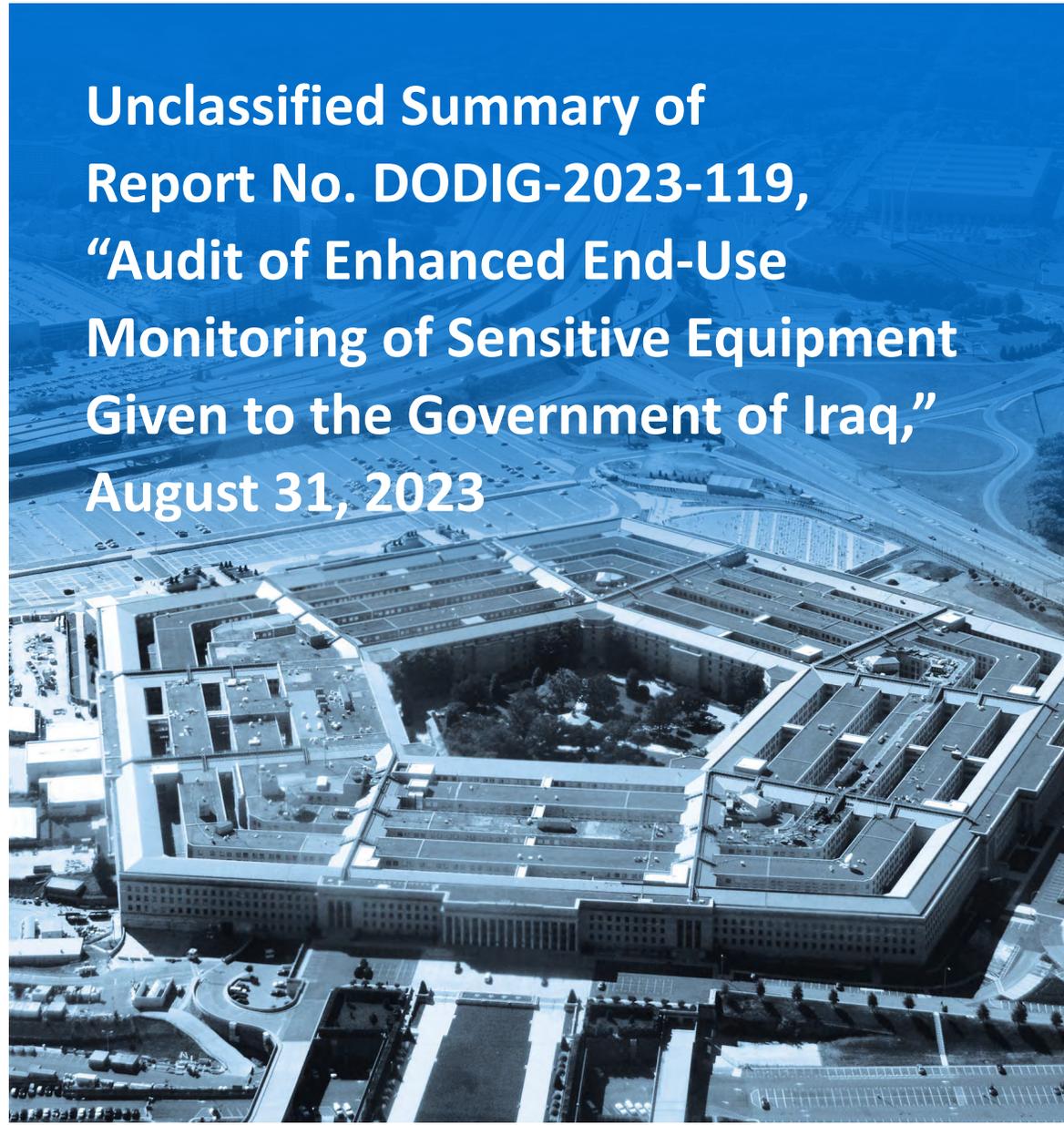




INSPECTOR GENERAL

U.S. Department of Defense

MARCH 11, 2024



Unclassified Summary of Report No. DODIG-2023-119, “Audit of Enhanced End-Use Monitoring of Sensitive Equipment Given to the Government of Iraq,” August 31, 2023

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY

On August 31, 2023, the DoD Office of Inspector General issued audit report DODIG-2023-119, "Audit of Enhanced End-Use Monitoring of Sensitive Equipment Given to the Government of Iraq." Due to the extent of the controlled unclassified information contained in the original audit report, it was not released publicly. In the interest of transparency, we prepared this summary report to release the unclassified findings identified during the audit.

Objective

The objective of this audit was to determine whether the DoD conducted enhanced end-use monitoring (EEUM) for sensitive equipment provided to the Government of Iraq in accordance with the DoD Security Assistance Management Manual (SAMM) and the transfer agreement terms and conditions.

Background

Since 2014, the U.S. Government has provided the Government of Iraq with over \$22.5 billion in training and equipment, including sensitive equipment such as F-16 aircraft, Stinger missiles, M1A1 Abrams tanks, and night vision devices to support Operation Inherent Resolve. To monitor equipment provided to other countries, the DoD developed the Golden Sentry End-Use Monitoring (EUM) program. The Defense Security Cooperation Agency (DSCA), as the proponent for the EUM program, establishes EUM program guidance in the SAMM. The program is designed to verify that foreign recipients use U.S.-provided equipment or services in accordance with the terms and conditions of the transfer agreement or other applicable agreements. The Golden Sentry program consists of two methods of EUM—routine for non-sensitive equipment and EEUM for sensitive equipment. To assist in the execution of the Golden Sentry EUM program, the DSCA uses local DoD Security Cooperation Organizations (SCOs) to ensure EUM is conducted in accordance with the SAMM.¹

The U.S. Central Command (USCENTCOM) is responsible for oversight of the SCOs in its area of responsibility. The SAMM requires USCENTCOM to assign a primary USCENTCOM Golden Sentry/EUM program manager as well as conduct quarterly Security Cooperation Information Portal–EUM (SCIP-EUM) database reviews.² One responsibility of the USCENTCOM EUM program manager is to support the DSCA’s compliance inspections by requiring the SCOs to correct identified discrepancies. USCENTCOM also established the SCO command inspection program to assess the various areas of the SCO, such as SCIP-EUM compliance and SCO reporting requirements compliance. The USCENTCOM Inspector General is responsible for conducting the SCO command inspection program. USCENTCOM policy states that the USCENTCOM Inspector General will normally conduct SCO command inspections every 2 years.

The Office of Security Cooperation–Iraq (OSC-I) is the SCO responsible for conducting routine and enhanced EUM activities in Iraq. The SAMM requires the OSC-I to conduct physical security inspections and annual inventories and upload results into the SCIP-EUM database. In 2014, due to difficulties conducting EUM and EEUM in areas with ongoing conflict and fluid security situations, the DSCA approved alternate EEUM procedures for Iraq when physical

¹ The SCO, among other security cooperation activities, ensures partner nation compliance with the DoD’s Golden Sentry EUM program. To accomplish this, the SCO regularly monitors compliance by observations such as inventories and physical inspections.

² The SCIP-EUM database is a DSCA-established repository for partner nation owned routine and enhanced equipment. The SCIP-EUM database contains fields such as inspection date, item type, and serial number.

inspections of EEUM equipment were not feasible. In addition, in April 2020, the DSCA released a memorandum establishing an alternate procedure so that the OSC-I could meet SAMP EEUM requirements.³ This alternate procedure authorized the OSC-I to use partner nation (Government of Iraq) inventories of EEUM equipment not accessible to OSC-I personnel.

Scope and Methodology

We conducted this performance audit from April 2022 through May 2023 in accordance with generally accepted government auditing standards. We reviewed Federal and DoD criteria for the EUM program in Iraq, identified roles and responsibilities for EEUM in Iraq, and reviewed inventory and inspection data in the SCIP-EUM database. We met with officials at the DSCA and USCENTCOM responsible for oversight of EEUM in Iraq. We completed a site visit to Iraq where we met with OSC-I and Government of Iraq officials, reviewed data from the OSC-I's local SharePoint site, performed physical security inspections and inventories by serial number, and reconciled inventories with the SCIP-EUM database. We conducted in-person physical security inspections using physical security checklists created by the DSCA and Military Departments to determine the sufficiency of EEUM storage.

Finding

We found that the DoD did not conduct EEUM in Iraq in accordance with the SAMP or transfer agreements between early-2019 and mid-2022. For example, for certain sensitive equipment, the OSC-I did not meet all applicable EEUM inventory and physical security inspection requirements. Specifically, the OSC-I did not conduct annual inventories of EEUM-designated equipment or physical security inspections of EEUM storage sites and did not report an end use monitoring violation. This occurred because, according to OSC-I officials, the OSC-I did not have sufficient EUM personnel. In addition, the OSC-I EUM program manager rotates every 6 months. This short rotation period created challenges in the transfer of knowledge and caused a lack of awareness of systemic challenges in fully meeting the EEUM requirements for the program in Iraq.

We also found that USCENTCOM did not conduct SCO inspections of the OSC-I biennially or complete comprehensive quarterly SCIP-EUM database reviews as required. Due to travel restrictions caused by the security environment and COVID-19 in Iraq, USCENTCOM had not conducted a SCO inspection of the OSC-I since 2017 and did not plan to conduct an inspection until 2024. This occurred because USCENTCOM lacked guidance for conducting virtual SCO inspections when in-person inspections were not feasible and did not have minimum requirements for completing quarterly SCIP-EUM database reviews.

³ Defense Security Cooperation Agency Memorandum, "Use of Partner Nation (PN) Observation-Code for Iraq in SCIP-EUM," April 22, 2020.

In addition, the SCIP-EUM database included specific types of night vision devices that did not require EEUM. This occurred because the DSCA incorrectly classified specific varieties of equipment as requiring EEUM or did not reclassify specific types of older equipment that no longer required EEUM due to age. During the audit, DoD officials made progress in improving management of the Golden Sentry program in Iraq by removing non-sensitive equipment from EEUM categories.

The DoD's failure to comply with SAMM requirements and approved alternate procedures increased the risk that the DoD would not know whether sensitive U.S. military equipment was missing. This equipment could be misused or acquired by adversaries in the region, such as Iranian-affiliated militias and the Islamic State of Iraq and Syria, that could use the equipment against U.S. personnel, allies, and partners. Furthermore, not complying with SAMM requirements and approved alternate procedures increased the risk that adversaries could obtain sensitive U.S. military equipment and gain firsthand knowledge of U.S. technology. Finally, conducting EEUM on equipment that was no longer sensitive potentially wasted DoD resources and risked the life and safety of OSC-I personnel.

Recommendations Made to the U.S. Central Command and Management Comments

We recommended that the USCENTCOM Commander develop guidance for conducting virtual SCO command inspections, develop minimum requirements for conducting quarterly SCIP-EUM database reviews, and coordinate with the OSC-I to develop a plan for continuity in the EUM program. The Deputy Division Chief, USCENTCOM Security Cooperation Plans and Programs Division, responding for the USCENTCOM Commander, agreed, stating that USCENTCOM will provide the SCOs with outstanding deficiencies from the SCIP-EUM database and DSCA compliance visits, and it will track outstanding deficiencies until resolved. In addition, USCENTCOM will ensure the SCOs are meeting the requirements in the SAMM to use alternate procedures to report EEUM equipment when in-person monitoring is not possible. Furthermore, the Deputy Division Chief deferred to the OSC-I for the recommendation to develop a plan for continuity in the EUM program.

The Deputy Division Chief, USCENTCOM Security Cooperation Plans and Programs Division, responding for the USCENTCOM Commander agreed with our recommendations; therefore, these recommendations are resolved but will remain open until we receive documentation that agreed upon actions have been completed. This report was issued on August 31, 2023, and, as of the date of this summary, all recommendations remained resolved and open.

Recommendations Made to Office of Security Cooperation– Iraq and Management Comments

We recommended that the OSC-I develop a plan of action to obtain and maintain 100 percent accountability of sensitive equipment that requires EEUM and coordinate with USCENTCOM to develop a plan for continuity in the EUM program.

At the time of our final report, August 31, 2023, the OSC-I indicated that it was not able to provide official comment in a timely manner. However, on October 1, 2023, the Deputy Director for the OSC-I agreed with our recommendations and provided documentation for a plan of action to obtain and maintain 100 percent accountability of sensitive equipment that requires EEUM; therefore, this recommendation is resolved and closed. In addition, the OSC-I official agreed with our recommendation for providing continuity to the EUM program manager position, and OSC-I officials stated that they were investigating possibilities to close this recommendation; therefore, this recommendation is resolved but remains open. There was an additional recommendation made to the OSC-I which contained controlled unclassified information. The OSC-I provided documentation to resolve and close this recommendation on October 9, 2023.

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