. Northern Command (USNORTHCOM) officials did not use \$19.2 million for the COVID-19 pandemic response. In addition, NORAD and USNORTHCOM officials did not maintain adequate evidence to support whether they used \$7.4 million for the COVID-19 pandemic response. As a result, NORAD and USNORTHCOM officials used \$19.2 million in Coronavirus Aid, Recovery, and Economic Security (CARES) Act funds that did not contribute to the overall Federal and DoD priorities for the COVID-19 pandemic response. In addition, they may have violated the purpose statute by using CARES Act funds to pay for projects unrelated to COVID-19.	

Audit Report No. DODIG-2022-104	Date: July 21, 2022
Subject: Audit of Sole-Source Depot Maintenance Contracts	
Potential Monetary Benefit: \$919,613 in Questioned Costs	
<p>The DoD OIG determined that DoD contracting officials may not have negotiated fair and reasonable prices for 21 of 34 sole-source and single-source depot maintenance contracts we reviewed, valued at \$4.6 billion, because DoD officials did not provide well-defined requirements, in accordance with Federal and DoD acquisition regulations. The DoD OIG identified at least \$71.9 million of cost escalation on the contracts, for contract costs that increased beyond industry inflation. However, these costs increased based on inadequate contract requirements or factors that were beyond the control of the DoD contracting officials.</p>	

Audit Report No. DODIG-2022-106	Date: June 22, 2022
Subject: Audit of U.S. Army Base Operations and Security Support Services Contract Government-Furnished Property in Kuwait	
<p>The DoD OIG determined that the Army did not properly account for Government-furnished property (GFP) provided to the base operations and security support services contractor in Kuwait. As a result of the Army's lack of accountability of GFP items provided to the contractor in Kuwait, the Kuwait and contractor accountable property records differed by 23,374 GFP items, which increased the risk of loss or theft of these items. In addition, the contractor used GFP outside of Camp Arifjan without the procuring contracting officer's approval or knowledge, further increasing the opportunity for loss or theft to occur. According to the administrative contracting officer, the Kuwait base operations and security support services contractor self-reported \$13.5 million in GFP losses over the life of the contract. However, without accurate GFP accountable records, the Army cannot verify that the contractor identified and reported all contractor GFP losses.</p>	

Audit Report No. DODIG-2022-122	Date: August 17, 2022
Subject: Audit of TRICARE Ambulance Transportation Reimbursements	
Potential Monetary Benefit: \$118.8 million in Questioned Costs	
<p>The DoD OIG determined that the Defense Health Agency (DHA), through its contractors, made improper payments for ground ambulance transportation services. The DHA improperly paid \$28,516.97 on 85 of the 182 claims in the audit's statistical sample. Without sufficient medical documentation and adequate controls, the DHA will continue to incur millions of dollars in improper payments on ground ambulance transports and miss the opportunity to potentially recover at least an estimated \$118.85 million in improper payments.</p>	

Audit Report No. DODIG-2022-127	Date: September 8, 2022
Subject: Audit of DoD Other Transactions and the Use of Nontraditional Contractors and Resource Sharing	
Potential Monetary Benefit: \$800,000 in Questioned Costs	
<p>The DoD OIG determined that, although DoD agreement officers awarded other transactions (OTs) for prototypes in accordance with the United States Code (U.S.C.), additional OT policies are needed. The DoD takes on more risk when it uses OTs to get participation from nontraditional defense contractors (NDCs). However, without validating NDC status, conducting appropriate oversight to ensure the NDC performs the requirements of the OT agreement as proposed, or validating resource share contributions, agreement personnel may not meet the conditions of the U.S.C., the Government may be paying more than the amount required in the resource share agreement, and traditional contractors may obtain an OT for which they were ineligible. Because of agreement personnel's noncompliance with U.S.C. and failure to approve costs incurred before award, the Department of the Navy incurred \$800,000 in questioned costs associated with an Armored Reconnaissance Vehicle Research Area 2 Full-System Technology Demonstrator.</p>	

Audit Report No. DODIG-2022-137	Date: September 26, 2022
Subject: Audit of the Military Services' Award of Cost-Reimbursement Contracts	
<p>The DoD OIG determined that Military Service contracting officials did not consistently award cost-reimbursement contracts in accordance with Federal and DoD regulations and guidance. Specifically, contracting officials did not consistently award 45 of 83 cost-reimbursement contracts, valued at \$6.94 billion, in accordance with Federal and DoD regulations and guidance. As a result, Military Service contracting officials potentially increased contracting risks when awarding cost-reimbursement contracts without proper approvals, justifications, transition strategies, adequate Government resources, and adequate accounting systems. Specifically, contracting risks may increase for the DoD because of the potential for cost escalation and because the DoD pays a contractor's costs regardless of whether the work is completed.</p>	

Defense Contract Audit Agency

Audit Report No. 05411-2020C10100001	Date: April 25, 2022
Subject: Independent Audit Report on Proposed Corporate Allocations to Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: Defense Contract Management Agency (DCMA)	
Report: \$20.4 Million Total Questioned Costs	
<p>The Defense Contract Audit Agency (DCAA) identified \$20.4 million in questioned costs related to pension, group insurance, indirect labor, and other indirect costs. The DCAA's significant findings include \$16 million in questioned costs in noncompliance with Federal Acquisition Regulation (FAR) 31.201-3(a), "Determining Reasonableness," resulting from pension curtailment and amortization adjustments identified by DCMA during its contractor insurance and pension review. Other significant findings included \$1.5 million in group insurance costs for ineligible dependents in noncompliance with FAR 31.201-3(a) and FAR 31.205-6(m), "Compensation for Personal Services." Additionally, \$1.5 million of occupancy costs related to the contractor's conference and lodging center that were in excess of the agreed upon ceiling established in an advance agreement between the contractor and DCMA, in noncompliance with FAR 31.201-2, "Determining Allowability."</p>	

Audit Report No. 07281-2020M42000006	Date: May 10, 2022
Subject: Independent Audit Report on Certified Cost or Pricing Data Compliance with the Truthful Cost or Pricing Data Requirements (formerly known as the Truth in Negotiations Act)	
Prepared For: Air Force Life Cycle Management Center	
Report: \$16.8 Million Recommended Price Adjustment	
<p>The DCAA identified a \$16.8 million recommended price adjustment related to direct materials due to the contractor's material noncompliance with the requirements of 10 U.S.C. §§ 3701-3708 (formerly known as 10 U.S.C. §2306a, "Cost or Pricing Data: Truth in Negotiations"). The DCAA found that the contractor submitted inaccurate, incomplete, and noncurrent cost or pricing data with its price proposal for the contract. The DCAA's significant findings included \$9.9 million in adjustments as a result of the contractor's failure to properly incorporate quantity discounts it secured for various parts.</p>	

Audit Report No. 06821-2020F10100001	Date: May 13, 2022
Subject: Independent Audit Report on Proposed Corporate Allocations to Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$14.9 Million Total Questioned Costs	
<p>The DCAA identified \$14.9 million in questioned costs related to various indirect expenses. The DCAA's significant findings included \$6.2 million in pension costs directly associated with unallowable compensation in accordance with FAR 31.205-6(p), "Compensation for Personal Services," and FAR 31.201-6(a), "Accounting for Unallowable Costs." Other significant findings included \$3.7 million in consultant costs related to unallowable advertising and company restructuring activities in noncompliance with FAR 31.201-4, "Determining Allocability," FAR 31.205-1(f)(5), "Public Relations and Advertising Costs," FAR 31.205-27, "Organization Costs," FAR 31.205-33, "Professional and Consultant Service Costs," and FAR 31.205-34, "Recruiting Costs."</p>	

Audit Report No. 05211-2020A10100001	Date: May 24, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$59 Million Total Questioned Costs	
<p>The DCAA identified \$59 million in questioned costs related to shipping freight. The DCAA found that the contractor used foreign-flag air carriers to ship freight, and failed to provide justification explaining why service by U.S.-flag air carriers was not available or why it was necessary to use foreign-flag air carriers, in noncompliance with FAR 31.201-2(a)(4), "Determining Allowability," and FAR 52.247-63, "Preference for U.S.-Flag Air Carriers."</p>	

Audit Report No. 07821-2020L10100001	Date: May 25, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA and National Aeronautics and Space Administration	
Report: \$28.7 Million Total Questioned Costs	
<p>The DCAA identified \$28.7 million in questioned direct and indirect costs. The DCAA's significant findings included \$25.6 million of questioned subcontract costs in noncompliance with FAR 31.201-2(a)(4), "Determining Allowability," for noncompliance with contract terms. The contract states that the contractor shall not make claim for reimbursement by the Government, directly or indirectly, on any contractor fee/profit on subcontractor costs or subcontractor fee/profit. The contractor included the fee within its incurred cost proposal as a reimbursable cost.</p>	

Audit Report No. 04901-2021W17100001	Date: May 26, 2022
Subject: Independent Audit Report on Proposed Amounts in Subcontractor's Termination for Convenience Proposal	
Prepared For: Army Contracting Command–New Jersey	
Report: \$10.8 Million Total Questioned Costs	
<p>The DCAA identified \$10.8 million in questioned costs related to metals and raw materials, purchased parts, equipment, and other direct, indirect, and settlement expenses. The DCAA's significant findings included \$3.6 million of proposed unabsorbed overhead in noncompliance with FAR 31.201-2, "Determining Allowability," because the underlying data the contractor used to compute unabsorbed overhead was inaccurate. Other significant findings included \$2.8 million in questioned special test equipment in noncompliance with FAR 31.205-42, "Termination Costs," and FAR 31.201-2 because the equipment did not qualify as special test equipment according to the definition at FAR 2.101(b), "Definitions." The equipment was shared/common among contracts, and the proposed costs did not reconcile to accounting records.</p>	

Audit Report No. 05711-2020C10100002	Date: May 26, 2022
Subject: Independent Audit Report on Proposed Amounts on and Home Office Allocations to Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$13.8 Million Total Questioned Costs	
The DCAA identified \$13.8 million in questioned direct and indirect costs, including an upward adjustment of \$12.4 million to the contractor's material handling rate base. The DCAA's significant findings included \$13.4 million of backdated, out-of-period depreciation expenses in noncompliance with FAR 31.205-11, "Depreciation," and \$9.7 million in out-of-period depreciation expenses for discontinued capital projects, which did not produce capital assets, in noncompliance with FAR 31.205-16, "Gains and Losses on Disposition or Impairment of Depreciable Property or Other Capital Assets."	

Audit Report No. 07181-2020H10100001	Date: May 27, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$13.1 Million Total Questioned Costs	
The DCAA identified \$13.1 million in questioned costs related to inter-organizational work transfers. The DCAA found that the contractor's proposed inter-organizational costs for services exceeded the General Services Administration contract price for the services, in noncompliance with FAR 31.201-3, "Determining Reasonableness," and FAR 31.201-2, "Determining Allowability."	

Audit Report No. 07281-2020C10100001	Date: June 16, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$23.4 Million Total Questioned Costs	
The DCAA identified \$23.4 million in questioned costs related to direct materials, subcontracts, other direct costs (ODC), and indirect costs. The DCAA's significant findings included \$3.2 million in questioned direct materials in noncompliance with FAR 31.201-3(a), "Determining Reasonableness," because the contractor failed to support claimed materials costs that were significantly higher than the results of its price analyses. Other significant findings included \$3.8 million in questioned direct materials in noncompliance with FAR 31.201-2(a) because the contractor failed to negotiate reasonable pricing.	

Audit Report No. 04441-2020D10100028	Date: June 17, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Subcontracts for Contractor Fiscal Year 2020	
Prepared For: U.S. Army Mission and Installation Contracting Command	
Report: \$30.2 Million Total Questioned Costs	
The DCAA identified \$30.2 million in questioned costs related to ODC. The DCAA's significant findings included a \$24.9 million difference between the contractor's proposed ODC and its books and records and \$5.3 million in ODC for which the Government had not yet approved funding, in noncompliance with FAR 31.201-3(a), "Determining Reasonableness."	

Audit Report No. 07421-2020M10100001	Date: June 24, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$94.6 Million Total Questioned Costs	
<p>The DCAA identified \$94.6 million in questioned costs related to direct materials, subcontracts, and inter-organizational costs. The DCAA's significant findings included \$91.9 million of questioned costs related to direct materials, subcontracts, and applied indirect expenses in noncompliance with FAR 31.201-2, "Determining Allowability," FAR 31.201-3, "Determining Reasonableness," and FAR 31.201-4, "Determining Allocability," for various reasons including the contractor's failure to perform adequate price analyses and the contractor's inclusion of excessive profit.</p>	

Audit Report No. 01101-2020F10100003	Date: June 28, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$51.9 Million Total Questioned Costs	
<p>The DCAA identified \$51.9 million in questioned costs related to direct labor, ODC, and labor overhead. The DCAA's significant findings included \$14.4 million in questioned costs related to excessive direct labor in noncompliance with FAR 31.201-3(a), "Determining Reasonableness." The DCAA identified unreasonable ratios of Management and Administrative Labor to Field Labor, such as 113 percent compared to the contractor's estimate of 20 percent at the time of contract price negotiation. Other significant findings included \$17.7 million of excessive increases to retention bonuses not adequately supported by the contractor with supporting documentation or rationale, in noncompliance with FAR 31.201-3(a).</p>	

Audit Report No. 04371-2022A17100001	Date: July 1, 2022
Subject: Independent Audit Report on Proposed Amounts in Contractor's Termination for Convenience Proposal	
Prepared For: Naval Facilities Engineering Systems Command	
Report: \$11.7 Million Total Questioned Costs	
<p>The DCAA identified \$11.7 million in questioned costs related to profit, a loss adjustment, duplicated costs, and other unallowable and unreasonable costs. The DCAA's significant findings included a \$9.6 million loss adjustment in noncompliance with FAR 49.203(c), "Adjustment for Loss," calculated by comparing the total contract price to the total estimated cost at completion. Other significant findings included \$1.4 million of profit in noncompliance with FAR 49.203(a) because the contractor proposed profit even though it appeared that the contractor would have incurred a loss if the entire contract had been completed.</p>	

Audit Report No. 06851-2020A10100001	Date: August 24, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$205.4 Million Total Questioned Costs	
<p>The DCAA identified \$205.4 million in questioned costs related to indirect expenses, subcontracts, intercompany work orders, and ODC. The DCAA's significant findings included \$67.6 million of Independent Research and Development (IR&D) costs due to the contractor's failure to register its unclassified projects on the Defense Technical Information Center (DTIC) website, in noncompliance with Defense Federal Acquisition Regulation Supplement (DFARS) 231.205-18(c)(iii)(C), "Independent Research and Development and Bid and Proposal Costs." Other significant findings included \$36.3 million in questioned IR&D and bid and proposal (B&P) costs in noncompliance with FAR 31.201-2(d), "Determining Allowability," because the contractor failed to support its proposed costs with essential supporting documentation such as work authorizations and statements of work.</p>	

Audit Report No. 04671-2022A17100001	Date: September 22, 2022
Subject: Independent Audit Report on Proposed Amounts in Contractor's Termination for Convenience Proposal	
Prepared For: U.S. Army Corps of Engineers	
Report: \$57.1 Million Total Questioned Costs	
<p>The DCAA identified \$57.1 million in questioned costs related to direct labor, profit, and subcontractor costs. The DCAA's significant findings included \$37.5 million in questioned subcontractor costs in noncompliance with FAR 31.201-4(a), "Determining Allocability," and FAR 31.201-2(d), "Determining Allowability," because the contractor failed to provide essential supporting documentation such as subcontractor agreements and invoices. Other significant findings included \$19.6 million in questioned profit in noncompliance with FAR 49.202(a), "Profit," and FAR 52.242-14(b), "Suspension of Work," based on application of the contractor's profit rates to the questioned costs.</p>	

Audit Report No. 09741-2020A10100001	Date: September 22, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$13.9 Million Total Questioned Costs	
<p>The DCAA identified \$13.9 million in questioned costs related to direct labor, subcontract, and compensation costs. The DCAA's significant findings included \$13.8 million in questioned direct labor costs in noncompliance with FAR 52.232-7(a)(3), "Payments Under Time-and-Materials and Labor-Hour Contracts," FAR 31.201-2(d), "Determining Allowability," and Federal Aviation Administration (FAA) Acquisition Management System (AMS) 3.2.4-5, "Allowable Cost and Payment." The contractor failed to bill in compliance with contract terms and to ensure its employees met required contract labor qualifications.</p>	

Audit Report No. 02871-2020A10100002	Date: September 26, 2022
Subject: Independent Audit Report on Corporate and Home Office Allocations to Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$18.6 Million Total Questioned Costs	
<p>The DCAA identified \$18.6 million in questioned costs related to state taxes, legal, pension, business development, and other indirect costs. The DCAA's significant findings included \$9 million of state taxes associated with a mandated divestiture related to the contractor's reorganization, in noncompliance with FAR 31.205-41(b)(2), "Taxes." Other significant findings included \$2.2 million of pension costs directly associated with unallowable compensation costs, in noncompliance with FAR 31.201-6(a), "Accounting for Unallowable Costs," and FAR 31.201-2, "Determining Allowability."</p>	

Audit Report No. 09321-2020L10100001	Date: September 26, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Subcontracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$10.1 Million Total Questioned Costs	
<p>The DCAA identified \$10.1 million in questioned costs (including upward adjustments) related to direct materials, indirect labor, and executive bonuses. The DCAA's significant findings included \$6.2 million of direct materials in noncompliance with FAR 31.201-4, "Determining Allocability," because the subcontractor failed to provide supporting documentation to demonstrate the costs were allocable to the subcontract. Other significant findings included \$2.3 million of direct materials in noncompliance with FAR 52.216-7(b)(1), "Allowable Cost and Payment," because the subcontractor was unable to provide proof of payment for the costs.</p>	

Audit Report No. 01721-2022D17200001	Date: September 27, 2022
Subject: Independent Audit Report on Proposed Amounts in Contractor's Request for Equitable Adjustment Proposal	
Prepared For: Naval Sea Systems Command	
Report: \$42.1 Million Total Questioned Costs	
<p>The DCAA identified \$42.1 million in questioned costs related to labor, materials, and subcontract costs, and associated fee. The DCAA's significant findings included \$27.9 million of labor and materials costs in noncompliance with DFARS 252.243-7002(a), "Requests for Equitable Adjustment," because the contractor was already reimbursed for the costs, and the contractor failed to establish a resultant loss as a direct consequence of the Government's change order. Other significant findings included \$7.4 million of subcontract costs in noncompliance with FAR 52.216-7(b)(i), "Allowable Cost and Payment," because the contractor was unable to provide supporting documentation to show payments were made for each invoice submitted by the subcontractor.</p>	

Audit Report No. 02851-2020A10100003	Date: September 29, 2022
Subject: Independent Audit Report on Proposed Amounts on and Home Office Allocations to Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: DCMA	
Report: \$37.9 Million Total Questioned Costs	
<p>The DCAA identified \$37.9 million in questioned costs related to compensation, taxes, legal costs, subcontracts, and other direct and indirect costs. The DCAA's significant findings included \$1 million in double-counted general and administrative (G&A) expenses in noncompliance with FAR 31.201-2(a)(1) and (2), "Determining Allowability." Other significant findings included \$1.6 million in state taxes associated with a mandated divestiture related to the contractor's reorganization, in noncompliance with FAR 31.205-41(b)(2), "Taxes," and \$13.3 million in double-counted Independent Research and Development (IR&D) costs within a subcontractor's G&A indirect rate in noncompliance with FAR 31.201-2. Application of the adjusted G&A rate to the claimed costs by subcontract resulted in \$13.3 million in questioned costs.</p>	

Audit Report No. 03451-2020D10100001	Date: September 30, 2022
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for Contractor Fiscal Year 2020	
Prepared For: Naval Sea Systems Command, Supervisor of Shipbuilding Gulf Coast	
Report: \$44.2 Million Total Questioned Costs	
<p>The DCAA identified \$44.2 million in questioned costs related to direct materials and indirect costs. The DCAA's significant findings included \$35 million in direct materials and \$4.3 million in related indirect costs in noncompliance with FAR 31.201-3(a), "Determining Reasonableness," and FAR 31.201-4, "Determining Allocability," because the contractor billed the materials and associated indirect costs to contracts without a need to fulfill a production plan.</p>	

Audit Report No. 05211-2020A42000007	Date: September 30, 2022
Subject: Independent Audit Report on Contract Compliance with the Truthful Cost or Pricing Data Requirements (formerly known as the Truth in Negotiations Act)	
Prepared For: Naval Air Systems Command	
Report: \$18.1 Million Recommended Price Adjustment	
<p>The DCAA identified a \$18.1 million recommended price adjustment due to the contractor's material noncompliance with the requirements of 10 U.S.C. §§ 3701-3708, "Truthful Cost or Pricing Data" (Truth in Negotiations). The DCAA found that the contractor submitted inaccurate, incomplete, and/or noncurrent direct materials cost or pricing data with its price proposal for the subject contract. As a result, the DCAA recommended adjustments of \$15.2 million in direct materials, \$1.2 million in associated indirect costs, and \$1.7 million in profit.</p>	

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 the Defense Commissary Agency Internal Review Office

The DoD OIG reviewed the system of quality control for the Defense Commissary Agency Internal Review Office in effect for the 3-year period ended January 31, 2021. The Defense Commissary Agency Internal Review Office received an external peer review rating of pass with deficiencies. The deficiencies identified in the System Review Report did not rise to the level of a significant deficiency because they were not systemic. The deficiencies involved quality control, continuing professional education, and independence. The DoD OIG made nine recommendations to correct the deficiencies identified in the System Review Report and findings identified in the Letter of Comment. As of September 30, 2022, the recommendations were still open.

Peer Review of the United States Special Operations Command, Office of Inspector General, Audit Branch

The DoD OIG reviewed the system of quality control for the United States Special Operations Command, Office of Inspector General, Audit Branch in effect for the 3-year period ended December 31, 2021. The United States Special Operations Command, Office of Inspector General, Audit Branch received an external peer review rating of pass. The system review report contained no recommendations.

DCIS INVESTIGATIVE REPORTS ISSUED

Statistical Table ¹	
The total number of investigative reports issued during the reporting period ²	220
The total number of investigations referred to the Department of Justice for criminal prosecution during the reporting period ³	49
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 information during the reporting period that resulted from any prior referral to prosecuting authorities ⁵	122

1. Descriptions of the metrics used for developing the data for the statistical tables as required by sections 5(a)(17) and (18) of the Inspector General Act of 1978, as amended.
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 and full investigations only with case close date from April 1 through September 30, 2022. There are instances when DCIS does not author the ROI, in which case, a Case Termination is used (also in accordance with written DCIS policy). This metric does NOT include other types of reports authored by DCIS, including 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 49 investigations referred to the Department of Justice for criminal prosecution. These investigations involved 118 suspects, which included 45 businesses and 71 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 referred to state/local prosecuting authorities for criminal prosecution. This investigation involved two suspects, which included zero businesses and two 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 of the Uniform Code of Military Justice or Federal Pre-Trial Diversion occurring from April 1 through September 30, 2022. 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 ix which also includes previously unreported criminal charges that occurred between April 1 through September 30, 2021.

ACRONYMS AND ABBREVIATIONS

A&M	Administration and Management	EVAL	Evaluations
ADR	Alternative Dispute Resolution	FAR	Federal Acquisition Regulation
AFAA	Air Force Audit Agency	FBI	Federal Bureau of Investigation
Advana	Advancing Analytics	FECA	Federal Employees' Compensation Act
AECA	Arms Export Control Act	FedMall	Federal Mall
AFOSI	Air Force Office of Special Investigations	FFMIA	Federal Financial Management Improvement Act
AFRH	Armed Forces Retirement Home	GCSS-Army	Global Combat Support System–Army
AI	Administrative Investigations	GFP	Government-Furnished Property
APP	Accelerated Promotion Programs	GS	General Schedule
Army CID	Army Criminal Investigation Division	GSA	General Services Administration
CAP	Controlled Access Program	HEMP	High-Altitude Electromagnetic Pulse
CARES Act	Coronavirus Aid, Relief, and Economic Security Act	IG	Inspector General
CBM+	Condition-Based Maintenance Plus	IRS-CI	Internal Revenue Service–Criminal Investigation
CEM	Child Exploitation Material	ISIS	Islamic State of Iraq and Syria
CIGIE	Council of the Inspectors General on Integrity and Efficiency	ISIS-K	Islamic State of Iraq and Syria–Khorasan
CISA	Cybersecurity Information Sharing Act of 2015	ISO	Investigations of Senior Officials
CM	Category Management	ITAR	International Traffic in Arms Regulations
COP-OCO	Comprehensive Oversight Plan–Overseas Contingency Operations	IVAS	Integrated Visual Augmentation System
COVID-19	Coronavirus Disease–2019	JLEnt	Joint Logistics Enterprise
CTIP	Combating Trafficking in Persons	KBR	Kellogg Brown & Root Services
DAF	Department of the Air Force	LEO	Law Enforcement Organization
DCAA	Defense Contract Audit Agency	LOGCAP	Logistics Civil Augmentation Program
DCIS	Defense Criminal Investigative Service	LTC	Lieutenant Colonel
DCMA	Defense Contract Management Agency	MCIO	Military Criminal Investigative Organization
DCSA	Defense Counterintelligence and Security Agency	MDR	Military Health System Data Repository
DDS	Defense Digital Service	MTF	Military Medical Treatment Facility
DeCA IR	Defense Commissary Agency Internal Review Office	NATO	North Atlantic Treaty Organization
DHA	Defense Health Agency	NAVAUDSVC	Naval Audit Service
DIA	Defense Intelligence Agency	NAVSEA	Naval Sea Systems Command
DIEM	Diversity and Inclusion and Extremism in the Military	NCIS	Naval Criminal Investigative Service
DISA	Defense Information Systems Agency	NDAA	National Defense Authorization Act
DITMAC	DoD Insider Threat Management and Analysis Center	NDC	Nontraditional Defense Contractors
DLA	Defense Logistics Agency	NORAD	North America Aerospace Defense Command
DoD OIG	Department of Defense Office of Inspector General	OCA	Original Classification Authority
DOJ	Department of Justice	OCO	Overseas Contingency Operations
DOL	Department of Labor	OES	Operation Enduring Sentinel
EHR	Electronic Health Record	OFS	Operation Freedom's Sentinel
EMALL	Electronic Mail	OIG	Office of Inspector General
ERP APSR	Enterprise Resource Planning Accountable Property System of Record	OIR	Operation Inherent Resolve
		OLAC	Office of Legislative Affairs and Communications
		OPR	Office of Professional Responsibility
		OT	Other Transaction

OUSD(A&S)	Office of the Under Secretary of Defense for Acquisition and Sustainment
OUSD(C)/CFO	Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer
OUSD(P&R)	Office of the Under Secretary of Defense for Personnel and Readiness
OUSD(R&E)	Office of the Under Secretary of Defense for Research and Engineering
PIIA	Payment Integrity Information Act
SAP	Special Access Program
SAR	Semiannual Report
SCG	Security Classification Guide
SDVOSB	Service-Disabled Veteran-Owned Small Business
SECDEF	Secretary of Defense
SES	Senior Executive Service member
SL	Senior Leader
SOIG-A	U.S. Special Operations Command, Office of Inspector General, Audit Branch
THPP	Tungsten Heavy Powder & Parts
TIP	Trafficking in Persons
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
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
USEUCOM	U.S. European Command
USINDOPACOM	U.S. Indo-Pacific Command
USNORTHCOM	U.S. Northern Command
USSOCOM	U.S. Special Operations Command
USSOUTHCOM	U.S. Southern Command
USSPACECOM HQ	U.S. Space Command Headquarters
VA	Department of Veterans Affairs
WCP	Workers' Compensation Program
WPC	Whistleblower Protection Coordinator
WRI	Whistleblower Reprisal Investigations



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