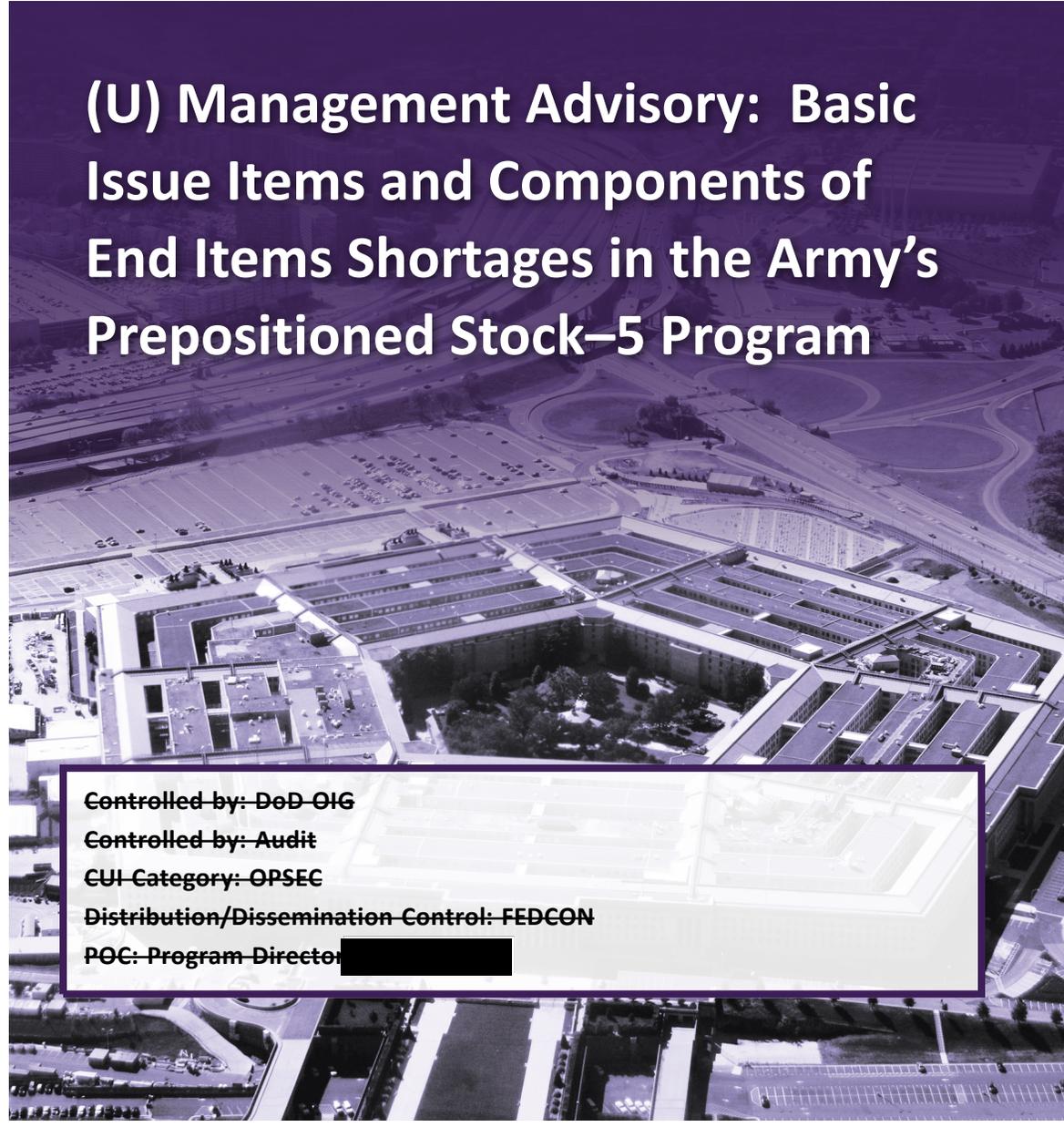


CUI

INSPECTOR GENERAL

U.S. Department of Defense

JUNE 15, 2023



(U) Management Advisory: Basic Issue Items and Components of End Items Shortages in the Army's Prepositioned Stock-5 Program

Controlled by: DoD-OIG

Controlled by: Audit

CUI-Category: OPSEC

Distribution/Dissemination Control: FEDCON

POC: Program Director [REDACTED]

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

CUI





~~CUI~~

**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

June 15, 2023

MEMORANDUM FOR CHIEF OF STAFF OF THE ARMY

DEPUTY CHIEF OF STAFF OF THE ARMY, G-4 (LOGISTICS)
COMMANDER, ARMY MATERIEL COMMAND
COMMANDER, ARMY SUSTAINMENT COMMAND
COMMANDER, 401ST ARMY FIELD SUPPORT BRIGADE
COMMANDER, 401ST ARMY FIELD SUPPORT BATTALION-KUWAIT
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: (U) Management Advisory: Basic Issue Items and Components of End Items
Shortages in the Army's Prepositioned Stock-5 Program
(Report No. DODIG-2023-087)

~~(CUI)~~ The purpose of this management advisory is to inform Headquarters, Department of the Army and Army Materiel Command officials responsible for the Army Prepositioned Stock program and Army-wide equipment transfer decisions of shortages in Basic Issue Items and Components of End Items from Army Prepositioned Stock-5 equipment. Army officials informed us of these shortages during our audit of the Army's management of Army Prepositioned Stock-5 equipment (D2022-D000RJ-0163.000). Specifically, 401st Army Field Support Battalion-Kuwait officials identified a shortage of [REDACTED] Basic Issue Items and Components of End Items, assigned to [REDACTED] Army Prepositioned Stock-5 equipment, [REDACTED]. The Army needs these items [REDACTED]. [REDACTED]. Officials from the 401st Army Field Support Battalion-Kuwait explained that some of the shortages could have resulted from containers shipped by other military units not arriving at Camp Arifjan, Kuwait. Army Sustainment Command officials also stated that the shortages could have resulted from contractors using incorrect technical manuals when conducting inventories and 401st Army Field Support Battalion-Kuwait officials not validating on-hand inventory before migrating the Army Prepositioned Stock-5 inventory to the current system of record. However, 401st Army Field Support Battalion-Kuwait and Army Sustainment Command officials could not provide the audit team with documentation to support these explanations.

~~(CUI)~~ Officials from the 401st Army Field Support Battalion-Kuwait determined the shortage during a September 2022 inventory, which compared the Basic Issue Items and Components of End Items needed from the system of record against the items on hand at Camp Arifjan, rather than a reconciliation of items received in shipping and transfer documents when the equipment first arrived at Camp Arifjan. Despite knowing about the shortage for at least 4 months, Army officials have not officially investigated the cause of the shortage. On April 6, 2023, 401st Army Field Support Brigade officials stated that the September 2022 inventory, which listed [REDACTED] Basic Issue Items and Components

~~CUI~~

(~~CUI~~) of End Items [REDACTED] [REDACTED] included [REDACTED] [REDACTED] items, such as [REDACTED] paper towels and a diesel engine, that are not Basic Issue Items or Components of End Items. The 401st Army Field Support Brigade is working with the Army Sustainment Command to revalidate the total shortage. However, until the 401st Army Field Support Brigade completes the revalidation of the total shortage, the exact values will remain unknown. As a result, this management advisory will use the shortage reported by the 401st Army Field Support Battalion–Kuwait as of January 19, 2023, [REDACTED] Basic Issue Items and Components of End Items from the Army Prepositioned Stock-5 equipment, [REDACTED].

(~~CUI~~) The shortage of [REDACTED] Basic Issue Items and Components of End Items from Army Prepositioned Stock-5 equipment, [REDACTED] puts the Army at risk of not being ready to execute required missions. We will cover the readiness issues in more depth in the final report we issue after completing our ongoing audit of Army Prepositioned Stock-5 equipment. We conducted the work on this management advisory with integrity, objectivity, and independence, as required by the Council of the Inspectors General on Integrity and Efficiency’s Quality Standards for Federal Offices of Inspector General.

(U) The recommendations in this advisory are unresolved because the Commanders of the Army Materiel Command, Army Sustainment Command, 401st Army Field Support Brigade, and 401st Army Field Support Battalion–Kuwait did not provide a response to the draft advisory and our request for written comments in a timely manner. DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations and potential monetary benefits.

(U) We will track these recommendations until an agreement is reached on the actions that you will take to address the recommendations, and you have submitted adequate documentation showing that all agreed-upon actions are completed. Send your response to either audrgo@dodig.mil if unclassified or over the SECRET Internet Protocol Router Network (SIPRNET) if classified SECRET.

(U) If you have any questions please contact me at [REDACTED]. We appreciate the cooperation and assistance received during the conduct of our audit, which resulted in this advisory.

FOR THE INSPECTOR GENERAL:



Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations

(U) Basic Issue Items and Components of End Items Shortages in Army Prepositioned Stock-5

~~(CUI)~~ We identified the issues presented in this management advisory during our fieldwork for the “Audit of the Army’s Management of Army Prepositioned Stock-5 (APS-5) Equipment.”¹ During the audit, the 401st Army Field Support Battalion-Kuwait (401st AFSBn-Kuwait) informed the audit team that it had identified a shortage of [REDACTED] Basic Issue Items (BII) and Components of End Items (COEI), [REDACTED].² These BII and COEI [REDACTED] APS-5 equipment stored at Camp Arifjan. Despite initiating general inquiries into some of the missing BII and COEI, the 401st AFSBn-Kuwait did not conduct a Financial Liability Investigation of Property Loss (FLIPL) to report the circumstances that caused the shortage and determine who may be financially responsible. Furthermore, as of January 19, 2023, 401st AFSBn-Kuwait officials have not developed a plan to obtain the [REDACTED] BII and COEI [REDACTED].

~~(CUI)~~ On April 6, 2023, 401st Army Field Support Brigade officials stated that the September 2022 inventory, which listed [REDACTED] BII and COEI [REDACTED] included [REDACTED] items, such as [REDACTED] paper towels and a diesel engine, that are not BII or COEI. The 401st Army Field Support Brigade is working with the Army Sustainment Command (ASC) to revalidate the total shortage. However, until the 401st Army Field Support Brigade completes the revalidation of the total shortage, the exact values will remain unknown. As a result, this management advisory will use the shortage reported as of January 19, 2023 [REDACTED].

(U) Army Prepositioned Stock Program

(U) The Army Prepositioned Stock (APS) program strategically positions sets of equipment, such as rolling stock and weapons systems, worldwide to reduce deployment response times.³ There are seven APS locations, including APS-5 (Southwest Asia). Each APS set is available to support the missions of all combatant commanders during contingency operations, major exercises, and humanitarian missions. Military units use APS-5 equipment to support operations throughout the Middle East, including Operation Inherent Resolve and Operation Spartan Shield.

¹ (U) “Audit of the Army’s Management of Army Prepositioned Stock-5 Equipment” (Project No. D2022-D000RJ-0163.000), announced on August 1, 2022. The objective of this audit is to determine whether the Army adequately maintained and accurately accounted for APS-5 equipment in accordance with Federal and DoD regulations. We based the conclusions in this management advisory on our work to date. There is additional work ongoing to satisfy the full audit objective.

² (U) For the purposes of this advisory, a shortage is defined as the difference between the onhand inventory and the quantity in the Army inventory system of record.

³ (U) Rolling stock refers to transit vehicles such as High Mobility Multipurpose Wheeled Vehicles and Mine Resistant Ambush Protected vehicles, commonly known as HMMWVs and MRAPs.

(U) The Army Materiel Command develops APS program funding requirements, maintains accountability of APS equipment, issues execution orders to release APS equipment for operations, and ensures the operational readiness of APS equipment. The ASC is the executing arm of the Army Materiel Command’s APS program and is responsible for accounting for, storing, maintaining, and issuing APS equipment across the Army.

(U) The 401st Army Field Support Brigade provides mission command of the 401st AFSBn-Kuwait and coordinates support for APS-5. The 401st AFSBn-Kuwait is responsible for receiving, accounting for, maintaining, and issuing APS-5 equipment to support the missions of all combatant commanders during contingency operations, major exercises, and humanitarian missions. To accomplish this mission, the Army Contracting Command–Rock Island awarded a contract to provide maintenance, supply, and transportation services for APS-5 equipment in Kuwait. The 401st AFSBn-Kuwait Contracting Officer’s Representatives are responsible for overseeing the APS-5 contractor’s work, including accountability of BII and COEI associated with APS-5 equipment. The 401st AFSBn-Kuwait Property Book Officer (PBO) is responsible for managing the accountability for all APS-5 equipment in the property book.

(U) Basic Issue Items and Components of End Items

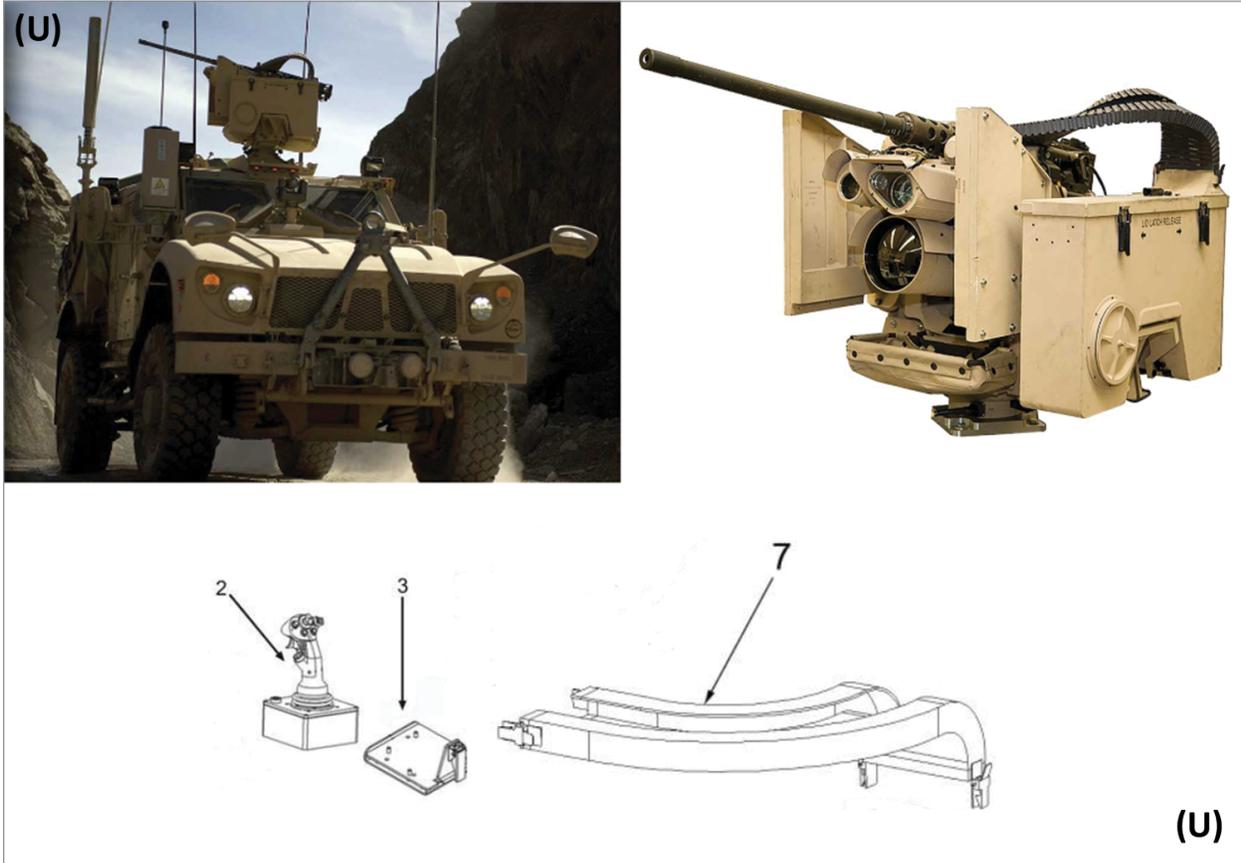
(U) BII and COEI are the minimum mission essential items needed to enable equipment to perform as intended. The equipment technical manuals determine the amount of BII and COEI needed for each piece of equipment. The Army inventory system of record, the Global Combat Support System–Army, is used to inventory and account for BII and COEI and lists the BII and COEI needed for each piece of equipment.

(U) BII are items needed for an operator or crew to initially operate a piece of equipment. For example, BII for the M119A3 howitzer includes breech boresights, muzzle plugs, aiming posts, and the rammer and extractor tools for unloading ammunition. Figure 1 shows M119A3 howitzers stored at Camp Arifjan and the breech boresight (7), muzzle plug (46), aiming posts (47), and the rammer tool (49) required for operating the M119A3 howitzer.



(U) Figure 1. M119A3 Howitzers and BII Required for Operation
(U) Source: The DoD OIG and Army Technical Manual 9-1015-260-10.

(U) COEI are replacement parts or on-board spare parts for military equipment. Examples of COEI for the M153 Common Remotely Operated Weapon Station (CROWS) include grip assembly controls, electric mounting bases, and ammunition chute assemblies.⁴ Figure 2 shows the M153 CROWS mount and the grip assembly control (2), electric mounting base (3), and ammunition chute assembly (7) required when issuing the M153 CROWS to military units.



(U) Figure 2. M153 CROWS and COEI Required for Issuance
(U) Source: Army Acquisition Support Center and Army Technical Manual 9-1090-219-10.

(CUI) BII and COEI are required to make equipment fully mission capable. The APS-5 contract requires that the contractor maintain a [REDACTED] operational readiness rate and counts only fully mission capable equipment as operationally ready. Army Regulation 700-138 defines fully mission capable as operational equipment that is safe, correctly configured as designated by the Army, and can perform all of its combat missions without endangering the lives of its crew or operators.⁵

⁴ (U) The CROWS mount is a weapon mount designed for the top of combat vehicles. The operator remotely controls the CROWS mount from inside the combat vehicle. Remote operation provides armored protection from direct enemy fire.
⁵ (U) Army Regulation 700-138, "Army Logistics Readiness and Sustainability," April 23, 2018.

(U) Process for Transferring and Accounting for Equipment

(U) The Army “Property Book Operations Handbook” states that the PBO is responsible for coordinating transfers between military units and managing the accountability for all equipment in the property book.⁶ Army Regulation 725-50 states that the losing military unit is required to prepare the transfer documents, either hardcopy or electronic copies, and securely attach the hardcopy transfer documents to the outside of the shipping container.⁷ The losing military unit and the distribution point are required to retain copies of the transfer documents. Once equipment arrives at the gaining military unit, Army Regulation 735-5 requires the PBO to conduct an inventory of equipment received, record the equipment actually received, and compare the inventory of equipment received to transfer documents to identify any discrepancies in quantity and condition.⁸

(U) Process for Identifying and Reporting Equipment Discrepancies

(U) In the event that the PBO identifies a discrepancy between the equipment quantities listed on the transfer documents and the quantities of equipment received, Army Regulation 735-5 requires the PBO to work with the military unit that shipped the equipment to resolve the discrepancy. The regulation further states that the gaining military unit is required to report discrepancies in the shipments.

(U) Army Regulation 735-5 states that the unit commander or agency head, the PBO, or the individual with the most knowledge of the incident must initiate a FLIPL to account for lost, damaged, or destroyed Government property. A FLIPL is an investigation into the facts and circumstances concerning the loss of Government property and determines who may be financially liable. Army Regulation 735-5 requires the unit commander or agency head, the PBO, or the individual with the most knowledge of the incident to initiate and present a FLIPL to the appointing authority or approving authority as appropriate, no later than 15 calendar days after discovering the discrepancy. When the FLIPL process determines an individual or organization is financially responsible for loss or damage to Government property, the FLIPL is referred to the responsible organization’s Finance and Accounting Office or the Property and Fiscal Office for collection.

⁶ (U) Army 920A, “Property Book Operations Handbook,” October 2021.

⁷ (U) Army Regulation 725-50, “Requisitioning, Receipt, and Issue System,” November 15, 1995.

⁸ (U) Army Regulation 735-5, “Property Accountability Policies,” November 9, 2016.

(U) APS-5 BII and COEI Shortages

(~~CUI~~) As of January 19, 2023, 401st AFSBn-Kuwait officials acknowledged a shortage of ~~(CUI)~~ BII and COEI ~~(CUI)~~

~~(CUI)~~ Officials from the 401st AFSBn-Kuwait stated that between November 2021 and September 2022, the APS-5 contractor conducted a 100 percent inventory of BII and COEI located at Camp Arifjan. The APS-5 contractor then compared the onhand inventory to the quantity of BII and COEI needed for each piece of APS-5 equipment to identify the shortage. This resulted in the 401st AFSBn-Kuwait reporting a shortage of ~~(CUI)~~ BII and COEI. According to 401st AFSBn-Kuwait officials, ~~(CUI)~~ shortage included:

- (~~CUI~~) ~~(CUI)~~ BII and COEI that the 401st AFSBn-Kuwait did not have record of arriving from Camp As Sayliyah (CAS), Qatar;
- (~~CUI~~) ~~(CUI)~~ BII and COEI associated with Mine Resistant Ambush Protected (MRAP) vehicles and CROWS mounts transferred from U.S. Army Garrison, Livorno, Italy (USAG Livorno) to Camp Arifjan, Kuwait; and
- (~~CUI~~) ~~(CUI)~~ BII and COEI that 401st AFSBn-Kuwait officials could not explain.

(~~CUI~~) However, 401st AFSBn-Kuwait officials did not receive transfer documents for the equipment transferred from CAS and USAG Livorno in order to validate that the ~~(CUI)~~ shortage of BII and COEI occurred during these two transfers. In addition, although ASC and 401st AFSBn-Kuwait officials provided potential reasons why the additional ~~(CUI)~~ shortages occurred, the officials did not provide documentation to support their explanations. Table 1 provides examples of BII and COEI identified as short from APS-5 equipment, as well as the cost to obtain each piece of BII and COEI.

(U) Table 1. Examples of APS-5 BII and COEI Shortages

(CUI) Class of Item	Item Name	Equipment Associated with Item	Number of Items	Average Unit Cost Per Item*	Total Cost to Obtain Items
BII	Cable Assembly	AN/VRC-104(V)6 High Frequency Radio Set	(CUI)	(CUI)	(CUI)
COEI	Inertial Navigation Unit	M150 Mortar Fire Control System	1	(CUI)	(CUI)
COEI	Gun Mounting Adapter	M153 Common Remotely Operated Weapon Station	(CUI)	(CUI)	(CUI) (CUI)

* (U) Cost rounded to the nearest dollar; therefore, the total cost to obtain the items may not equal the number of items multiplied by the unit cost.

(U) Source: The DoD OIG.

(U) Equipment Transferred from CAS to Camp Arifjan

(U) The 401st AFSBn-Kuwait officials estimated that [REDACTED] shortage occurred during the transfer of equipment from CAS to Camp Arifjan. The 401st Army Field Support Battalion-Qatar, headquartered at CAS, received orders to deactivate in January 2020 and was tasked with transferring its equipment to Camp Arifjan for inclusion in APS-5. From March 2020 through May 2021, the 401st Army Field Support Battalion-Qatar transferred equipment that included BII and COEI from CAS to Camp Arifjan. An ASC official stated that to ensure the transfer was completed in accordance with Army regulations, the former 401st AFSBn-Kuwait PBO flew to CAS to oversee the inventory and transfer process of BII and COEI that the 401st Army Field Support Battalion-Qatar planned to ship to Camp Arifjan. The ASC official explained that the former 401st AFSBn-Kuwait PBO placed the inventory records inside the shipping containers with BII and COEI, attached copies of the inventory records to the outside, and stored all transfer documents in a separate designated shipping container.

(U) ASC officials stated that Government personnel were responsible for transporting 1,590 shipping containers of equipment from CAS to Camp Arifjan. Officials from the 401st AFSBn-Kuwait reported receiving 1,569 shipping containers between April 7, 2020, and May 28, 2021, and stated that 21 shipping containers never arrived at Camp Arifjan. According to 401st AFSBn-Kuwait records, of the 21 missing shipping containers, 11 containers shipped from CAS on March 16, 2020, and 10 containers shipped from CAS on September 12, 2020. ASC officials stated that 1 of the 21 shipping containers that did not arrive at Camp Arifjan was the shipping container where the 401st AFSBn-Kuwait PBO stored the transfer documents that described the contents of all 1,590 shipping containers. Furthermore, because the 401st Army Field Support Battalion-Qatar was deactivated, there were no records of this property transfer available from the shipping unit. Due to the lack of shipping and transfer documents, we could not verify the specific pieces of BII and COEI missing from the shipment.

(U) Equipment Transferred from USAG Livorno to Camp Arifjan

(U) In September 2020, USAG Livorno personnel began transferring 420 MRAP vehicles, 172 CROWS mounts, and their associated BII and COEI from USAG Livorno to Camp Arifjan for inclusion in the APS-5 inventory.

(U) On February 16, 2022, 401st AFSBn-Kuwait officials directed the APS-5 contractor to conduct a 100 percent inventory of BII and COEI received from USAG Livorno. The 401st AFSBn-Kuwait officials further directed the APS-5 contractor to provide a list of BII and COEI that shipped from USAG Livorno but not received at Camp Arifjan. While the APS-5 contractor completed the inventory of equipment received, 401st AFSBn-Kuwait officials stated that USAG Livorno transferred the equipment without transfer documents, which prevented the APS-5 contractor from identifying discrepancies between the quantities of BII and COEI received at Camp Arifjan and the quantities shipped by USAG Livorno. As of January 19, 2023, 401st AFSBn-Kuwait officials reported shortages of BII and COEI [REDACTED] for MRAP vehicles and CROWS mounts shipped from USAG Livorno. Because the 401st AFSBn-Kuwait did not receive transfer documents, they were unable to determine whether any of the [REDACTED] BII and COEI went missing during shipment.

(U) Army Officials Could Not Determine the Cause of the BII and COEI Shortage

~~(CUI)~~ ASC and 401st AFSBn-Kuwait officials provided potential reasons for the shortages of BII and COEI on the APS-5 property book but did not provide documentation to validate the explanations. For example, 401st AFSBn-Kuwait officials stated that some military units did not return all the BII and COEI after the units used APS-5 equipment for operations. In another instance, ASC officials stated that if 401st AFSBn-Kuwait officials or the APS-5 contractor used the incorrect technical manuals when conducting BII and COEI inventories, this could have resulted in inaccurate reporting of BII and COEI shortages. Finally, ASC officials stated that 401st AFSBn-Kuwait officials may not have validated the onhand inventory of BII and COEI before migrating data in December 2021 from the previous system of record, the Army War Reserve Deployment System, to the new system of record, the Global Combat Support System–Army, which could have contributed to erroneous reporting of BII and COEI shortages. However, ASC and 401st AFSBn-Kuwait officials did not provide any documentation to support these potential explanations; therefore, we were unable to validate that these explanations were the reason for the [REDACTED] BII and COEI shortage.

(U) In addition, 401st AFSBn-Kuwait officials stated that no current 401st AFSBn-Kuwait officials were present during the equipment transfers from CAS and USAG Livorno. As a result, they could not determine whether 401st AFSBn-Kuwait officials followed appropriate policies and procedures for notifying PBOs of discrepancies between transfer documents and inventories of equipment received, or the lack of receipt of shipping containers and transfer documents from the CAS and USAG Livorno equipment transfers. Therefore, the Commander of the 401st Army Field Support Brigade should conduct an extensive review of the 401st AFSBn-Kuwait process for transferring and receiving shipments for all APS-5 equipment in the Battalion's property book to ensure that personnel are following all Army requirements. The review should include procedures for identifying discrepancies between transfer documents and inventories of equipment received, and for notifying PBOs when transfer documents are not received. If the Commander determines that 401st AFSBn-Kuwait personnel are not following Army equipment transfer and receipt processes, then the Commander should use the results of the review to implement additional procedures and training to ensure 401st AFSBn-Kuwait personnel follow Army requirements during the transfer of equipment.

(U) Furthermore, because the 401st AFSBn-Kuwait relied on hardcopy transfer documents for shipments from CAS and USAG Livorno, the Commander of the 401st AFSBn-Kuwait should establish and implement procedures to receive and provide transfer and inventory documents electronically to account for equipment transfers between military units.

(U) Army Officials Have Not Initiated a Formal Investigation into the BII and COEI Shortage

(~~CUI~~) Army officials have not initiated a formal investigation into the missing [REDACTED] BII and COEI from APS-5 equipment. Officials from the 401st AFSBn-Kuwait stated that they attempted to locate the 21 missing shipping containers holding BII and COEI. In addition, ASC officials stated that the 401st AFSBn-Kuwait Commander requested that the APS-5 contractor check all shipping containers on Camp Arifjan to locate any missing BII and COEI. After taking these informal steps, the Commander did not initiate a formal investigation.

(~~CUI~~) Army Regulation 735-5 requires the initiation of a loss investigation within 15 days of the loss. As of January 19, 2023—133 days after identifying the [REDACTED] BII and COEI shortage—401st AFSBn-Kuwait officials had not initiated a FLIPL. Therefore, as the executing arm of the APS program, the ASC Commander should direct the 401st AFSBn-Kuwait Commander to complete the FLIPL process to determine the facts concerning the missing BII and COEI, determine who is financially responsible for the [REDACTED] missing BII and COEI, and, as appropriate, take action to recoup funds from individuals or organizations deemed responsible for the missing BII and COEI.

(~~CUI~~) Army Materiel Command officials stated that any decision to repurchase BII and COEI is the responsibility of the 401st Army Field Support Brigade and 401st AFSBn-Kuwait Commanders based on the availability of the Brigade and Battalion's funding. On January 19, 2023, 401st AFSBn-Kuwait officials stated that they had not purchased any BII or COEI to address the shortages due to funding constraints and other competing requirements. Officials from the 401st AFSBn-Kuwait further stated that they were developing a short and long-term plan to obtain the [REDACTED] missing BII and COEI; however, as of January 19, 2023, they had not developed or submitted the plan to ASC officials for approval. As of April 4, 2023, 401st Army Field Support Brigade officials stated that they were working to validate the total value of the BII and COEI shortages. After the revalidation of BII and COEI shortages is completed, 401st Army Field Support Brigade officials stated that they would work with the ASC to fund and replace the missing BII and COEI. Therefore, the ASC Commander, in conjunction with the Army Materiel Command Commander, should develop and send to the Department of the Army G4 Directorate a plan to fulfill the shortages of BII and COEI needed for APS-5 equipment.

(U) Conclusion

~~(CUI)~~ BII and COEI shortages associated with APS-5 equipment could affect the readiness of APS-5 equipment and result in additional expenses for the Army. The APS-5 contractor is required to maintain a [REDACTED] readiness rate for APS-5 equipment, which includes ensuring complete sets of BII and COEI for APS-5 equipment. However, due to missing BII and COEI, 401st AFSBn-Kuwait officials stated that when issuing equipment, they either take BII and COEI from other equipment to make complete sets, [REDACTED] or issue the equipment without all the needed BII and COEI. Until the Army finds or obtains the [REDACTED] BII and COEI missing from [REDACTED] APS-5 equipment, the Army risks not being ready to execute missions or executing missions without essential BII and COEI, which could endanger the life and safety of personnel operating the equipment. For example, an inertial navigation unit is COEI for an M150 mortar fire control system, which crews use to fire the M120 towed mortar system. When crews use the M150 mortar fire control system with all of its COEI, crews can fire the M120 towed mortar system in less than a minute, improving crew survivability. Without the M150 mortar fire control system, crews require an additional 7 to 11 minutes to fire the M120 towed mortar system, increasing the time crews are exposed to enemy fire. We will cover the readiness issues in more depth in the final report from the ongoing audit of APS-5 equipment.

~~(CUI)~~ If the 401st AFSBn-Kuwait cannot account for the [REDACTED] equipment, the Army would be required to spend [REDACTED] that could be put to better use in other Army programs.⁹ The Army could reduce [REDACTED] needed to purchase the missing items if the 401st AFSBn-Kuwait located some of the [REDACTED] BII or COEI items or recouped funds from individuals or organizations found financially liable for the loss of Government property.

(U) Command Initiated Actions to Address Concerns Identified in the Management Advisory

(U) During the development of this management advisory, the ASC and the 401st Army Field Support Brigade initiated actions to address the concerns we identified in the APS-5 transfer and accountability processes. Specifically, 401st Army Field Support Brigade officials stated that they identified and temporarily corrected the process for accounting for and validating transferred equipment. The 401st Army Field Support Brigade officials explained that they developed procedures to validate transfer documents with physical inventories, and they have implemented these procedures as a temporary solution. In addition, the 401st Army Field Support Brigade will develop standard operating procedures and a process chart as permanent solutions. The 401st Army Field Support Brigade officials also stated that they adjusted their equipment transfer process, including early communication between the losing

⁹ (U) See the Appendix for a listing and explanation of the Potential Monetary Benefits found during our work on this advisory.

(U) and gaining units and requiring electronic transfer and inventory documents prior to the equipment transfer. These new communication and documentation procedures will also be included in the standard operating procedures that the 401st Army Field Support Brigade officials stated they will develop.

(U) Recommendations, Management Comments, and Our Response

(U) Recommendation 1

(U) We recommend that the Commander, 401st Army Field Support Brigade review the 401st Army Field Support Battalion–Kuwait process for transferring and receiving shipments for all APS-5 equipment in the Battalion’s property book to ensure that personnel are following all Army requirements. The review should include procedures for identifying discrepancies between transfer documents and inventories of equipment received, and for notifying Property Book Officers when transfer documents are not received. If the Commander determines that 401st Army Field Support Battalion–Kuwait personnel are not following Army equipment transfer and receipt processes, then the Commander should use the results of the review to design and implement additional procedures and training to ensure personnel from the 401st Army Field Support Battalion–Kuwait follow Army requirements during the transfer of equipment.

(U) Management Comments Required

(U) The Commander, 401st Army Field Support Brigade, did not respond to the recommendation in time to include their comments in this advisory. Therefore, the recommendation is unresolved. We request that the Commander provide comments on the final advisory within 30 days.

(U) Recommendation 2

(U) We recommend that the Commander, 401st Army Field Support Battalion–Kuwait establish and implement procedures to receive and provide electronic transfer and inventory documents to account for equipment transfers between military units.

(U) Management Comments Required

(U) The Commander, 401st Army Field Support Battalion–Kuwait, did not respond to the recommendation in time to include their comments in this advisory. Therefore, the recommendation is unresolved. We request that the Commander provide comments on the final advisory within 30 days.

(U) Recommendation 3

~~(U)~~ We recommend that the Commander, Army Sustainment Command direct the Commander of the 401st Army Field Support Battalion–Kuwait to complete a Financial Liability Investigation of Property Loss to determine the facts concerning the Basic Issue Items and Components of End Items shortage, determine who may be financially responsible for the [REDACTED] missing items and, as appropriate, take action to recoup funds from individuals or organizations deemed responsible for the loss.

(U) Management Comments Required

(U) The Commander, Army Sustainment Command, did not respond to the recommendation in time to include their comments in this advisory. Therefore, the recommendation is unresolved. We request that the Commander provide comments on the final advisory within 30 days. We also request that the response include the Commander's views on the potential monetary benefits associated with this recommendation.

(U) Recommendation 4

(U) We recommend that the Commander, Army Sustainment Command, in conjunction with the Commander, Army Materiel Command, develop a proposed funding plan for the Department of the Army G4 Directorate to fulfill the shortage of Basic Issue Items and Components of End Items needed for Army Prepositioned Stock-5 equipment.

(U) Management Comments Required

(U) The Commander, Army Sustainment Command, and the Commander, Army Materiel Command, did not respond to the recommendation in time to include their comments in this advisory. Therefore, the recommendation is unresolved. We request that the Commanders provide comments on the final advisory within 30 days.

(U) Appendix

(U) Potential Monetary Benefits

(U) The table identifies the estimated amount of funds that could be put to better use toward budgeted DoD missions if the Army locates the BII and COEI identified as short from APS-5 equipment. According to the DoD Audit Manual, funds put to better use could be used more efficiently when management takes action to implement and complete the recommendations made by the audit organization; in this case, by not incurring costs through implementing recommended improvements related to the operations of the program.¹⁰

(U) Table 2. Potential Monetary Benefits

(CUI) Recommendation	Type of Benefit	Amount of Benefit	Account
3	Funds Put to Better Use	[REDACTED]	Operation and Maintenance, Army (program element 21X2020) (CUI)

(U) Note: Potential monetary benefits are funds put to better use or questioned costs.

(U) Source: The DoD OIG.

¹⁰ (U) DoD Manual 7600.07, "DoD Audit Manual," August 3, 2015.

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

For more information about DoD OIG reports or activities, please contact us:

Congressional Liaison

703.604.8324 Media Contact
public.affairs@dodig.mil; 703.604.8324 DoD OIG Mailing Lists
www.dodig.mil/Mailing-Lists/

Twitter

www.twitter.com/DoD_IG

DoD Hotline

www.dodig.mil/hotline

CUI



DEPARTMENT OF DEFENSE | OFFICE OF INSPECTOR GENERAL

4800 Mark Center Drive
Alexandria, Virginia 22350-1500
www.dodig.mil
DoD Hotline 1.800.424.9098

CUI