



PRESS RELEASE

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FOR IMMEDIATE RELEASE

Inspector General (IG) Robert P. Storch announced today that the Department of Defense Office of Inspector General (DoD OIG) released the "Audit of the DoD's Financial Management of the Afghanistan Security Forces Fund (ASFF)." This report highlights concerns regarding the DoD's use of the Foreign Military Sales (FMS) Trust Fund to manage appropriated funds under the ASFF and the 17 other Building Partner Capacity (BPC) programs that use similar processes.

Specifically, we identified that the DoD did not comply with the Arms Export Control Act, the Economy Act, or the National Defense Authorization Acts that established the ASFF by transferring \$47.5 billion to the FMS Trust Fund, which was not designed to manage ASFF appropriated funds. We also found that the DoD failed to return the \$2.3 billion in canceled funds to the U.S. Treasury in a timely manner and \$25.7 million in expired funds to the ASFF account, increasing the risks of violations of the Antideficiency Act and other appropriations laws.

IG Storch stated, "While this project specifically discusses funds appropriated for the Afghanistan Security Forces Fund, the DoD's continued use of the Foreign Military Sales Trust Fund for 17 other Building Partner Capacity programs, such as the Ukraine Security Assistance Initiative, increases the risk of the same issues being repeated in these other programs."

Though the ASFF BPC program is unlikely to receive additional appropriations, the OIG concluded that it is imperative that the DoD improve its processes for other BPC programs, as they continue to play a key role in the U.S. Government's ability to build the capacity of partner-nation security forces in furtherance of U.S. national security objectives.

To address the issues identified in our audit, the DoD OIG recommended that the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, and the Director of the Defense Security Cooperation Agency discontinue using the FMS Trust Fund for BPC programs' funds, remove any remaining BPC funds within the FMS Trust Fund, and fully use U.S. Treasury fund controls.