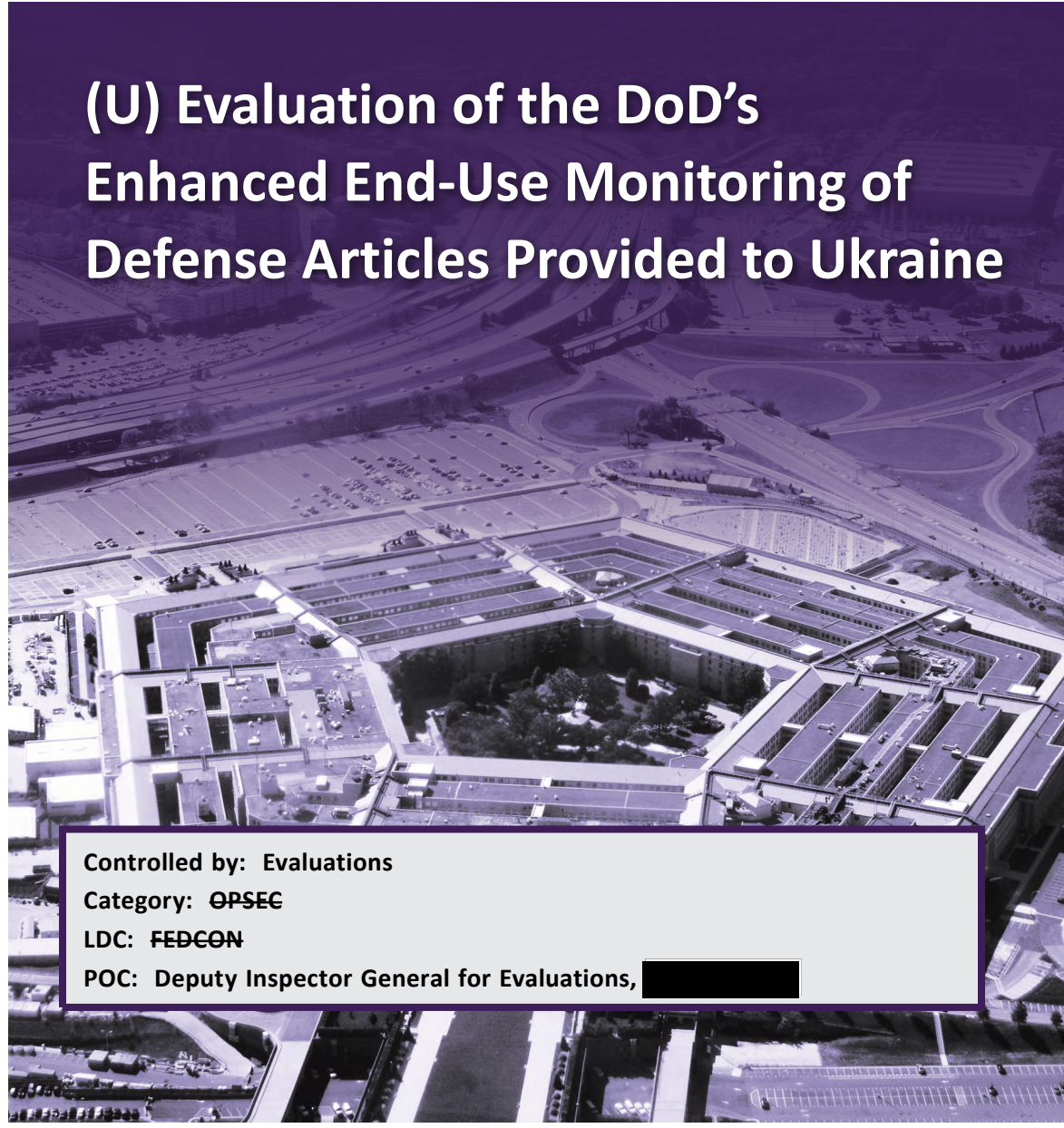


CUI

INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 10, 2024



(U) Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine

Controlled by: Evaluations

Category: ~~TOP~~SEC

LDC: FEDCON

POC: Deputy Inspector General for Evaluations, [REDACTED]

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

CUI





(U) Results in Brief

(U) Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine

January 10, 2024

(U) Objective

(U) This evaluation is part of an ongoing series of reviews by the DoD Office of Inspector General (OIG) to determine the extent to which the DoD conducted enhanced end-use monitoring (EEUM) of designated defense articles to Ukraine in accordance with DoD policy.

(U) Background

(CUI) The purpose of the DoD's EEUM program is to safeguard designated defense articles that require additional layers of verification and protections. As of June 2, 2023, the U.S. Government and partner nations provided Ukraine with ████████ EEUM-designated defense articles, worth an estimated \$1.699 billion. The Defense Security Cooperation Agency's (DSCA) Security Assistance Management Manual (SAMM) identifies the requirements for EEUM-designated defense articles, including serial number inventories.

(U) Finding

(U) While the DoD has 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. Office of Defense Cooperation-Ukraine (ODC-Ukraine) personnel have not been able to conduct initial inventories on all EEUM-designated defense articles within 90 days of arrival. Although ODC-Ukraine and Ukrainian Armed Forces personnel conducted some required inventories, as of June 2, 2023, serial number inventories for more than

(U) Finding (cont'd)

(U) \$1.005 billion of the total \$1.699 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 Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) database. This occurred for multiple reasons, including the limited number of ODC-Ukraine personnel at logistics hubs in a partner nation and in Ukraine, the absence of procedures for conducting EEUM in a hostile environment until December 2022, the movement restrictions for EEUM personnel within Ukraine, and a lack of internal controls for validating data in the SCIP-EUM database.

(U) Since the December 2022 update to the SAMM, the DoD's and the Ukrainian Armed Forces' revised inventory processes contributed to an improved delinquency rate, reducing the overall delinquency rate of EEUM-designated defense articles by 27 percentage points from February 10, 2023, to June 2, 2023, but significant personnel limitations and accountability challenges remain. Until the DoD resolves these challenges, it will be unable to fully comply with the EEUM program requirements to account for all of the more than \$1.699 billion in EEUM-designated defense articles provided to Ukraine.

(U) It was beyond the scope of our evaluation to determine whether there has been diversion of such assistance. The DoD OIG now has personnel stationed in Ukraine, and the DoD OIG's Defense Criminal Investigative Service continues to investigate allegations of criminal conduct with regard to U.S. security assistance to Ukraine.

(U) Recommendations

(U) We recommend that DoD officials:

- (U) improve inventory procedures for EEUM-designated defense articles, as well as the completeness and timeliness of loss reporting within the SCIP-EUM database;
- (U) coordinate with the Department of State to improve visibility of third-party transfers of EEUM-designated defense articles prior to transfer;



(U) Results in Brief

(U) Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine

(U) Recommendations (cont'd)

- (U) establish and implement procedures sufficient to meet the requirement for serialized delivery records in advance of transferring EEUM articles to a hostile environment;
- (U) improve the accuracy and completeness of the SCIP-EUM database by including the serialized inventories; and
- (U) develop internal controls and update the SAMP to improve the accuracy and timeliness of the inventory entries within 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) Management Comments and Our Response

(CUI) [REDACTED]

(U) DSCA, Army, and Air Force officials agreed with the recommendation to establish and implement procedures to provide timely and accurate reporting before shipping EEUM-designated defense articles into a hostile environment. Stakeholders agreed that this recommendation can be implemented by September 2024. We consider this recommendation resolved but open.

(U) The Acting Under Secretary of Defense for Policy partially agreed with the recommendation to work with the Department of State to improve the existing process for informing the DoD of third-party transfers. We consider this recommendation resolved but open.

(U) DSCA, Army, and Air Force officials agreed with the recommendation to develop and implement a system to update the SCIP-EUM database with the serial numbers of all EEUM-designated defense articles provided to Ukraine. Stakeholders agreed that this recommendation can be implemented by September 2025. We consider this recommendation resolved but open.

(U) The DSCA Assistant Director for International Operations partially agreed with the recommendation to develop and implement a system of internal controls to maintain the accuracy of the SCIP-EUM database. We disagree with the Assistant Director's response; therefore, we consider this recommendation unresolved and request additional comments within 30 days that address ways to improve the accuracy of the SCIP-EUM database.

(U) The DSCA Assistant Director for International Operations disagreed with the recommendation to revise the SAMP and assign responsibility for updating the SCIP-EUM database with barcode scanner data to the DSCA SCIP-EUM Help Desk personnel. We revised this recommendation to more clearly reflect the shared responsibilities in maintaining the accuracy of the SCIP-EUM database, and we consider this recommendation unresolved. We request additional comments within 30 days that address the shared responsibility for updating the SCIP-EUM database with EEUM data.



(U) Results in Brief

(U) Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine

(U) Comments (cont'd)

(U) The DSCA Assistant Director for International Operations disagreed with the recommendation to revise the SCIP-EUM database so that all initial inventories conducted in a hostile environment establish an annual requirement for re-inventory. We revised the recommendation to more clearly reflect the required corrective action, and we consider this recommendation unresolved. We request additional comments within 30 days that address the actions the DSCA will take to correct the next inventory due dates for all EEUM-designated defense articles provided to Ukraine.

(U) Please see the Recommendations table on the next page for the status of recommendations.

(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Policy		3	
Deputy Assistant Secretary of the Army (Defense Exports and Cooperation)		2, 4	
Deputy Under Secretary of the Air Force (International Affairs)		2, 4	
Director, Defense Security Cooperation Agency	5.a, 5.b, 5.c	4	
Chief, Office of Defense Cooperation—Ukraine			1.a, 1.b (U)

(U) Please provide Management Comments by February 9, 2024.

(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.



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

January 10, 2024

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR POLICY
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
CHIEF, OFFICE OF DEFENSE COOPERATION-UKRAINE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: (U) Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles
Provided to Ukraine (Report No. DODIG-2024-043)

(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) This report contains both resolved and unresolved recommendations. The Chief of the Office of Defense Cooperation-Ukraine agreed with and implemented Recommendations 1.a and 1.b. We consider these recommendations resolved and closed.

(U) The Director of Staff, responding for the Deputy Under Secretary of the Air Force for International Affairs, and the Senior Advisor for Defense Exports, responding for the Deputy Assistant Secretary of the Army (Defense Exports and Coordination), agreed with Recommendations 2 and 4. The Assistant Director for International Operations, responding for the Director of the Defense Security Cooperation Agency (DSCA), also agreed with Recommendation 4. We consider these recommendations resolved but open.

(U) The Acting Under Secretary of Defense for Policy partially agreed with Recommendation 3 and proposed actions that meet the intent of the recommendation. Therefore, we consider the recommendation resolved but open.

(U) The Assistant Director for International Operations, responding for the DSCA Director, partially agreed with Recommendation 5.a and disagreed with Recommendations 5.b and 5.c. These recommendations are unresolved; however, we revised Recommendations 5.b and 5.c and request that the DSCA Director reconsider his position based on these revisions.

(U) We will track these recommendations until management agrees to take actions that we determine to be sufficient to meet the intent of the recommendations and management officials submit adequate documentation showing that all agreed-upon actions are completed.

(U) DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, we request that the DSCA Director provide a response within 30 days addressing specific actions in process, or alternative corrective actions proposed, concerning the unresolved recommendations. We request that the Acting Under Secretary of Defense for Policy, the Deputy Under Secretary of the Air Force for International Affairs, the Deputy Assistant Secretary of the Army (Defense Exports and Coordination), and the DSCA Director respond within 90 days addressing specific actions in process or completed on the recommendations that are resolved but open. Send your response to [REDACTED] if classified SECRET.

(U) If you have any questions or would like to meet to discuss this evaluation, please contact [REDACTED]. We appreciate the cooperation and assistance received during the evaluation.

FOR THE INSPECTOR GENERAL:



Michael J. Roark
Deputy Inspector General for Evaluations

CC:

AMBASSADOR, UNITED STATES EMBASSY UKRAINE
COMMANDER, UNITED STATES EUROPEAN COMMAND
INSPECTOR GENERAL, DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL



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(U) Introduction

(U) Objective

(U) The objective of this evaluation was to determine the extent to which the DoD conducted 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 DoD uses the Golden Sentry program to monitor the end use of U.S. defense articles exported to partner nations through routine EUM and EEUM. The Arms Export Control Act requires, to the extent practicable, that the President have an official program that provides for EUM. This 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. The DoD transferred EEUM-designated defense articles to Ukraine through the Foreign Military Sales (FMS) program, the Ukraine Security Assistance Initiative, Presidential Drawdown Authority (PDA), and other USG security cooperation and assistance programs.

(U) Different from routine EUM, EEUM-designated defense articles require additional layers of verification and protections for specified items. This includes items: (1) that incorporate sensitive technology, (2) that are particularly vulnerable to diversion or other misuse, or (3) whose diversion or other misuse could have significant consequences, as identified by DoD policy or the Military Department (MILDEP) interagency release process. EEUM requirements are codified in the Defense Security Cooperation Agency's (DSCA) Security Assistance Management Manual (SAMM) and in written agreements between the USG and the partner nation. The requirements include physical security assessments of the partner nation's storage facilities and inventories of all EEUM-designated defense articles by serial number.² Figure 1 displays the current list of defense articles subject to EEUM.

¹ (U) In accordance with Section 40A of The Arms Export Control Act, Public Law 90-629, as amended through Public Law 117 263, enacted December 23, 2022.

² (U) DoD Office of Inspector General personnel did not assess the physical security of Ukraine's storage facilities due to the current security situation in Ukraine.

(U) Figure 1. EEUM-Designated Defense Articles

(U) EEUM-Designated Defense Articles	Description
*Advanced Medium-Range Air-to-Air Missiles (AMRAAM)	AMRAAM or other specified AMRAAM defense articles
Air-Intercept Missiles-9X	AIM-9X Missiles, Guidance Units, Captive Air Training Missiles, and Special Air Training Missiles
Advanced Threat Infrared Countermeasures System	Advanced Threat Infrared Countermeasures System
Communication Security (COMSEC) Equipment	COMSEC items are managed and controlled by the National Security Agency
Harpoon Block II Missiles	Harpoon Block II Missile and/or other specified Harpoon Block II Missile defense articles
*Javelin Missiles and Command Launch Units (CLUs)	Javelin Missiles and CLUs only
Joint Air-to-Surface Standoff Missile (JASSM)	JASSM or other specified JASSM enhanced defense articles
Joint Standoff Weapons (JSOW)	JSOW or other specified JSOW defense articles, such as Captive Flight Vehicles and Missile Simulator Units
Large Aircraft Infrared Countermeasures (LAIRCM)	LAIRCM components as specified in the Letters of Offer and Acceptance (LOA) note
*Lethal Miniature Aerial Missile System (LMAMS)	LMAMS Switchblade
*Night Vision Devices (NVDs) (man-portable devices only)	NVDs
Small-Diameter Bomb, Increment Two	Embedded COMSEC items are managed by the National Security Agency
Standard Missiles-3	Standard Missiles-3
Standard Missiles-6	Standard Missiles-6
Standoff Land Attack Missiles Expanded Response	Standoff Land Attack Missiles Expanded Response or other specified associated defense articles
*Stinger Missiles and gripstocks	Stinger Missiles designated for EEUM may be included in various vehicle platforms
Terminal High Altitude Area Defense	Terminal High Altitude Area Defense Missiles or radar systems
Tomahawk Missiles	Tomahawk Missiles
Unmanned Aircraft Systems (UAS) designated as Category I	UAS and system components designated as Category I by the Missile Technology Control Regime or as specified in the LOA

(U)

(U) * Asterisk indicates that the USG provided the defense article to the Ukrainian Armed Forces as of June 2, 2023.

(U) Source: Derived from the DSCA SAMM table C8.T4.

(U) Our first EEUM-related management advisory during the course of this evaluation, dated May 19, 2023, recommended that the DSCA and relevant agencies review, analyze, and update the list of defense articles currently designated as requiring EEUM. As of November 20, 2023, these recommendations remain open.

(U) Roles and Responsibilities of DoD Organizations Implementing the EUM Program in Ukraine for EEUM-Designated Defense Articles

(U) The principal DoD organizations responsible for implementing the EUM program in Ukraine are the DSCA, the Office of Defense Cooperation–Ukraine (ODC-Ukraine), and the MILDEP implementing agencies (MILDEP IAs).

(U) The DSCA

(U) The DSCA provides subject matter expertise for all EEUM-related issues. The DSCA’s responsibilities include:

- (U) developing and promoting EEUM guidance within the DoD using the SAMM, and
- (U) maintaining and updating defense article inventory information within the Security Cooperation Information Portal–End-Use Monitoring (SCIP-EUM) database.³

(U) ODC-Ukraine

(U) ODC-Ukraine is responsible for developing EEUM standard operating procedures specific to Ukraine. According to Chapter 8 of the SAMM, in a peacetime environment, ODC-Ukraine must perform the following functions.

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

³ (U) The SCIP is a DSCA-managed, web-based system that contains FMS and security cooperation case-related data, as well as numerous other types of information. The SCIP-EUM database is a community within the SCIP where EEUM accountability and inventory data is tracked and updated. We will discuss this in more detail later in the report.

(U) According to the December 20, 2022, update to the SAMM section 8.5.5, in a hostile environment, ODC-Ukraine must conduct an initial, 100-percent inventory, by serial number, of all EEUM-designated articles prior to delivery into hostile areas.

(U) MILDEP IAs

(U) Each MILDEP IA is responsible for maintaining a Golden Sentry point of contact and assisting the DSCA in developing EUM policy. According to the SAMM, the MILDEP IAs are also responsible for providing delivery records with serial numbers for incoming EEUM-designated defense articles to the DSCA SCIP-EUM Help Desk for entry into the SCIP-EUM database.

(U) U.S. Security Assistance for Ukraine Before 2022

(U) In 2014, when Russia first invaded eastern Ukraine and Crimea, Congress passed the Ukraine Freedom Support Act, which, among other provisions, authorized increased military and economic assistance for Ukraine.⁴ Since FY 2016, the USG has financed the Ukraine Security Assistance Initiative, along with more than a dozen other programs, to increase the ability of the Ukrainian Armed Forces (UAF) to resist Russia's aggression.

~~(CUI)~~ Starting in 2014, the USG began providing night vision devices (NVDs) to the UAF. In 2018, the DSCA announced the sale of 210 Javelin anti-tank missiles and their command launch units (CLUs), an estimated value of \$47 million, to Ukraine. The Javelins represented the first provision of U.S. lethal weaponry to the UAF since Russia's 2014 invasion of eastern Ukraine and Crimea. As of February 1, 2022, the USG provided the UAF with at least [REDACTED] defense articles requiring EEUM, with NVDs comprising most of these defense articles.

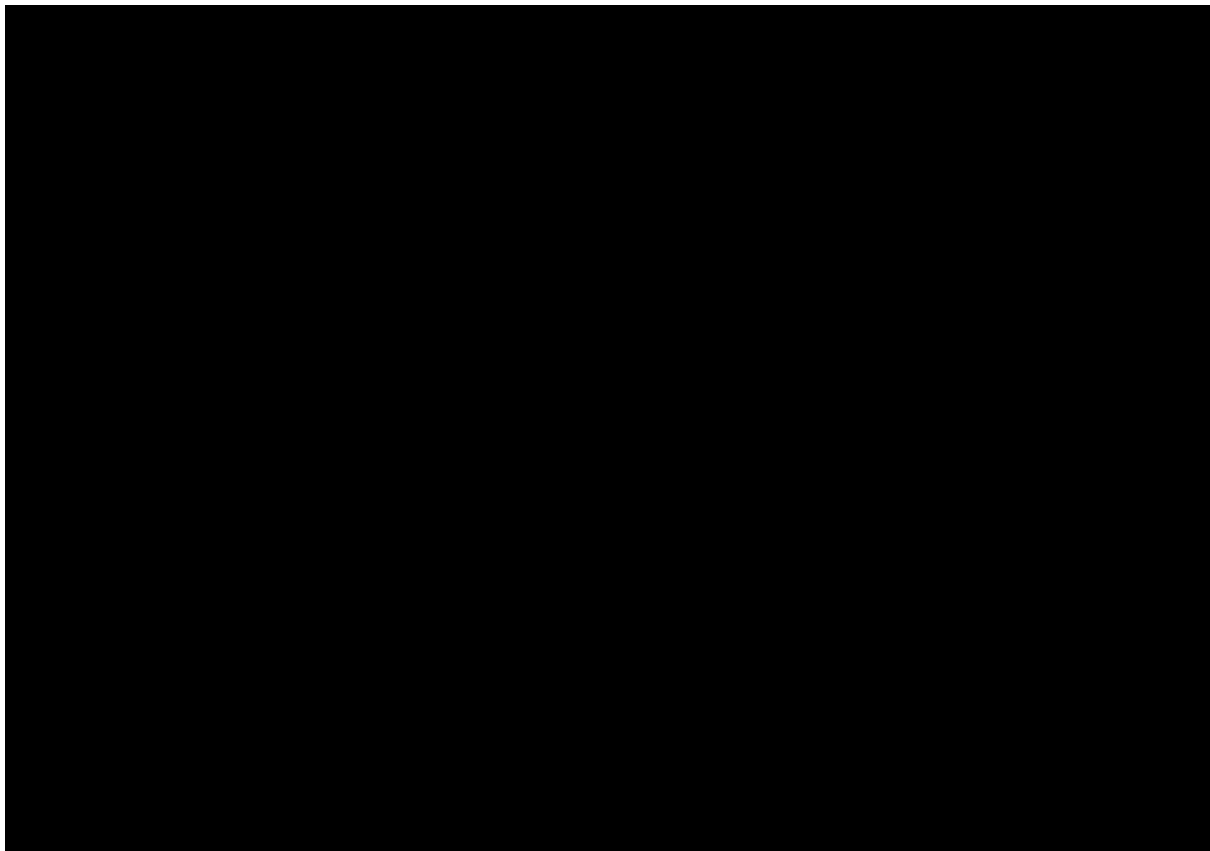
(U) Before the February 2022 full-scale Russian invasion of Ukraine, ODC-Ukraine personnel were required to inspect and conduct serial number inventories of new EEUM-designated defense articles within 90 days of the defense article entering Ukraine, in accordance with the SAMM. After the initial inventory, ODC-Ukraine personnel were responsible for conducting serial number inventories annually for all EEUM-designated defense articles in Ukraine.

⁴ (U) Public Law 113-272, "Ukraine Freedom Support Act of 2014," December 18, 2014.

(U) Total EEUM-Designated Defense Articles in Ukraine

~~(CUI)~~ Between February 1, 2022, and June 2, 2023, the SCIP-EUM database showed that the USG and allied partner nations provided Ukraine with an additional [REDACTED] EEUM-designated defense articles, for a total of [REDACTED] active EEUM-designated defense articles as of June 2, 2023.⁵ Figure 2 provides a breakdown of the different types of EEUM-designated defense articles added to the SCIP-EUM database over time.

~~(CUI)~~ [REDACTED]



LEGEND

- (U) AMRAAM** Advanced Medium-Range Air-to-Air Missiles
- (U) LMAMS** Lethal Miniature Aerial Missile System

(U) Source: EEUM-designated defense article final transfer dates and creation dates in the SCIP-EUM database from February 1, 2022, to June 2, 2023.

⁵ ~~(CUI)~~ The data in the SCIP-EUM database includes a column called “Final Transfer Date,” which lists when the United States transferred EEUM-designated defense articles to Ukraine. However, [REDACTED] EEUM-designated defense articles had no listed final transfer date, making it impossible to determine exactly when the United States provided the defense articles to Ukraine. A secondary parameter, “Creation Date,” allowed us to determine the general time period in which the United States provided the remaining EEUM-designated defense articles to Ukraine. A defense article creation date within the SCIP-EUM database refers to the date when the DSCA SCIP-EUM Help Desk personnel added the defense article to the database. While the creation date is not guaranteed to be the actual date the EEUM-designated defense article was provided to Ukraine, to capture all EEUM-designated defense articles provided to Ukraine for analysis, we used this secondary parameter to assign EEUM-designated defense articles to a date.

(U) Figure 3 shows the increase in EEUM-designated defense articles provided to Ukraine since February 2022.

(U)

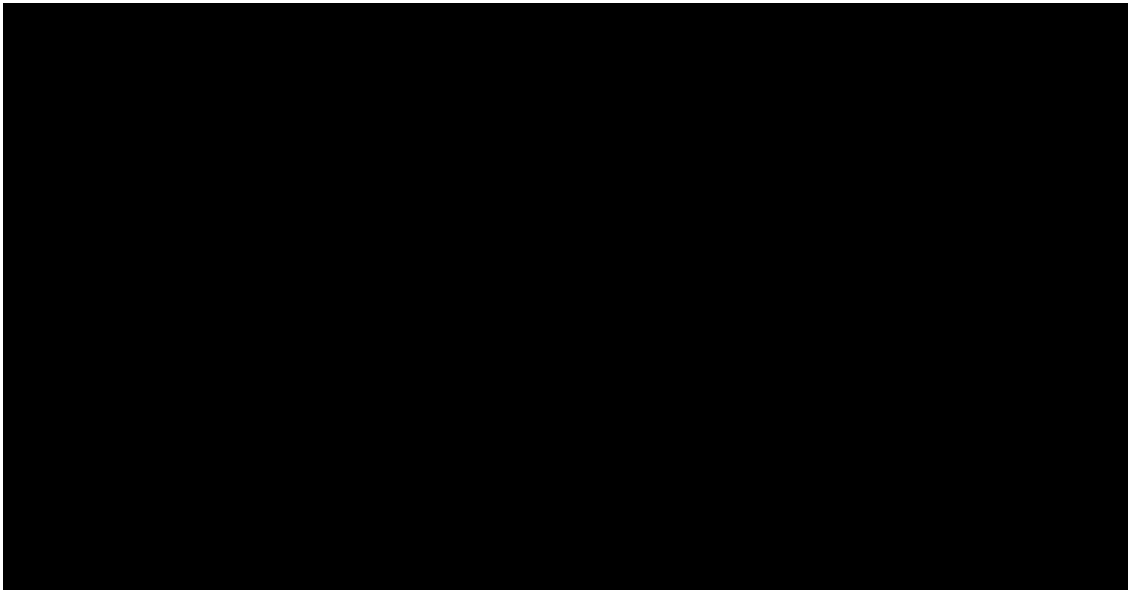


(U) Source: EEUM-designated defense article final transfer dates and creation dates in the SCIP-EUM database from February 1, 2022, to June 2, 2023.

(U) Based on the EEUM-designated defense article totals in the DSCA's SCIP-EUM database and the monetary value of the EEUM-designated defense articles provided to the UAF, we estimated that the USG provided the UAF with EEUM-designated defense articles worth at least \$1.699 billion as of June 2, 2023.⁶ Table 1 provides an overview of all EEUM-designated defense articles added to the SCIP-EUM database as of June 2, 2023, by defense article type and their associated costs.

⁶ (U) The DoD OIG is conducting an ongoing audit reviewing the DoD's methodology for determining defense article valuations, "Audit of the Estimates Used Valuing Assets Provided Under Presidential Drawdown Authority to Ukraine," D2023-D000FI-0156.000, announced September 5, 2023.

(U) [Redacted]



LEGEND

- (U) **AMRAAM** Advanced Medium-Range Air-to-Air Missiles
- (U) **LMAMS** Lethal Miniature Aerial Missile System

(U) Source: The DSCA’s SCIP-EUM database, MILDEP IA personnel, and EEUM-designated defense article valuation data provided by the DoD OIG’s Office of Financial Management and Reporting.

(U) Evolution of the EEUM Program for Ukraine Since February 2022

(U) We identified changes in the execution of the EEUM program in Ukraine between February 1, 2022, and June 2, 2023. The first time period was February 1, 2022, to June 30, 2022. This time period included the evacuation of USG personnel from Ukraine and the period of time before the United States established logistics hubs in a neighboring partner nation. The second time period was July 1, 2022, to October 31, 2022. During this period, UAF personnel provided hand receipts for EEUM-designated defense article inventories in Ukraine.⁷ The third time period began on November 1, 2022, and ended on June 2, 2023, the date we ended our data collection for the current evaluation. This third period included the execution of a pilot program for UAF personnel in Ukraine and for ODC-Ukraine personnel to use barcode scanners to conduct initial inventories at the logistics hubs in a partner nation and annual serial number inventories in Ukraine.⁸

⁷ (U) Before implementation of the barcode scanners in Ukraine, ODC-Ukraine personnel completed EEUM inventories manually by writing down inventory records on paper hand receipts. These hand receipts contained the same EEUM inventory information as would later be included within a scan conducted using the barcode scanner system, such as defense article type and serial number.

⁸ (U) The barcode scanner system is owned by a third-party DSCA contractor. Inventories conducted using barcode scanners upload to an online repository before they are transferred to the DSCA’s SCIP-EUM database.

(U) Using the Barcode Scanners and Conducting EEUM in a Hostile Environment

(U) In November 2022, ODC-Ukraine and UAF personnel began widespread use of the barcode scanners provided by the DSCA to conduct serial number inventories in Ukraine and neighboring nation logistics hubs for EEUM-designated defense articles provided to Ukraine. As the EEUM program in Ukraine for Golden Sentry evolved, the UAF and ODC-Ukraine agreed to a concept of operations (CONOPS) outlining the UAF's responsibilities for conducting self-reporting of USG-origin, EEUM-designated defense articles. According to the CONOPS, UAF personnel are responsible for conducting quarterly inventory reports of all EEUM-designated defense articles in Ukraine by serial number, except NVDs, which will be inventoried semi-annually.¹⁰ Additionally, the CONOPS states that UAF personnel will submit reports documenting the destruction or loss of EEUM equipment to ODC-Ukraine within 4 days of that occurring.

(U) On December 20, 2022, the DSCA released Policy Memorandum 22-87, which updated the SAMM and established responsibilities and procedures for conducting EEUM in a hostile environment.¹¹ The policy memorandum states that in a hostile environment:

- (U) MILDEP IAs must provide to the DSCA SCIP-EUM Help Desk delivery records with serial numbers of EEUM items that are being transferred to hostile environments in advance of shipment;
- (U) when conditions allow, ODC-Ukraine must conduct an initial, 100-percent inventory, by serial number, of all EEUM-designated articles before shipment or delivery into hostile areas;
- (U) UAF personnel must provide ODC-Ukraine with records of EEUM-designated defense article inventories in accordance with the CONOPS, which requires semi-annual serial number inventories of NVDs and quarterly serial number inventories of all other EEUM-designated defense articles; and
- (U) ODC-Ukraine must update and keep current the disposition status of U.S.-provided, EEUM-designated defense articles within the SCIP-EUM database based on the UAF's provided accountability documentation.

¹⁰ (U) The internal inventory requirements for the UAF identified in the CONOPS are distinct from ODC-Ukraine's requirements for conducting the EEUM program according to the SAMM. As part of the EEUM program, ODC-Ukraine or partner nation personnel are required to conduct an initial inventory within 90 days of receipt by the partner nation and annually thereafter.

¹¹ (U) DSCA Policy Memorandum 22-87, "Conducting End-Use Monitoring in a Hostile Environment," December 20, 2022, incorporated guidance into Chapter 8 of the SAMM to establish policy and procedures for conducting EEUM in a hostile environment.

(~~CUI~~) added to the SCIP-EUM database before February 2022 were transferred to the UAF through the FMS process. The USG transferred the remaining [REDACTED] EEUM-designated defense articles to Ukraine through Presidential Drawdown Authority (PDA) beginning in August 2021.

(~~CUI~~) Since February 2022, the UAF has received EEUM-designated defense articles through multiple transfer authorities, including PDA, FMS, and third-party transfer (TPT).¹⁴ Section 506(a)(1) of the Foreign Assistance Act authorizes the provision of military assistance from existing defense article stocks through PDA. This authorization allows for the speedy delivery of defense articles and services from DoD stocks to foreign countries to respond to unforeseen emergencies and crisis situations. Between August 2021 and June 2, 2023, the USG provided the UAF with 39 separate military assistance packages using PDA. According to the SCIP-EUM database, between August 2021 and June 2023, the USG provided the UAF with [REDACTED] various EEUM-designated defense articles through PDA. These defense articles included [REDACTED] Javelin missiles, [REDACTED] Stinger missiles, and [REDACTED] Stinger gripstocks. Additionally, between February 2022 and June 2023, the DSCA SCIP-EUM Help Desk personnel added [REDACTED] EEUM-designated defense articles to the DSCA SCIP-EUM database, which include articles the USG transferred to the UAF through the FMS process, including the Ukraine Security Assistance Initiative.¹⁵ [REDACTED] of these [REDACTED] defense articles were NVDs.

(~~CUI~~) Partner nations have also provided EEUM-designated defense articles to Ukraine through TPT since the onset of the full-scale invasion of Ukraine in February 2022. The USG authorized TPTs from 14 partner nations to Ukraine between February 2022 and June 2023. According to the DSCA's SCIP-EUM database, the DOS authorized the transfer of [REDACTED] EEUM-designated defense articles to the UAF, including [REDACTED] Stinger missiles and [REDACTED] Stinger gripstocks. TPT authorizations of EEUM-designated defense articles are primarily a DOS responsibility and function. While the majority of TPT roles and responsibilities lie with the DOS, the SAMM specifies that DoD personnel are responsible for ensuring that the SCIP-EUM database is accurate. Figure 7 provides a breakdown of the total EEUM-designated defense articles transferred to Ukraine using each of these three transfer authorities, as well as their associated EEUM-designated defense article costs.

¹⁴ (U) TPT of EEUM-designated defense articles is the transfer from its current 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 prior to any retransfer of the EEUM-designated defense articles.

¹⁵ (U) Established after the Russian invasion of Ukraine in 2014, the Ukraine Security Assistance Initiative is a USG Building Partner Capacity program that provides Title 10 appropriated funds to support the administration, planning, development, execution, and monitoring of programs, including providing EEUM-designated defense articles. While defense articles transferred through the Ukraine Security Assistance Initiative use the FMS system to facilitate the transfer of defense articles to Ukraine, they are not technically considered FMS transfers. However, as defense articles transferred to Ukraine through the Ukraine Security Assistance Initiative 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.

(CUI)



(U) Source: EEUM-designated defense article transfer authority data in SCIP-EUM database as of June 2, 2023.

(U) Finding

(U) While EEUM Inventory Processes Changed and Delinquency Rates Improved, the DoD Did Not Fully Comply with EEUM Program Requirements for Defense Article Accountability in a Hostile Environment

~~(CUI)~~ Despite the changes made to EEUM inventory processes and the improvement of delinquency rates in Ukraine since February 2022, the DoD did not fully comply with EEUM program requirements for defense article accountability in a hostile environment.¹⁶ Since the full-scale invasion of Ukraine began, ODC-Ukraine personnel have not been able to conduct initial inventories on all EEUM-designated defense articles in Ukraine or █████ within 90 days of arrival. Of 303 EEUM-designated defense articles statistically sampled from the SCIP-EUM database, between February 2022 and March 2023, the ODC-Ukraine personnel inventoried 15 EEUM-designated defense articles in Ukraine (5 percent) and 47 in █████ (15 percent).¹⁷ During this same timeframe, UAF personnel inventoried 73 of the 303 EEUM-designated defense articles in our sample (24 percent).¹⁸ This occurred because ODC-Ukraine's personnel limitations negatively impacted their ability to conduct initial inventories at logistics hubs in a neighboring partner nation, and their limited EEUM personnel and movement restrictions within Ukraine constrained their ability to conduct required inventories inside of Ukraine.

(U) DoD personnel neither updated the SCIP-EUM database in a timely manner nor maintained an accurate inventory of all EEUM-designated defense articles transferred to Ukraine in the SCIP-EUM database.¹⁹ This occurred because the DSCA does not have internal controls in place to confirm that security cooperation organizations (SCOs) and DSCA personnel updated the SCIP-EUM database accurately and in a timely manner.

¹⁶ (U) The phrase "in a hostile environment" refers to the December 2022 update to the SAMM establishing procedures for conducting EEUM in a hostile environment.

¹⁷ (U) We developed two statistical samples to analyze in the SCIP-EUM database. Appendix B provides further details regarding these statistical samples.

¹⁸ (U) The SCIP-EUM database does not indicate whether inventories are initial or annual.

¹⁹ (U) For the purposes of this evaluation, we determined that "in a timely manner" was either before the defense article was transferred to Ukraine or less than 30 days after the transfer. This is based on the SAMM requirement in a peacetime environment that MILDEP IAs provide monthly delivery records for the shipment of EEUM-designated defense articles for input into the SCIP-EUM database.

(U) Finally, despite ODC-Ukraine and UAF efforts to conduct initial and annual required inventories, 192 (63 percent) of the 303 EEUM-designated defense articles sampled were delinquent as of April 1, 2023.²⁰ This occurred because, until December 2022, the DoD did not have a policy in place for conducting EEUM in a hostile environment. This also occurred because ODC-Ukraine did not enforce requirements that the UAF provide loss reports in a timely manner and expenditure reports by serial number.²¹

~~(CUI)~~ While EEUM-designated defense article delinquency rates have improved, significant personnel limitations and accountability challenges remain. On February 10, 2023, ██████████ (87 percent of the total number) EEUM-designated defense articles provided to Ukraine were delinquent in the SCIP-EUM database. On June 2, 2023, ██████████ (60 percent of the total number) active EEUM-designated defense articles provided to Ukraine were delinquent in the SCIP-EUM database. From a monetary perspective, the delinquent serial numbers account for more than \$1.005 billion of the total \$1.699 billion (59 percent of the total value) of EEUM-designated defense articles as of June 2, 2023. Until those challenges are resolved, the DoD will not be able to fully account for all of the more than \$1.699 billion in EEUM-designated defense articles provided to Ukraine.

(U) The DoD Did Not Fully Comply with EEUM Program Requirements in a Hostile Environment

(U) The DoD did not fully comply with EEUM program requirements in a hostile environment to ensure defense articles transferred to Ukraine are being stored, secured, and used in accordance with the terms and conditions of the relevant transfer agreements and Chapter 8 of the SAMM. Before the full-scale invasion in February 2022, the SAMM required ODC-Ukraine personnel to conduct an initial inventory of EEUM-designated defense articles within 90 days of entering Ukraine and annually thereafter. The DSCA revised the SAMM in December 2022 and authorized ODC-Ukraine personnel to conduct an initial inventory of all EEUM-designated articles before delivery into Ukraine when conditions allowed.²² Then, under certain circumstances, when USG-led inventories are not possible, UAF personnel can self-report serial number inventories by providing ODC-Ukraine with inventory records or other accountability records or through the use of barcode scanning.²³

²⁰ (U) 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.

²¹ (U) ODC-Ukraine personnel told us that the UAF could not provide loss reports in the specified time frames due to the intensity of the full-scale invasion, along with classification issues regarding EEUM-designated defense articles lost in combat situations.

²² (U) The Chief of Mission, in consultation with the Regional Security Officer and the Senior Defense Official/Defense Attaché, decides whether ODC-Ukraine personnel can safely conduct accountability operations before delivery of USG defense articles to hostile areas.

²³ (U) In the SAMM, “certain circumstances” refers to conducting EEUM in a hostile environment when force protection limitations exist that could endanger USG personnel performing routine EEUM observations, EEUM inventories, and physical security inspections of partner nations’ storage facilities.

(U) Due to the evolving security situation in Ukraine following the full-scale Russian invasion, the DoD made multiple adjustments to EEUM program execution requirements described in the SAMM. First, in February 2022, USEUCOM modified standard EEUM processes in Ukraine through issuance of a memorandum. This modification required Ukrainian officials to receive, inspect, and document accountability of EEUM-designated defense articles to ODC-Ukraine personnel. Later, the DSCA updated the SAMM on December 20, 2022. As detailed above, this update in DSCA Policy Memorandum 22-87 revised EEUM accountability processes and reduced the restrictions for managing and executing what has historically been a peacetime program in a hostile environment.

(U) Before the December 2022 update to the SAMM, SCOs were responsible for maintaining an accurate baseline of all EEUM-designated defense articles by updating the SCIP-EUM database. The SAMM required the SCOs to conduct an initial inventory and verify in-country receipt of EEUM-designated defense articles by serial number within 90 days of delivery. Additionally, the SAMM required the SCOs to conduct a 100-percent, annual, visual inventory of in-country, EEUM-designated defense articles within 1 year from the last inventory performed. DSCA Policy Memorandum 22-87 allowed for partner nation self-reporting of initial and annual inventories. Moreover, the DSCA provided handheld barcode scanners to ODC-Ukraine and UAF personnel for conducting EEUM inventories. Because of the hostile environment and the resulting logistical and personnel limitations, UAF and ODC-Ukraine personnel were unable to conduct all required EEUM inventories as described below.

(U) Finally, the DoD neither updated the SCIP-EUM database in a timely manner nor maintained an accurate inventory of EEUM-designated defense articles transferred to Ukraine in the SCIP-EUM database.

(U) ODC-Ukraine Personnel Limitations and Restricted Access to Ukraine Limited Their Ability to Conduct EEUM Inventories

(U) As previously reported by the OIG in October 2022, between February 2022 and June 2022, due to closure of the U.S. Embassy in Kyiv, ODC-Ukraine personnel were unable to conduct initial and annual inventories of all EEUM-designated defense articles in either a partner nation or Ukraine.²⁴ In July 2022, ODC-Ukraine relocated additional personnel at logistics nodes in a neighboring partner nation and began manually conducting initial serial number inventories at these hubs when conditions allowed, and ODC-Ukraine personnel resumed conducting some EEUM inventories in Ukraine, as conditions allowed.

²⁴ (U) DoD OIG Report No. DODIG-2023-002, "The DoD's Accountability of Equipment Provided to Ukraine," October 2022.

~~(CUI)~~ In October 2022, both ODC-Ukraine and UAF personnel began using the barcode scanners to conduct serial number inventories in both ██████ and Ukraine. Both DSCA and ODC-Ukraine officials stated that UAF personnel possessed 10 barcode scanners to conduct inventories. Another ODC-Ukraine official stated that these 10 barcode scanners are located at various logistics nodes throughout Ukraine where UAF personnel conduct inventories as EEUM-designated defense articles move through the logistics nodes. However, the ODC-Ukraine personnel told us that the barcode scanners are not on the front lines where the EEUM-designated defense articles are being used and expended.

(U) The SAMM requires initial inventories of all EEUM-designated defense articles followed by annual serial number inventories. Despite the revised inventory processes for conducting EEUM in a hostile environment, neither ODC-Ukraine nor UAF personnel conducted serial number inventories of all EEUM-designated defense articles provided to Ukraine, as required by the SAMM. In a stratified sample of 174 EEUM-designated defense articles added to the SCIP-EUM database between October 1, 2022, and February 9, 2023, ODC-Ukraine conducted initial inventories of only 27 percent of these EEUM-designated defense articles in a neighboring partner nation. ODC-Ukraine conducted annual inventories of an additional 9 percent of the sampled EEUM-designated defense articles in Ukraine. UAF personnel conducted annual inventories of an additional 42 percent of the sample of 174 EEUM-designated defense articles in Ukraine.²⁵ Neither ODC-Ukraine nor UAF personnel inventoried the remaining 22 percent of the EEUM-designated defense articles. See Table 2 for the number of defense articles that ODC-Ukraine and UAF personnel inventoried by type.

²⁵ (U) Either ODC-Ukraine or UAF personnel can conduct EEUM inventories in Ukraine in accordance with the December 2022 update to the SAMM on conducting EEUM in a hostile environment.

(U) Table 2. Items Inventoried in Stratified Sample of 174 EEUM-Designated Defense Articles Added to the SCIP-EUM Database Between October 1, 2022, and February 9, 2023

(U) Defense Article Type	ODC-Ukraine Items Inventoried in a Partner Nation (Initial Inventory)	ODC-Ukraine Items Inventoried in Ukraine (Annual Inventory)	UAF Items Inventoried in Ukraine (Annual Inventory)
Stinger Missiles	15	3	7
Stinger gripstocks	0	0	0
Javelin Missiles	0	0	3
Javelin CLUs	10	10	6
AMRAAMs	5	0	17
NVDs	1	2	21
LMAMS Switchblades	16	0	19
Total Items Inventoried:	47	15	73

(U)

(U) Source: DoD OIG-generated table based on EEUM-designated defense article samples from the SCIP-EUM database.

(U) ODC-Ukraine Experienced Logistical and Personnel Limitation Challenges at Logistics Nodes in a Neighboring Partner Nation

(U) ODC-Ukraine personnel experienced logistical and personnel limitation challenges that prevented them from conducting inventories of all EEUM-designated defense articles before transfer into Ukraine. ODC-Ukraine officials stated that they relocated additional staff to the logistics hubs in a partner nation in July 2022 to conduct initial serial number inventories of EEUM-designated defense articles upon their arrival. An ODC-Ukraine official stated that the geographic distance between the logistics hubs posed a challenge that impeded conducting EEUM inventories. While the [REDACTED] are co-located, the [REDACTED] by car from the other locations. In March 2023, ODC-Ukraine personnel stated that only one ODC-Ukraine USG employee was in [REDACTED], supported by three locally employed staff. Both the geographic distance between the various logistics hubs and the limited number of personnel that ODC-Ukraine had on the ground in the logistics hubs increased the risk that EEUM-designated defense articles were transferred to Ukraine without ODC-Ukraine personnel conducting serial number inventories.

~~(CUI)~~ To assist the DoD in addressing the logistics and personnel limitation challenges at the logistics hubs, the DoD OIG issued a second management advisory on June 28, 2023, titled “Sufficiency of Staffing at Logistics Hubs in [REDACTED] for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring.”²⁶ This management advisory recommended and the DSCA agreed to authorize USG personnel present at the logistics hubs to conduct initial EEUM inventories using the barcode scanners in support of ODC-Ukraine personnel. We also recommended that the DSCA develop and provide training on EEUM processes and procedures to USG personnel at the logistics hubs in a partner nation to increase the number of personnel available to conduct the required inventories. As of November 20, 2023, these recommendations remain open.

(U) ODC-Ukraine Experienced Ongoing Logistical and Personnel Limitations in Ukraine

(U) On February 18, 2022, a USEUCOM memorandum ordered a halt to all EEUM inspections by USG DoD personnel until further notice. An ODC-Ukraine official conducted a limited number of EEUM serial number inventories in low-risk areas of Ukraine beginning in or about May 2022, after USG personnel were able to regain access to the U.S. Embassy in Kyiv, Ukraine. As of February 2023, this ODC-Ukraine official stated that their goal at that time was to conduct EEUM-designated defense article serial number inventories within Ukraine approximately two times per month.

(U) Inventory Delinquency Rates for EEUM-Designated Defense Article Improved Since November 2022, but Significant Challenges Remain

(U) While both ODC-Ukraine and the UAF have reduced the percentage of delinquent EEUM-designated defense article inventories, significant challenges remain, including safely conducting EEUM inventories in a hostile environment, the UAF’s consumption rate of expendable EEUM-designated defense articles in combat, loss reporting, and TPTs.²⁷

²⁶ (U) This report is available at: <https://media.defense.gov/2023/Jun/29/2003251177/-1/-1/1/DODIG-2023-090.PDF>.

²⁷ (U) A loss report is the written documentation of DoD EEUM-designated defense articles not accounted for, regardless of the reason (destruction, theft, or misplacement).

(U) Ukraine EEUM Inventory Delinquency Rates Improved Over Time

~~(CUI)~~ Inventory delinquency rates in the SCIP-EUM database for EEUM-designated defense articles in Ukraine improved, declining from an inventory delinquency rate of 87 percent of the total number of EEUM-designated defense articles on February 10, 2023, to 56 percent of the total number on July 12, 2023. Figure 8 provides an overview of this decline in EEUM-designated defense article inventory delinquency rates from February to July 2023. This figure shows that, despite the USG and partner nations providing over [REDACTED] additional EEUM-designated defense articles to Ukraine during this period, the EEUM-designated defense article inventory delinquency rates improved over time.

~~(CUI)~~ [REDACTED]



(U) Source: EEUM-designated defense article delinquency reports retrieved from the SCIP-EUM database from February 10, 2023, to July 12, 2023.

(U) The DoD and Ukrainian Armed Forces Continued to Face Significant Inventory Challenges

(U) As of June 2023, ODC-Ukraine continued to face significant inventory challenges because of the volume and pace of EEUM-designated defense articles and other equipment moving into Ukraine and because the UAF did not provide timely report data for expended and lost EEUM-designated defense articles. Additionally, SCO and DSCA personnel did not receive timely notification of TPT defense articles transferred to Ukraine, resulting in EEUM-designated defense articles missing from the SCIP-EUM database. An ODC-Ukraine official stated that, once EEUM-designated defense articles arrive in Ukraine, they are often transferred to the front lines within days for use in active combat. That official also stated that there is no safe method to carry out EEUM-designated defense article inventory on the front lines, so many EEUM-designated defense articles are unavailable for inventory in Ukraine except at logistics and storage depots.

(U) The DSCA Did Not Have Internal Controls in Place to Ensure SCO and DSCA Personnel Update the SCIP-EUM Database Accurately and in a Timely Manner

(U) DSCA and SCO personnel did not update the SCIP-EUM database in a timely manner.²⁸ In addition, DSCA and SCO personnel did not maintain an accurate inventory of EEUM-designated defense articles transferred to Ukraine in the SCIP-EUM database. This occurred because the DSCA did not establish internal controls to ensure ODC-Ukraine and DSCA personnel update the SCIP-EUM database accurately and in a timely manner.

(U) The SCIP-EUM Database Did Not Reflect Timely Updates for Inventoried EEUM-Designated Defense Articles Transferred to Ukraine

(U) The DoD did not account for EEUM-designated defense articles transferred to Ukraine in the SCIP-EUM database in advance of shipment in a timely manner. The SAMM requires the DoD to maintain an accurate baseline of all EEUM-designated defense articles exported to a partner nation by serial number in the SCIP-EUM database. Before December 2022, the SAMM required the MILDEP IAs to provide the DSCA SCIP-EUM Help Desk with a monthly delivery record of EEUM-designated defense articles with serial numbers in advance of shipment for input into the SCIP-EUM database.

²⁸ (U) For the purposes of this evaluation, we determined that “timely” was either before the defense article was transferred to Ukraine or less than 30 days after the transfer, based on the SAMM requirement in a peacetime environment that MILDEP IAs provide monthly delivery records for the shipment of EEUM-designated defense articles for input into the SCIP-EUM database.

(U) Of the 174 EEUM-designated defense articles in our stratified sample that were added to the SCIP-EUM database since October 1, 2022, 144 (83 percent) had a SCIP-EUM database creation date after the defense article was transferred to Ukraine. Of those 144 EEUM-designated defense articles, creation dates in the SCIP-EUM database ranged from 4 to 27 days after the final transfer date. For example, one NVD was transferred to Ukraine on November 4, 2022, but the DSCA SCIP-EUM Help Desk did not enter the defense article in the SCIP-EUM database until December 1, 2022. The remaining 30 of 174 (17 percent) EEUM-designated defense articles in our sample listed no final transfer date. In those cases, we found EEUM-designated defense articles added to the SCIP-EUM database 4 to 20 days after an initial inventory date from either ODC-Ukraine or UAF personnel. For example, nine Javelin CLUs in our sample had no final transfer date, but ODC-Ukraine personnel inventoried them on December 15, 2022. The DSCA SCIP-EUM Help Desk entered those items into the SCIP-EUM database on January 5, 2023, which was 20 days later.

(U) An ODC-Ukraine official stated that, under peacetime conditions, ODC-Ukraine personnel received incoming EEUM-designated defense article serial numbers from the SCIP-EUM database. This official stated that this process had been inverted since the onset of the full-scale invasion in Ukraine, with ODC-Ukraine personnel instead providing defense article serial numbers from initial inventory data to the DSCA SCIP-EUM Help Desk for entry into the SCIP-EUM database. A DSCA SCIP-EUM Help Desk official confirmed that, often, the first time they see an EEUM-designated defense article record is when either ODC-Ukraine or UAF personnel conduct a barcode scan on the given defense article in a neighboring partner nation or Ukraine.

(U) MILDEP IAs Did Not Always Provide Serial Numbers to the DSCA SCIP-EUM Help Desk Before the Transfer of Defense Articles to Ukraine

(U) MILDEP IAs did not always provide EEUM-designated defense article serial numbers to the DSCA SCIP-EUM Help Desk before transferring those articles to Ukraine. In December 2022, the DSCA modified the policy for conducting EEUM in a hostile environment by simply requiring MILDEP IAs to provide serial numbers of EEUM-designated defense articles in advance of shipment to a hostile environment. Due to the speed and volume of materiel aid to Ukraine, MILDEP IAs now have an ongoing requirement that supersedes the previous monthly requirement.

(U) Despite the updated notification requirement, from January to June 2023, the Army provided EEUM-designated defense article serial number notifications on roughly a monthly basis, after those defense articles had already been shipped to Ukraine. A DSCA official confirmed that the MILDEP IAs have not been consistently providing EEUM-designated defense article serial numbers in advance of their shipment to Ukraine.

(U) An Air Force AMRAAM Program Office official stated that their office did not provide defense article serial numbers to the DSCA throughout the full-scale invasion of Ukraine. The official stated that, while the AMRAAM Program Office is aware of the AMRAAMs that are currently present within Ukraine and has maintained contact with the DSCA, their office was not aware of the requirement for reporting serial number notifications to the DSCA SCIP-EUM Help Desk. The AMRAAM Program Office official stated that, after being made aware of this requirement within the SAMM, they planned to review the AMRAAM information present within the SCIP-EUM database to fill in any gaps and ensure data accuracy is maintained within the database going forward.²⁹

(U) ODC-Ukraine and DSCA Personnel Were Unaware of All Third-Party Transfers of EEUM-Designated Defense Articles

(U) Since February 2022, multiple partner nations have transferred USG-origin EEUM-designated defense articles to Ukraine through TPT. Before a partner nation transfers these articles, the DOS must authorize the transfer between the originating country and Ukraine. DSCA and ODC-Ukraine officials stated that DOS personnel did not always make them aware of or provide them with EEUM-designated defense article TPT documentation. Therefore, according to DSCA officials, these EEUM-designated defense articles may still show in the SCIP-EUM database as assigned to the original partner nation inventory even though the EEUM-designated defense articles may be located in Ukraine. However, once DSCA officials receive notification of the transfer, they can activate the EEUM-designated defense article in Ukraine's inventory in the SCIP-EUM database and mark the defense article as awaiting TPT documentation.

(U) ODC-Ukraine and the DSCA told us that they were not always notified by partner nations when the partner nations delivered EEUM-designated defense articles to Ukraine through TPT channels. Of the 174 EEUM-designated defense articles in our stratified sample that were added to the SCIP-EUM database since October 1, 2022, 32 (18 percent) were provided to Ukraine through TPT. Of those 32 EEUM-designated defense articles, none had final transfer dates

²⁹ (U) A DSCA official stated that the MILDEP serial number notification process will eventually be automated once they migrate the process to the Wide-Area Work Flow system, with implementation currently planned for FY 2025.

(U) indicating when the divesting government transferred the EEUM-designated defense articles to Ukraine. Additionally, although we were unable to determine the cause, none of those 32 TPT EEUM-designated defense articles received an initial inventory by ODC-Ukraine personnel in a partner nation, indicating that ODC-Ukraine officials were unaware those items transferred through a partner nation, ODC-Ukraine officials were unable to scan those items, or those items did not enter Ukraine through a partner nation. However, UAF personnel inventoried 9 of the 32 TPTs in our sample. We were not able to determine how the DSCA SCIP-EUM Help Desk personnel gained awareness of the remaining 23 TPT defense articles and added them to the SCIP-EUM database. Of those nine transfers, the DSCA SCIP-EUM Help Desk entered seven EEUM-designated defense articles into the SCIP-EUM database only after the UAF personnel had inventoried them. Had the UAF personnel not conducted those initial inventories, those defense articles provided to Ukraine would most likely still be assigned to the originating country's EEUM-designated defense article inventory in the SCIP-EUM database and not be properly accounted for in Ukraine.

(U) The DSCA Did Not Update the SCIP-EUM Database in a Timely Manner for EEUM-Designated Defense Articles the Army Provided to Ukraine

~~(CUI)~~ DSCA personnel did not have adequate internal controls in place to ensure all EEUM serial number notifications and inventories were entered into the SCIP-EUM database in a timely manner. As a result, the DSCA did not account for over half of the Stinger gripstocks provided to Ukraine as of February 10, 2023.³⁰ Specifically, from February to November 2022, the USG provided the UAF with [REDACTED] Stinger gripstocks that the DSCA SCIP-EUM Help Desk personnel did not enter into the SCIP-EUM database until 7 to 15 months after they were transferred to Ukraine.

~~(CUI)~~ On May 24, 2023, Army personnel provided us with EEUM-designated defense article serial number notifications that they provided to the DSCA SCIP-EUM Help Desk from October 2021 through May 2023. Upon receipt of those notifications, we identified that the DSCA SCIP-EUM Help Desk personnel did not add all EEUM-designated defense article serial numbers to the SCIP-EUM database. Specifically, on March 23, 2022, Army personnel provided the DSCA SCIP-EUM Help Desk with serial numbers of EEUM-designated defense articles, including [REDACTED] Stinger gripstocks, by email. However, the DSCA SCIP-EUM Help Desk did not enter those serial numbers into the SCIP-EUM database until May 24, 2023,

³⁰ ~~(CUI)~~ On February 10, 2023, the DSCA provided us with a list of [REDACTED] EEUM-designated defense articles within the SCIP-EUM database for Ukraine, of which [REDACTED]

~~(U)~~ because they overlooked the email with these serial number notifications when originally sent by Army personnel on March 23, 2022. DSCA personnel later confirmed that they misplaced these EEUM-designated defense article serial number notifications, leading to the delay in adding them to the SCIP-EUM database. The DSCA SCIP-EUM Help Desk added the remaining [REDACTED] Stinger gripstocks to the SCIP-EUM database to account for hand receipt inventories conducted by ODC-Ukraine personnel in the early months of the full-scale invasion in Ukraine that were not input into the database when ODC-Ukraine originally inventoried the EEUM-designated defense articles. Throughout May 2023, DSCA personnel retroactively added [REDACTED] Stinger gripstocks to the SCIP-EUM database, for a total of [REDACTED] Stinger gripstocks in the database as of May 25, 2023.³¹

(U) The DSCA Did Not Update the SCIP-EUM Database in a Timely Manner for Inventoried EEUM-Designated Defense Articles Provided to Ukraine

~~(U)~~ The DSCA did not update the SCIP-EUM database for inventoried EEUM-designated defense articles provided to Ukraine in a timely manner. Of the 174 EEUM-designated defense articles in our stratified sample added to the SCIP-EUM database since October 1, 2022, we found some inventories using barcode scanners that were not reflected in the SCIP-EUM database: six inventories conducted by ODC-Ukraine personnel in [REDACTED] and eight inventories conducted by UAF personnel in Ukraine.³² The six inventories ODC-Ukraine personnel conducted in [REDACTED] included one NVD on December 2, 2022, and five AMRAAMs on January 5, 2023, that were not reflected in the SCIP-EUM database. Of the eight inventories UAF personnel conducted in Ukraine, they inventoried three Stinger missiles on December 7, 2022, and five AMRAAMs between December 10, 2022, and January 6, 2023, that were not reflected in the SCIP-EUM database.

(U) In February 2023, ODC-Ukraine officials stated that they were tracking thousands of additional UAF personnel-conducted EEUM-designated defense article inventories that had not yet been uploaded to the SCIP-EUM database. Another ODC-Ukraine official confirmed that they provided scanning data to the DSCA in January 2023 that had not been uploaded to the SCIP-EUM database a month later. A DSCA SCIP-EUM Help Desk official stated that they experienced an inventory back log in March 2023, but that same official told us that, as of June 2023, the lag time to update the SCIP-EUM database with barcode scanner inventories was approximately 2 days. DSCA personnel attributed some of the delays to researching why EEUM-designated defense articles were not in the SCIP-EUM database at the time

³¹ ~~(U)~~ The DSCA SCIP-EUM Help Desk input [REDACTED] into the SCIP-EUM database from March to May 2023 that were not retroactive uploads, leading to a total of [REDACTED] in the database as of May 25, 2023.

³² (U) The evaluation team retrieved data for the stratified sample from March 20 to 30, 2023.

(U) of the inventory. In some of those cases, the DSCA had to reach out to the MILDEP IAs and obtain the necessary information before the defense article could be added to the SCIP-EUM database. Also, when receiving the barcode inventory scans, the DSCA SCIP-EUM Help Desk officials stated that they review the inventory data for duplicates and errors and make the necessary corrections before uploading the inventories into the database.³³

(U) Moreover, while the SMM states that the SCO is responsible for ensuring the SCIP-EUM has an accurate baseline and inventory monitoring, DSCA officials told us that the DSCA SCIP-EUM Help Desk personnel, not ODC-Ukraine personnel, upload barcode scanner inventories into the SCIP-EUM database. Specifically, DSCA officials told us that ODC-Ukraine personnel can only add or update one EEUM-designated defense article (or inventory) at a time in the SCIP-EUM database, while the DSCA SCIP-EUM Help Desk personnel can perform bulk uploads.

(U) The DSCA Did Not Accurately Calculate Next Inventory Due Dates

(U) The DSCA SCIP-EUM application did not accurately account for all EEUM-designated defense article next inventory due dates. During peacetime, the SMM requires SCOs to conduct initial serial number inventories within 90 days of the EEUM-designated defense article entering the partner nation and annually thereafter. During the full-scale invasion, however, the December 2022 SMM update allowed ODC-Ukraine personnel to conduct the initial EEUM-designated defense article inventory before shipment to Ukraine. Of the 174 EEUM-designated defense articles in our stratified sample added to the SCIP-EUM database since October 1, 2022, 73 (42 percent) had inaccurate next inventory due dates that ranged from 155 to 461 days. For example, three Stinger missiles with a last inventory date of December 2, 2022, had a next inventory date of May 26, 2023 (155 days). In another example, eight AMRAAMs had a last inventory due date of December 10, 2022. Five of the eight AMRAAMS had a next inventory due date of December 9, 2023 (364 days), while the other three had a next inventory due date of March 15, 2024 (461 days).³⁴

(U) The DSCA's SCIP-EUM Database Inaccurately Calculates Next Inventory Due Dates for Annual Inventories

(U) An ODC-Ukraine official stated that the SCIP-EUM database was inconsistently applying next inventory due dates following the completion of an inventory in a neighboring country's logistics hub by ODC-Ukraine personnel. The ODC-Ukraine

³³ (U) DSCA personnel stated that the input time line for defense article inventory information was approximately 2 days as of June 5, 2023, but we determined that input time was as high as 2 weeks in March 2023.

³⁴ (U) While outside our sample, when conducting a cursory review of inventory due dates in the SCIP-EUM database, we also identified next inventory due date errors both in the past, such as 1970 and 2000, as well as in future inventory due dates, such as 2025 and 2043.

(U) official stated that the EEUM-designated defense article inventories conducted in a partner nation should count as the 90-day initial inventory and begin the annual 365-day inventory requirement. A DSCA official confirmed that, following an initial ODC-Ukraine inventory in a partner nation, the SCIP-EUM database should calculate the next inventory due date 365 days from the date of inventory. However, if the EEUM-designated defense article was not yet input into the SCIP-EUM database in advance of the initial inventory in a partner nation, the SCIP-EUM database would incorrectly calculate the next inventory due date in 90 days instead of the 365-day annual inventory requirement.

(U) A 2019 GAO Report Identified Next Inventory Date Inaccuracy as a Deficiency in the SCIP-EUM Database

(U) DSCA officials stated that these errors regarding next inventory due dates were previously reported by the Government Accountability Office (GAO) in December 2019.³⁵ In this GAO report, DSCA officials attributed the inaccurate annual inventory due dates in the SCIP-EUM database to using a general category code when assigning the next inventory due date rather than the last inventory date. DSCA officials explained that the SCIP-EUM application designates all EEUM-designated defense articles with the same general category code, making them all due for the next inventory on the same day, regardless of when ODC-Ukraine or UAF personnel inventoried the article. This system deficiency can lead to inaccurate next inventory due dates that do not align with the annual inventory requirement in the SAMM. In their report, the GAO recommended and the DoD agreed to directing the DSCA to revise inventory due dates to align with DoD standards using the last inventory date. In January 2023, the DSCA provided an update regarding their efforts to implement the GAO's recommendation, stating that they plan to update the software in the SCIP-EUM database to establish inspection due dates 1 year from the date of the last inspection. In their response, the DSCA also stated that they intend to include this update in a new SCIP-EUM contract and that the changes would be implemented by the end of September 2023, approximately 4 years after the original GAO recommendation. Therefore, we are not making a new recommendation to address this deficiency.

(U) Inaccurate next inventory due dates undermined the data integrity of the SCIP-EUM database, resulting in some EEUM-designated defense articles potentially listed as delinquent when they should not be and vice versa. Until the DSCA modifies the SCIP-EUM program to correctly assign the next inventory due dates consistent with DoD policy, the DoD cannot rely on the SCIP-EUM application to provide accurate lists for defense articles requiring inventory or inventory delinquency rates.

³⁵ (U) This report, produced by the GAO, is available at: <https://www.gao.gov/assets/gao-20-176.pdf>.

(U) Despite Updated Guidance and Procedures for Conducting EEUM in a Hostile Environment, ODC-Ukraine Did Not Enforce Loss and Expenditure Reporting Requirements

(U) The DSCA updated the SAMM in December 2022 to add guidance for conducting EEUM in a hostile environment and enable the UAF to provide documentation to ODC-Ukraine for EEUM activities conducted in Ukraine, including guidance directing that:

- (U) UAF representatives provide records of inventories through hand reports or the use of barcode scanners, in addition to loss, damage, and expenditure reporting, and
- (U) ODC-Ukraine staff update and keep current the status of EEUM-designated defense articles within the SCIP-EUM database, based on UAF documentation.

(U) Additionally, the SAMM requires that SCOs maintain an accurate baseline of the EEUM-designated items by ensuring that the partner nation reports any losses, firings or expenditures, or disposal of any EEUM-designated defense article as required and enter the information in the SCIP-EUM database.

(U) The Ukrainian Armed Forces Did Not Provide Expenditure Reports by Serial Number to ODC-Ukraine

(U) In February 2023, an ODC-Ukraine official stated that the SCIP-EUM database did not have an accurate count of expended EEUM-designated defense articles by serial number. Since the beginning of the full-scale invasion, UAF personnel have provided ODC-Ukraine with raw numbers of expended EEUM-designated defense articles (no serial numbers) using the Logistics Functional Area Services System.³⁶ As a result, an ODC-Ukraine official stated that the SCIP-EUM database is reporting thousands of expended defense articles as active and now delinquent for annual inventory because ODC-Ukraine does not have expenditure reports that list serial numbers of EEUM-designated defense articles.³⁷

³⁶ (U) The Logistics Functional Area Services, also known as LOGFAS, is a NATO logistics tool the Ukrainians use to track their logistics operations.

³⁷ (U) EEUM-designated defense articles that are not inventoried within required time frames required by DoD and Federal policy are considered delinquent in the SCIP-EUM database.

~~(CUI)~~ One ODC-Ukraine official suggested that, until the full-scale invasion is over, focusing on those EEUM-designated defense articles that are not expendable, also known as durable items, may be of more benefit. Of the seven types of EEUM-designated defense articles currently within the UAF inventory, we identified the Javelin CLUs and Stinger gripstocks as durable EEUM-designated defense articles.³⁸ These durable EEUM-designated defense articles should still be currently active in Ukraine, as opposed to other EEUM-designated defense articles, such as Javelin, Stinger, and AMRAAM missiles, which were likely expended during this period. We selected a random sample of 129 EEUM-designated defense articles added to the SCIP-EUM database before the implementation of the barcode scanners on October 1, 2022. We selected this sample to measure inventory rates of durable EEUM-designated defense articles provided prior to the introduction of the barcode scanner system to conduct EEUM inventories in [REDACTED]. Of the 129 durable EEUM-designated defense articles, neither ODC-Ukraine personnel nor UAF personnel inventoried any of the 68 Stinger gripstocks, while ODC-Ukraine personnel inventoried 8 of the 61 (13 percent) Javelin CLUs. As of March 20, 2023, neither ODC-Ukraine nor UAF personnel inventoried any of the remaining 121 of 129 (94 percent) durable EEUM-designated defense articles. See Table 3 below for the number of inventories conducted by ODC-Ukraine and UAF personnel on durable EEUM-designated defense articles.

(U) Table 3. Items Inventoried in Random Sample of 129 Durable EEUM-Designated Defense Article Items Added to the SCIP-EUM Database Before October 1, 2022

(U) Defense Article Type	ODC-Ukraine Inventories in a Partner Nation (Initial Inventory)	ODC-Ukraine Inventories in Ukraine	UAF Inventories in Ukraine
Stinger gripstocks	0	0	0
Javelin CLUs	1	7	0
Total Inventories:	1	7	0

(U) Source: The DoD OIG, based on EEUM-designated defense article stratified samples retrieved from the SCIP-EUM database.

³⁸ (U) While not within the scope of our evaluation, ODC-Ukraine and the UAF signed an updated CONOPS on November 26, 2023. The updated CONOPS specifies that Ukrainian EUM officials will place particular emphasis on accurately reporting the destruction or loss of Javelin CLUs and Stinger gripstocks by serial number.

(U) A DSCA official told us that UAF personnel have been working to implement serial numbers within an internally developed database to report inventories of EEUM-designated U.S. defense articles and that the DSCA has also begun receiving the UAF's expenditure data. However, DSCA personnel stated that they are experiencing some delays because much of the expenditure data by serial number was not yet translated from Ukrainian.³⁹

~~(CUI)~~ EEUM-designated defense articles that were identified by serial number as expended may still be reported as active EEUM-designated defense articles within delinquent inventories. We reviewed the SCIP-EUM database expenditure data and determined that DSCA personnel had not yet moved many of the UAF's expended EEUM-designated defense articles identified by serial number into an inactive status within the SCIP-EUM database. For example, the UAF expenditure data we reviewed identified at least [REDACTED] expended AMRAAMs as of March 31, 2023, but the SCIP-EUM database listed [REDACTED] AMRAAMs in an inactive status as of June 16, 2023.

(U) While UAF personnel began to provide some EEUM-designated defense article expenditure reporting, it did not reflect the full extent of total defense article expenditures throughout the full-scale invasion of Ukraine. A DSCA official stated that ODC-Ukraine personnel now face the challenge of identifying what serial numbers the UAF expended earlier in response to the full-scale invasion based on the EEUM-designated defense article inventories that UAF personnel conducted when they returned from the front line. However, several ODC-Ukraine personnel stated that they may not be able to fully account for some of these defense articles until after the war is over.

(U) The Ukrainian Armed Forces Did Not Provide Many Loss Reports to ODC-Ukraine Between October 2022 and February 2023

(U) The letters of offer and acceptance (LOAs) for EEUM-designated defense articles state that the UAF will report the loss or destruction of defense articles to the USG "by the most expeditious means," and provide a written report with details within 30 calendar days. The DSCA provided us with five UAF loss reports provided to ODC-Ukraine between October 1, 2022, and February 15, 2023. Combined, these loss reports confirmed that 44 NVDs were lost or destroyed during the response to the full-scale invasion of Ukraine. However, UAF personnel did not provide

³⁹ (U) While not within the scope of the current evaluation, as of October 2023, ODC-Ukraine began to receive expenditure reporting from UAF personnel on approximately a quarterly basis in accordance with the CONOPS. ODC-Ukraine personnel also deactivated defense articles identified as expended in the SCIP-EUM database based on this reporting. This data will be included in an ongoing DoD OIG evaluation titled "Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End Use Monitoring" (Project No. D2023-DEVOPD-0152.000).

(U) the loss reports to ODC-Ukraine in a timely manner. For example, one loss report detailing the destruction of an NVD in Ukraine was dated January 4, 2023, but the UAF sustained the loss on March 31, 2022. UAF personnel provided these five loss reports to ODC-Ukraine on average approximately 246 days from the date on which the defense article loss occurred, with only three NVD loss reports provided within 30 days.

(U) Multiple ODC-Ukraine officials stated that they only moved EEUM-designated defense articles into an inactive status if ODC-Ukraine received a UAF loss report detailing the loss of specific EEUM-designated defense articles by serial number. However, the UAF did not provide loss reports to ODC-Ukraine in accordance with the CONOPS. During the evaluation time period, the CONOPS required UAF personnel to provide a written report to ODC-Ukraine within 4 days of receiving information about a lost EEUM-designated defense article.⁴⁰ An ODC-Ukraine official stated that the UAF's classification of lost NVDs caused delays in ODC-Ukraine receiving loss reports in a timely manner in the past; an ODC-Ukraine official stated that this occurred because the UAF classifies the loss of an expendable EEUM-designated defense article, such as an NVD, differently than does the DoD. Additionally, as of February 2023, ODC-Ukraine personnel stated that they expressed their desire to UAF personnel to receive these loss reports in a timelier manner going forward. Delays in providing EEUM-designated defense article loss reports reduce the accuracy of the SCIP-EUM database. We plan to review the EEUM-designated defense article loss reporting in more detail in our next EEUM project.

(U) The DoD Did Not Fully Comply with the EEUM Program Requirements to Account for All of the More Than \$1.699 Billion of EEUM-Designated Defense Articles in Ukraine

(U) The DoD did not fully comply with the EEUM program requirements to account for EEUM-designated defense articles in Ukraine. As of June 2, 2023, \$1.005 billion, or 59 percent of the more than \$1.699 billion, of EEUM-designated defense articles was delinquent for a required serial number inventory. High rates of delinquency may correlate with an inability to maintain complete accountability of the EEUM-designated defense articles, which, in turn, may increase the risk

⁴⁰ (U) While not within the scope of our evaluation, the updated CONOPS signed on November 26, 2023, specifies that UAF personnel will provide loss reporting information for lost or destroyed EEUM-designated defense articles as soon as is practicable or at least on a quarterly basis.

(U) of theft or diversion.⁴¹ Since the DSCA's SCIP-EUM database does not accurately reflect the number of EEUM-designated defense articles in Ukraine, ODC-Ukraine personnel created an alternate EEUM inventory tracker to develop a more useful accounting of the EEUM-designated defense articles within Ukraine. Achieving a complete picture of EEUM-designated defense articles in Ukraine will be difficult as the inventory continues to change, and accuracy and completeness will likely only become more difficult over time as the total number of EEUM-designated defense articles in Ukraine continues to change. Multiple ODC-Ukraine and USEUCOM personnel stated that accurately accounting for EEUM-designated defense articles within Ukraine will remain a challenge for ODC-Ukraine personnel without an accurate list of EEUM-designated defense articles expended by serial number. EEUM inventory accounting will likely continue to contain inaccuracies over time through additions, expenditures, and losses of EEUM-designated defense articles provided to Ukraine until hostilities in Ukraine end.

(U) An ODC-Ukraine official stated that capturing as much information as possible on the location and status of EEUM-designated defense articles while the full-scale invasion is ongoing will be essential for gaining a complete accounting of EEUM-designated defense articles in Ukraine following the conflict's conclusion.

(U) As referenced above, the DoD OIG plans to continue our ongoing work to promote the efficiency and effectiveness by which the DoD conducts EEUM for security assistance for Ukraine. We intend to continue these oversight efforts, and to follow up on our prior work, to ensure timely action on our recommendations in this important area for as long as such assistance is provided and the need for oversight continues.

(U) Management Comments on the Finding

(U) Acting Under Secretary of Defense for Policy

(U) The Acting Under Secretary of Defense for Policy (USD[P]) provided concerns regarding a number of statements and conclusions in the draft report. Specifically, the Acting USD(P) objected to the statement that the DoD will be unable to fully account for the more than \$1.699 billion in EEUM-designated defense articles provided to Ukraine, stating that the USG can reasonably conclude that Ukraine is in compliance with requirements with respect to use, transfer, and security of items. The Acting USD(P) also disagreed that the DoD was unable to fully execute

⁴¹ (U) It was beyond the scope of our evaluation of the DoD's efforts to comply with the monitoring requirements for EEUM-designated defense items provided to Ukraine to determine whether there has been any diversion of such assistance in Ukraine. The DoD OIG has personnel stationed in Ukraine, and the DoD OIG's Defense Criminal Investigative Service continues to investigate allegations of criminal conduct with regard to U.S. security assistance to Ukraine.

(U) the EEUM program in a hostile environment, stating that, because of the hostile environment in Ukraine, maintaining 100-percent accurate, real-time inventories in the SCIP-EUM database is not practicable.

(U) The Acting USD(P) further disagreed that the DSCA does not have internal controls in place to ensure SCO and DSCA personnel update the SCIP-EUM database accurately and in a timely manner, indicating that the rapid tempo and volume of equipment provided to Ukraine created an exceptionally high workload for manual updates to the SCIP-EUM database. Finally, the Acting USD(P) disagreed that ODC-Ukraine did not enforce loss and expenditure reporting requirements, stating that the nature of combat separates peacetime and operational reporting.

(U) Our Response

(U) As discussed in our report, accounting for EEUM-designated defense articles in a hostile environment such as Ukraine can be challenging. However, the SAMM was modified in December 2022 to modify the reporting requirements for hostile environments, and we identified areas where the DoD can improve its policies and procedures to more effectively account for EEUM-designated defense articles in a hostile environment.

~~(CUI)~~ The proactive efforts by the DSCA and ODC-Ukraine to adapt EEUM practices in a hostile environment show positive results, as detailed in the statistics reflected in Figure 8 of this report; however, as of July 21, 2023, more than half of the required inventories for defense articles transferred to Ukraine remained delinquent in the SCIP-EUM database. During the evaluation, the UAF received thousands of EEUM-designated defense articles that were never inventoried. In addition, as of July 12, 2023, [REDACTED] (30 percent) defense articles transferred to Ukraine were delinquent in the SCIP-EUM database for never having been inventoried, either before or after transfer to the UAF. For these reasons, we determined that the DoD did not fully comply with EEUM program requirements for defense article accountability in a hostile environment. The limitations and restraints of the EEUM program with limited in-country DoD personnel in a hostile environment informed and shaped our recommendations with the aim to improve the DoD's processes and accountability of EEUM-designated defense articles in a hostile environment.

(U) While we recognize that the SCIP-EUM database has some internal controls in place, we determined that improved internal controls in the SCIP-EUM database would improve the data accuracy and timeliness of the inventory updates.

The evidence we collected during the course of this evaluation demonstrated that a lack of internal controls led to the inaccuracies and untimely updates of the SCIP-EUM database, including the following.

- ~~(CUI)~~ In May 2023, we discovered [REDACTED] Stinger gripstock serial numbers that the Army provided by email in March 2022 to the DSCA SCIP-EUM Help Desk personnel for entry into the database. DSCA personnel did not enter these serial numbers into the SCIP-EUM databases until May 2023, after they received an email from the MILDEP IAs as part of a DoD OIG request for information containing the missed serial number notifications originally sent by the MILDEP IAs in March 2022.
- (U) In our data sample, we found 14 additional instances where EEUM-designated defense articles were inventoried by ODC-Ukraine or UAF personnel and the data was in the third-party scanner database; however, those inventories were never put into the DSCA SCIP-EUM database.
- (U) The SCIP-EUM database does not accurately calculate next inventory due dates for EEUM-designated defense articles when the initial entry of defense articles into the SCIP-EUM database is the result of an inventory.

(U) Finally, according to the SAMM section C8.6.2.1, the DOS serves as the primary USG authority for responding to reports of potential end-use violations. However, the SAMM table C8.T2 states that the SCOs are responsible for:

- (U) establishing and maintaining a baseline of all EEUM-designated defense articles and services exported through government-to-government transfers using the SCIP-EUM database;
- (U) verifying that the partner nation is providing timely notification of EEUM-designated missiles fired in testing, training, or combat; and
- (U) reporting potential violations regarding end use, transfer, or security to the Combatant Command, DSCA, and DOS.

(U) As detailed above, the security cooperation officers within ODC-Ukraine have responsibilities for reporting expenditures, transfers, and potential losses of EEUM-designated defense articles.

(CUI) [REDACTED]

(U) Our Response

(U) The ODC-Ukraine Chief’s response to the recommendation to implement additional inventory procedures to improve accountability of EEUM-designated defense articles provided to Ukraine addressed the intent of the recommendation. We obtained and reviewed the quarterly reports provided by the UAF to ODC-Ukraine, and these quarterly reports meet the intent of our recommendation. Therefore, we consider this recommendation closed.

- b. (U) Establish, with the Ukrainian Armed Forces, the frequency of expenditure and damage and loss reports in accordance with the Security Assistance Management Manual, section C8.5.5.5, to include serial numbers of enhanced end-use monitoring defense articles; then, update the Security Cooperation Information Portal–End-Use Monitoring database accordingly in a timely and accurate manner.**

(U) ODC-Ukraine Comments

(CUI) [REDACTED]

(CUI) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(U) Our Response

(U) The response of the ODC-Ukraine Chief to the recommendations, which established the frequency of expenditure and damage and loss reports with the UAF, addressed the specifics of the recommendation. We obtained and reviewed the quarterly reports provided by the UAF to ODC-Ukraine, and these quarterly reports meet the intent of the requirement to establish the frequency of reporting for EEUM-designated defense articles. Therefore, we consider this recommendation closed.

(U) Recommendation 2

(U) We recommend that the Military Department implementing agencies establish and implement procedures to provide timely and accurate reporting of records with serial numbers of enhanced end-use monitoring items that are being transferred into hostile environments in advance of shipment, in accordance with the Defense Security Cooperation Agency’s Security Assistance Management Manual.

(U) Office of the Deputy Assistant Secretary of the Army (Defense Exports and Coordination) Comments

(U) The Senior Advisor for Defense Exports, responding for the Deputy Assistant Secretary of the Army (Defense Exports and Coordination) (DASA[DE&C]), agreed with the recommendation. The Office of the DASA(DE&C) will coordinate with the Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) and with Army Materiel Command to develop, staff, and promulgate clarifying procedures to consistently provide serial numbers of EEUM-designated defense articles transferred through the FMS process and PDA process in advance of shipment for the DSCA to input into the SCIP-EUM database. The Senior Advisor for Defense Exports stated that they estimate that they will implement this recommendation by the end of June 2024.

(U) Office of the Deputy Under Secretary of the Air Force for International Affairs Comments

(U) The Director of Staff, responding for the Deputy Under Secretary of the Air Force for International Affairs (SAF/IA), agreed with the recommendation. The Director stated that the SAF/IA will coordinate with the Air Force Life Cycle Management Center, the DSCA, and other stakeholders to reinforce, improve, and promulgate reporting procedures and reconcile previous EEUM-designated defense article accountability. The Director stated that the estimated completion date for this recommendation is the fourth quarter of FY 2024.

(U) Our Response

(U) The MILDEP IAs' responses meet the intent of the recommendation. We consider the recommendation resolved but open. We will close the recommendation when the DASA(DE&C) and SAF/IA implement procedures to provide timely and accurate reporting of records with serial numbers of EEUM-designated defense articles transferred to a hostile environment in advance of shipment.

(U) Recommendation 3

(U) We recommend that the Under Secretary of Defense for Policy coordinate with the Department of State to develop and implement a process to provide the Defense Security Cooperation Agency, as well as the divesting and receiving country's Security Cooperation Offices, with documentation of third-party transfer approvals of enhanced end-use monitoring defense articles in advance of transfer.

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

(U) The Acting Under Secretary of Defense for Policy partially agreed with the recommendation. The Acting Under Secretary stated that there is an existing process through which the DOS informs the DoD of TPTs. However, the Acting Under Secretary agreed that the DoD can coordinate with the DOS to explore improving implementation of that process.

(U) Our Response

(U) Although the Acting Under Secretary of Defense for Policy partially agreed with the recommendation, their comments that the DoD can coordinate with the DOS to explore improving implementation of that process meet the intent of the recommendation. We consider this recommendation resolved but open, pending the implementation of actions the Acting Under Secretary identified to accomplish this recommendation and our review of those actions.

(U) Recommendation 4

(U) We recommend that the Defense Security Cooperation Agency Director and the Military Department implementing agencies develop and implement a system to update the Security Cooperation Information Portal-End-Use Monitoring database with the serial numbers of all enhanced end-use monitoring defense articles provided to Ukraine to confirm the accuracy and completeness of the database and the total number of enhanced end-use monitoring defense articles provided to Ukraine.

(U) DSCA Comments

(U) The Assistant Director for International Operations, responding for the DSCA Director, agreed with this recommendation. The Assistant Director stated that the MILDEP IAs are required to send EEUM-designated defense article serial numbers prior to shipment (the SAMM table C8.T2); however, it is a manual process. The DSCA is currently implementing the Materiel Tracking and Registration system, which will better integrate the DSCA's and MILDEP IAs' databases, allowing for seamless transition of serial numbers for insertion into the SCIP-EUM database. The Assistant Director estimated implementation of this recommendation by September 2025.

(U) Office of the Deputy Assistant Secretary of the Army (Defense Exports and Coordination) Comments

(U) The Senior Advisor for Defense Exports, responding for the DASA(DE&C), agreed with this recommendation. The Senior Advisor stated that the Army currently provides serial numbers through a manual process and will coordinate with the DSCA to support the DSCA-led Materiel Tracking and Registration system that is planned to automate the process to update the SCIP-EUM database with the serial numbers of all EEUM-designated defense articles. The Senior Advisor estimated that they will implement this recommendation by the fourth quarter of FY 2025.

(U) Deputy Under Secretary of the Air Force for International Affairs Comments

(U) The Director of Staff, responding for the SAF/IA, agreed with this recommendation. The Director stated that the SAF/IA will also coordinate with the DSCA and other stakeholders to support the DSCA-led automated Materiel Tracking and Registration system that is planned to reconcile the SCIP-EUM database with serial numbers of all EEUM-designated defense articles. The Director of Staff estimated that they will implement this recommendation by the fourth quarter of FY 2025.

(U) Our Response

(U) The DSCA Assistant Director and MILDEP IA comments meet the intent of the recommendation. We consider this recommendation resolved but open. We will close the recommendation when the DSCA, DASA(DE&C), and SAF/IA implement the Materiel Tracking and Registration system to update the SCIP-EUM database with the serial numbers of all EEUM-designated defense articles.

(U) Recommendation 5

(U) We recommend that the Defense Security Cooperation Agency Director:

- a. **(U) Develop and implement a system of internal controls to verify that all inventories and serial number notifications provided to the Security Cooperation Information Portal-End-Use Monitoring Help Desk are accurately updated in the Security Cooperation Information Portal-End-Use Monitoring database within a required timeframe.**

(U) DSCA Comments

(U) The DSCA Assistant Director for International Operations, responding for the DSCA Director, partially agreed with the recommendation. The Assistant Director stated that the automated feature of the Materiel Tracking and Registration system will accomplish this recommendation. They indicated, however, that at present the systems currently in place achieve this very result within acceptable time frames in other SCIP repositories.

(U) Our Response

(U) We determined that the DSCA processes and procedures currently in place do not provide sufficient internal controls to verify that the SCIP-EUM database is updated accurately and in a timely manner. Specifically, the DSCA SCIP-EUM Help Desk missed for extended periods of time, or did not input into the SCIP-EUM database, serial number notifications provided by MILDEP IAs and inventories conducted by UAF and ODC-Ukraine personnel using barcode scanners. Additional internal controls will improve the accuracy of the data transfers from MILDEP IAs and barcode scanner inventory data. Therefore, we consider this recommendation unresolved. We request that the DSCA Director reconsider his position on this recommendation and provide comments within 30 days that address ways to improve the accuracy of the SCIP-EUM database and reduce input errors.

- b. **(U) Revise the Security Assistance Management Manual to reflect the role that the Security Cooperation Information Portal-End-Use Monitoring Help Desk plays in maintaining responsibility for updating the Security Cooperation Information Portal-End-Use Monitoring database with barcode scanner data, in accordance with current procedures and authorities.**

(U) DSCA Comments

(U) The DSCA Assistant Director for International Operations, responding for the Director, disagreed with the recommendation. The Assistant Director stated that the SCOs have responsibility to establish and maintain a baseline of all EEUM-designated defense articles and services exported through government-to-government transfers using the SCIP-EUM database (the SAMM table C8.T2). The SCIP-EUM Help Desk is an email location staffed with a limited number of USG contractor employees responsible for responding to EUM-related questions. Revising the SAMM will not alter their contract or their fundamental function.

(U) Our Response

(U) While the SAMM states that the SCOs have responsibility to establish and maintain a baseline of all EEUM-designated defense articles, during the evaluation, we observed that DSCA personnel conduct the majority of the work updating the SCIP-EUM database. The DSCA SCIP-EUM Help Desk personnel told us that they reviewed the downloaded barcode scanner inventories to remove duplicate or inaccurate scans, while the SCOs did not. The DSCA SCIP-EUM Help Desk personnel then send the downloaded data to the SCOs for review. Once approved, the DSCA SCIP-EUM Help Desk personnel can bulk upload the spreadsheet into the SCIP-EUM database. SCO personnel can only modify or add the EEUM-designated defense article listings in the SCIP-EUM database one at a time.

(U) Moreover, the SAMM table C8.T2 states that the MILDEP IAs are responsible for sending serial number notification of EEUM-designated defense articles directly to DSCA SCIP-EUM Help Desk personnel. The DSCA's SAMM table C8.T2 does not require the SCOs to be included in these communications. Moreover, we collected and reviewed emails where the MILDEP IAs repeatedly sent the serialized information directly to DSCA SCIP-EUM Help Desk personnel's work email and not the general SCIP-EUM Help Desk mailbox. The SCOs were not included in those communications. Finally, only the DSCA SCIP-EUM Help Desk personnel have permissions to bulk upload inventory data to the SCIP-EUM database; the SCOs do not. ODC-Ukraine personnel told us that they send spreadsheets to the DSCA SCIP-EUM Help Desk personnel for upload into the SCIP-EUM database.

(U) The DSCA SCIP-EUM Help Desk personnel regularly and routinely perform the majority of tasks updating the SCIP-EUM database for Ukraine's EEUM-designated defense articles, and the DSCA should therefore maintain equal responsibility with the SCOs for maintaining the accurate baseline of EEUM-designated defense articles in the DSCA's SCIP-EUM database.

(U) We revised the recommendation to more clearly identify the shared responsibility between the DSCA and the SCOs for updating the SCIP-EUM database with EEUM data. Although the Director disagreed with the original recommendation, we consider this recommendation unresolved and request that the Director provide additional comments on the revised recommendation in the final report within 30 days.

- c. **(U) Revise the Security Cooperation Information Portal-End-Use Monitoring 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 Military Department implementing agencies.**

(U) DSCA Comments

(U) The DSCA Assistant Director for International Operations disagreed with the recommendation. The Assistant Director stated that the requirement to enter data into the EUM inventory within 90 days is an essential component for establishing the baseline for the annual EUM inspection requirement. Further, the SCIP does not need to be modified to generate suspense of accomplishing an annual inspection. The SCIP already establishes an annual re-inventory after the initial inventory. Finally, these timeliness standards are equally applicable to both peacetime and hostile environments.

(U) Our Response

(U) According to the SAMM table C8.T2, the MILDEP IAs should provide the serial numbers for incoming EEUM-designated defense articles to the DSCA SCIP-EUM Help Desk personnel prior to their shipment to a hostile environment. Additionally, the SAMM states that the SCIP-EUM database will generate a 90-day requirement for the initial inventory once the DSCA SCIP-EUM Help Desk personnel have created the new EEUM-designated defense article listing in the SCIP-EUM database. Next, when an ODC-Ukraine representative inventories that defense article, either in a partner nation logistics hub or in Ukraine, that inventory will serve as the initial inventory, or the 90-day inventory, and begin the annual inventory requirement.

(U) However, in many instances in Ukraine, the first time an EEUM-designated defense article was input into the SCIP-EUM database was after an initial inventory was conducted, either in Ukraine or in a neighboring country's logistics hub. This occurred because the serial numbers for all EEUM-designated defense articles were not in the DSCA's SCIP-EUM database before the initial inventory. As a result, while many 90-day inventories were completed by either ODC-Ukraine or the UAF, the SCIP-EUM database started a new 90-day inventory for the next inventory due date when an annual inventory should have been the new requirement.

(U) We recommend that the DSCA maintain the proper internal controls over the SCIP-EUM database to verify data integrity and limit the inaccuracies. By reviewing the bulk inventory data uploaded by the DSCA SCIP-EUM Help Desk personnel, DSCA personnel can determine whether these inventories are creating new serial numbers of EEUM-designated defense articles in the SCIP-EUM database. The DSCA can then determine whether these inventories are triggering another 90-day inventory, and, in those circumstances, the DSCA can revise the next inventory due date to an annual inventory from the initial inventory date.

(U) The recommended action is to improve the accuracy of the SCIP-EUM database and reduce inaccuracies in the EEUM-designated defense article delinquency rate and reduce the unnecessary re-inventory burden on ODC-Ukraine and UAF personnel. Corrective action is required for the SCIP-EUM database that verifies 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.

(U) We revised the recommendation to more clearly identify the inaccuracies in the SCIP-EUM database and the need for corrective action. Although the Director disagreed with the original recommendation, we consider this recommendation unresolved and request that the Director provide additional comments on the revised recommendation in the final report within 30 days.

(U) Appendix A

(U) Scope and Methodology

(U) We conducted this evaluation from January 2023 through July 2023 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 policies, directives, and DoD guidance. This includes criteria such as U.S. Code, DoD directives and manuals, and the SAMM. Specifically, we reviewed the following criteria.

- (U) Chapter 39, title 22, United States Code, “Arms Export Control Act (AECA),” June 30, 1976, as amended.
- (U) Foreign Assistance Act of 1961, Public Law 87-195, approved September 4, 1961, as amended through Public Law 117-263, enacted December 23, 2022.
- (U) Section 2785(a)(2), title 22, United States Code, “End Use Monitoring of Defense Articles and Defense Services,” July 21, 1996, as amended.
- (U) DoD Directive 3025.14, “Evacuation of U.S. Citizens and Designated Aliens from Threatened Areas Abroad,” February 26, 2013 (Incorporating Change 1, November 30, 2017).
- (U) DoD Directive 5105.65, “Defense Security Cooperation Agency (DSCA),” October 26, 2012 (Incorporating Change 1, March 2, 2023).
- (U) DoD Directive 5105.72, “Defense Technology Security Administration,” April 26, 2016.
- (U) DoD Manual 5100.76, “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E),” April 17, 2012 (Incorporating Change 2, October 5, 2020).
- (U) Public Law 117-81, “National Defense Authorization Act for Fiscal Year 2022,” section 1232, “Extension of Ukraine Security Assistance Initiative,” December 27, 2021, and supplements.
- (U) DSCA Manual 5105.38, “Security Assistance Management Manual,” chapter 8, “End-Use Monitoring (EUM),” April 30, 2012 (as updated through September 18, 2023).

~~(CUI)~~ We traveled to [REDACTED] and observed the [REDACTED], the [REDACTED], the SCIP-EUM database, and third-party contractor proprietary barcode scanner database systems. Additionally, the team observed the DoD presence at the [REDACTED] meetings in support of Ukraine.

(U) We obtained SCIP-EUM data reports, records of loss reports, TPTs of EEUM-designated defense articles, training slides and rosters, control plans of EEUM-designated defense articles provided to Ukraine, the CONOPS, and memorandums relating to EEUM-designated defense articles and the EEUM program in Ukraine from various EEUM program stakeholder organizations, including the DSCA, USEUCOM, and ODC-Ukraine. We also reviewed two samples of EEUM-designated defense articles to determine the inventory rates and locations and the accuracy and completeness of the SCIP-EUM database. See Appendix B for the details of the scope and methodology we used to select and review two samples during the evaluation.

(U) We conducted interviews about EEUM guidance and procedures with EEUM-designated defense article experts. These included interviews with individuals from the following organizations: the Office of the Under Secretary of Defense for Acquisition and Sustainment, the Office of the Under Secretary of Defense for Policy, the DSCA, the Defense Technology Security Administration, MILDEP export policy experts, USEUCOM, and ODC-Ukraine. The interviews provided context for what the team physically observed while in the USEUCOM area of responsibility.

(U) Additionally, the interviews allowed the team to receive clarity on the documentation the organizations provided, as well as testimonial evidence on the EEUM designation process.

(U) This report was reviewed by the DoD Components associated with this oversight project to identify whether any of their reported information, including legacy FOUO information, should be safeguarded and marked in accordance with the DoD CUI Program. In preparing and marking this report, we considered any comments submitted by the DoD Component about the CUI treatment of their information. If the DoD Component failed to provide any or sufficient comments about the CUI treatment of their information, we marked the report based on our assessment of the available information.

(U) Use of Computer-Processed Data

(U) We used computer-processed data obtained 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. To assess the reliability of computer-processed data, we verified that Government officials identified the EEUM-designated defense articles in the SCIP-EUM database for the country of Ukraine, conducted a completeness test, and checked for duplication of serial numbers associated with individual EEUM-designated defense articles. To validate completeness, we compared inventories of equipment before transfer to Ukraine and the initial EEUM conducted in Ukraine, along with loss or other disposition reports from Ukraine. For the purposes of our report, we determined that the SCIP-EUM database was reliable as source data for our analysis.

(U) We also used computer-processed data obtained from the DSCA's database. We were introduced to the DSCA's barcode scanner system while conducting fieldwork at the logistics hubs in a partner nation. To augment the ability of UAF and ODC-Ukraine personnel to conduct EEUM inventories in a hostile environment, the DSCA implemented the barcode scanner system beginning in September 2022. Instead of writing out hand receipts when conducting inventories, ODC-Ukraine and UAF personnel can use handheld scanning devices to conduct electronic EEUM inventories to enter into the SCIP-EUM database. A third-party contractor maintains this barcode scanner system for use by ODC-Ukraine and partner nation personnel, and it is the first instance of the DSCA implementing electronic EEUM inventories at a large scale.

(U) Once ODC-Ukraine or partner nation personnel conduct an EEUM inventory using the barcode scanner, the scanner data is uploaded to the online repository where contractor personnel remove duplicate or invalid serial numbers and ensure data accuracy. Once the data is verified, a DSCA employee sends the inventory spreadsheets to the DSCA EUM manager by email, who will then forward them to the DSCA SCIP-EUM Help Desk personnel for entry into the SCIP-EUM database and to ODC-Ukraine. While these inventories are conducted with a barcode scanner and not through manual typing of serial numbers, the uploaded inventory data requires manual validation before upload to the SCIP-EUM database.

(U) We received inventory reports by email from DSCA personnel that were downloaded from the barcode scanner database into consolidated spreadsheets. Specifically, we used barcode scanner data to cross-reference the barcode scanner inventory reports with the SCIP-EUM inventory reports. By cross-referencing the two databases, we were able to further assess the reliability of the SCIP-EUM database in accounting for EEUM-designated defense articles transferred to Ukraine by serial number. For the purposes of our report, we determined that the barcode scanner data was sufficiently reliable.

(U) Use of Technical Assistance

(U) We received technical assistance from the Quantitative Methods Division (QMD) in structuring our statistical sample plan of the SCIP-EUM database. See Appendix B for the details of the scope and methodology we used to select and review two samples during the evaluation.

(U) Prior Coverage

(U) DoD OIG

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

(U) The DoD OIG found that ODC-Ukraine was unable to conduct 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, such as Ukraine, as the DoD had a limited number of U.S. personnel in country. In addition, 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 mitigate the inability to conduct EEUM by implementing alternative methods of monitoring and accounting for EEUM-designated defense equipment transferred to Ukraine.

(U) The DoD OIG did not make any recommendations in this report because the DoD made efforts to mitigate the inability of conducting EEUM on defense equipment provided to Ukraine. Also, the DoD OIG noted a forthcoming project covering in-transit security and the transfer of EEUM-designated defense equipment to Ukraine.

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

(U) The DoD OIG found that DoD officials generally complied with EEUM requirements for Javelin missiles and their associated CLUs. However, the DoD did not fully comply with EEUM requirements for NVDs until 2018, the year ODC-Ukraine began conducting required EEUM physical inventories in Ukraine. By January 2020, however, information in the DoD's SCIP-EUM database about the quantity, location, and condition of NVDs was not accurate. The DoD OIG also found that the information in the DoD's database was inaccurate because the UAF did not always report the loss, theft, or destruction of its U.S.-provided, EEUM-designated NVDs in a timely manner, as required by the letters of offer and acceptance (LOAs). Serial number stickers on some U.S.-supplied NVDs became illegible or fell off, especially during operational deployments or combat, making it difficult to conduct serialized inventories of these articles. Additionally, the DoD OIG found that Ukraine's storage facilities for Javelin anti-armor missiles and their associated CLUs met physical security requirements set forth in the LOAs.

(U) The DoD OIG recommended that the DSCA Director withhold the DSCA's recommendation that the Government of Ukraine receive additional U.S.-provided NVDs until UAF officials provided loss reports in a timely manner as described by the terms of the LOA. The DoD OIG further recommended that the DSCA Director develop a new information field within the SCIP-EUM database to indicate when an article is lost pending an official report. The DoD OIG recommended that the DSCA Director develop a process, in coordination with the U.S. Army Security Assistance Command Commanding General, to place permanent serial numbers on each NVD provided to the Government of Ukraine. We recommended that the DSCA Director establish a frequency for compliance assessment visits for countries identified as high risk, according to the criteria established in the SAMM, with intervals between visits not to exceed a maximum time specified by the DSCA. Finally, we recommended that the DSCA Director reschedule a compliance assessment visit to Ukraine within 12 months of the publication of this report.

(U) Additionally, the DoD OIG recommended that the ODC-Ukraine Chief request written guidance and procedures from the DSCA addressing how and when compensatory measures can replace LOA-directed requirements specified in the NVD storage facility physical security checklist and update their EEUM standard operating procedures to reflect that guidance.

(U) Report No. DODIG-2017-056, "U.S. European Command Needs to Improve Oversight of the Golden Sentry Program," February 2017.

(U) The DoD OIG found that USEUCOM was not effectively conducting the Golden Sentry program. Specifically, the SCO Golden Sentry program managers for two out of four countries did not correctly perform oversight duties when conducting EEUM for defense articles, including Javelin missiles and NVDs. The DoD OIG recommended that the USEUCOM J5/8 for Policy, Strategy, Partnering, and Capabilities Director develop and implement a plan of action to ensure that USEUCOM is providing adequate oversight for all SCO project managers in the USEUCOM area of responsibility and not just those with upcoming DSCA and USEUCOM OIG inspections.

(U) GAO

(U) Report No. GAO-20-176, "Actions Needed to Assess U.S. Activities and Ensure Timely Inspections of Equipment Transferred to Lebanon," December 2019.

(U) The GAO found that the method the DoD uses to determine when it should complete annual inspections does not consider the date of the equipment's last inspection, which results in some inspections taking longer than prescribed by the DoD's timeliness standards. Without conducting checks in a timely manner, the GAO found that the DoD cannot fully ensure the equipment is properly accounted for and safeguarded. The GAO recommended that the Secretary of Defense should direct the DSCA to revise the inspection due dates it establishes for items requiring EEUM for the ODC in Beirut to align with the DoD's standards for EEUM by considering the date of last inspection.

(U) Appendix B

(U) Statistical Sampling of EEUM-Designated Defense Articles Provided to Ukraine

~~(CUI)~~ To analyze the completeness of inventory data within the SCIP-EUM database, we developed two statistical samples of EEUM-designated defense articles from different time frames throughout the full-scale invasion in Ukraine to examine various aspects of SCIP-EUM database data integrity and inventory delinquency over time. We developed the two sample sets in coordination with the DoD OIG's QMD [REDACTED] to ensure they are statistically representative of the overall categories of defense articles provided to Ukraine. We developed the samples to determine both the accuracy and completeness of the SCIP-EUM database when compared to the barcode scanner database and the serial numbers of EEUM-designated defense articles provided by the MILDEP IAs. The evaluation team compiled the EEUM inventory data from March 20 to March 30, 2023.

(U) We analyzed the two statistical samples across the SCIP-EUM and barcode scanner databases to determine whether all EEUM-designated defense articles inventoried using the barcode scanners were updated correctly in the SCIP-EUM database, including accurate next inventory due dates assigned. We further analyzed the two statistical samples to ensure that the serial number inventory spreadsheets provided by the MILDEP IAs were accurately populated in the SCIP-EUM database. This was done to determine whether the DoD had an accurate count of the number of EEUM-designated defense articles in Ukraine. We also cross-referenced the dates that the serial numbers were entered into the SCIP-EUM database with the dates that the MILDEP IAs provided the serial numbers to the DSCA SCIP-EUM Help Desk to determine whether the DSCA SCIP-EUM database is updated in a timely manner.

(U) Sample 1: Javelin CLUs and Stinger gripstocks Provided to Ukraine Before October 1, 2022

~~(CUI)~~ The first of the two statistical samples included a random sample of 129 of [REDACTED] “durable” EEUM-designated defense articles within the Ukrainian EEUM inventory before the implementation of the barcode scanner system in Ukraine on October 1, 2022.⁴² Of the seven types of EEUM-designated defense articles currently within the Ukrainian EEUM inventory, we identified the Javelin CLUs and Stinger gripstocks as durable EEUM-designated defense articles, shown in Table 4. This sample focused on durable EEUM-designated defense articles specifically because, unless lost or destroyed, these defense articles would still be currently active in Ukraine as opposed to other EEUM-designated defense articles, such as Javelin missiles, which were likely expended during this period.

~~(CUI)~~ The QMD developed a random sample of 129 EEUM-designated defense articles from the total population of [REDACTED] Javelin CLUs and Stinger gripstocks.

(U) We reviewed the 129 samples to determine:

- (U) the last inventory date,
- (U) whether the EEUM-designated defense articles had inventory dates in the barcode scanner database,
- (U) whether the EEUM-designated defense articles had inventory dates in the SCIP-EUM database,
- (U) the EEUM-designated defense article’s final transfer date versus creation date,
- ~~(CUI)~~ whether inventories were conducted in [REDACTED] or Ukraine and whether by the UAF or ODC-Ukraine,
- (U) the transfer authority for the EEUM-designated defense articles, and
- (U) if provided through TPT, whether TPT documentation was included in the SCIP-EUM database.

⁴² (U) Based on comments by the ODC-Ukraine Chief, we determined that durable defense articles are reusable tools, such as CLUs and gripstocks, that the DoD reasonably expects to still be in Ukraine. As a comparison, Javelin and Stinger missiles are considered expendable items, which are fired from the durable CLUs and gripstocks, and are not reusable. ~~(CUI)~~ These samples were taken from the total population of [REDACTED] Javelin CLUs and [REDACTED] Stinger gripstocks in the SCIP-EUM database with either blank inventory dates or dates before October 1, 2022.

~~(CUI)~~ Table 4. [REDACTED]

(U) Source: DoD OIG-derived table based on data from the SCIP-EUM database disposition table provided by the DSCA on February 10, 2023.

(U) Sample 2: EEUM-Designated Defense Articles Provided to Ukraine Between October 1, 2022, and February 10, 2023

~~(CUI)~~ The second statistical sample included a stratified sample of 174 of [REDACTED] EEUM-designated defense articles provided to Ukraine between October 1, 2022, and February 10, 2023, as shown in Table 5. The QMD developed a stratified random sample of 174 EEUM-designated defense articles from the total population of AMRAAMs, Javelin missiles, Javelin CLUs, Stinger missiles, Stinger gripstocks, LMAMS Switchblades, and NVDs provided to Ukraine between October 1, 2022, and February 10, 2023. The stratified random sample guaranteed that all categories of EEUM-designated defense articles were included in the sample.

(U) We reviewed the 174 samples to determine:

- (U) the last inventory date,
- (U) whether the EEUM-designated defense articles had inventory dates in the barcode scanner database,
- (U) whether the EEUM-designated defense articles had inventory dates in the SCIP-EUM database,
- (U) the EEUM-designated defense article's final transfer date versus creation date,
- ~~(CUI)~~ whether inventories were conducted in [REDACTED] or Ukraine and whether by the UAF or ODC-Ukraine,
- (U) the transfer authority for the EEUM-designated defense articles, and
- (U) if provided through TPT, whether TPT documentation was included in the SCIP-EUM database.

(CUI)



(U) Source: DoD OIG-derived table based on data from the SCIP-EUM database disposition table provided by the DSCA on February 10, 2023.

(U) Appendix C

(U) Management Advisory: DoD Review and Update of Defense Articles Requiring Enhanced End-Use Monitoring

(U) During the evaluation, we determined that the DSCA did not include a regular and recurring requirement in the SAMM to review, update, and remove defense articles designated for EEUM. Further, we determined that the current list of EEUM-designated defense articles may not be up to date. This occurred because the DSCA did not include a regular and recurring requirement in the SAMM to review, update, and remove defense articles designated for EEUM. As a result, the current EEUM list in the SAMM may not include all sensitive equipment and technology and may require monitoring defense articles that are neither sensitive nor require protection. In turn, this would be an inefficient use of limited ODC resources.

(U) We 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.

(U) We recommended that the DSCA Director update the SAMM to develop and implement a process for which defense articles no longer requiring EEUM be removed from the list, similar to the process currently in place for adding a defense article for EEUM.

(U) Finally, we recommended that the DSCA Director 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) The DSCA agreed with our recommendations, and the recommendations are resolved. However, the recommendations will remain open until the DSCA provides documentation that they have addressed the specifics of the recommendations.

(U) The redacted advisory can be read in full on the DoD OIG website at the following location: <https://media.defense.gov/2023/May/23/2003227988/-1/-1/1/DODIG-2023-074.PDF>.

(U) Appendix D

(U) Management Advisory: Sufficiency of Staffing at Logistics Hubs in a Partner Nation for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring

(U) During the evaluation, we determined that ODC-Ukraine personnel were not always physically present to conduct an initial 100-percent serial number inventory of all EEUM-designated articles at the multiple logistics hubs in a partner nation before transfer or delivery to Ukraine, in accordance with the SAMM. This occurred because ODC-Ukraine personnel were not always present or staffed to cover the multiple logistics hubs in a partner nation to conduct an inventory of incoming equipment requiring 100-percent EEUM serial number inventories. In addition, U.S. military personnel stationed at those logistics hubs stated that they were not fully aware of which defense articles required EEUM. As a result, the DoD is currently not fully conducting inventories of all EEUM-designated defense articles before they are transferred to Ukraine. Specifically, ODC-Ukraine recalled some EEUM-designated defense articles that were prematurely transferred to Ukraine back to the logistics hubs so that ODC-Ukraine could conduct inventories. In other instances, other EEUM-designated defense articles were not inventoried at all before entering Ukraine.

(U) We recommended that the DSCA Director update the SAMM section C8.5.5, “Conducting EUM in a Hostile Environment,” to allow USG personnel to perform initial serial number inventories before defense articles enter hostile areas on behalf of the SCO.

(U) We recommended that the DSCA Director develop training materials describing the EEUM program requirements and procedures and conduct training for USG personnel supporting EEUM activities in a hostile environment.

(U) We recommended that the ODC-Ukraine Chief implement the training developed by the DSCA and provide oversight of EEUM inventories conducted by USG personnel.

(U) The DSCA and ODC-Ukraine concurred with our recommendations, and the recommendations are resolved. However, the recommendations will remain open until DSCA and ODC-Ukraine officials provide documentation that they have addressed the specifics of the recommendations.

(U) The complete advisory can be read in full on the DoD OIG website at the following location: <https://media.defense.gov/2023/Jun/29/2003251177/-1/-1/1/DODIG-2023-090.PDF>.

(U) Management Comments

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



POLICY

~~CUI~~
UNDER SECRETARY OF DEFENSE
2000 DEFENSE PENTAGON
WASHINGTON, DC 20301-2000

NOV 15 2023

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR EVALUATIONS
AND PROGRAMS, OFFICE OF THE DEPARTMENT OF
DEFENSE INSPECTOR GENERAL

SUBJECT: (U) Response to the Department of Defense Inspector General Draft Report on
Evaluation of the Department of Defense's Enhanced End-Use Monitoring of
Defense Articles Provided to Ukraine (Project No. D2023-DEVOPC-0073.000)

(U) I am responding to the report recommendation and specific findings contained within
the draft version of the subject report, dated October 26, 2023. This memorandum incorporates
responses from the Defense Security Cooperation Agency (DSCA), the Office of Defense
Cooperation (ODC)-Kyiv, and USEUCOM.

(U) Report Recommendation 1a: *That the Office of Defense Cooperation-Ukraine
Chief develop and implement additional inventory procedures to provide better accountability of
enhanced end-use monitoring [of] defense articles transferred to the Ukrainian Armed Forces.*

(U) DoD response: ODC-Kyiv concurs in this recommendation and works closely with
DSCA and other Department of Defense (DoD) and Department of State (DoS) stakeholders to
develop and implement innovative inventory procedures to maximize oversight and
accountability of Enhanced End-Use Monitoring (EEUM) defense articles transferred to the
Ukrainian Armed Forces (UAF). While battlefield losses of EEUM articles can and do occur
during an active conflict, **to date there is no evidence of unauthorized or illicit transfer of
U.S.-origin EEUM defense articles outside of Ukraine.** Furthermore, DoD has maintained
accountability of EEUM items provided to Ukraine consistent with the statutory requirements
under section 40A of the Arms Export Control Act to provide reasonable assurance, to the extent
practicable, that Ukraine is complying with U.S. government requirements with respect to the
use, transfer, and security of EEUM items.



Classified by: [REDACTED]
Derived from: Multiple sources
Declassify on: 20631108

Controlled by: OUSD-P
CUI Category: OPSEC
Limited Dissemination Control: FEDCON
POC: [REDACTED]

(U) Office of the Under Secretary of Defense for Policy (cont'd)

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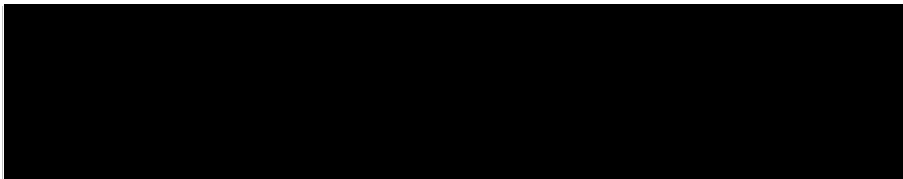
(U) To mitigate these challenges, ODC-Kyiv worked closely with DSCA to develop and approve alternative inventory procedures to ensure oversight and accountability of EEUM items in a hostile environment – primarily through Partner Nation Self-Reporting mechanisms as authorized in C8.5.5.2 of the Security Assistance Management Manual (SAMM). ODC-Kyiv now employs these procedures with great effect in partnership with UAF officials. The UAF provides ODC-Kyiv with quarterly EEUM reports that offer unprecedented transparency into internal UAF accountability records.



(U) Report Recommendation 1b: *That the Office of Defense Cooperation-Ukraine Chief establish, with the Ukrainian Armed Forces, the frequency of expenditure and damage and loss reports in accordance with the Security Assistance Manual C8.5.5.5, to include serial numbers of enhanced end-use monitoring defense articles; then update the Security Cooperation Information Portal-End-Use Monitoring database accordingly in a timely and accurate manner.*

(U) DoD response: ODC Kyiv concurs in, and has implemented, the recommendation to establish the frequency of expenditure and damage and loss reports with the UAF. ODC-Kyiv also implemented procedures to update the Security Cooperation Information Portal- End-Use Monitoring (SCIP-EUM) database in a timely and accurate manner, though real-time accuracy of the SCIP-EUM database is not practical under wartime conditions and could undermine operational security by revealing on-hand quantities of sensitive military equipment.

(U) According to the SAMM C8.5.5.5, the frequency of self-reporting is “dependent on the partner nation’s inventory and accountability requirements in accordance with the LOA, the EEUM Control Plan, and the partner nation self-reporting Concept of Operation (CONOPs); and subject to USG discretion.” ODC-Kyiv assesses that UAF is able to provide quarterly partner nation EEUM reports during wartime for on-hand, lost/destroyed, and expended EEUM defense articles by serial number in accordance with the current CONOP. As the security situation evolves, ODC-Kyiv will reassess the frequency in which the UAF submits these reports.



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(U) Office of the Under Secretary of Defense for Policy (cont'd)

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(U) Report Recommendation 2: *That the Military Department Implementing Agencies establish and implement procedures to provide timely and accurate reporting of records with serial numbers of enhanced end-use monitoring items that are being transferred into hostile environments in advance of shipment, in accordance with the Defense Security Cooperation Agency's Security Assistance Management Manual.*

(U) DoD response: Military Department Implementing Agencies will reply separately, as appropriate.

(U) Report Recommendation 3: *That the Under Secretary of Defense for Policy coordinate with the Department of State to develop and implement a process to provide the Defense Security Cooperation Agency, as well as the divesting and receiving country's Security Cooperation Offices, with documentation of third-party transfer approvals of enhanced end-use monitoring defense articles in advance of transfer.*

(U) DoD response: Partially concur. There is an existing process through which DoS informs DoD of third-party transfers. However, DoD can coordinate with DoS to explore improving implementation of that process. Recipients of U.S.-origin defense articles, services, or technical data are required to obtain written consent from DoS – not DoD – prior to transfer, disposal, or change of end-use of its U.S.-origin articles, services, or data. Although DoS already coordinates proposed third-party transfers with DoD, I agree greater DoD transparency of specific EEUM defense articles to be transferred would be beneficial. Accordingly, the Office of the Under Secretary of Defense for Policy (OUSD(P)) will coordinate with DoS to identify ways to improve the process through which DoS provides to DoD, in advance of the execution of a third-party transfer, the information needed to update partner nation EEUM inventories.

Actions proposed to accomplish this recommendation:

- OUSD(P), in coordination with DSCA and DoS, will meet to discuss problem set, constraints, and current steps, if any, being taken to address identified EEUM issues under DoD remit. (December 2023)
- OUSD(P) develops and drafts potential process improvements, coordinates with DCSA, then transmits to DoS the recommendation that DoS develop a coordinated process to enhance DoD and SCO visibility and documentation of DoS TPT of EEUM. (January 2024)
- If issuing DoD guidance is appropriate to supplement DoS process, begin formal review process. (February 2024)
- Promulgate any associated OUSD(P) guidance and institute improved process. (2024)

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(U) Office of the Under Secretary of Defense for Policy (cont'd)

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(U) Report Recommendation 4: *That the Defense Security Cooperation Agency Director and the Military Department Implementing Agencies develop and implement a system to update the Security Cooperation Information Portal-Enhanced End-Use Monitoring database with the serial numbers of all enhanced end-use monitoring defense articles provided to Ukraine to confirm the accuracy and completeness of the Security Cooperation Information Portal-End-Use Monitoring database and the total enhanced end-use monitoring defense articles provided to Ukraine.*

(U) DoD response: Concur. The Military Departments are required to send EEUM defense article serial numbers prior to shipment (SAMM C8.T2); however this is a manual process. DSCA is currently implementing the Material Tracking & Registration system, which will better integrate DSCA and Military Department Implementing Agency databases, thus allowing for seamless transition of serial numbers for insertion into SCIP, with a projected operational date by September 2025.

(U) Report Recommendation 5a: *That the Defense Security Cooperation Agency Director develop and implement a system of internal controls to verify that all inventories and serial number notifications provided to the Security Cooperation Information Portal-End-Use Monitoring Help Desk are accurately updated in the Security Cooperation Information Portal-End Use Monitoring database within a required timeframe.*

(U) DoD response: Partially concur. As stated above, the automated feature of Material Tracking & Registration will accomplish this recommendation. At present, however, the systems currently in place achieve this very result within acceptable timeframes in other SCIP repositories.

(U) Report Recommendation 5b: *That the Defense Security Cooperation Agency Director revise the Security Assistance Management Manual to state that the Security Cooperation Information Portal-End-Use Monitoring Help Desk maintains responsibility for updating the Security Cooperation Information Portal-End-Use Monitoring database with barcode scanner data, in accordance with current procedures and authorities.*

(U) DoD response: Non-concur. It is the responsibility of the SCOs to establish and maintain a baseline of all EEUM defense articles and services exported via government-to-government transfers using the SCIP-EUM database (SAMM C8.T2). The EUM Help Desk is an email location staffed with a limited number of U.S. Government contractor employees responsible for responding to EUM related questions. Revising the SAMM will not alter their contract or their fundamental function.

(U) Report Recommendation 5c: *That the Defense Security Cooperation Agency Director revise the Security Cooperation Information Portal-End-Use-Monitoring database so that all initial inventories conducted in a hostile environment establish an annual requirement for re-inventory, vice a 90-day inventory requirement.*

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(U) Office of the Under Secretary of Defense for Policy (cont'd)

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(U) DoD response: Non-concur. The requirement to enter data into the EUM inventory within 90 days is an essential component for establishing the baseline for the annual EUM inspection requirement. Further, there is no need to modify SCIP to generate suspense of accomplishing an annual inspection. SCIP already establishes an annual re-inventory after its initial inventory. Finally, these timeliness standards are equally applicable to both peacetime and hostile environments.

(U) Other Critical Comments on the Draft Report: I have significant concerns with certain statements and conclusions in the draft report.

(U) I strongly object to the finding that “Until the DoD resolves these challenges, it will be unable to fully account for the more than \$1.69 billion in EEUM-designated defense articles provided to Ukraine.” Given the closure of the U.S. Embassy in Kyiv from February to June 2022 and hostile conditions likely to persist in Ukraine for the long term, “full accounting” of EEUM articles in the manner described is an unrealistic and unobtainable expectation. However, it is important to recognize that a lack of a full accounting does not preclude the U.S. government from reasonably concluding Ukraine is in compliance with U.S. government requirements with respect to use, transfer, and security of the items it has received. The use of scanners, partner nation reporting, and the use of DoD personnel outside ODC-Kyiv to inventory items in transit are all examples of DoD proactive efforts to adapt EUM practices in a combat environment.

(U) I also disagree with the findings that “the DoD was unable to fully execute the EEUM program in a hostile environment.” This is inaccurate. The objective of the EEUM program is to provide a factual basis for the U.S. government to conclude reasonably that a foreign partner is meeting its end use commitments. Meeting the EEUM program’s serial number inventory and annual inspection requirements for EEUM items in a peacetime environment is achievable. However, during hostilities, factors outside of DoD or Ukraine’s control will likely frustrate those requirements. Although DoD takes accountability of U.S. equipment very seriously and strives to maintain an understanding of where and how all items are being used, maintaining 100 percent accurate real-time inventories in SCIP is not practicable in a wartime environment.

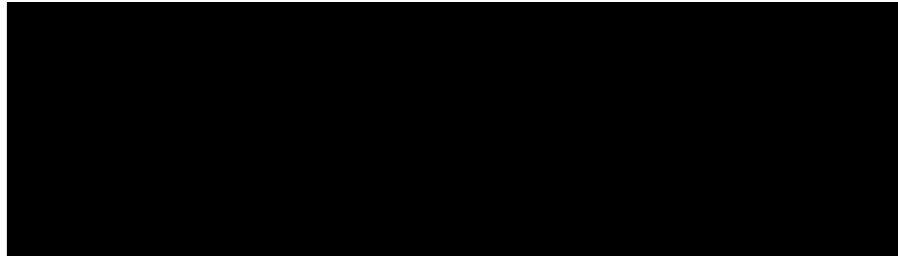
(U) I further disagree with the statement “DSCA did not have internal controls in place to ensure SCO and DSCA personnel update the SCIP-EUM database accurately and in a timely manner.” DSCA has several internal controls to report delinquencies and check for accuracy of the information concerning the EEUM inventories. The rapid tempo and volume of equipment provided to Ukraine created an exceptionally high workload for manual updates to SCIP, but are not indicative of a lack of internal controls and do not imply that SCIP was not being updated.

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(U) Office of the Under Secretary of Defense for Policy (cont'd)

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(U) OUSD(P) considers the accountability of U.S. equipment provided to Ukraine a top priority. I look forward to the DoDIG's report and to continued cooperation with the Office of the DoD IG.



Alexandra N. Baker
Acting Under Secretary of Defense
for Policy

Enclosures:
TAB A: EUCOM Critical Comments
TAB B: Embassy Kyiv Critical Comments

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(U) Deputy Assistant Secretary of the Army (Defense Exports and Cooperation)



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

SAAL-ZN

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Deputy Assistant Secretary of the Army (Defense Exports and Cooperation)
Response to the Department of Defense (DoD) Office of Inspector General (OIG)
(Project No. D2023-DEV0PC-0073.000)

1. Reference Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine (D2023-DEV0PC-0073.000).
2. Our responses to your recommendations in the Draft Report for the DoD OIG Discussion Draft Evaluation of the DoD's Enhanced End-Use Monitoring (EEUM) of Defense Articles Provided to Ukraine (Project No. D2023-DEV0PC-0073.000) are below.
 3. Recommendation 2. We recommend that the Military Department Implementing Agencies 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 Defense Security Cooperation Agency (DSCA) Security Assistance Management Manual.
 - a. Response: The Deputy Assistant Secretary of the Army (Defense Exports and Cooperation) (DASA (DE&C)) concurs with this recommendation. Army provides monthly delivery records to DSCA with serial numbers of EEUM-designated defense articles transferred via the Foreign Military Sales (FMS) process for DSCA to input into the Security Cooperation Information Portal – End-Use Monitoring (SCIP-EUM) database. Army has also provided serial numbers of EEUM-designated defense articles transferred via Presidential Drawdown Authority (PDA) but not in advance of shipment and not on a consistent basis for DSCA to input into the SCIP-EUM database.
 - b. Planned Action: The Office of the DASA (DE&C) (ODASA (DE&C)) will coordinate with the Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) and with Army Materiel Command for ODASA (DE&C) to develop, staff and promulgate clarifying procedures to consistently provide serial numbers of EEUM-designated defense articles transferred via the FMS process and via the PDA process in advance of shipment for DSCA to input into the SCIP-EUM database.
 - c. Estimated Completion Date: 28 JUN 2024.
4. Recommendation 4. We recommend that the DSCA Director and the Military Department Implementing Agencies develop and implement a system to update the

(U) Deputy Assistant Secretary of the Army (Defense Exports and Cooperation) (cont'd)

SAAL-ZN

SUBJECT: Deputy Assistant Secretary of the Army (Defense Exports and Cooperation)
Response to the Department of Defense (DoD) Office of Inspector General (OIG)
(Project No. D2023-DEV0PC-0073.000)

SCIP-EUM database with the serial numbers of all EEUM defense articles provided to Ukraine to confirm the accuracy and completeness of the SCIP-EUM database and the total EEUM defense articles provided to Ukraine.

a. Response: The DASA (DE&C) concurs with this recommendation.

b. Planned Action: The Army currently provides serial numbers via a manual process and will coordinate with DSCA to support the DSCA led Material Tracking and Registration system that is planned to automate the process to update the SCIP-EUM database with the serial numbers of all EEUM-designated defense articles.

c. Estimated Completion Date: 4th Quarter FY25 when the first introduction of end-to-end tracking will occur.

5. My office welcomes continued collaboration with the DoD OIG to ensure efforts are synchronized to product the most substantive and value-added program improvements.

6. [REDACTED]

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PATRICK H. MASON
Deputy Assistant Secretary of the Army
for Defense Exports and Cooperation

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(U) Assistant Secretary of the Air Force (International Affairs)



OFFICE OF THE UNDER SECRETARY

DEPARTMENT OF THE AIR FORCE WASHINGTON, DC

13 Nov 23

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

FROM: Under Secretary of the Air Force, International Affairs (SAF/IA)

SUBJECT: Department of the Air Force Response to DoD Office of Inspector General Draft Report, "Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine" (Project No. D2023-DEV0PC-0073.000)

1. This is the Department of the Air Force response to the DoDIG Draft Report, "Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine" (Project No. D2023-DEV0PC-0073.000). The DAF concurs with the report as written. SAF/IAPX has coordinated with AFLCMC and DSCA throughout this DoDIG evaluation and will continue these efforts to implement improvements to the gap areas promulgated by the subject recommendations.

2. The SAF/IA coordinated with SAF/AQ, AF/A3, AF/A5/7, AF/A4 and AFLCMC/WF (AFSAC) to evaluate the recommendations and security classifications within the report. SAF/IA has reviewed the report for CUI-equities and has no recommended inputs. AFSAC concurred with comments; recommending to update EEUM article LOA notes with specific verbiage to ensure the reporting is a known requirement for EEUM stakeholders. SAF/IAPX has noted this recommendation for future discussion with DSCA and tri-service EUM offices.

RECOMMENDATION 2: The DODIG recommends that the Air Force's implementing agencies establish and implement procedures to provide timely and accurate reporting of records with serial numbers of enhanced end-use monitoring items that are being transferred into hostile environments in advance of shipment, in accordance with the Defense Security Cooperation Agency's Security Assistance Management Manual.

DAF RESPONSE: Deputy Under Secretary of the Air Force, International Affairs (SAF/IA) will coordinate with the Air Force Life Cycle Management Center (AFLCMC), Defense Security Cooperation Agency (DSCA), and other EUM stakeholders to reinforce, improve, and promulgate reporting procedures, and reconcile previous EEUM defense article accountability. Estimated completion date: Q4 FY2024.

RECOMMENDATION 4: The DODIG recommends that the Air Force's implementing agencies develop and implement a system to update the Security Cooperation Information Portal-Enhanced End-Use Monitoring database with the serial numbers of all enhanced end-use monitoring defense articles provided to Ukraine to confirm the accuracy and completeness of the

(U) Assistant Secretary of the Air Force (International Affairs) (cont'd)

Security Cooperation Information Portal–End-Use Monitoring database and the total enhanced end-use monitoring defense articles provided to Ukraine.

DAF RESPONSE: SAF/IA will also coordinate with DSCA and other EUM stakeholders to support the DSCA-led automated material and tracking system effort that is planned to reconcile the Security Cooperation Information Portal - Enhanced End Use Monitoring (SCIP-EEUM) database with serial numbers of all EEUM-designated defense articles. Estimated completion date: Q4 FY2025.

3. [REDACTED]

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STEPHEN T. EIDE, Col, USAF
Director of Staff

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(U) Defense Security Cooperation Agency



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

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: (U) Defense Security Cooperation Agency Response to the Department of Defense Office of Inspector General (OIG) (Project No. D2023-DEV0PC-0073.000)

(U) Thank you for the opportunity to review the subject report. We appreciate the multiple meetings that preceded issuance of this latest evaluation and your receptiveness to our comments and concerns. In broad terms, I do not believe the draft report conveys the Security Cooperation enterprise's commitment to accountability and adapting End Use Monitoring (EUM) processes during conflict, while allowing the urgent movement by Ukraine of defense materiel to operational units. Security cooperation personnel are expected to meet all EUM data entry and inspection requirements within time standards regardless of circumstances. However, when national security interests mandate the urgent transfer of a large quantity of defense articles, security cooperation staffing may be inadequate to meet timeliness requirements for entering inventory data due to extraordinary circumstances. In the present circumstances, any untimely data entry is not so much the result of an inadequate process but is more attributable to the volume of work and urgent circumstances. Regarding the report's specific recommendations, please note the following comments:

- (U) Recommendation #4: "We recommend that the Defense Security Cooperation Agency Director and the Military Department Implementing Agencies develop and implement a system to update the Security Cooperation Information Portal–Enhanced End-Use Monitoring database with the serial numbers of all enhanced end-use monitoring defense articles provided to Ukraine to confirm the accuracy and completeness of the Security Cooperation Information Portal–End-Use Monitoring database and the total enhanced end-use monitoring defense articles provided to Ukraine."
 - (U) Defense Security Cooperation Agency (DSCA) concurs with recommendation #4. The Military Departments are required to send Enhanced EUM (EEUM) defense article serial numbers prior to shipment (SAMM C8.T2), however is a manual process. DSCA is currently implementing Material Tracking & Registration system, which will better integrate DSCA and Military Department Implementing Agency databases, thus allowing for seamless transition of serial numbers for insertion into Security Cooperation Information Portal (SCIP), projected operational date by September 2025.
- (U) Recommendation #5a: "We recommend that the Defense Security Cooperation Agency Director develop and implement a system of internal controls to verify that all inventories and serial number notifications provided to the Security Cooperation Information Portal–End-Use Monitoring Help Desk are accurately updated in the Security Cooperation Information Portal–End-Use Monitoring database within a required timeframe."

(U) Defense Security Cooperation Agency (cont'd)

- (U) DSCA partially concurs with recommendation 5a. As stated above, the automated feature of Material Tracking & Registration will accomplish this recommendation. At present, however, the systems currently in place achieve this very result within acceptable timeframes in other SCIP repositories.
- (U) Recommendation #5b: "Revise the Security Assistance Management Manual to state that the Security Cooperation Information Portal-End-Use Monitoring Help Desk maintains responsibility for updating the Security Cooperation Information Portal-End-Use Monitoring database with barcode scanner data, in accordance with current procedures and authorities."
 - (U) DSCA does not concur with recommendation 5b. It is the responsibility of the SCOs to establish and maintain a baseline of all EEUM defense articles and services exported via government-to-government transfers using the SCIP EUM database, (SAMM C8.T2). The EUM Help Desk is an email location staffed with a limited number of U.S. Government contractor employees responsible for responding to EUM related questions. Revising the SAMM will not alter their contract or their fundamental function.
- (U) Recommendation #5c: "Revise the Security Cooperation Information Portal-End-Use Monitoring database so that all initial inventories conducted in a hostile environment establish an annual requirement for re-inventory, vice a 90-day inventory requirement."
 - (U) DSCA does not concur with recommendation #5c to replace the existing 90-day inventory requirement with an annual inventory requirement. The requirement to entry data into the EUM inventory within 90 days is an essential component for establishing the baseline for the annual EUM inspection requirement. Further, there is no need to modify SCIP to generate suspense of accomplishing an annual inspection. SCIP already establishes an annual re-inventory after its initial inventory. Finally, these timeliness standards are equally applicable to both peacetime and hostile environments.

(U) Please direct any questions or comments regarding this response to my primary action officers for this matter: [REDACTED]

[REDACTED]

HELFANT.ROBER
T.P. [REDACTED]

Robert Helfant
Assistant Director
International Operations

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(U) Office of Defense Cooperation-Ukraine Chief



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UNITED STATES EUROPEAN COMMAND
OFFICE OF DEFENSE COOPERATION
25 LESI UKRAINKY BLVD
KYIV, UKRAINE 01133

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Office of Defense Cooperation -Kyiv Response to DoD IG Report D2023-DEV0PC-0073.00

Reference: Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine (D2023-DEV0PC-0073.00), October 26, 2023

1. Recommendation #1 We recommend that the Office of Defense Cooperation-Ukraine Chief:

- a. **Develop and implement additional inventory procedures to provide better accountability of enhanced end-use monitoring defense articles transferred to the Ukrainian Armed Forces.**

Response: The Office of Defense Cooperation (ODC)-Kyiv concurs with this recommendation and works closely with the Defense Security Cooperation Agency (DSCA) and other Department of Defense (DoD) and Department of State (DoS) stakeholders to develop and implement innovative inventory procedures to maximize oversight and accountability of Enhanced End-Use Monitoring (EEUM) defense articles transferred to the Ukrainian Armed Forces (UAF). While battlefield losses of EEUM articles can and do occur during an active conflict, to date there is **no evidence of unauthorized or illicit transfer of EEUM defense articles provided to Ukraine.**

Standard EEUM inventory procedures are not practical in a dynamic and hostile wartime environment. The U.S. Embassy in Kyiv currently includes a small number of DoD personnel under Chief of Mission authority. However, force protection and logistical constraints limit DoD's ability to conduct EEUM site visits beyond a certain distance from Kyiv or Lviv, while the majority of Ukraine's EEUM-designated articles are forward-deployed to UAF units on the front lines beyond the approved DoD travel zone. Additionally, the unprecedented volume of EEUM-designated articles within Ukraine, currently exceeding 50,000 items and growing, is beyond the capacity of the limited DoD personnel in country to physically inventory even if access were unrestricted.

To mitigate these challenges, ODC-Kyiv worked closely with DSCA to develop and approve alternative inventory procedures to ensure oversight and accountability of EEUM items in a hostile environment—primarily through Partner Nation Self-Reporting mechanisms as authorized in C8.5.5.2 of the Security Assistance Management Manual (SAMM). ODC-Kyiv now employs these procedures with great effect in partnership with UAF officials. The UAF provides ODC-Kyiv with quarterly EEUM reports that offer unprecedented transparency into internal UAF accountability records. Beginning in May 2023, the quarterly reports identify EEUM defense articles by serial number, date and location of article acceptance in UAF records, date and hand receipt number for transfers to operational units, and identification numbers for battlefield loss/expenditure reports and associated internal Ukrainian investigations. As a result,

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(U) Office of Defense Cooperation-Ukraine Chief (cont'd)

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UAF accountability reporting improved dramatically since the timeframe observed in this DoDIG evaluation. For example, UAF provided status updates for over 43 percent of their total EEUM inventory in their 4th Quarter 2023 self-report. ODC-Kyiv continues to update, refine and improve EEUM standard operating procedures in collaboration with MoD and UAF counterparts to maximize oversight and accountability in an active combat environment.

- b. Establish, with the Ukrainian Armed Forces, the frequency of expenditure and damage and loss reports in accordance with the Security Assistance [Management] Manual C8.5.5.5, to include serial numbers of enhanced end-use monitoring defense articles; then update the Security Cooperation Information Portal-End-Use Monitoring database accordingly in a timely and accurate manner.**

Response: ODC Kyiv concurs with and implemented the recommendation to establish the frequency of expenditure and damage and loss reports with the UAF. ODC-Kyiv also implemented procedures to update the Security Cooperation Information Portal- End-Use Monitoring (SCIP-EUM) database in a timely and accurate manner, though real-time accuracy of the SCIP-EUM database is not practical under wartime conditions and could undermine operational security by revealing on-hand quantities of sensitive military equipment.

According to the SAMM C8.5.5.5, the frequency of self-reporting is “dependent on the partner nation’s inventory and accountability requirements in accordance with the LOA, the EEUM Control Plan, and the partner nation self-reporting Concept of Operation (CONOPs); and subject to USG discretion.” ODC-Kyiv assesses that UAF is able to provide quarterly partner nation EEUM reports during wartime for on-hand, lost/destroyed, and expended EEUM defense articles by serial number in accordance with the current CONOP. As the security situation evolves, ODC-Kyiv will reassess the frequency in which the UAF submits these reports.

ODC-Kyiv updates item status information in the SCIP-EUM database in coordination with DSCA upon receipt of quarterly reports. However, the SCIP-EUM database is not designed to process or reflect accurate on-hand quantities in real-time during a dynamic wartime environment. The volume and frequency of defense article transfers to Ukraine, coupled with steady rates of expenditure and battle-loss, creates a continuously shifting baseline of EEUM-designated items in the UAF inventory. Additionally, SCIP lacks the ability to process bulk uploads of expended and battle-loss equipment, meaning ODC-Kyiv personnel must report each of these updates one at a time. Therefore, sample-based analysis of EEUM compliance rates at any given point of time provides an inaccurate picture of accountability. ODC-Kyiv will continue to update the SCIP-EUM database in a timely and accurate manner as conditions allow.

2. The ODC Kyiv point of contact is [REDACTED]

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Trott, Garrett W
GARRETT W. TROTT
Colonel, U.S. Army
Chief, Office of Defense Cooperation

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(U) U.S. Ambassador to Ukraine



Embassy of the United States of America

Kyiv, Ukraine

The Ambassador

CONTROLLED UNCLASSIFIED INFORMATION November 9, 2023

The Honorable Robert P. Storch
Inspector General U.S. Department of Defense
Washington DC

As Chief of Mission during the period of this DoDIG evaluation, I recommend edits to the “Results in Brief” section on page (i) of this report. As currently written, I believe the section presents an inaccurate picture of accountability of U.S.-donated defense articles within Ukraine. Specifically, this section does not sufficiently address the limitations of wartime operating conditions on our ability to conduct traditional Enhanced End Use Monitoring (EEUM) within Ukraine or highlight the U.S. Embassy’s proactive work to develop alternative approaches to conducting EEUM in an active conflict zone. Importantly, the report also fails to mention that to date there is no evidence of unauthorized or illicit diversion of U.S.-donated military equipment to Ukraine.

I respectfully request that DoDIG consider revising the “Results in Brief” section according to the suggested edits attached, in order to make it reflect accurately the situation on the ground and the actions of the U.S. Embassy to ensure accountability of security assistance in a war time environment.

Sincerely,

Bridget A. Brink

Ambassador

Attachments:

Tab 1 – Results in Brief Summary for DoDIG Report D2023-DEV0PC-0073.00
Suggested US Embassy Kyiv Edits

(U) U.S. European Command

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UNITED STATES EUROPEAN COMMAND
UNIT 30400
APO AE 09131

ECJ-5RU

8 November 2023

MEMORANDUM FOR Department of Defense Inspector General

SUBJECT: EUCOM Response to DoD IG Draft Report Project No. D2023-DEV0PC-0073.00

1. Reference: Draft Report Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine (Project No. D2023-DEV0PC-0073.00), October 26, 2023

2. (U) The purpose of this memorandum is to provide HQ EUCOM feedback on DOD IG Draft Report Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine (Project No. D2023-DEV0PC-0073.00), October 26, 2023. It incorporates ODC-Kyiv provided feedback and offers refined language for the Summary of Findings on the Results in Brief on Page (i) to best reflect previous DoD IG updates to the body of the report.

3. Summary of Findings as written in the draft report dated October 26, 2023:

(U) While there has been improvement in the DoD's execution of EEUM since the full-scale invasion began in February 2022, the DoD did not fully comply with EEUM program requirements and defense article accountability in a hostile environment. Specifically, the Office of Defense Cooperation-Ukraine (ODC-Ukraine) staff did not conduct all required inventories of EEUM-designated defense articles in Ukraine. While Ukrainian Armed Forces personnel conducted some required inventories, the delinquency of inventoried EEUM defense articles remained high. Additionally, the DoD did not maintain an accurate inventory of Ukrainian EEUM defense articles in the Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) database. This occurred for multiple reasons, including the lack of sufficient ODC-Ukraine personnel in Ukraine and at logistics hubs, the absence of procedures for conducting EEUM in a hostile environment, and a lack of internal controls for validating data in the SCIP-EUM database.

(U) While the DoD's and the Ukrainian Armed Forces' inventory processes and completion rates improved, significant staffing and accountability challenges remained. Until the DoD resolves these challenges, it will be unable to fully account for the more than \$1.69 billion in EEUM-designated defense articles provided to Ukraine.

4. EUCOM response: The Summary of Findings does not fully reflect changes made to the body of the report during the circulation of the discussion draft of the report on 16 – 23 October, 2023. EUCOM has identified the following variations between the Summary of Findings and the body of the report that require reconciliation for Summary of Findings to accurately reflect the body of the report.

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(U) U.S. European Command (cont'd)

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a. The Summary of Findings states that “the DoD did not fully comply with EEUM program requirements and defense article accountability,” however, page 16 of the report states that “the DoD was unable to execute the EEUM program” and page 21 states that “there is no safe method to carry out EEUM-designated defense article inventories on the front lines.” A more accurate summary of the contents of the report would be “the DoD was unable to fully meet EEUM program requirements due to active combat conditions in a wartime environment.”

b. The Summary of Findings states that “the Office of Defense Cooperation-Ukraine (ODC-Ukraine) staff did not conduct all required inventories of EEUM-designated defense articles in Ukraine,” however, page 17 of the report states that “staffing shortages and restricted access to Ukraine limited their [ODC-Ukraine] ability to conduct EEUM inventories.” A more accurate summary of the contents of the report would be “the Office of Defense Cooperation-Ukraine (ODC-Ukraine) staff was unable to conduct all required inventories of EEUM-designated defense articles in Ukraine.”

c. The Summary of Findings states that “the DoD did not maintain an accurate inventory of Ukraine EEUM defense articles in the Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) database.” The report notes on page 28 that Ukrainian Armed Forces (UAF) personnel have provided raw numbers of expended EEUM-designated defense articles without serial numbers using the Logistics Functional Area Services System (LOGFAS). As previously mentioned, on page 21 the report states that “there is no safe method to carry out EEUM-designated defense article inventories on the front lines.” A more accurate summary of the contents of the report would be “DoD is unable to maintain an accurate baseline inventory of Ukrainian EEUM defense articles in the Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) database due to wartime conditions.”

d. The first paragraph of the summary of findings lists multiple reasons why the DoD was unable to fully meet EEUM program requirements. EUCOM recommends that “wartime conditions in Ukraine” be added to the list of reasons based on previously mentioned comments on page 21 of the report. The report also notes on page 12 that EEUM-designated defense articles have been transferred to Ukraine using multiple transfer authorities including Presidential Drawdown Authority (PDA), Foreign Military Sales (FMS), and third-party transfer (TPT). Page 22 of the report states that “The DoD did not account for EEUM-designated defense articles transferred to Ukraine in the SCIP-EUM database in advance of shipment in a timely manner.” Lastly, page 17 of the report states “between February 2022 and June 2022, due to closure of the U.S. Embassy in Kyiv, ODC-Ukraine personnel were unable to conduct initial and annual inventories of all EEUM-designated defense articles in [REDACTED].” A more accurate summary of the contents of the report would be “This occurred for multiple reasons, including the volume and pace of equipment transfer and expenditure during active conflict, the lack of sufficient ODC-Ukraine personnel in Ukraine and at third country logistics hubs, the absence of procedures for conducting EEUM in a hostile environment, and a lack of internal controls for validating data in the SCIP-EUM database.”

e. Pages 16-17 of the report note multiple revisions to the Security Assistance Management Manual (SAMM) EEUM process in both February 2022 and December 2022. The U.S. Embassy

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(U) U.S. European Command (cont'd)

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in Kyiv sought many of these changes due to the hostile environment in Ukraine, and the DoD approved them. EUCOM recommends that these changes be noted in the Summary of Findings and that the first paragraph conclude with the following sentence: “During this period, the U.S. Embassy in Kyiv sought, and DoD approved, new procedures for conducting EEUM in a hostile environment.”

f. The second paragraph of the Summary of Findings states “Until the DoD resolves these challenges, it will be unable to fully account for the more than \$1.69 billion in EEUM-designated defense articles provided to Ukraine.” Page 6 of the report notes that the \$1.69 billion figure was estimated based solely on the EEUM-designated defense article totals in SCIP-EUM as of May 31, 2023. The report also notes discrepancies and shortcomings in SCIP-EUM accuracy, as on page 22.” A more accurate summary of the contents of the report would be “Until the DoD resolves these challenges, it will be unable to fully meet EEUM program requirements in a hostile environment and reconcile the more than \$1.69 billion in EEUM-designated defense articles in the SCIP-EUM database.”

g. Despite difficulties in executing the EEUM process in a wartime environment, there is no evidence of illicit transfer of EEUM defense articles provided to Ukraine. EUCOM recommends that the Summary of Findings note this fact and conclude with the following sentence: “To date, there is no evidence of unauthorized or illicit transfer of EEUM defense articles provided to Ukraine.”

5. Recommended revised Summary of Findings language based on the body of the report:

(U) While there has been improvement in the DoD’s execution of EEUM since the full-scale invasion began in February 2022, the DoD was unable to fully meet EEUM program requirements due to active combat conditions in a wartime environment. Specifically, the Office of Defense Cooperation-Ukraine (ODC-Ukraine) staff was unable to conduct all required inventories of EEUM-designated defense articles in Ukraine. While Ukrainian Armed Forces personnel conducted some required inventories, the delinquency of inventoried EEUM defense articles remained high. Additionally, the DoD is unable to maintain an accurate baseline inventory of Ukrainian EEUM defense articles in the Security Cooperation Information Portal–End-Use Monitoring (SCIP-EUM) database due to wartime conditions. This occurred for multiple reasons, including the volume and pace of equipment transfer and expenditure during active conflict, the lack of sufficient ODC-Ukraine personnel in Ukraine and at third country logistics hubs, the absence of procedures for conducting EEUM in a hostile environment, and a lack of internal controls for validating data in the SCIP-EUM database. During this period, the U.S. Embassy in Kyiv sought, and DoD approved, new procedures for conducting EEUM in a hostile environment.

(U) While the DoD’s and the Ukrainian Armed Forces’ inventory processes and completion rates improved, significant staffing and accountability challenges remained. Until the DoD resolves these challenges, it will be unable to fully meet EEUM program requirements in a hostile environment and reconcile the more than \$1.69 billion in EEUM-designated defense articles in the SCIP-EUM database. To date, there is no evidence of unauthorized or illicit transfer of EEUM defense articles provided to Ukraine.

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(U) U.S. European Command (cont'd)

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ANDREW C. MILLER
Colonel, USAF
Chief, Russia/Ukraine Division

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(U) Acronyms and Abbreviations

AMRAAM	Advanced Medium-Range Air-to-Air Missile
CLU	Command Launch Unit
CONOPS	Concept of Operations
DASA(DE&C)	Deputy Assistant Secretary of the Army (Defense Exports and Coordination)
DOS	Department of State
DSCA	Defense Security Cooperation Agency
EEUM	Enhanced End-Use Monitoring
EUM	End-Use Monitoring
FMS	Foreign Military Sales
GAO	Government Accountability Office
LMAMS	Lethal Miniature Aerial Missile System
LOA	Letter of Offer and Acceptance
MILDEP IA	Military Department Implementing Agency
NVD	Night Vision Device
ODC	Office of Defense Cooperation
OIG	Office of Inspector General
PDA	Presidential Drawdown Authority
QMD	Quantitative Methods Division
SAF/IA	Deputy Under Secretary of the Air Force for International Affairs
SAMM	Security Assistance Management Manual
SCIP	Security Cooperation Information Portal
SCO	Security Cooperation Organization
TPT	Third-Party Transfer
USEUCOM	U.S. European Command
UAF	Ukrainian Armed Forces
USG	U.S. Government

(U) Glossary

(U) Active Status. An EEUM-designated defense article considered in use or useable.

~~(EU)~~ [REDACTED]. In [REDACTED] a location where the USG and partner nation personnel facilitate movement of cargo in and out of Ukraine.

(U) Annual Inventories. The inventory required within 1 year after the initial inventory date and on an annual basis thereafter.

(U) Annual Inventory Due Date. The date that inventories are due every year after the initial inventory of an EEUM-designated defense article.

(U) Creation Date. The date the serial number information for an EEUM-designated defense article was initially added to the SCIP-EUM database.

(U) Delinquent Inventories. EEUM-designated defense article initial or annual inventories not completed within required time frames according to the SAMM.

(U) Divesting Government. The government that is providing an EEUM-designated defense article to another government.

(U) Durable EEUM-Designated Defense Articles. EEUM articles that are not expendable and are expected to be in Ukraine unless demilitarized or disposed of at the end of active hostilities.

(U) Expended EEUM-Designated Defense Articles. EEUM articles that were used in operations or employed by the UAF.

(U) Final Transfer Date. The date that the EEUM-designated defense article was transferred to Ukraine.

(U) Inactive Status. EEUM-designated defense articles that are currently not in use.

(U) Initial Inventory. The first serial number inventory of EEUM-designated defense articles. In a peacetime environment, this inventory must be conducted within 90 days of the defense article entering Ukraine (in accordance with standard SAMM procedures but not in a hostile environment). In a hostile environment, when conditions allow, this serial number inventory may be conducted by the SCO prior to transfer to a hostile environment.

(U) Loss Report. The written report of DoD EEUM-designated defense articles no longer in inventory, regardless of the reason (such as expenditure, battle loss, damage, theft, misplacement, or delays in inventory procedure or lack thereof). The written report is provided by the receiving country to the SCO in accordance with the Golden Sentry EUM program CONOPS.

(U) Next Inventory Due Date. The date by which the EEUM-designated defense article must receive its next serial number inventory.

(U) Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) Database. A DSCA-managed, web-based community that contains FMS and security cooperation case-related data, as well as numerous other types of information. The SCIP-EUM database is a community within the SCIP where EEUM accountability and inventory data is tracked and updated.

(U) UAF Inventory/UAF Initial Inventory Date (in a wartime environment). This inventory suffices for the initial inventory that ODC-Ukraine normally conducts because, during the full-scale invasion, ODC-Ukraine was not allowed into Ukraine due to increased security concerns.



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