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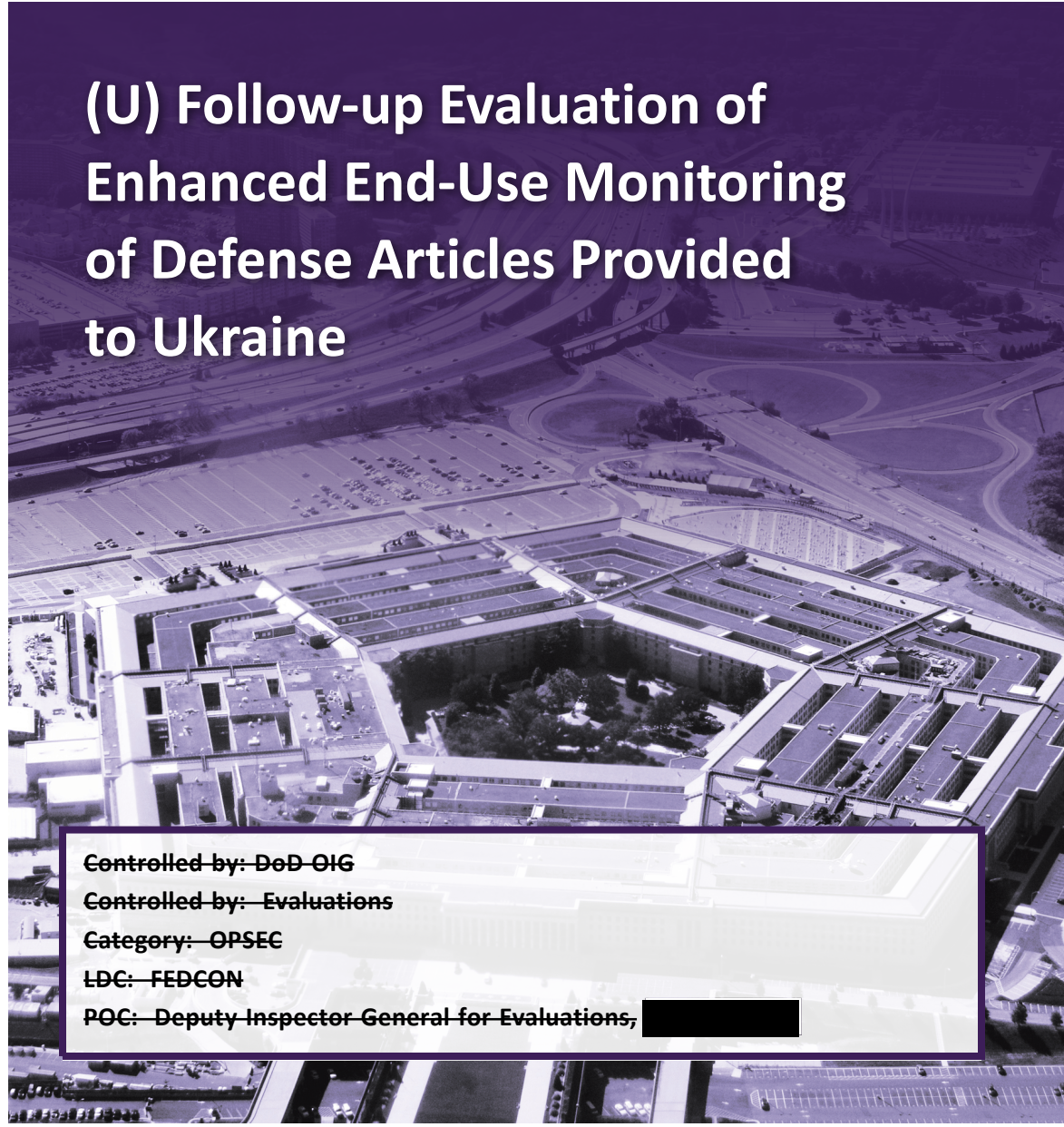
INSPECTOR GENERAL

U.S. Department of Defense

DECEMBER 9, 2024



(U) Follow-up Evaluation of Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine



~~Controlled by: DoD-OIG~~

~~Controlled by: Evaluations~~

~~Category: OPSEC~~

~~LDC: FEDCON~~

~~POC: Deputy Inspector General for Evaluations, [REDACTED]~~

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY

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(U) Results in Brief

(U) Follow-up Evaluation of Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine

December 9, 2024

(U) Objective

(U) The objective of this follow-up evaluation was to assess the extent to which the DoD conducts enhanced end-use monitoring (EEUM) of designated defense articles provided to Ukraine in accordance with DoD policy.

(U) Background

(U) The purpose of the DoD's EEUM program is to safeguard designated defense articles that require additional verification and protection. In our January 10, 2024, report, we covered the period from the full-scale Russian invasion of Ukraine in February 2022 to June 2023. In this report, we found that, despite revised inventory processes for EEUM in a hostile environment, Office of Defense Cooperation-Ukraine (ODC-Ukraine) and Ukrainian Armed Forces (UAF) personnel still were only able to conduct limited EEUM serial number inventories.

(U) Since our previous evaluation, ODC-Ukraine and UAF inventory reporting processes improved and gave the DoD visibility of thousands of additional EEUM-designated defense articles.

(U) Finding

(U) The DoD improved the accuracy and completeness of its EEUM inventories but needs to improve its accountability of defense articles provided under third-party transfer (TPT).

(~~CUI~~) The number of EEUM-designated defense articles provided to Ukraine increased from [REDACTED] defense articles

(U) Finding (cont'd)

(~~CUI~~) worth \$1.69 billion as of June 2, 2023, to [REDACTED] defense articles worth \$2.61 billion as of May 31, 2024. Partner nation self-reporting and improved ODC-Ukraine inventory processes decreased the percentage of delinquent EEUM-designated defense articles from 60 percent worth \$1 billion as of June 2023, to 12 percent worth \$200 million as of May 2024. ODC-Ukraine and the UAF identified discrepancies between UAF inventories and the Defense Security Cooperation Agency's (DSCA's) Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) database. DoD Military Departments increased serialized inventory reporting before shipment of EEUM to Ukraine, and the U.S. European Command implemented standard operating procedures and personnel training at logistics enabling nodes supporting transfer of EEUM-designated defense articles to Ukraine.

(U) While the DoD improved the accuracy and completeness of its inventories of EEUM-designated defense articles, missing or incomplete documentation of U.S.-origin items transferred by TPT continues to be a challenge. We found that 30 percent of defense articles provided under TPT had no inventory data on record in the SCIP-EUM database. This occurred because the DoD and Department of State did not have an agreement to notify divesting and receiving security cooperation organizations of all approved, government-to-government TPTs of EEUM-designated defense articles to a hostile environment.

(U) As a result, the SCIP-EUM database does not yet accurately account for TPT EEUM-designated defense articles in Ukraine, increasing the risk of misstating available and combat-capable EEUM-designated defense articles in Ukraine, as well as preventing the DoD from maintaining a common baseline of EEUM-designated defense articles as required by the Security Assistance Management Manual.

(U) Recommendations

(U) We recommend that the Under Secretary of Defense for Policy, in coordination with the DSCA Director, work with the Department of State Bureau of Political-Military Affairs Office of Regional Security and Arms Transfers to develop and implement a policy stating that a single entity

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(U) Results in Brief

(U) Follow-up Evaluation of Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine

(U) Recommendations (cont'd)

(U) is responsible for notifying divesting and receiving security cooperation offices of all approved, government-to-government TPTs of EEUM-designated defense articles to a hostile environment. Additionally, the policy should require the divesting security cooperation office to notify the receiving security cooperation office of all initiated transfers and confirmed deliveries of TPTs in a hostile environment.

(U) Management Comments and Our Response

(U) The DSCA Assistant Director for Internal Operations, on behalf of the Acting Under Secretary of Defense for Policy, agreed with the intent of the recommendation. The Assistant Director stated that the DSCA will support the Department of State's Bureau of Political-Military Affairs Office of Regional Security and Arms Transfer to develop and implement a policy to notify divesting and receiving security cooperation organizations of all approved, government-to-government TPTs.

(U) The Assistant Director's response to the recommendation meets the intent of the recommendation. We consider this recommendation resolved but open.

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(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Policy		1	(U)

(U) Please provide Management Comments by January 9, 2025.

(U) Note: The following categories are used to describe agency management's comments to individual recommendations.

- **(U) Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **(U) Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **(U) Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.

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

December 9, 2024

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR POLICY
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
DEPARTMENT OF STATE BUREAU OF POLITICAL-MILITARY
AFFAIRS OFFICE OF REGIONAL SECURITY AND ARMS TRANSFERS

SUBJECT: (U) Follow-up Evaluation of Enhanced End-Use Monitoring of Defense Articles
Provided to Ukraine (Report No. DODIG-2025-050)

(U) This final report provides the results of the DoD Office of Inspector General's evaluation. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

(U) The Defense Security Cooperation Agency Assistant Director for International Operations, responding on behalf of the Acting Under Secretary of Defense for Policy, agreed to address the recommendation presented in the report. Therefore, we consider the recommendation resolved but open. We will close the recommendation when you provide us documentation showing how the Office of the Under Secretary of Defense for Policy and the Defense Security Cooperation Agency will support the Department of State's Bureau of Political-Military Affairs Office of Regional Security and Arms Transfer policy improving third-party transfer communications between security cooperation offices when third-party transfers are authorized for government-to-government transfer into a hostile environment and when those transfers are initiated and complete.

(U) Please provide us your response within 90 days concerning specific actions in process or completed on the recommendations. Send your response to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

(U) If you have any questions, please contact [REDACTED]

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink that reads "Bryan Clark".

Bryan T. Clark
Assistant Inspector General for Evaluations
Programs, Combatant Commands, and Operations

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(U) Acronyms and Abbreviations

(U) Introduction

(U) Objective

(U) The objective of this follow-up evaluation was to assess the extent to which the DoD conducts enhanced end-use monitoring (EEUM) of designated defense articles provided to Ukraine in accordance with DoD policy.

(U) Background

(U) The Arms Export Control Act authorizes the President to establish an end-use monitoring (EUM) program to improve accountability of defense articles and defense services sold, leased, or exported by the U.S. Government (USG) to a partner nation.¹ The Golden Sentry EUM program was designed to verify that defense articles or services transferred by the USG to foreign recipients are used in accordance with the terms and conditions of the transfer agreement or other applicable agreement. The program's purpose is to hold partner nations accountable for the proper use, storage, and physical security of U.S.-origin defense articles and services transferred to their respective nations through DoD government-to-government programs.

(U) EEUM requirements are codified in the Defense Security Cooperation Agency's (DSCA's) Security Assistance Management Manual (SAMM) and in written agreements between the USG and the partner nation.² The requirements include physical security assessments of the partner nation's storage facilities and inventories of all EEUM-designated defense articles by serial number.

(U) Because of the hostile environment in Ukraine after Russia's full-scale invasion in February 2022, the U.S. Embassy in Kyiv closed, and the U.S. European Command (USEUCOM) published a memorandum requiring Ukrainian officials to receive, inspect, and document accountability of EEUM-designated defense articles to Office of Defense Cooperation-Ukraine (ODC-Ukraine) personnel.³ During this time, partner nations began to provide Ukraine with thousands of EEUM-designated defense articles. ODC-Ukraine personnel were unable to conduct initial or annual inventories of EEUM-designated defense articles in Ukraine or in supporting partner nations until July 2022, when they relocated

¹ (U) Arms Export Control Act, 22 U.S.C. § 2751.

² (U) DSCA Manual 5105.38, "Security Assistance Management Manual," April 30, 2012 (Updated July 15, 2024).

³ (U) Memorandum from USEUCOM to ODC-Ukraine, "USEUCOM Endorsement for Modified Security Assistance Equipment Accountability Requirement," February 18, 2022.

(U) to partner nation logistics enabling nodes and began to conduct some initial inventories of defense articles enroute to Ukraine. By October 2022, ODC-Ukraine personnel resumed limited inventories of EEUM-designated defense articles in Ukraine.

(U) ODC-Ukraine and the Ukrainian Armed Forces (UAF) agreed to a concept of operations (CONOPS) in late 2022 that outlined UAF responsibilities for EEUM self-reporting and inventory in a hostile environment. ODC-Ukraine and the UAF later refined the CONOPS in November 2023.⁴ In December 2022, the DSCA updated the SAMM to allow for partner nation self-reporting (PNSR) of initial and annual EEUM inventories in hostile environments. The SAMM update and the CONOPS authorized and acknowledged the use of bar code scanners to inventory EEUM-designated defense articles.⁵

(U) In 2023, we conducted an evaluation of the DoD's EEUM of defense articles provided to Ukraine and published our report on January 10, 2024.⁶ During the evaluation, we found that, despite revised inventory processes for conducting EEUM in a hostile environment, ODC-Ukraine and UAF personnel were only able to conduct limited initial and annual EEUM serial number inventories as of June 2, 2023. We identified several causes restricting the ability of ODC-Ukraine and the UAF to effectively inventory EEUM-designated defense articles, including the following reasons.

- (U) The UAF conducted limited or late inventories of EEUM-designated defense articles before the development of EEUM inventory processes in a hostile environment and the UAF's CONOPS with ODC-Ukraine.
- (U) The DSCA did not always update the DSCA's Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) database in a timely manner with EEUM-designated defense articles inventoried by the UAF.⁷
- (U) DoD Military Departments (MILDEPs) did not always provide serial numbers to the SCIP-EUM Help Desk before the transfer of defense articles to Ukraine, and the DSCA did not always add serial numbers provided by the MILDEPs to the SCIP-EUM database in a timely manner, which slowed the EEUM inventory process.

⁴ (U) ODC-Ukraine and the UAF, "Concept of Operations, Partner Nation End-Use Monitoring Self-Reporting," November 2022 (Updated November 26, 2023).

⁵ (U) DoD OIG Report No. DODIG-2024-140, "Management Advisory: The DoD Should Analyze the Use of Barcode Scanners for Conducting Inventories of Defense Articles Requiring Enhanced End-Use Monitoring," September 30, 2024, evaluated the advantages of and challenges with using bar code scanners in Ukraine.

⁶ (U) DoD OIG Report No. DODIG-2024-043, "Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine," January 10, 2024.

⁷ (U) The SCIP is a DSCA-managed web-based system that contains Foreign Military Sales and security cooperation case-related data, as well as various other information. The SCIP-EUM database is a community in the SCIP where EEUM accountability and inventory data is tracked and updated.

- (U) A lack of UAF inventory information and incomplete SCIP-EUM databases hindered ODC-Ukraine efforts to identify and reconcile reporting discrepancies.
- (U) Primary logistics nodes supporting Ukraine with receipt and onward movement of EEUM-designated defense articles faced logistical and personnel challenges during the year following Russia's full-scale invasion of Ukraine.

(U) We made several recommendations in our January 10, 2024, report, and we are still following up to ensure that sufficient action is taken to close a number of those recommendations. Appendix C contains an account of the recommendations from our entire suite of Ukraine-related EEUM reports.

(U) U.S. Government Roles and Responsibilities for EEUM Support

(U) The principal organizations responsible for implementing the EEUM program in Ukraine are the Office of the Under Secretary of Defense for Policy, Department of State (DoS) Bureau of Political-Military Affairs Office of Regional Security and Arms Transfers (DoS PM/RSAT), DSCA, ODC-Ukraine, and MILDEP implementing agencies (IAs).

(U) Office of the Under Secretary of Defense for Policy

(U) The Under Secretary of Defense for Policy serves as the principal staff assistant and advisor to the Secretary of Defense on security cooperation matters. In that capacity, the Under Secretary develops and coordinates DoD guidance that disseminates Secretary of Defense security cooperation goals and priorities. The Office of the Under Secretary of Defense for Policy delegates authority to the DSCA to administer the Golden Sentry EUM program, which requires compliance with the requirements for use, transfer, and security of EUM defense articles and defense services.

(U) Department of State Bureau of Political-Military Affairs Office of Regional Security and Arms Transfers

(U) The USG requires recipients of U.S.-origin defense articles, services, or technical data to obtain written consent from the DoS PM/RSAT before transfer, disposal, or change of end use of its U.S.-origin articles, services, or data, if not previously authorized in the original acquisition. The DoS PM/RSAT is responsible for coordinating the DoS's response for requests to transfer defense articles to

(U) a third party. These requests include all associated components, technical data, training, and services originally acquired through Foreign Military Sales or grant programs, such as Presidential Drawdown Authority, and requests for the demilitarization and disposal of the items.

(U) Defense Security Cooperation Agency

(U) The DSCA's responsibilities include developing and promoting EEUM guidance in the DoD using the SAMM, the primary guidance that describes the procedures for monitoring defense articles for the EUM program.

(U) ODC-Ukraine

(U) As the security cooperation organization (SCO) for Ukraine, ODC-Ukraine is responsible for developing EEUM standard operating procedures specific to Ukraine. In accordance with SAMM Chapter 8, "Conducting EEUM in a Hostile Environment," ODC-Ukraine can perform the following functions as security and logistics conditions permit.

- (U) Conduct initial and annual serial number inventories of all EEUM-designated defense articles in Ukraine.
- (U) Establish and maintain an accurate baseline of all EEUM-designated defense articles in Ukraine in the DSCA's SCIP-EUM database.⁸
- (U) Immediately report the destruction or loss of any EEUM-designated defense articles to the DSCA.

(U) Military Department Implementing Agencies

(U) Each MILDEP is responsible for maintaining a Golden Sentry point of contact and assisting the DSCA in developing EUM policy. According to the SAMM, the MILDEPs are also responsible for submitting to the DSCA serial numbers of EEUM-designated defense articles being shipped to a partner nation in advance of shipment for entry in the SCIP-EUM database.

(U) EEUM-Designated Defense Articles Provided to Ukraine

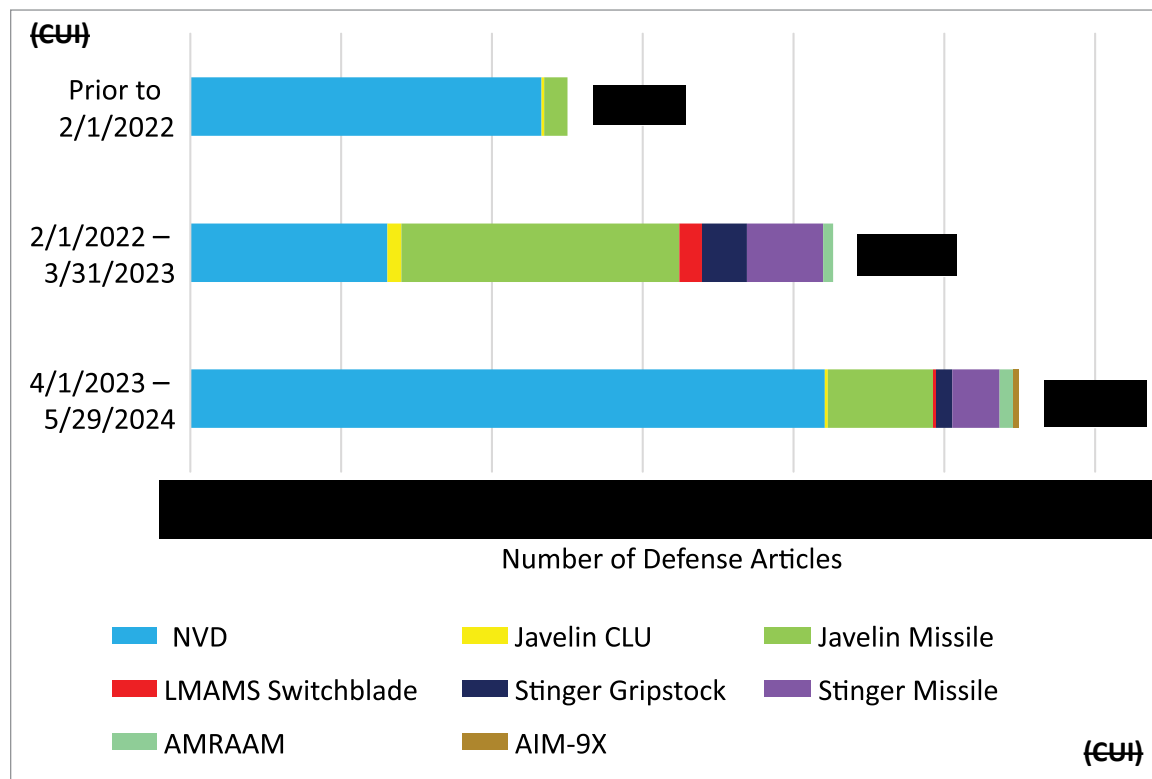
~~(U)~~ Following Russia's full-scale invasion of Ukraine in February 2022, the USG and partner nations began providing Ukraine with thousands of EEUM-designated defense articles. From February 2022 to March 2023, the USG and partner nations provided Ukraine with approximately [REDACTED] EEUM-designated defense articles,

⁸ (U) To establish and maintain an accurate baseline in accordance with the SAMM, DSCA and ODC-Ukraine personnel must ensure that EEUM-designated defense article inventory information is accurate and that these defense articles are listed in the correct country's database.

(CUI) composed of lethal miniature aerial missile system Switchblades, Stinger missiles, Stinger gripstocks, Air Intercept Missile-120 advanced medium-range air-to-air missiles (AMRAAMs), javelin missiles, javelin command launch units, and night vision devices (NVDs).

(CUI) From April 2023 to May 2024, the USG and partner nations provided approximately [REDACTED] additional EEUM-designated defense articles of eight defense article types to Ukraine, with the addition of Air Intercept Missile-9X missiles. See Figure 1 for a breakdown by time period of the EEUM-designated defense articles transferred to Ukraine. Figure 1 shows [REDACTED] EEUM-designated defense articles provided to Ukraine as of May 31, 2024, an increase of [REDACTED] (81 percent) from the [REDACTED] defense articles provided to Ukraine as of the beginning of our evaluation period on April 1, 2023.

(U) Figure 1. Number of EEUM-Designated Defense Articles Provided to Ukraine by Time Period



(U) LEGEND

(U) AIM Air Intercept Missile

(U) CLU Command Launch Unit

(U) LMAMS Lethal Miniature Aerial Missile System

(U) Source: EEUM-designated defense article final transfer dates and creation dates in the SCIP-EUM database through May 31, 2024.

(CUI) Additionally, Table 1 shows the estimated monetary value of \$2.6 billion for these [REDACTED] EEUM-designated defense articles.

(U) Table 1. Total EEUM-Designated Defense Articles by Type and Associated Costs as of May 31, 2024

(CUI) EEUM Defense Article Type	Quantity Provided to Ukraine	Estimated Cost Per Unit	Estimated Total Cost
AMRAAM	[REDACTED]	\$514,250	[REDACTED]
Air Intercept Missile-9X	[REDACTED]	\$446,000	[REDACTED]
LMAMS Switchblade 300	[REDACTED]	\$78,369	[REDACTED]
LMAMS Switchblade 600	[REDACTED]	\$202,213	[REDACTED]
NVD	[REDACTED]	\$16,115	[REDACTED]
Javelin command launch unit	[REDACTED]	\$196,000	[REDACTED]
Javelin missile	[REDACTED]	\$78,838	[REDACTED]
Stinger gripstock	[REDACTED]	\$14,076	[REDACTED]
Stinger missile	[REDACTED]	\$48,882	[REDACTED]
Total	[REDACTED]	N/A	[REDACTED] (CUI)

(U) LEGEND

(U) **LMAMS** Lethal Miniature Aerial Missile System

(U) Source: The DSCA's SCIP-EUM database, MILDEP IA personnel, and valuation by the DoD OIG.

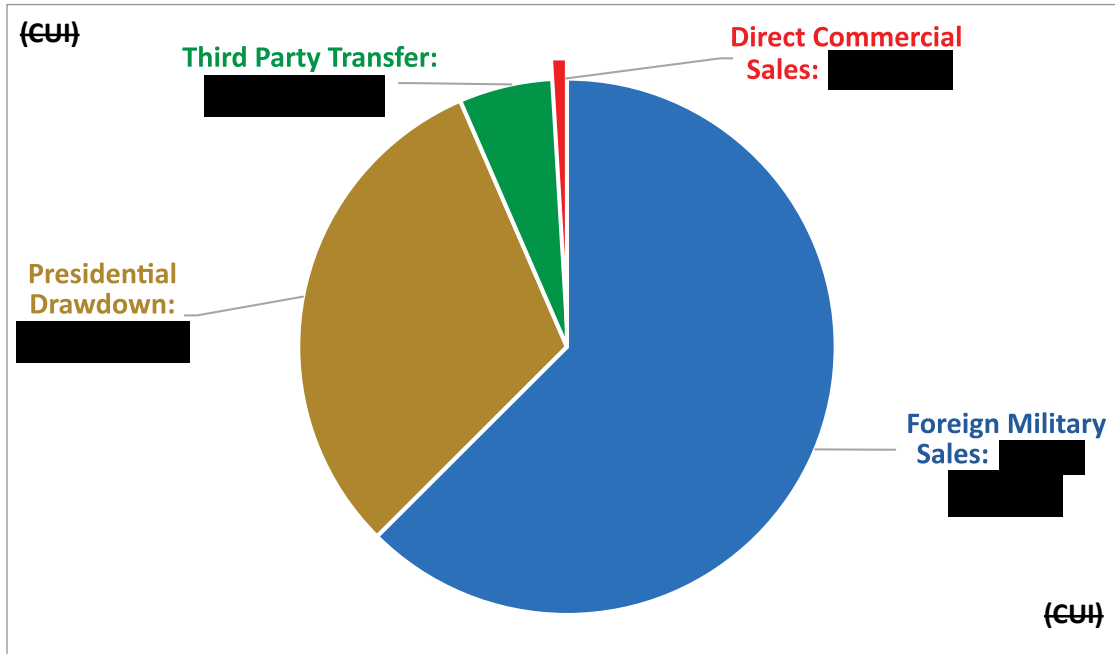
(U) The USG and partner nations have used multiple authorities to transfer EEUM-designated defense articles to the UAF, including Presidential Drawdown Authority, Foreign Military Sales, third-party transfer (TPT), and direct commercial sales.⁹ Regardless of the transfer authority used to conduct the defense article transfer, Chapter 8 of the SAMM requires the same inventory and physical security protections for all EEUM-designated defense articles under the Golden Sentry EUM program.

⁹ (U) TPT of EEUM-designated defense articles is the transfer from its current foreign government owner to another foreign government with the consent of the USG. As a condition of any USG-authorized sale, lease, or grant of EEUM-designated defense articles, the divesting party must agree to obtain the written consent of the DoS before retransferring any of the EEUM-designated defense articles.

(U) According to DSCA personnel, defense articles transferred through the Ukraine Security Assistance Initiative use the FMS system but are not technically considered FMS transfers. However, because they are listed under the FMS process in the SCIP-EUM database, we considered their transfer authority to be the FMS process for the purposes of our analysis.

(U) Figure 2 lists the number of EEUM-designated defense articles the USG transferred to Ukraine from February 1, 2022, to May 31, 2024, as listed in the SCIP-EUM database, using each of these four transfer authorities.

(U) Figure 2. Total EEUM-Designated Defense Articles Provided to Ukraine by Transfer Authority from February 1, 2022, to May 31, 2024



(U) Source: Transfer authority data in the SCIP-EUM database for EEUM-designated defense articles.

(U) Finding

(U) The DoD Significantly Improved Its EEUM Accountability in Ukraine, but Accounting for Third Party Transfers Still Presents Challenges

~~(CUI)~~ Between June 2, 2023, and May 31, 2024, the DoD significantly improved accountability of EEUM-designated defense articles provided to Ukraine in accordance with the SAMM. The DSCA's SCIP-EUM database shows that the number of EEUM-designated defense articles in Ukraine increased from approximately [REDACTED] in June 2023 to [REDACTED] in May 2024. The total monetary value of the defense articles provided to Ukraine increased from \$1.7 billion to \$2.6 billion during this period. A comparison of the EEUM inventory delinquency rates from June 2, 2023, through May 31, 2024, shows that overall delinquency rates for EEUM-designated defense articles provided to Ukraine decreased from 60 percent in June 2023 to approximately 12 percent in May 2024.¹⁰ Accordingly, the monetary value of delinquent EEUM-designated defense articles decreased by approximately 80 percent, from \$1 billion as of June 2, 2023, to \$200 million as of May 31, 2024. During our evaluation, we identified multiple improvements that the DoD and ODC-Ukraine made in the accountability of EEUM-designated defense articles in Ukraine.

- (U) Between June 2023 and May 2024, UAF personnel submitted quarterly inventory reports to ODC-Ukraine through PNSR. These reports allowed ODC-Ukraine personnel to improve the accuracy and completeness of their inventories of EEUM-designated defense articles and the transfer of inventory data into the SCIP-EUM database. ODC-Ukraine moved lost, damaged, destroyed, and expended defense articles listed on these quarterly inventory reports to an inactive status in the SCIP-EUM database and removed them from delinquent inventory lists.¹¹

¹⁰ (U) The DSCA's "SCIP Background" document states that delinquent items are those that have not been inventoried within a pre-determined amount of time. The SCIP-EUM database identifies as delinquent any EEUM-designated defense article that does not receive an initial inventory within 90 days of its creation date. The database also marks EEUM-designated defense articles delinquent if they do not receive an annual inventory within 365 days of the previous inventory.

¹¹ (U) In DoD OIG Report No. DODIG-2024-097, "Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Requiring Enhanced End-Use Monitoring," June 20, 2024, we reported that in the SCIP-EUM database, a defense article in an inactive status is no longer possessed by the partner nation because the defense article was lost, destroyed, stolen, or otherwise damaged beyond repair. A DSCA official told the DoD OIG that a defense article is considered lost when it cannot be accounted for and is not known to have been destroyed. After UAF personnel provide loss reporting to ODC-Ukraine documenting the loss or destruction of EEUM-designated defense articles, ODC-Ukraine or DSCA personnel move the defense articles to an inactive status in the SCIP-EUM database to show that the UAF is no longer in possession of the defense article.

- (U) ODC-Ukraine personnel reviewed UAF quarterly inventory reports and reconciled discrepancies between EEUM-designated defense articles listed in UAF-conducted PNSR quarterly inventories and those listed in the SCIP-EUM database. The UAF and ODC-Ukraine quarterly inventory report process enabled ODC-Ukraine to identify EEUM-designated defense articles that were active in the SCIP-EUM database but that were never inventoried or not inventoried since 2022.
- (U) The UAF and ODC-Ukraine quarterly inventory report process enabled ODC-Ukraine personnel to identify defense article serial numbers that were listed on the quarterly inventory reports but not listed in the SCIP-EUM database.
- (U) The DoD MILDEP IAs coordinated with DSCA personnel to send all incoming EEUM defense article serial numbers to the DSCA before shipment to Ukraine, in accordance with the SAMM.¹²
- (U) After we published our management advisory in 2023, USEUCOM subordinate commands responsible for logistics improved standard operating procedures for U.S. logistics enabling nodes in Poland.¹³ These standard operating procedures support the accountability and onward movement of EEUM-designated defense articles to Ukraine. The improvements include crew familiarity with defense articles designated for EEUM, EEUM inventory procedures, and crew roles and responsibilities.

(U) Despite improvements in EEUM inventory processes, DSCA and ODC-Ukraine officials still face challenges accounting for TPTs of EEUM-designated defense articles provided to Ukraine. We found that TPT documentation is incomplete, and TPT processes are not consistent across SCOs. As of May 2023, DSCA personnel did not consistently receive authorization documentation or notification of EEUM-designated defense articles being transferred to Ukraine through TPT. Therefore, the DSCA's SCIP-EUM Help Desk was often unable to add these defense articles to the SCIP-EUM database for ODC-Ukraine upon transfer completion as required by the SAMM. This occurred because the DoD and DoS did not have an agreement to notify divesting and receiving SCOs of all approved, government-to-government TPTs of EEUM-designated defense articles to a hostile environment. Some partner nations coordinated their TPTs directly

¹² (U) In DoD OIG Report No. DODIG-2024-097, we reported that, as of June 2023, the MILDEP IAs did not consistently provide defense article serial numbers to the DSCA before shipment to Ukraine. As a result, we recommended that the MILDEP IAs establish procedures to ensure that they provide serial number notifications to the DSCA in advance of transfer to hostile environments, in accordance with the SAMM.

¹³ (U) DoD OIG Report No. DODIG-2023-090, "Management Advisory: Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring," June 28, 2023.

(U) with the DoS PM/RSAT and did not include their SCOs in the TPT process, and often, ODC-Ukraine and the DSCA were not notified when DoS PM/RSAT personnel approved TPTs or divesting partner nations or when SCOs shipped the TPT defense articles to Ukraine.

(U) As a result, DSCA and ODC-Ukraine personnel do not accurately account for TPT EEUM-designated defense articles in the SCIP-EUM database as required by the SAMM, increasing the risk of misstating available and combat-capable EEUM-designated defense articles in the SCIP-EUM database.

(U) The DoD Improved Its Accountability of EEUM-Designated Defense Articles in Ukraine

(U) During our evaluation, we identified multiple DoD and ODC-Ukraine actions that improved accountability of EEUM-designated defense articles in Ukraine. Through quarterly inventory reports the UAF submitted between June 2, 2023, and May 31, 2024, DSCA and ODC-Ukraine personnel implemented processes to improve their accountability of EEUM-designated defense articles provided to Ukraine in accordance with DoD policy. Because of these process improvements, the DSCA and ODC-Ukraine decreased the overall delinquency rate in the SCIP-EUM database from 60 percent on June 2, 2023, to 12 percent on May 31, 2024. Accordingly, the estimated monetary value of delinquent EEUM-designated defense articles in the SCIP-EUM database decreased by approximately 80 percent from \$1 billion as of June 2, 2023, to \$200 million as of May 31, 2024. Table 2 provides a summary of the monetary value of total and delinquent EEUM-designated defense articles between June 2, 2023, and May 31, 2024.

(U) Table 2. Total Monetary Value of EEUM-Designated Defense Articles as of June 2, 2023, and May 31, 2024

(CUI)	As of June 2, 2023	As of May 31, 2024	Percent Change
Defense Article Total			+63.8%
Value of Total Defense Articles			+64.7%
Delinquent Defense Article Total			-73.2%
Value of Delinquent Defense Articles			-80%

(CUI)

(U) Source: Compilation of data from the SCIP-EUM database, MILDEP IAs, and DoD OIG Office of Financial Management.

(U) DoD improvements that contributed to this decrease in EEUM-designated defense article delinquency include:

- (U) improved use of quarterly inventory reports and the SCIP-EUM database to find report discrepancies and account for missing EEUM-designated defense articles,
- (U) improved coordination of serial number notifications between MILDEP IAs and the DSCA, and
- (U) improved operations at U.S. air and ground logistics enabling nodes supporting receipt and transfer of EEUM-designated defense articles to the UAF.

(U) ODC-Ukraine Identified EEUM-Designated Defense Articles and Reconciled Discrepancies in Reporting

(U) ODC-Ukraine personnel used UAF quarterly inventory reports to identify EEUM-designated defense articles and reconcile discrepancies between EEUM-designated defense articles listed in the UAF-conducted PNSR quarterly inventories and those listed in the SCIP-EUM database. Because of ODC-Ukraine's implementation of the PNSR quarterly inventory process with the UAF, from June 2023 to July 2024, ODC-Ukraine gained access to inventory information for thousands of additional EEUM-designated defense articles. ODC-Ukraine used the inventory information to find discrepancies in the status of these defense articles listed in PNSR quarterly inventories and those listed in the SCIP-EUM database. ODC-Ukraine also used inventory reports to summarize current inventory results and update the status of EEUM-designated defense articles on previous inventories of EEUM-designated defense articles.

(U) UAF Quarterly Reporting Helped ODC-Ukraine Determine the Status of Many EEUM-Designated Defense Articles in the SCIP-EUM Database

(U) Through quarterly inventory reporting, ODC-Ukraine and UAF personnel improved accountability of expendable EEUM defense articles in the SCIP-EUM database. The UAF and ODC-Ukraine quarterly inventory reporting process helped identify EEUM-designated defense articles that were listed in the SCIP-EUM database but that had not been inventoried since being transferred to Ukraine. The UAF PNSR quarterly inventories for the 4th quarter of 2023 and 1st quarter of 2024 confirmed that many of these EEUM-designated defense articles provided to the UAF in 2022 were no longer on hand. Because many of the defense articles sent to Ukraine in 2022 never appeared on a quarterly inventory report, we assessed

(U) that many of these items were likely lost or destroyed in Ukraine or that UAF personnel expended them in 2022 or 2023 when record keeping of expended EEUM items by serial number was not a formal process under PNSR. Personnel from ODC-Ukraine agreed with this assessment.¹⁴

(CUI) Of the total [REDACTED] delinquent EEUM-designated defense articles in Ukraine as of April 18, 2024, [REDACTED] of [REDACTED] (67 percent) entered Ukraine in 2022, according to the SCIP-EUM database. After reviewing the status of these defense articles in the SCIP-EUM database, we further assessed that [REDACTED] of these [REDACTED] (91 percent) did not receive an initial or annual inventory since being transferred to Ukraine during 2022. Over half of these items without any inventory data were expendable defense articles, including [REDACTED] Javelin missiles and [REDACTED] Stinger missiles. Because these items were never inventoried, we assessed that the UAF likely expended many of them in combat.

~~(CUI)~~ We conducted an analysis in late May 2024 to assess the extent to which the number of EEUM-designated defense articles in the SCIP-EUM database with no inventory information changed following the incorporation of UAF PNSR quarterly inventory data from the 1st quarter of 2024. We determined that because of increased quarterly inventory reporting, the number of defense articles with no inventory information decreased from [REDACTED] (38 percent).

~~(CUI)~~ During our previous evaluation of EEUM in Ukraine, Report No. DODIG-2024-043, ODC-Ukraine personnel told us that the UAF did not track the expenditure of Javelin and Stinger missiles by serial number, as required by the SAMM, in 2022 and 2023. However, ODC-Ukraine personnel now receive this expenditure data by serial number through UAF quarterly inventory reporting. We reviewed a list of EEUM-designated defense articles listed as expended, lost, or destroyed in the 2024 1st quarter inventory report, which ODC-Ukraine personnel used to update the SCIP-EUM database. This inventory reporting from the 1st quarter of 2024 showed a decrease in the number of Javelin missiles without inventory information from [REDACTED] (80 percent) and a decrease in the number of Stinger missiles without inventory information from [REDACTED] (22 percent).

~~(CUI)~~ Table 3 lists a total of [REDACTED] expended, lost, or destroyed EEUM-designated defense articles from this reporting, of which [REDACTED] were Javelin and Stinger missiles. Our analysis of this quarterly inventory reporting showed that [REDACTED] (49 percent) of the EEUM-designated defense articles were expended, lost, or destroyed in Ukraine between February 2022 and October 2023, but ODC-Ukraine

¹⁴ (U) We intend to focus on the expenditure accounting and demilitarization processes in our next Ukraine EEUM project.

(CUI) personnel did not receive the information necessary to update the SCIP-EUM database until UAF personnel provided them with the inventory reporting for the 1st quarter of 2024.

(U) Table 3. *Expended, Lost, and Destroyed EEUM-Designated Defense Articles Listed on the 1st Quarter 2024 UAF Inventory Report Through March 2024*

(CUI) Defense Article Type and Status	Serial Number Count
AMRAAM	█
Loss – Destroyed	█
Loss – Expended in Combat	█
Javelin command launch units	█
Loss – Destroyed	█
Javelin missiles	█
Loss – Destroyed	█
Loss – Expended in Combat	█
Stinger gripstocks	█
Loss – Destroyed	█
Stinger missiles	█
Loss – Destroyed	█
Loss – Expended in Combat	█
Switchblade 300	█
Loss – Expended in Combat	█
Total	█ (CUI)

(U) Source: ODC-Ukraine, based on an analysis of quarterly inventory reporting.

(U) ODC-Ukraine Reviewed UAF Quarterly Inventories to Identify EEUM-Designated Defense Articles Found During Inventories but Missing in the SCIP-EUM Database

(CUI) The UAF and ODC-Ukraine quarterly inventory reports helped ODC-Ukraine personnel identify defense article serial numbers that were listed on the quarterly inventories but not in the SCIP-EUM database. For example, using the UAF’s 1st quarter 2024 inventory documents, ODC-Ukraine conducted a discrepancy analysis to identify EEUM-designated defense article serial numbers listed as on hand, lost, destroyed, or expended on the quarterly inventory reporting that were not listed in the SCIP-EUM database for Ukraine as of April 2024. Through this analysis, ODC-Ukraine personnel identified █ defense article serial numbers

(CUI) that were listed as on hand, lost, destroyed, or expended on quarterly inventory reporting but that were not listed in the SCIP-EUM database. Further, the data we reviewed demonstrates that the UAF is reporting loss notification information to ODC-Ukraine in a timelier manner than before the implementation of that process in 2023. Table 4 provides an overview of these █████ defense article serial numbers listed on UAF quarterly inventory reporting but not present in the SCIP-EUM database as of April 2024.

(U) Table 4. EEUM-Designated Defense Articles Listed on Quarterly Inventory Report but Not Listed in SCIP-EUM Database as of April 2024

(CUI) Defense Article Type	Active	Lost or Destroyed	Expended	Total
NVD	████	██	█	████
Javelin command launch unit	█	█	█	█
AMRAAM	█	█	█	█
LMAMS Switchblade	█	█	████	████
Stinger missile	████	█	████	████
Stinger gripstock	█	█	█	█
Total	████	██	████	████ (CUI)

(U) LEGEND

(U) LMAMS Lethal Miniature Aerials Missile System

(U) Source: ODC-Ukraine, based on an analysis of quarterly inventory reporting.

(CUI) Of the █████ serial numbers listed in Table 4, we identified █████ NVDs from Service components that were both provided to Ukraine through Presidential Drawdown Authority in 2022 and 2023 and were listed on quarterly inventory reporting as being in Ukraine but were not in the SCIP-EUM database as of April 2024. We also identified █████ and █████ provided to Ukraine by a partner nation through TPT in 2022 that were not listed in the SCIP-EUM database as of April 2024.

(CUI) In addition to recording these █████ serial numbers in the SCIP-EUM database for Ukraine, to fully adjust the EEUM inventory baseline in accordance with the SAMM, DSCA and ODC-Ukraine personnel stated that the SCIP-EUM database must also list the transfer authority and point of origin for a defense article to validate that the serial number was transferred to Ukraine’s EEUM database. As of May 2024, DSCA and ODC-Ukraine personnel had begun the process of inputting the defense articles listed on this analysis of quarterly

(~~CUI~~) inventory reporting into the SCIP-EUM database. However, these serial number listings did not include transfer authority or point of origin information describing how these defense articles entered Ukraine. This information is critical to maintaining the accuracy of the EEUM baseline in Ukraine, partner nations, MILDEPs, and the SCIP-EUM database.

(U) To maintain the SCIP-EUM baseline, ODC-Ukraine, DSCA, and USEUCOM officials stated that USEUCOM and the Army are working on a project to digitize transfer documentation signed at the logistics enabling nodes in Poland. The project aims to store the transfer documentation in a digital repository, which would give ODC-Ukraine and DSCA personnel access to information regarding the transfer authority and point of origin for each defense article that UAF personnel receive. Through record digitization, ODC-Ukraine and DSCA personnel can input transfer authority and point of origin information for any missing defense article into the SCIP-EUM database. While the USEUCOM official did not provide an estimated implementation date, they stated that they intend for transfer documentation for all defense articles provided to Ukraine to date to be available using this new process.

(U) ODC-Ukraine Personnel Reviewed UAF Inventory Reports and Corrected Previous Disposition Statuses

(U) ODC-Ukraine personnel reviewed the UAF quarterly inventory reports provided through PNSR to identify and correct discrepancies with previous UAF inventory reporting. For example, ODC-Ukraine personnel found that UAF personnel originally listed 421 defense articles as lost, destroyed, or expended in Ukraine but later listed those articles as on hand in their 4th quarter 2023 inventory data.¹⁵ Through additional data verification methods, such as using quarterly inventory reporting, ODC-Ukraine personnel improved the accuracy of the defense article information in the SCIP-EUM database and the overall accountability for EEUM defense articles in Ukraine. Table 5 shows quantities of defense articles incorrectly listed as lost, destroyed, or expended in previous UAF inventories and later determined to be on hand during the UAF quarterly inventory process.

¹⁵ (~~CUI~~) In DoD OIG Report No. DODIG-2024-097, "Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring," June 24, 2024, the DoD OIG reported that ODC-Ukraine personnel received loss reporting information from the UAF for [REDACTED] EEUM-designated defense articles from March 1, 2022, to July 31, 2023. Based on the ODC-Ukraine discrepancy analysis, we determined that [REDACTED] of these [REDACTED] defense articles were later reported by the UAF as being on hand as opposed to lost or destroyed on the UAF 4th quarter 2023 inventory report.

(U) Table 5. Items Originally Listed as Lost, Destroyed, or Expended but Later Determined to Be on Hand After UAF Quarterly Inventory

(CUI) Defense Article Type	Number of Items	Percent of Total Items
Javelin missile	█	█
NVD	█	█
Stinger gripstock	█	█
Stinger missile	█	█
Total	█	N/A (CUI)

(U) Source: ODC-Ukraine inventory discrepancy analysis based on March 2024 quarterly inventory.

(U) Military Departments and the DSCA Are Coordinating to Provide Future Defense Article Serial Number Notifications in Advance of Shipment to Hostile Environments

(U) The DoD MILDEP IAs are coordinating with DSCA personnel to meet the SAMM requirement to send all incoming EEUM defense article serial numbers to the DSCA before shipment to Ukraine. The DSCA updated the SAMM in December 2022 to require the MILDEP IAs to provide the DSCA with serial number records of EEUM defense articles for input into the SCIP-EUM database in advance of their shipment to a hostile environment instead of monthly when shipped to a peacetime environment.

(U) In January 2024, we reported that, as of June 2023, the MILDEP IAs did not consistently provide defense article serial numbers to the DSCA before shipment to Ukraine. In June 2023, a DSCA SCIP-EUM Help Desk official stated that often the first time DSCA personnel became aware of an EEUM-designated defense article record was when ODC-Ukraine or UAF personnel inventoried the item in Poland or Ukraine, as opposed to part of a MILDEP IA serial number notification in advance of defense article transfer. Notably, officials from the MILDEP IA responsible for the Air Intercept Missile-120 advanced medium-range air-to-air missile (AMRAAM) told us in May 2023 that they were not even aware of the updated SAMM guidance from December 2022 requiring their personnel to provide the DSCA with serial number notification of EEUM defense articles to hostile environments in advance of shipment.

(U) As a result, we recommended that the MILDEP IAs establish procedures to ensure that they provide serial number notifications to the DSCA in advance of their transfer to hostile environments, in accordance with the SAMM. The MILDEP IAs agreed, and during this follow-up evaluation, MILDEP IA officials stated that

(U) they had coordinated with DSCA officials regarding MILDEP IA deficiencies in serial number notifications to comply with the SAMM. Specifically, in January 2024, MILDEP IA personnel coordinated with the DSCA to update the SAMM to include procedures for MILDEP IA serial number notifications to the DSCA in advance of shipment. Additionally, MILDEP IA officials began updating their standard operating procedures to meet the updated SAMM requirement.

(U) We reviewed a sample of 173 EEUM-designated defense article serial numbers provided to Ukraine from April 2023 to February 2024, which confirmed improvements regarding the timeliness with which DSCA personnel are able to add to the SCIP-EUM database EEUM-designated defense articles transferred by the MILDEP IAs. Moreover, we spoke with both DSCA and MILDEP IA personnel who confirmed that the MILDEP IAs improved the rate at which they provide serial number notification of EEUM-designated defense articles being transferred to Ukraine in advance of shipment, as required in the SAMM. In this sample, excluding sampled defense articles transferred to Ukraine through TPT, we found that DSCA personnel added 137 of 141 (97 percent) sampled defense articles to the SCIP-EUM database within 45 days of their transfer to Ukraine, exceeding the SAMM requirement to inventory and transfer these items to the SCIP-EUM database within 90 days of their arrival in country. Of these 137 defense articles, DSCA personnel added 100 defense articles to the SCIP-EUM database within 1 week of the articles' transfer to Ukraine.¹⁶ We determined that this improved timeliness of defense article entry into the SCIP-EUM database is attributable to increased coordination, an improved serial number notification process between the MILDEP IA and DSCA personnel and improved initial inventory records by ODC-Ukraine and UAF personnel.

(U) USEUCOM Improved Military Personnel's Understanding of EEUM Inventory Requirements

(U) After June 2023, USEUCOM improved the understanding of U.S. military personnel at the U.S. logistics enabling node in Poland regarding inventory requirements for EEUM-designated defense articles being provided to Ukraine. The SAMM requires that, when conditions allow, the ODC conduct an initial, 100-percent inventory by serial number of all EEUM-designated articles before shipment or delivery into hostile areas. In March 2023, we directly observed that ODC-Ukraine personnel conducting initial serial number inventories of incoming EEUM-designated defense articles were not always able to conduct these inventories in accordance with the SAMM. Additionally, we observed that

¹⁶ (U) An additional 4 of 141 sampled defense articles did not have any inventory data or final transfer date in the SCIP-EUM database with which to compare the listed SCIP creation date.

(U) U.S. military personnel at the site were unaware of which defense articles required EEUM. Management advisory Report No. DODIG-2023-090 reported our evaluation of personnel staffing at a partner nation logistics hub supporting Ukraine and recommending that ODC-Ukraine develop and implement training materials for U.S. military personnel supporting EEUM activities at these sites.

(U) During our direct site observation of the logistics enabling node in April 2024, we confirmed that movement control team personnel received pre-deployment training on EEUM movement control requirements at the logistics nodes and refresher training conducted by an ODC-Ukraine official while deployed. The movement control team's training requirements before and during deployment, as well as air, ground, and rail cargo procedures, are now stated in the 39th Transportation Battalion standard operating procedures. Through direct observation of cargo management processes at the logistics enabling node and interviews with soldiers in charge of cargo movement, we confirmed improvements in the receipt and management of EEUM-designated defense articles at the site.

(U) Third-Party Transfers Present Challenges for Accountability of EEUM-Designated Defense Articles

(U) Despite improvements in EEUM inventory processes, DSCA and ODC-Ukraine officials still face challenges accounting for TPTs of EEUM-designated defense articles provided to Ukraine. We found instances of personnel from SCOs and the DSCA not adding TPT defense articles to the SCIP-EUM database upon transfer of those defense articles to Ukraine in accordance with the SAMM. This resulted in missing or incomplete TPT documentation in the SCIP-EUM database.

(U) The DSCA Did Not Consistently Receive TPT Documentation and Inventory Information from Sending Country SCOs or the DoS

(U) We found that the DSCA's SCIP-EUM Help Desk did not always receive notification of EEUM-designated defense articles transferred to Ukraine through TPTs from sending country SCOs or from DoS PM/RSAT personnel.¹⁷ The SAMM requires the SCO for each partner nation to contact the SCIP-EUM Help Desk to update the EEUM baseline for the partner nations involved in the TPT if the TPT involves EEUM-designated items. Without sending country SCO or DoS PM/RSAT personnel notification, the DSCA's SCIP-EUM Help Desk personnel were unable to add these defense articles to the SCIP-EUM database for the receiving SCO,

¹⁷ (U) In July 2023, DoS PM/RSAT personnel told us that they do not currently provide TPT authorization documentation directly to the DSCA. They stated that while they have provided TPT authorizations to the DSCA in the past, DoS PM/RSAT personnel stopped providing these documents because they introduced data errors into the SCIP-EUM database.

(U) in this case ODC-Ukraine, before transfer, as required by the SAMM.¹⁸ Instead, the DSCA's SCIP-EUM Help Desk personnel were often only able to enter these defense articles into the SCIP-EUM database retroactively, months after the TPTs arrived in country and without documentation and after UAF personnel inventoried the defense articles.

~~(CUI)~~ Of the [REDACTED] total defense articles transferred to Ukraine through TPT listed in the SCIP-EUM database as of March 25, 2024, we developed a stratified sample of 175 TPT serial numbers to determine the extent to which EEUM-designated defense articles transferred to Ukraine through TPT were accounted for in the SCIP-EUM database in accordance with the SAMM. Although the SAMM requires SCOs to maintain the countries' EEUM baseline in the SCIP-EUM database, we found that the DSCA's SCIP-EUM Help Desk personnel retroactively entered 50 of 175 (29 percent) serial numbers in the SCIP-EUM database after either UAF personnel inventoried the items in Ukraine or the DSCA received the TPT documentation. Additionally, we found that 52 of 175 (30 percent) TPT defense articles had no inventory data on record. These TPT defense articles were not initially inventoried on arrival in Ukraine, and the UAF did not account for them in any subsequent inventories. Further, only 54 of 175 TPT defense articles in our sample listed an initial inventory in either Poland or Ukraine on transfer to the UAF. Notably, only 1 of 50 sampled Stinger missiles provided to the UAF through TPT listed an initial inventory in the SCIP-EUM database. All 54 defense articles in the sample received an initial inventory within 90 days of transfer to the UAF.

(U) The DoD and DoS Did Not Notify Divesting and Receiving SCOs of All TPTs of EEUM-Designated Defense Articles to a Hostile Environment

(U) The DoD and DoS did not have an agreement to notify divesting and receiving SCOs of all approved, government-to-government TPTs of EEUM-designated defense articles to a hostile environment. SCOs depend on partner nation counterparts for TPT information. The SAMM requires SCOs to update the partner nation's inventory baseline when their partner nations transfer EEUM defense articles through TPTs. However, we found that partner nation TPT processes and SCO responsibilities for TPTs were not consistent and limited SCO participation in TPTs of EEUM-designated items.

¹⁸ (U) DSCA Policy Memorandum 23-83, "Update to the Roles and Responsibilities for Presidential Drawdown Authority," January 4, 2024.

(U) SCOs and other stakeholders confirmed that a gap often exists between authorization and transfer of TPTs, and TPT authorizations are sometimes sent in tranches, or piecemeal, over several months, requiring the SCO's continued involvement. Also, some countries coordinated their TPTs directly with the DoS PM/RSAT and did not include their SCOs in the TPT process. Both sending SCOs and ODC-Ukraine receiving SCOs stated that they did not always receive notification when DoS PM/RSAT personnel approved TPTs or when countries shipped the TPT defense articles to Ukraine.

(U) Of 13 SCOs in countries sending defense articles to Ukraine by TPT, 9 SCOs (69 percent) stated that they were not included in TPT decision-making. Chapter 8 of the SAMM provides guidance for partner nations and SCOs to submit requests to the DoS for government-to-government TPTs of EEUM-designated defense articles. Paragraph C.8.7.3 of the SAMM states that "divesting governments may send TPT requests directly to the TPT Team in the DoS, through their embassies, or through the SCOs." The SAMM further states that "working through the SCOs is highly encouraged" but also states the requirement that "if the transfer involves EEUM-designated items, the SCO must contact the EUM Help Desk to update the EEUM baseline for the partner nations involved in the TPT."

(U) We interviewed personnel from 13 SCOs about their roles and responsibilities in the TPT process. Of the 13 SCOs, 9 (69 percent) told us that they did not take the lead in processing TPT requests, and 4 (31 percent) reported that they manage the TPT process on behalf of their partner nations. During our interviews, personnel from 5 SCOs told us that they are either currently facing challenges to be included in TPT communications between the partner nation and DoS PM/RSAT or that they faced these challenges in the past. For example, a SCO whose partner nation used an office in the United States to manage its TPTs stated that their ODC is usually the last to know when a TPT is approved. Additionally, only 2 SCOs stated that they were consistently made aware of actual TPT shipments and transfers by their partner nations.

(U) Personnel from 10 of the 13 SCOs we talked to stated that a government office in the partner nation manages TPT approvals, as opposed to the SCO. Of these 10 SCOs, 4 (40 percent) stated that a host nation government office in Washington, D.C., managed their partner nations' TPTs. A SCO official whose partner nation directly controlled the transfer of TPTs with the DoS PM/RSAT stated that, in this partner nation, the SCO is only notified of the request for authorization, and SCO involvement stops once the TPT is approved.

~~(U)~~ We identified [REDACTED] Stinger missiles and [REDACTED] Stinger gripstocks added to the SCIP-EUM database for Ukraine in September 2023 that the DoS PM/RSAT approved for TPT from the partner nation. As of May 2024, the SCIP-EUM database did not list any inventory information for [REDACTED] [REDACTED] (99 percent) TPT defense articles. Also in May 2024, a SCO from a divesting partner nation stated that while these items were approved for transfer to Ukraine, they believed that these items were never actually transferred.

(U) We also conducted an analysis of all eight EEUM-designated defense article types provided to Ukraine from April 1, 2023, to February 28, 2024, and determined that 7 of 173 (4 percent) sampled defense articles had no inventory information in the SCIP-EUM database. Partner nations transferred all seven of these defense articles with no inventory records through TPT. To accurately update the EEUM baseline with the SCIP-EUM Help Desk at the DSCA, the SCOs for the sending and receiving country must be included in the TPT process and must be aware of TPT authorizations and transfers.

(U) DoD Efforts to Account for EEUM TPTs Are Critical to Capturing Availability of Mission-Capable Equipment in Ukraine

(U) Despite significant progress resulting from implementation of the UAF's PNSR quarterly inventory reporting, the SCIP-EUM database does not yet accurately account for all EEUM defense articles in Ukraine, particularly those resulting from TPTs. DSCA and ODC-Ukraine personnel do not accurately account for TPT EEUM defense articles or EEUM-designated defense articles lost, expended, or destroyed in Ukraine in the SCIP-EUM database as required by the SAMM, increasing the risk of misstating available and combat-capable EEUM-designated defense articles in Ukraine.

(U) Recommendation, Management Comments, and Our Response

(U) Revised Recommendation

(U) As a result of management comments, we modified the recommendation to specify that the revised TPT policy should require the divesting SCO to notify the receiving SCO of the initiation of shipment and the delivery confirmation of TPT EEUM-designated defense articles to improve receiving SCOs' awareness of the movement of these defense articles into a hostile environment. These edits did not change the overall intent of the recommendation.

(U) Recommendation 1

(U) We recommend that the Under Secretary of Defense for Policy, in coordination with the Director of the Defense Security Cooperation Agency, work with the Director of the Department of State Bureau of Political-Military Affairs Office of Regional Security and Arms Transfers to develop and implement a policy stating that a single entity is responsible for notifying both the divesting and receiving security cooperation organizations of all approved, government-to-government third-party transfers of enhanced end-use monitoring–designated defense articles to a hostile environment. Additionally, the policy should require the divesting security cooperation organizations to notify the receiving security cooperation organizations of all initiated transfers and confirmed deliveries of third-party transfers in a hostile environment.

(U) Acting Under Secretary of Defense for Policy and DSCA Director Comments

(U) The DSCA Assistant Director for International Operations, responding on behalf of the Acting Under Secretary of Defense for Policy, agreed with the recommendation. The Assistant Director stated that the DSCA will support the DoS PM/RSAT to develop and implement a policy to notify divesting and receiving SCOs of all approved, government-to-government TPTs.

(U) Our Response

(U) The Assistant Director’s response meets the intent of the recommendation. The DoS PM/RSAT is responsible for authorizing all government-to-government TPTs. Despite that, the DoD, and specifically ODC-Ukraine, remain responsible for accounting for all EEUM-designated defense articles provided to Ukraine. Requiring increased communication and coordination between the DoS’s PM/RSAT, DSCA, and SCOs will improve ODC-Ukraine’s visibility of these TPT EEUM-designated defense articles in Ukraine’s hostile environment. Therefore, we consider this recommendation resolved but open. We will close this recommendation when we receive documentation showing how the Office of the Under Secretary of Defense for Policy and DSCA will actively support the DoS PM/RSAT policy improving TPT communications between SCOs when TPTs are authorized for government-to-government transfer into a hostile environment and when those transfers are initiated and completed.

(U) Appendix A

(U) Scope and Methodology

(U) We conducted this evaluation from February 2024 through August 2024 in accordance with the “Quality Standards for Inspection and Evaluation,” published in December 2020 by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we adequately plan the evaluation to ensure that objectives are met and that we perform the evaluation to obtain sufficient, competent, and relevant evidence to support the findings, conclusions, and recommendations. We believe that the evidence obtained was sufficient, competent, and relevant to lead a reasonable person to sustain the findings, conclusions, and recommendations.

(U) We identified and reviewed laws, policies, directives, and DoD guidance for EEUM. These criteria include U.S.C., DoD directives and manuals, and the SAMM. Specifically, we reviewed the following criteria.

- (U) Arms Export Control Act, 22 U.S.C. § 40A.
- (U) DoD Directive 5105.65, “Defense Security Cooperation Agency,” October 26, 2012 (Incorporating Change 1, March 2, 2023).
- (U) DoD Directive 5132.03, “DoD Policy and Responsibilities Relating to Security Cooperation,” December 29, 2016.
- (U) DSCA Manual 5105.38, “Security Assistance Management Manual,” Chapter 8, “End-Use Monitoring (EUM),” April 30, 2012 (Updated July 15, 2024).
- (U) ODC-Ukraine, “End-Use Monitoring (EUM) Program Standard Operating Procedure (SOP),” December 12, 2023.

(U) We obtained and reviewed SCIP-EUM data reports, including inventory data of EEUM-designated defense articles provided by ODC-Ukraine from June 2, 2023, through May 31, 2024, and we received EEUM inventory updates, and EEUM data discrepancy reports based on UAF quarterly inventory reports from ODC-Ukraine personnel. We maintained SCIP-EUM accounts to review SCIP-EUM data related to EEUM inventory reporting. We also obtained and reviewed the DSCA’s spreadsheet of all EEUM-designated defense article TPTs authorized for Ukraine between January 2022 and January 2024. We also reviewed DSCA documentation on the locations and effectiveness of barcode scanners and UAF scanner training documentation. In addition, we analyzed lists of all EEUM-designated defense article serial numbers provided to Ukraine by the Army, Navy, and Marine Corps between February 2022 and February 2024. In Poland, we directly observed cargo operations at the logistics enabling node and reviewed training documents,

(U) standard operating procedures, and organization charts for the Army movement control units that managed receipt and onward movement of EEUM-designated defense articles at the logistics sites. In Ukraine, we directly observed an ODC-Ukraine site visit to a UAF unit at a UAF logistics site to assess the unit's security and accountability procedures for the EEUM-designated defense articles stored at that site.

(U) We conducted interviews in the continental United States with individuals from the DSCA, Office of the Deputy Assistant Secretary of the Army (Defense, Exports, and Cooperation), Naval Air Systems Command Air-to-Air Missiles Program Office (PMA-259), Marine Corps Systems Command, and Air Force Life Cycle Management Center. We also interviewed the following personnel outside of the continental United States.

- (U) the ODC-Ukraine Chief and three ODC-Ukraine officers at the U.S. Embassy in Kyiv, Ukraine
- (U) three ODC-Ukraine officials assigned to the logistics enabling node in Poland
- (U) the officers in charge of the aerial port of debarkation and the Polish Logistics Hub in Poland
- (U) the Commander and staff of the Task Force 82 Division Tactical Operations Command in Poland

(U) These interviews provided us with information on inventory processes and challenges and stakeholder efforts to correct deficiencies since our last report. Additionally, we interviewed personnel from 13 SCOs from U.S. Embassies in Europe and Canada to discuss potential ways to use bar code scanners and PNSR in Ukraine and other partner nations.

(U) Use of Computer-Processed Data

(U) We used computer-processed data from the DSCA's SCIP-EUM database. Specifically, we used SCIP-EUM inventory reports to verify that the EEUM process accounts for defense articles by serial number and description for all EEUM-designated equipment transferred to Ukraine since April 1, 2023. To assess the reliability of the computer-processed data, we verified that government officials identified the EEUM-designated defense articles in the SCIP-EUM database for the country of Ukraine, and we checked for duplication of serial numbers associated with individual EEUM-designated defense articles. To validate completeness, we compared serial number notifications for EEUM items before transfer to Ukraine with their associated serial number listings in the SCIP-EUM database to ensure

(U) the items were added to the database to document serial number inventories of these items following their transfer to the UAF. For the purposes of our report, we determined that the SCIP-EUM database was reliable as source data for our analysis.

(U) Use of Technical Assistance

~~(CUI)~~ We received technical assistance from the DoD OIG Quantitative Methods Division (QMD) in structuring our statistical sample plans from the SCIP-EUM database. We developed the two samples in coordination with the QMD with a margin of error of 3 percent and a confidence level of 90 percent to ensure the samples are statistically representative of the overall categories of defense articles provided to Ukraine. Specifically, the QMD developed a stratified statistical sample of 173 of [REDACTED] EEUM-designated defense articles from the total population of AMRAAMs, Javelin missiles, Javelin command launch units, Stinger missiles, Stinger gripstocks, lethal miniature aerial missile system Switchblades, Air Intercept Missiles-9X, and NVDs provided to Ukraine between April 1, 2023, and February 20, 2024. We used this sample to follow up on the extent that EEUM-designated defense articles were accounted for in accordance with SAMM serial number inventory requirements since our previous evaluation.

~~(CUI)~~ The QMD also developed a stratified statistical sample of 175 of [REDACTED] EEUM-designated defense articles transferred to Ukraine through TPT from February 2022 to March 2024. These defense article types included Javelin missiles, Javelin command launch units, Stinger missiles, Stinger gripstocks, and AMRAAMs. We reviewed the sample to determine the extent to which EEUM-designated defense articles transferred to Ukraine through TPT were accounted for in the SCIP-EUM database in accordance with the SAMM.

(U) Prior Coverage

(U) During the last 5 years, the DoD Office of Inspector General (OIG), Government Accountability Office (GAO), and the DoD OIG issued seven reports discussing accountability for defense items provided to Ukraine requiring end-use monitoring.

(U) Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoS OIG reports can be accessed at <https://www.stateoig.gov/reports>. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

(U) DoD OIG

(U) DoD OIG Report No. DODIG-2024-097, "Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring" June 24, 2024

(U) The DoD OIG found that while the DoD and UAF collected, reviewed, and recorded loss reporting information for \$62.2 million of EEUM defense articles from March 1, 2022, to November 26, 2023, the DoD did not consistently obtain timely or complete loss reports in accordance with the SAMM, concept of operations (CONOPS), and EEUM control plan submission standards. This occurred because reporting timelines and information requirements were inconsistent, the SAMM did not provide sufficient guidance for PNSR, and the timelines and requirements did not always provide adequate time for the UAF to investigate EEUM losses. The DoD OIG also found that USEUCOM personnel did not consistently review or analyze the information received from initial loss notifications and final loss reports.

(U) The DoD OIG recommended that the ODC-Ukraine Chief coordinate with the Ukrainian Ministry of Defense to update the requirements for EEUM initial loss notifications and final loss reports for the UAF, including clearly defined timelines and contents, and develop and publish a procedure for more quickly retrieving critical information from final loss report investigations. The DoD OIG also recommended that the USEUCOM Commander, in coordination with ODC-Ukraine, review loss report circumstances reported by the UAF under PNSR to determine the risk of adversary capture of EEUM-designated defense articles and potential end-use violations of those articles, excluding NVDs with no advanced technology. Additionally, the DoD OIG recommended that the USEUCOM Commander direct ODC-Ukraine, in coordination with the UAF, to revise the November 2023 CONOPS to require loss reports under PNSR to include EEUM-designated defense articles potentially captured by an adversary or subject to end-use violations.

(U) DoD OIG Report No. DODIG-2024-043, "Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine," January 10, 2024

(U) The DoD OIG found that while the DoD improved execution of EEUM since the full-scale invasion began in February 2022, the DoD did not fully comply with the EEUM program requirements for defense article accountability in a hostile environment. ODC-Ukraine personnel were not able to conduct initial inventories on all EEUM-designated defense articles within 90 days of arrival. Although ODC-Ukraine and UAF personnel conducted some required inventories, as of June 2, 2023, serial number inventories for more than

(U) \$1 billion of the total \$1.7 billion (59 percent of the total value) of EEUM-designated defense articles remained delinquent. Additionally, the DoD did not maintain an accurate inventory of Ukrainian EEUM-designated defense articles in the SCIP-EUM database.

(U) The DoD OIG recommended that DoD officials improve inventory procedures for EEUM-designated defense articles, as well as the completeness and timeliness of loss reporting in the SCIP-EUM database, and coordinate with the DoS to improve visibility of TPTs of EEUM-designated defense articles before transfer. The DoD OIG also recommended that DoD officials establish and implement procedures sufficient to meet the requirement for serialized delivery records in advance of transferring EEUM articles to a hostile environment and improve the accuracy and completeness of the SCIP-EUM database by including the serialized inventories. The DoD OIG further recommended that DoD officials also develop internal controls and update the SAMM to improve the accuracy and timeliness of the inventory entries in the SCIP-EUM database, including the addition of procedures and authorities for the use of scanner data and further clarification of the inventory requirements in a hostile environment.

(U) DoD OIG Report No. DODIG-2023-090, “Management Advisory: Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring,” June 28, 2023

(U) The DoD OIG found that DoD leadership needed to address additional methods to enable ODC-Ukraine to fulfill part of their mission in Poland, including the capture of 100 percent of the serial number inventories of EEUM-designated defense articles before transfer to Ukraine. The DoD OIG found that the DSCA’s SAMM did not explicitly allow government personnel other than ODC-Ukraine to conduct EEUM of defense articles before transfer to Ukraine.

(U) The DoD OIG recommended that the DSCA Director update SAMM Section C8.5.5, “Conducting EUM in a Hostile Environment,” to allow government personnel to perform initial serial number inventories before defense articles enter hostile areas. The DoD OIG further recommended that the DSCA Director develop training materials describing the EEUM program requirements and procedures and conduct training for government personnel supporting EEUM activities in a hostile environment. Finally, the DoD OIG recommended that the ODC-Ukraine Chief implement the training developed by the DSCA Director and provide oversight of EEUM inventories conducted by government personnel.

(U) DoD OIG Report No. DODIG-2023-074, “Management Advisory: DoD Review and Update of Defense Articles Requiring Enhanced End-Use Monitoring,” May 19, 2023

(U) The DoD OIG found that the DSCA did not include a regular and recurring requirement in the SAMM to review, update, and remove defense articles designated for EEUM. The DoD OIG recommended that the DSCA Director, in coordination with the Tri-Service Committee member representatives, review, analyze, and update the list of defense articles currently designated as requiring EEUM. The DoD OIG also recommended that the DSCA Director update the SAMM to: (1) develop and implement a process for which defense articles no longer requiring EEUM are removed from the list and (2) add a recurring requirement to review and update the list of all defense articles provided to foreign nations to ensure designation of those requiring EEUM.

(U) DoD OIG Report No. DODIG-2023-002, “The DoD’s Accountability of Equipment Provided to Ukraine,” October 7, 2022

(U) The DoD OIG found that ODC-Ukraine could not monitor EEUM provided to Ukraine in accordance with DoD policy in FY 2022. In-person monitoring of EEUM-designated defense equipment was a challenge in a non-peacetime environment, and the U.S. Embassy in Kyiv was temporarily closed between February 2022 and May 2022 under ordered departure, with all essential embassy operations suspended. USEUCOM made efforts to increase the ability to conduct EEUM by implementing alternative methods of monitoring and accounting for EEUM-designated defense equipment transferred to Ukraine. The DoD OIG did not make any recommendations in this report because the DoD was already working to increase their ability to conduct EEUM on defense equipment provided to Ukraine.

(U) Government Accountability Office

(U) Government Accountability Office (GAO) Report No. GAO-24-106745, “U.S. Agencies Should Improve Tracking of Authorized U.S.-Origin Defense Article Transfers Requested by Foreign Donors,” August 2024

(U) The GAO found that while the DoD is required to conduct end-use monitoring (EUM) on TPT U.S.-origin defense articles, the DoD is limited in its ability to do so. The GAO found that the DoS’s and DoD’s inconsistent communication of authorized TPT details makes it difficult for the DoD to track the TPT defense articles. Additionally, the GAO found that DoD officials are often unaware of TPTs authorized by the DoS until the TPT defense articles are identified upon entry to Ukraine, if at all.

(U) The GAO made six recommendations to the DoS and DoD as part of this report.

1. (U) The Secretary of State should require the Bureau of Political-Military Affairs to request that divesting countries notify appropriate officials in U.S. Embassies' Offices of Defense Cooperation of donation deliveries to Ukraine when those donations are a condition of foreign military financing assistance to the divesting country.
2. (U) The Secretary of State should ensure that the DoS PM/RSAT takes steps to consistently share TPT authorizations with security cooperation offices for divesting and recipient countries.
3. (U) The Secretary of State should instruct the DoS PM/RSAT to further strengthen its document management system for authorizations of TPTs and implement processes outlined in its standard operating procedures to improve its ability to share information with other U.S. agencies.
4. (U) The Secretary of State should take steps to ensure that the DoS PM/RSAT's TPT authorizations include a request for divesting countries to notify the DSCA and SCOs of related defense article deliveries.
5. (U) The Secretary of State should require the RSAT to request that divesting governments that have received TPT authorizations from January 2022 to July 2024 notify the DSCA and SCOs of related defense article deliveries to Ukraine.
6. (U) The Secretary of Defense should establish a formal process to verify deliveries of defense articles provided through authorized TPTs and ensure the SCIP is updated as appropriate.

(U) DoS OIG

(U) DoS OIG Report No. ISP-I-24-02, "Review of Department of State End-Use Monitoring in Ukraine," November 2023

(U) The DoS OIG found that the U.S. Embassy in Kyiv resumed limited, in-person, EUM activities in Ukraine as the evolving security situation allowed, but the DoS bureaus responsible for EUM in Ukraine also depended on secondary EUM procedures, including relying on the Ukrainian government to assist directly and indirectly with EUM. Although bureaus were developing or implementing pilots for new secondary EUM procedures, none had designed formal evaluations for these pilots. The DoS OIG identified several ongoing challenges to conducting EUM, such as security restrictions and inconsistent processes for reporting battlefield losses.

(U) The DoS OIG made six recommendations as part of this report with two recommendations to the DoS Bureau of International Narcotics and Law Enforcement Affairs, two recommendations to the DoS Bureau of International Security and Nonproliferation, and two to the DoS Bureau of Political-Military Affairs.

1. (U) The Bureau of International Narcotics and Law Enforcement Affairs should develop and implement new end-use monitoring standard operating procedures, or update existing procedures, for use in non-permissive conditions. The Bureau should consult with the Bureau of Political-Military Affairs and the Bureau of International Security and Nonproliferation and, as practicable, seek to adopt common approaches where there are common items provided or recipients.
2. (U) The Bureau of International Security and Nonproliferation should develop and implement new end-use monitoring standard operating procedures, or update existing procedures, for use in non-permissive conditions. The Bureau should consult with the Bureau of Political-Military Affairs and the Bureau of International Narcotics and Law Enforcement Affairs and, as practicable, seek to adopt common approaches where there are common items provided or recipients.
3. (U) The Bureau of Political-Military Affairs should develop and implement new end-use monitoring standard operating procedures, or update existing procedures, for use in non-permissive conditions. The Bureau should consult with the Bureau of International Narcotics and Law Enforcement Affairs and the Bureau of International Security and Nonproliferation and, as practicable, seek to adopt common approaches where there are common items provided or recipients.
4. (U) The Bureau of Political-Military Affairs should plan and conduct an evaluation of alternative end-use monitoring procedure pilots in Ukraine.
5. (U) The Bureau of International Narcotics and Law Enforcement Affairs should plan and conduct an evaluation of alternative end-use monitoring procedure pilots in Ukraine.
6. (U) The Bureau of International Security and Nonproliferation should determine whether to test alternative end-use monitoring procedure pilots in Ukraine and, if so, conduct an evaluation of them.

(U) Appendix B

(U) Other Matters of Interest

(U) With Further Analysis, Partner Nation Self-Reporting May Improve EEUM-Designated Defense Article Inventories During Peacetime

(U) Currently, the DSCA's SAMM only allows PNSR of EEUM-designated defense article inventories in a hostile environment and not in a peacetime environment. However, according to ODC-Ukraine and partner nation SCO personnel, allowing this self-reporting in a peacetime environment could improve the speed, accuracy, and cost of the inventories because conducting serial number inventories of large quantities of EEUM-designated defense articles is a time-consuming process. Further analysis is required to determine whether expanding the circumstances under which partner nations can self-report is beneficial and outweighs potential risk.

(U) SCOs Could Improve EEUM Inventory Through Expanded Partner Nation Self-Reporting

(U) Partner nation SCO personnel we interviewed believed they could use PNSR in peacetime to improve their EEUM inventory processes, but the DoD has not yet considered the benefits and risks of this expansion. However, based on our conversations with ODC-Ukraine and SCO personnel from other partner nations during this evaluation, applying lessons learned in a hostile environment and expanding self-reporting to other partner nations in a peacetime environment could be an effective and efficient improvement over traditional EEUM processes and procedures and could significantly save time and costs.

(U) Of the 13 SCOs we spoke with, 11 SCOs agreed that allowing PNSR of EEUM-designated defense article inventories in a peacetime environment could:

- (U) modernize the process,
- (U) improve efficiency,
- (U) increase speed,
- (U) save significant time for SCO personnel, and
- (U) save costs.

(U) For example, personnel from 5 of the 13 SCOs told us that traveling to partner nation locations to conduct serial number inventories of large quantities of EEUM-designated defense articles is a time-consuming process. According to personnel from one partner nation SCO, EEUM duties are a full-time job for

(U) one of the senior officials in their office because they have to travel to more than 50 locations each year. Personnel from a second SCO told us that travel for EEUM responsibilities takes at least 2 months each year. Another SCO stated that allowing partner nations to self-report would also demonstrate a higher level of trust between the host nation and U.S. personnel, which could strengthen the relationship between the U.S. and host nation.

(U) Overall, SCO personnel we interviewed stated that they would like to have the option to use PNSR to complement the inventory verification of EEUM-designated defense article serial numbers. This is especially the case for those SCOs whose host nations are in possession of thousands of EEUM-designated defense articles, such as the United Kingdom, or whose host nation EEUM locations are geographically dispersed and require significant travel time, such as Australia.

(U) Additionally, allowing PNSR of EEUM-designated defense article inventories in a hostile environment improved the accuracy of the inventories and could do so in peacetime as well. ODC-Ukraine personnel reported instances when PNSR improved the completeness and accuracy of the number of EEUM-designated defense articles in Ukraine. For example, ODC-Ukraine was able to correct multiple serial numbers missing from the DSCA's SCIP-EUM database using the UAF's self-reporting in quarterly disposition reports.

(U) Finally, ODC-Ukraine personnel found an instance when UAF personnel previously reported defense articles as lost, destroyed, or expended in prior reports but later listed them as on hand in quarterly inventory data. Because of PNSR, however, ODC-Ukraine and UAF personnel were able to quickly resolve the discrepancy.

(U) Further Analysis May Reveal Benefits from Partner Nation Self-Reporting of EEUM-Designated Defense Articles in a Peacetime Environment

(U) Currently, the SAMM does not allow other partner nations to self-report EEUM-designated defense article inventories except in a hostile environment. SCOs are still required to conduct visual inspections and annual serial number inventories to verify accountability of all EEUM-designated defense articles in a partner nation during peacetime.

(U) PNSR of EEUM-designated defense article inventories in a peacetime environment has the potential to improve the efficiency of inventories, which could save time and money and alleviate the burden on SCOs. However, further analysis would determine the risks and benefits to expanding self-reporting. For example, while PNSR provides some assurance that items are accounted for, the SCO would still have to perform periodic site visits even if self-reporting. Currently, in accordance with the SAMM, site visits are needed to:

- (U) ensure EEUM-designated defense articles are properly stored in a certified location,
- (U) conduct physical site inspections to ensure that sites fall within the required standards and identify any areas where repairs or improvements are required to bring the facility up to standards, and
- (U) conduct a subset of EEUM-designated defense article verifications to provide reasonable assurance that those defense articles are properly accounted for.

(U) Although self-reporting in peacetime would still require SCO participation, the DoD cannot know the potential savings that PNSR may provide without conducting analyses. By analyzing PNSR, the DoD can leverage lessons learned in Ukraine and identify opportunities to effectively implement PNSR in peacetime. For example, partner nations meeting specified criteria and working with the DSCA and SCOs could draft and sign CONOPS tailored to the SCO's and partner nation's needs for conducting and reporting EEUM inventories.

(U) Appendix C

(U) Status of Existing Ukraine EEUM Recommendations

(U) The Majority of Recommendations Related to EEUM-Designated Defense Articles Provided to Ukraine Are Resolved but Open

(U) The DoD OIG has issued five reports and three management advisories evaluating EEUM-designated defense articles provided to Ukraine. The tables below detail each recommendation provided to stakeholders in the DoD, along with the status of each recommendation as of October 2024. Of the 29 recommendations issued, 4 recommendations are unresolved, 16 recommendations are resolved but open, and 9 recommendations are closed.

(U) Table 6. "Evaluation of Department of Defense End-Use Monitoring for Equipment Transferred to the Government of Ukraine"

(CUI) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
A.1	DSCA	Withhold the recommendation that Ukraine be eligible to receive more NVDs until the UAF begins providing loss reports in a timely manner, as described under the terms of the Letters of Offer and Acceptance.	Closed
A.2	DSCA	Develop a new information field in the SCIP to record devices that were reported as lost but for which the partner nation has not yet transmitted an official investigation report.	Closed
A.3	DSCA	In coordination with the Commanding General of U.S. Army Security Assistance Command, develop a process to permanently mark serial numbers on each NVD to avoid serial number stickers that, with use, can become detached from the device or become illegible.	Resolved-Open
B.1.a	ODC-Ukraine	[REDACTED]	Closed
B.1.b	ODC-Ukraine	Request written guidance and procedures from the DSCA addressing how and when compensatory measures can replace Letter of Offer and Acceptance-directed requirements specified in the NVD storage facility physical security checklist and update EEUM standard operating procedures to reflect that guidance.	Closed (CUI)

(U) Table 6. "Evaluation of Department of Defense End-Use Monitoring for Equipment Transferred to the Government of Ukraine" (cont'd)

(CUI) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
B.2.a	DSCA	Establish a frequency for compliance assessment visits for countries identified as high risk, according to the criteria established in the SAMM, with intervals between compliance assessment visits not to exceed a maximum time specified by the DSCA.	Closed
B.2.b	DSCA	Reschedule a compliance assessment visit for Ukraine within 12 months of publication of this report.	Closed (CUI)

(U) Source: DoD OIG Report No. DODIG-2020-121, "Evaluation of Department of Defense End-Use Monitoring for Equipment Transferred to the Government of Ukraine," August 27, 2020.

(U) Table 7. "Management Advisory: DoD Should Regularly Review and Update Defense Articles Requiring EEUM"

(U) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
1	DSCA	In coordination with the Tri-Service Committee member representatives, review, analyze, and update the list of defense articles currently designated as requiring EEUM.	Resolved-Open
2.a	DSCA	Update the SAMM to develop and implement a process to remove from the list defense articles no longer requiring EEUM, similar to the process currently in place for adding a defense article for EEUM.	Resolved-Open
2.b	DSCA	Update the SAMM to add a recurring requirement to review and update the list of all defense articles provided to foreign nations to ensure designation of those requiring EEUM.	Resolved-Open (U)

(U) Source: DoD OIG Report No. DODIG-2023-074, "Management Advisory: DoD Should Regularly Review and Update Defense Articles Requiring EEUM," May 19, 2023.

(U) Table 8. “Management Advisory: Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring”

(U) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
1	DSCA	Update SAMM Section C8.5.5, “Conducting EUM in a Hostile Environment,” to allow USG personnel to perform initial serial number inventories on behalf of the SCOs before defense articles enter hostile areas.	Resolved-Open
2	DSCA	Develop training materials describing the EEUM program requirements and procedures and conduct training for USG personnel supporting EUM activities in a hostile environment.	Resolved-Open
3	ODC-Ukraine	Implement the training developed by the DSCA Director and provide oversight of EUM inventories conducted by USG personnel.	Resolved-Open (U)

(U) Source: DoD OIG Report No. DODIG-2023-090, “Management Advisory: Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring,” June 28, 2023.

(U) Table 9. “Evaluation of the DoD’s Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine”

(U) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
1.a	ODC-Ukraine	Develop and implement additional inventory procedures to provide better accountability of EEUM defense articles transferred to the UAF.	Closed
1.b	ODC-Ukraine	With the UAF, establish the frequency of expenditure and damage and loss reports with serial numbers of EEUM defense articles in accordance with SAMM Section C8.5.5.5, and then update the SCIP-EUM database accordingly in a timely and accurate manner.	Closed
2	MILDEP IAs	Establish and implement procedures to provide timely and accurate reporting of records with serial numbers of EEUM items that are being transferred into hostile environments in advance of shipment, in accordance with the SAMM.	Closed
3	OUSDP)	Coordinate with the DoS to develop and implement a process to provide the DSCA and the divesting and receiving country’s SCOs with documentation of TPT approvals of EEUM defense articles in advance of transfer.	Resolved-Open (U)

(U) Table 9. "Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine" (cont'd)

(U) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
4	DSCA and MILDEP IAs	Develop and implement a system to update the SCIP-EUM database with the serial numbers of all EEUM defense articles provided to Ukraine to confirm the accuracy and completeness of the database and the total number of EEUM defense articles provided to Ukraine.	Resolved-Open
5.a	DSCA and MILDEP IAs	Develop and implement a system of internal controls to verify that all inventories and serial number notifications provided to the SCIP-EUM Help Desk are accurately updated in the SCIP-EUM database within a required timeframe.	Resolved-Open
5.b	DSCA	Revise the SAMM to reflect the role that the SCIP-EUM Help Desk plays in maintaining responsibility for updating the SCIP-EUM database with barcode scanner data, in accordance with current procedures and authorities.	Resolved-Open
5.c	DSCA	Revise the SCIP-EUM database to verify whether the next inventory accurately populated as annual rather than initial when inventories are conducted before the serial number is provided by the MILDEP IAs.	Resolved-Open (U)

(U) LEGEND**(U) OUSD(P)** Office of the Under Secretary of Defense for Policy

(U) Source: DoD OIG Report No. DODIG-2024-043, "Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine," January 10, 2024.

(U) Table 10. "Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Requiring Enhanced End-Use Monitoring"

(U) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
1.a	ODC-Ukraine	In coordination with the Ukrainian Ministry of Defense, update the 2023 CONOPS to make clear that the requirements in the 2023 CONOPS have priority over the defense article control plan requirements for EEUM initial loss notifications and final loss reports for the UAF, including clearly defined report timelines, contents, and procedures.	Resolved-Open
1.b	ODC-Ukraine	Develop and publish procedures for faster retrieval of critical information from final loss report investigations.	Resolved-Open
2.a	U.S. European Command	In coordination with ODC-Ukraine, establish procedures to review loss report circumstances reported by the UAF to determine risk of adversary capture of EEUM-designated defense articles other than NVDs, update loss reports, and alert investigative agencies as appropriate.	Resolved-Open
2.b	U.S. European Command	In coordination with ODC-Ukraine, coordinate with the UAF to revise the November 2023 CONOPS to require that loss reports include EEUM-designated defense articles potentially captured by an adversary.	Resolved-Open
3.a	U.S. European Command	In coordination with ODC-Ukraine, establish procedures to review loss report circumstances reported by the UAF to determine potential end-use violations of EEUM-designated defense articles other than NVDs	Resolved-Open
3.b	U.S. European Command	In coordination with ODC-Ukraine, coordinate with the UAF to revise the November 2023 CONOPS to require that loss reports include all instances of potential end-use violations of EEUM-designated defense articles, including instances of non-approved use, unauthorized access or transfer, or inadequate physical security.	Resolved-Open (U)

(U) Source: DoD OIG Report No. DODIG-2024-097, "Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Requiring Enhanced End-Use Monitoring," June 20, 2024.

(U) Table 11. “Management Advisory: The DoD Should Analyze the Use of Barcode Scanners for Conducting Inventories of Defense Articles Requiring Enhanced End-Use Monitoring”

(U) Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
1	OUUSD(P) and DSCA	Conduct a review of the challenges identified during the use of barcode scanners for EEUM inventories and develop and implement a plan of action and milestones to correct those challenges before making any decisions on whether to use barcode scanners to conduct EEUM inventories on a broader scale.	Unresolved (U)

(U) LEGEND

(U) OUUSD(P) Office of the Under Secretary of Defense for Policy

(U) Source: DoD OIG Report No. DODIG-2024-140, “Management Advisory: The DoD Should Analyze the Use of Barcode Scanners for Conducting Inventories of Defense Articles Requiring Enhanced End-Use Monitoring,” September 27, 2024.

(U) Table 12. “Follow-up Evaluation of Management Advisory: Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring”

Report Recommendation Number	Organization (Primary Action Office)	Recommendation Text	Recommendation Status
1	DSCA	In coordination with the required SCO personnel, finalize and publish a memorandum authorizing designated U.S. officials to conduct inventories of EEUM-designated articles before shipment, movement, or delivery from a logistics enabling node in Poland into hostile areas.	Unresolved (U)

(U) Source: DoD OIG Project No. D2024-DEV0PD-0152.000, “Follow-up Evaluation of Management Advisory: Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring,” Unpublished (Announced February 5, 2024).

(U) Management Comments

(U) Acting Under Secretary of Defense for Policy and DSCA Director



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: (U) DSCA Response to Department of Defense Office of Inspector General (OIG)
Recommendation (Project No. D2024-DEV0PC-0094.000)

(U) The following provides consolidated Office of Under Secretary of Defense for Policy (OUSDP) and the DSCA response to the sole recommendation found in DoDIG Project No. D2024-DEV0PC-0094.000.

(U) DoDIG Recommendation: We recommend that the Under Secretary of Defense for Policy, in coordination with the Director of the Defense Security Cooperation Agency, work with the Director of the Department of State (DoS) Bureau of Political and Military Affairs Office of Regional Security and Arms Transfers (PM/RSAT) to develop and implement a policy stating that a single entity is responsible for notifying both the divesting and receiving security cooperation organizations of all approved, government-to-government third-party transfers of enhanced end-use monitoring-designated defense articles to a hostile environment.

(U) DSCA Response: OUSDP and DSCA concur with the intent of the recommendation.

(U) The Director of PM/RSAT is responsible for the government-to-government third-party transfers (TPT) program. In its report entitled, "U.S. Agencies Should Improve Tracking of Authorized U.S.-Origin Defense Article Transfers Requested by Foreign Donors," released August 2024, the Government Accountability Office (GAO) provided PM/RSAT with five recommendations concerning TPT management and communications with DoD. PM/RSAT concurred with all five GAO recommendations, which are inclusive and supportive of the DoDIG recommendation.

(U) PM/RSAT will assume lead in developing the corrective action plans for the GAO recommendations. Consequently, DSCA will support PM/RSAT's efforts to develop and implement a policy to notify divesting and receiving security cooperation organizations of all approved, government-to-government TPTs.

(U) For questions or comments, please contact either [REDACTED]

Robert P. Helfant
Assistant Director
International Operations

(U) Acronyms and Abbreviations

AMRAAM	Advanced Medium-Range Air-to-Air Missile
CONOPS	Concept of Operations
DoS	Department of State
DSCA	Defense Security Cooperation Agency
EEUM	Enhanced End-Use Monitoring
EUM	End-Use Monitoring
IA	Implementing Agency
MILDEP	Military Department
NVD	Night Vision Device
ODC	Office of Defense Cooperation
PM/RSAT	Bureau of Political-Military Affairs Office of Regional Security and Arms Transfers
PNSR	Partner Nation Self-Reporting
QMD	Quantitative Methods Division
SAMM	Security Assistance Management Manual
SCIP	Security Cooperation Information Portal
SCO	Security Cooperation Organization
TPT	Third-Party Transfer
UAF	Ukrainian Armed Forces
USEUCOM	U.S. European Command
USG	U.S. Government

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