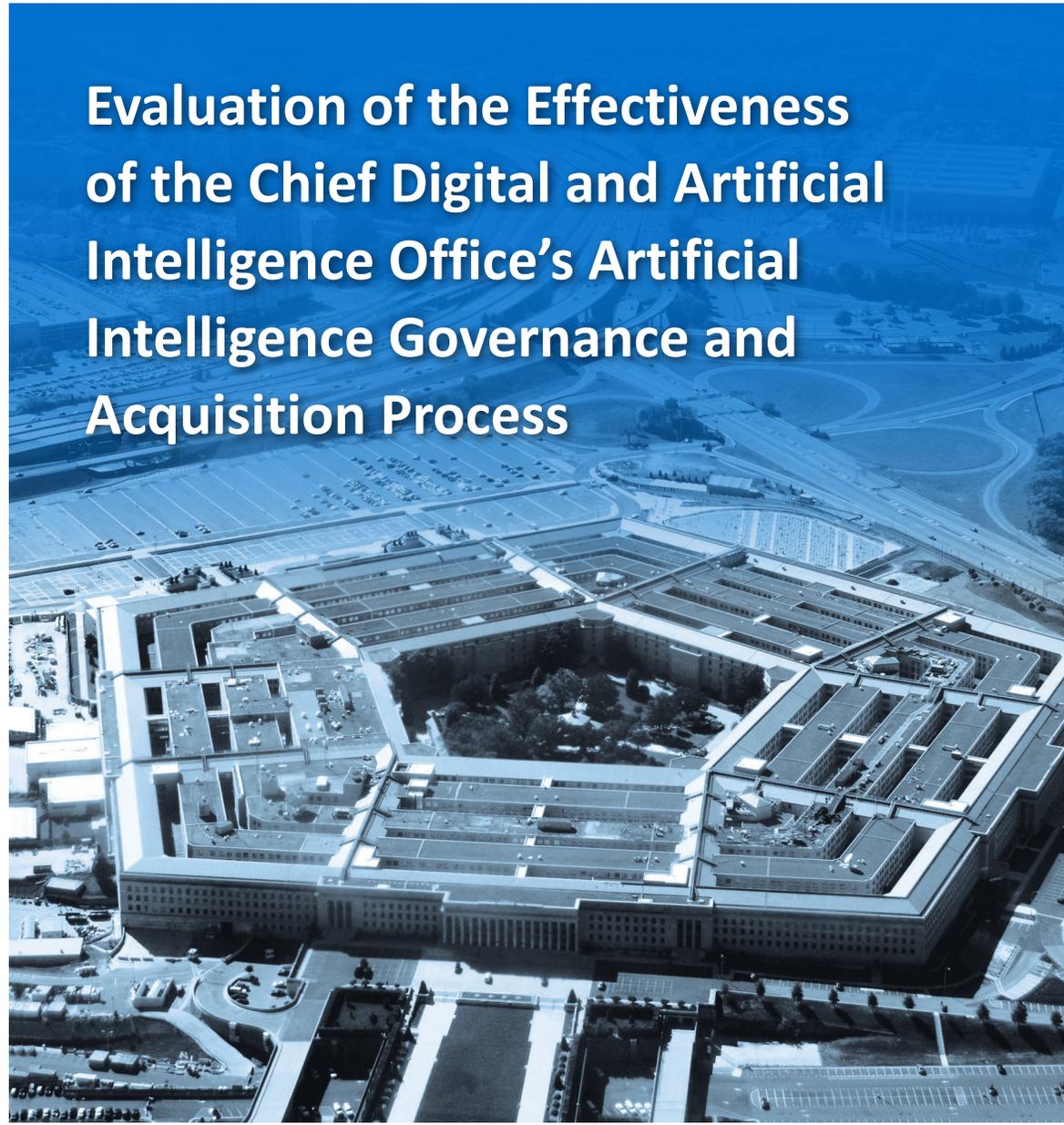




INSPECTOR GENERAL

U.S. Department of Defense

NOVEMBER 14, 2024



Evaluation of the Effectiveness of the Chief Digital and Artificial Intelligence Office's Artificial Intelligence Governance and Acquisition Process





Results in Brief

Evaluation of the Effectiveness of the Chief Digital and Artificial Intelligence Office's Artificial Intelligence Governance and Acquisition Process

November 14, 2024

Objective

The objective of this evaluation was to assess the effectiveness of the Chief Digital and Artificial Intelligence Office's (CDAO) development of artificial intelligence (AI) strategy and policy for the DoD, and the CDAO's acquisition and development of AI products and services. During the evaluation, we identified that, while the CDAO has been working on developing both AI strategy and policy, action is required to ensure effective governance going forward in this important area. Without these foundational elements in place, the DoD may not be able to achieve the full benefits of AI that are critical to its future success.

In light of this issue, we focused our oversight efforts in this evaluation exclusively on the CDAO's strategy and policy development. We will consider a future evaluation on the CDAO's acquisition and development of AI products and services.

Background

On December 8, 2021, the Deputy Secretary of Defense issued a memorandum titled "Establishment of the Chief Digital and Artificial Intelligence Officer" that established the Chief Digital and Artificial Intelligence Officer position and consolidated existing roles and responsibilities and statutory requirements of four previously distinct organizations into the CDAO: the Office of Advancing Analytics, DoD Chief Data Officer, Defense Digital Services, and Joint Artificial Intelligence Center.

Background (cont'd)

The four organizations merged and became the CDAO, reaching initial operational status by February 1, 2022. The Chief Digital and Artificial Intelligence Officer is the DoD's senior official responsible for strengthening and integrating data, AI, and digital solutions for the DoD and performs the following functions:

- lead and oversee the DoD's strategy development and policy formulation for data, analytics, and AI;
- work to break down barriers to data and AI adoption within the appropriate DoD institutional processes;
- create enabling digital infrastructure and services that support DoD Components' development and deployment of data, analytics, AI, as well as digitally enabled solutions; and
- selectively scale proven digital and AI-enabled solutions for enterprise and joint-use cases, as well as AI-related digital services.

Finding

The CDAO is developing an implementation plan for the AI Adoption Strategy and the DoD's AI policy in the form of a DoD chartering directive (DoD Directive 5105.UW) and accompanying DoD Instruction (DoD Instruction 8410.dd); however, these are overdue.

The DoD's 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy required the CDAO to develop an implementation plan to aid with AI-related decision-making and to execute the Strategy. However, as of June 2024, the implementation plan was still in draft form. On February 1, 2022, the Deputy Secretary of Defense directed the CDAO and the Office of the Director of Administration and Management to develop the DoD's AI policy; however, as of June 2024, DoD Directive 5105.UW and DoD Instruction 8410.dd were still in draft form.



Results in Brief

Evaluation of the Effectiveness of the Chief Digital and Artificial Intelligence Office's Artificial Intelligence Governance and Acquisition Process

Finding (cont'd)

As a result of the delays in issuing these key foundational documents, the CDAO's roles and responsibilities for DoD data, analytics, and AI are not clearly defined to DoD stakeholders and the DoD may not be effectively implementing or achieving the full benefits of AI.

Recommendations

We recommend that the Chief Digital and Artificial Intelligence Officer:

- Complete and publish an implementation plan as required by the DoD's 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy that outlines how the CDAO Council and DoD Components will work together to create strategic performance measures to facilitate the accomplishment of the DoD's AI strategic outcomes and goals; and
- Coordinate with the Director of Administration and Management to review existing guidance to determine which should be canceled or incorporated into DoD Directive 5105.UW and DoD Instruction 8410.dd, and then approve DoD Directive 5105.UW and DoD Instruction 8410.dd.

Management Comments and Our Response

The CDAO Acting Deputy Chief for Policy, responding for the Chief Digital and Artificial Intelligence Officer, did not agree or disagree with the recommendations. The CDAO Acting Deputy Chief provided the recently approved implementation plan required by the DoD's 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy, which meets the intent of Recommendation 1.a; therefore, that recommendation is closed.

Additionally, the CDAO Acting Deputy Chief stated that the CDAO is in the process of issuing DoDI 8410.dd. Therefore, Recommendation 1.b is resolved and open. We will close the recommendation when we verify that the CDAO has published DoD Directive 5105.UW and DoD Instruction 8410.dd, and that they include key foundational AI terminology.

Recommendations Table

| Management | Recommendations Resolved | Recommendations Closed |
|---|--------------------------|------------------------|
| Chief Digital Artificial Intelligence Officer | 1.b | 1.a |

Please provide Management Comments by February 13, 2025.

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.





OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
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November 14, 2024

MEMORANDUM FOR CHIEF DIGITAL AND ARTIFICIAL INTELLIGENCE OFFICER
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: Evaluation of the Effectiveness of the Chief Digital and Artificial Intelligence Office's Artificial Intelligence Governance and Acquisition Process
(Report No. DODIG-2025-039)

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.

The Chief Digital and Artificial Intelligence Office's Acting Deputy Chief for Policy, responding for the Chief Digital and Artificial Intelligence Officer, did not agree or disagree with the recommendations presented in the report. However, the Acting Deputy Chief provided documentation showing that they completed an implementation plan as required by the DoD's 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy; therefore, we consider Recommendation 1.a closed. We consider Recommendation 1.b resolved and open.

We will close Recommendation 1.b when you provide us documentation showing that all agreed-upon actions to implement the recommendation are completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendation. Send your response to either [REDACTED] if unclassified or [REDACTED] if classified SECRET.

If you have any questions, please contact [REDACTED]

FOR THE INSPECTOR GENERAL:

A handwritten signature in black ink, appearing to read "Randolph R. Stone", is written over a white background.

Randolph R. Stone
Assistant Inspector General for Evaluations
Space, Intelligence, Engineering, and Oversight

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Introduction

Objective

The objective of this evaluation was to assess the effectiveness of the Chief Digital and Artificial Intelligence Office's (CDAO) development of artificial intelligence (AI) strategy and policy for the DoD, and the CDAO's acquisition and development of AI products and services. During the evaluation, we identified that, while the CDAO has been working on developing both AI strategy and policy, action is required to ensure effective governance going forward in this important area. Without these foundational elements in place, the DoD may not be able to achieve the full benefits of AI that are critical to its future success. As such, we focused our oversight efforts in this evaluation exclusively on the CDAO's strategy and policy development. We will consider a future evaluation on the CDAO's acquisition and development of AI products and services.

Background

The Deputy Secretary of Defense (DepSecDef) designated the CDAO as the DoD's senior official for strengthening and integrating data, AI, and digital solutions for the DoD. Specifically, the Chief Digital and Artificial Intelligence Officer is responsible for leading and overseeing DoD's strategy development and policy formulation for data, analytics, and AI.

Establishment of the CDAO

On December 8, 2021, the DepSecDef issued a memorandum titled "Establishment of the Chief Digital and Artificial Intelligence Officer."¹ The memorandum directed the establishment of the Chief Digital Artificial Intelligence Officer and its supporting office. According to the memorandum, the CDAO was charged with ensuring that the DoD becomes a "digital and AI-enabled enterprise capable of operating at the speed and scale necessary to preserve military advantage." The establishment of the CDAO consolidated the roles and responsibilities of four previously distinct organizations:

- Office of Advancing Analytics (ADVANA),
- DoD Chief Data Officer (CDO),
- Defense Digital Service (DDS), and
- Joint Artificial Intelligence Center (JAIC).

The CDAO declared that it had reached initial operational capability on February 1, 2022.

¹ DepSecDef Memorandum, "Establishment of the Chief Digital and Artificial Intelligence Officer," December 8, 2021.

CDAO's Established Responsibilities

The CDAO was tasked with the responsibilities of its predecessor organizations, including the responsibilities outlined in section 238 of the National Defense Authorization Act for FY 2019. The National Defense Authorization Act for FY 2019 assigned the JAIC as the organization responsible for developing a detailed strategic plan and roadmap to transition AI technologies into operational use and mandating the performance of continuous evaluation and adaption of relevant AI capabilities.

In June 2022, the CDAO issued the “Responsible Artificial Intelligence Strategy and Implementation Pathway,” outlining the CDAO’s primary focus of integrating and optimizing AI capabilities across the DoD.² The CDAO developed the Responsible AI Toolkit, which was a deliverable of the Responsible Artificial Intelligence Strategy and Implementation Pathway, to support the DoD community by providing a centralized process that identifies, tracks, and improves the alignment of AI projects toward responsible AI best practices.³ While capitalizing on opportunities for innovation, the DoD AI Ethical Principles include the development of technical tools and guidance to help DoD personnel design, develop, deploy, and use AI systems responsibly.⁴ The CDAO is responsible for accelerating the DoD’s adoption of data, analytics, and AI. The CDAO is also responsible for enabling the DoD’s digital infrastructure and policy adoption to deliver scalable, AI-driven solutions for enterprise and joint-use cases and safeguarding the nation against current and emerging threats.

According to a February 1, 2022 DepSecDef memorandum titled, “Initial Operating Capability of the Chief Digital and Artificial Intelligence Officer,”⁵ the Chief Digital and Artificial Intelligence Officer serves as the DoD’s senior AI official responsible for:

- leading and overseeing the DoD’s strategy development and policy formulation for data, analytics, and AI;
- working to break down barriers to data and AI adoption within appropriate DoD institutional processes;
- creating enabling digital infrastructure and services that support DoD Components’ development and deployment of data, analytics, AI, as well as digitally enabled solutions; and

² DoD, “Responsible Artificial Intelligence Strategy and Implementation Pathway,” June 2022.

³ According to the CDAO, “The Responsible AI Toolkit is built upon numerous other proven AI Ethical frameworks, assessments, and toolkits. It provides a voluntary process that identifies, tracks, and improves alignment of AI projects to RAI best practices and the DoD AI Ethical Principles, while capitalizing on opportunities for innovation.”

⁴ The DoD AI Ethical Principles apply to the entirety of the DoD and focus on ensuring the DoD is following and upholding legal, ethical and policy commitments in AI. The DoD’s AI Ethical Principles go across the following five major areas: responsible, equitable, traceable, reliable, and governable.

⁵ DepSecDef Memorandum, “Initial Operating Capability of the Chief Digital and Artificial Intelligence Officer,” February 1, 2022.

- selectively scaling proven digital and AI-enabled solutions for enterprise and joint-use cases, as well as AI-related digital services.

The DoD Data, Analytics, and AI Adoption Strategy

On November 2, 2023, the DepSecDef published the “2023 DoD Data, Analytics, and Artificial Intelligence Adoption Strategy” (AI Adoption Strategy) to establish the DoD’s approach to improving the organizational environment in which DoD leaders and Service members operate.⁶ The AI Adoption Strategy states that the DoD requires:

- a unified approach across data, analytics, and AI activities;
- an educated, empowered workforce skilled at incorporating commercial teams and tools;
- continued advanced research and rapid experimentation; and
- effective integration with our allies and partners.

The AI Adoption Strategy builds upon and supersedes the “DoD AI Strategy” (2018) and “DoD Data Strategy” (2020), while also building on documents such as the “DoD Digital Modernization Strategy” (2019), “DoD Enterprise DevSecOps Strategy Guide” (2021), “DoD Software Modernization Strategy” (2022), “DoD Trusted AI and Autonomy Critical Technology Roadmap” (2022), and “DoD Zero Trust Strategy” (2022). According to the AI Adoption Strategy, which leverages lessons learned from the aforementioned strategies, the AI Adoption Strategy needs to have outcomes-based performance indicators that will be established, refined, and monitored in coordination with the CDAO Council.⁷ Therefore, the CDAO staff is responsible for closely coordinating with the CDAO Council and releasing expanded implementation guidance for the AI Adoption Strategy that describes the Component-level feedback through the CDAO Council.

The CDAO staff is also responsible for releasing follow-on actions required to assess progress against the DoD’s data, analytics, and AI strategic goals. The AI Adoption Strategy states that as the DoD implements the strategy, DoD leaders and Service members will be able to make rapid, well-informed decisions by expertly leveraging high-quality data, advanced analytics, and AI as part of a continuous, outcome-driven, and user-focused development, deployment, and feedback cycle.

⁶ DoD, “2023 DoD Data, Analytics, and Artificial Intelligence Adoption Strategy,” November 2, 2023.

⁷ The CDAO Council is the body designed to oversee enterprise data governance and data quality, and resolve issues related to the adoption and use of data, analytics, and AI capabilities.

Finding

The CDAO Is Developing an Implementation Plan for the DoD's AI Adoption Strategy and AI Policy for the DoD; However, the CDAO's Roles and Responsibilities Are Not Clearly Defined

The CDAO is developing an implementation plan for the AI Adoption Strategy and the DoD's AI policy in the form of a DoD chartering directive (DoD Directive) and accompanying DoD Instruction (DoDI); however, these are overdue and the CDAO's roles and, as a result, responsibilities are not clearly defined to DoD stakeholders.

The CDAO is developing DoD strategy for AI through the following means:

- AI Adoption Strategy (published November 2023)
- AI Adoption Strategy Implementation Plan (draft)

The CDAO is developing DoD policy for AI through the following means:

- DoD Directive 5105.UW (draft)
- DoD Instruction 8410.dd (draft)

The AI Adoption Strategy required the CDAO to develop an implementation plan to aid with AI-related decision-making and to execute the AI Adoption Strategy. However, as of June 2024, the implementation plan was still in draft form. A CDAO Senior Strategy and Policy Analyst stated that the implementation plan had not been issued because the publication of the overarching AI Adoption Strategy took the CDAO longer than anticipated to complete. As a result of not having an approved implementation plan, the CDAO may not be able to manage and oversee the execution of the AI Adoption Strategy.

The February 1, 2022 DepSecDef memorandum required that the CDAO and the Office of the Director of Administration and Management (ODA&M) coordinate to issue a chartering directive by June 1, 2022. The CDAO and ODA&M are developing the DoD's AI policy; however, as of June 2024, the DoD chartering directive and DoDI were still in draft form. According to CDAO and ODA&M officials, the delay in issuing the chartering directive occurred because of the significant amount of DoD-wide coordination needed, as well as a shortage of personnel responsible for policy publication within ODA&M.

As a result of the delays in issuing these key documents, the CDAO's roles and responsibilities for DoD data, analytics, and AI are not clearly defined to DoD stakeholders and the DoD may not be effectively implementing or achieving the full benefits of AI.

The CDAO Is Developing an Implementation Plan for the AI Adoption Strategy

The CDAO is developing the implementation plan required by the AI Adoption Strategy both internally, as well as by leveraging a forum known as the Strategy and Implementation Working Group (SIWG) to measure progress on enterprise-wide strategic implementation. CDAO strategy and policy officials stated that the implementation plan has not been issued because the publication of the overall AI Adoption Strategy took the CDAO longer than anticipated to complete before the Chief Digital and Artificial Intelligence Officer approved it in 2023 and the CDAO was working to align with the DoD's plans for data analytics. The CDAO officials stated that, as of March 2024, a draft version of the implementation plan was reviewed by the Chief Digital and Artificial Intelligence Officer. However, as of June 2024, the implementation plan was still in draft form. The draft implementation plan includes a requirement for the SIWG to develop a work plan and metrics based on key performance indicators. These performance indicators would provide insights and data-driven metrics to DoD senior leaders to assess progress, identify areas of improvement, and make informed decisions.

We obtained documentation that showed on March 28, 2024 and May 16, 2024, the CDAO held two separate iterations of the SIWG, which were attended by individuals representing 44 DoD organizations. According to the meeting documentation, the SIWG issued a work plan with deliverables focused on metrics to identify whether the implementation of the AI Adoption Strategy is affecting change. Once the work plan has been completed, the SIWG will report their findings to the CDAO Council to outline specific measures and metrics the SIWG will use to monitor performance of the AI Adoption Strategy. According to CDAO officials, the SIWG is expected to report to the CDAO Council at the end of FY 2024 and annually. We determined that without the SIWG's report, the CDAO Council will not be fully informed of DoD's progress toward accomplishing the AI Adoption Strategy's goals.

The CDAO Is Coordinating DoD AI Policy

Since we began our evaluation, we analyzed documents and spoke to CDAO officials and determined that the CDAO has increased their efforts to develop these policies. The CDAO has also coordinated with the DoD Chief Information

Office (CIO) to transfer existing policies to the CDAO to align DoD policy and help DoD stakeholders effectively develop and deploy data, analytics, and AI solutions. However, as of June 2024, neither the chartering directive, DoD Directive (DoDD) 5105.UW, nor its implementing instruction, DoDI 8410.dd, had been approved.

Lack of Policy Has Caused Confusion on the CDAO's Roles and Responsibilities

During our evaluation, both the CDAO and CIO officials mentioned that the lack of policy has caused confusion on the CDAO's roles and responsibilities. For example, the February 1, 2022 DepSecDef memorandum stated that the CDAO is "responsible for creating enabling digital infrastructure and services that support Component's development and deployment of data, analytics, AI, and digital-enabled solutions." However, the DoD CIO is responsible for all matters related to information systems, as well as the development of strategy and policy on the operation and protection of DoD information technology systems. This led to some confusion between the CDAO and DoD CIO officials. CDAO and DoD CIO officials told us they disagree on what encompasses "digital infrastructure" due to their organizations' understanding of the term "infrastructure," particularly as it pertains to information technology and cloud-based systems that include AI. A CDAO official stated, and meeting notes confirmed, that this disagreement led to the CDAO and the DoD CIO both being concerned that some of the CDAO and the DoD CIO responsibilities may overlap.

Since we began our evaluation, CDAO officials stated that they have begun working together with the DoD CIO to address concerns on any potential budgetary overlap. For example, the CDAO and the DoD CIO are working together to develop a new AI accounting database, which will define and account for AI-specific spending across the DoD to make informed decisions on future AI investments.

The DoD CIO Transferred Policies to the CDAO

The DoD CIO transferred existing DoD data, analytics, and AI policies to the CDAO. Both CDAO and DoD CIO officials agreed that the policies align better with CDAO's mission. On March 13, 2024, during our evaluation, the CDAO took ownership of two existing DoD data, analytics, and AI policies: DoDI 8320.02, "Sharing Data, Information, and Information Technology Services in the Department of Defense," and DoDI 8320.07, "Implementing the Sharing of Data, Information and Information Technology Services in the Department of Defense."⁸ The DoD CIO was the previous

⁸ DoDI 8320.02, "Sharing Data, Information, and Information Technology Services in the Department of Defense," August 5, 2013 (Incorporating Change 1, June 24, 2020).

DoDI 8320.07, "Implementing the Sharing of Data, Information and Information Technology (IT) Services in the Department of Defense," August 3, 2015 (Incorporating Change 1, December 5, 2017).

lead for these policies. The DoD CIO and the CDAO officials agreed that these policies were better suited for the scope and mission of the CDAO because the CDAO has the authority and subject matter expertise on data, analytics, and AI. These policies provide guidance for the sharing of data and information, which CDAO and DoD CIO officials both agreed more appropriately align with the CDAO's responsibilities.

The CDAO's Roles and Responsibilities Are Not Clearly Defined

The CDAO's roles and responsibilities are not clearly defined to DoD stakeholders following the consolidation of the four prior organizations (ADVANA, CDO, DDS, and JAIC) into the CDAO in February 2022 and the absence of AI policy. We identified over 60 authoritative documents still assigned to these four organizations. These documents included legal issuances, directives, directive-type memorandums, and strategic guidance issuances that are still assigned to the four prior organizations as the current owner. These documents should be incorporated into upcoming publications or canceled to reduce redundancy and confusion. However, the DoDD 5105.UW, "Chief Digital and Artificial Intelligence Officer," and DoDI 8410.dd, "DoD Data, Analytics, and Artificial Intelligence Activities," in their current draft form only incorporate or cancel 6 of the over 60 documents.

The DoD May Not Be Effectively Implementing or Achieving the Full Benefits of AI

As a result of not having an implementation plan for the AI Adoption Strategy and AI policy, the DoD may not be effectively implementing or achieving the full benefits of AI. The DepSecDef's stated purpose for developing the AI Adoption Strategy is to "strengthen the organizational environment in which DoD deploys data, analytics, and AI capabilities for enduring decision advantage." CDAO officials indicated that the AI Adoption Strategy provides a key roadmap to maintaining a resilient future force that can address a broader array of operational problems. According to the AI Adoption Strategy, the implementation plan is intended to aid Component-level decision-making and execution.

For example, the AI Adoption Strategy focuses on creating a feedback mechanism among developers, users, subject matter experts, and test and evaluation experts to ensure that AI capabilities are more stable, secure, ethical, and trustworthy. These incremental feedback mechanisms are important to help ensure that AI capabilities more consistently meet user demands. Additionally, the CDAO chartering directive (DoDD 5105.UW) and its implementing instruction (DoDI 8410.dd) will be the central policies that the DoD stakeholders will use to understand the CDAO's mission functions, relationships, and authorities relating to the DoD's adoption and integration of data, analytics, and AI capabilities.

As of June 2024, neither the chartering directive nor its implementing instruction had been approved. According to an ODA&M official, “The charter[ing directive] is key. It pulls everything together [and can] answer all questions [from] congress, GAO, internal and external [stakeholders]—everyone will understand the rules of the road.” However, due to a significant amount of DoD-wide coordination and personnel shortages, AI policies remain unfinished and unapproved. As a result, the DoD may not be effectively implementing or achieving the full benefits of AI.

Management Comments on the Finding and Our Response

The CDAO provided comments on the finding of the report, in addition to the report’s recommendations.

CDAO Comments

The CDAO Acting Deputy Chief for Policy, responding on behalf of the Chief Digital and Artificial Intelligence Officer, provided three comments on the report’s content. The first was a request that we add language to clarify that the AI Adoption Strategy both superseded and built upon several previously developed documents. The CDAO’s second comment was that they do not believe that not having an approved implementation plan impacts their ability to manage and oversee the execution of the AI Adoption Strategy because they are following implementation guidance distributed in March 2023 and carried out by the CDAO Council and Strategy Implementation Working Group. The CDAO’s third comment requested a change to our statement that the DoD may not be effectively implementing or achieving the full benefits of AI. The CDAO proposed the language be revised to state that the DoD may not be implementing AI-enabled capabilities uniformly across Components due to the DoD’s organizationally siloed structure. However, the CDAO also acknowledged in their response that the DoD OIG makes a credible claim that the DoD may not be effectively implementing or achieving the full benefits of AI.

Our Response

We agreed with the CDAO’s suggestion to clarify language regarding which documents the AI Adoption Strategy superseded and which documents it is built upon, and we added language to do so. In response to the CDAO’s second comment, this is superseded as the CDAO provided us the recently approved Implementation Guidance as required by the AI Adoption Strategy in response to Recommendation 1.a, which is now closed as a result. Regarding the CDAO’s third comment, our evaluation’s objective was to assess the effectiveness of the CDAO’s development of AI strategy and policy. Therefore, we did not identify, nor

do we have evidence to support, the CDAO's requested edit to state that as a result of the DoD's organizationally siloed structure, the DoD may not be implementing AI-enabled capabilities uniformly across Components.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Chief Digital and Artificial Intelligence Officer:

- a. **Complete and publish an implementation plan as required by the DoD's 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy that defines key foundational terms and outlines how the CDAO Council and DoD Components will work together to create strategic performance measures to facilitate the accomplishment of the DoD's Artificial Intelligence strategic outcomes and goals.**
- b. **Coordinate with the Director of Administration and Management to review existing guidance to determine which should be canceled or incorporated into DoD Directive 5105.UW and DoD Instruction 8410.dd, and then approve DoD Directive 5105.UW and DoD Instruction 8410.dd.**

CDAO Comments

The CDAO Acting Deputy Chief for Policy, responding for the Chief Digital and Artificial Intelligence Officer, did not specifically agree or disagree with our recommendations. For Recommendation 1.a, the Acting Deputy Chief stated that the CDAO drafted Implementation Guidance to describe the activities of the SIWG. Additionally, CDAO personnel provided us with the finalized version of the Implementation Guidance as required by the DoD's 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy.

In response to Recommendation 1.b, the Acting Deputy Chief stated that these definitions are more appropriate in formal policy issuances. Therefore, the Acting Deputy Chief stated that the CDAO will be issuing DoDI 8410.dd, which will include those key foundational AI terms.

Our Response

As a result of the Acting Deputy Chief's comments, subsequent informal discussions with CDAO personnel, and CDAO personnel providing the finalized Implementation Guidance as required by the DoD's 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy which met the intent of the recommendation; therefore, we consider Recommendation 1.a closed.

In addition, comments from the Acting Deputy Chief addressed Recommendation 1.b; therefore, the recommendation is resolved and open. We will close Recommendation 1.b when we verify that the CDAO has published DoDD 5105.UW and DoDI 8410.dd, and that they include key foundational AI terminology.

Appendix

Scope and Methodology

We conducted this evaluation from January 2023 through June 2024 in accordance with the “Quality Standards for Inspection and Evaluation,” published in December 2020 by the Council of 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.

We identified and reviewed policies, directives, and DoD guidance. Specifically, we reviewed and determined that the following criteria directed the ADVANA, CDO, DDS, and JAIC to merge into the CDAO and their current authorities, and roles and responsibilities as a separate entity will be incorporated in the establishment of the CDAO:

- DepSecDef Memorandum, “Establishment of the Chief Digital Artificial Intelligence Officer,” dated December 1, 2021;
- DepSecDef Memorandum, “Initial Operating Capability of the Chief Digital and Artificial Intelligence Officer,” dated February 1, 2022;
- AI Adoption Strategy;
- Excel file titled, “CDAO_Docs_For_Authorities_Recs;”
- Draft DoDI 8410.dd, “DoD Data, Analytics, and Artificial Intelligence Activities;”
- Draft DoDD 5105.UW, “Chief Digital and Artificial Intelligence Officer” (CDAO chartering directive);
- Responsible AI Toolkit (June 2022); and
- Transfer of Proponency Memorandum for DoDI 8320.02, “Sharing Data, Information, and Information Technology Services in the Department of Defense,” and DoDI 8320.07, “Implementing the Sharing of Data, Information, and Information Technology (IT) Services in the Department of Defense.”

To assess the effectiveness of the CDAO's development of AI strategy and policy for the DoD, we conducted interviews with officials from the following organizations:

- CDAO,
- DoD CIO,
- Assistant to the Secretary of Defense for Privacy, Civil Liberties, and Transparency, and
- OD&AM.

We evaluated the December 1, 2021 and February 1, 2022 DepSecDef memorandums assigning responsibilities to the CDAO. As part of those responsibilities, we evaluated the CDAO's and ODA&M's adherence to those responsibilities and their progress in completing the required policy by conducting interviews and reviewing correspondence and documentation between the CDAO, ODA&M, and CIO. We also reviewed the requirements within the AI Adoption Strategy and conducted interviews with stakeholders regarding their requirements and the development of an implementation plan in accordance with the AI Adoption Strategy. We reviewed documentation from the CDAO officials of the implementation plan's progress, interviewed CDAO personnel, and reviewed SIWG documentation.

Management Comments

Chief Digital and Artificial Intelligence Officer



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In response to the DoD Inspector General (IG) Draft Report for DoD OIG Project No. D2024-DEV0SI-0055.000, Evaluation of the Effectiveness of the Chief Digital and Artificial Intelligence Office's Artificial Intelligence Governance and Acquisition Process, the DoD Chief Digital and Artificial Intelligence Officer (CDAO) provides the following comments:

Comment #1

On page 3, under the section, "The DoD Data, Analytics, and Artificial Intelligence (AI) Adoption Strategy," the report language reads as follows:

The AI Adoption Strategy builds on and supersedes the "DoD AI Strategy" (2018), "DoD Digital Modernization Strategy" (2019), "DoD Data Strategy" (2020), "DoD Enterprise DevSecOps Strategy Guide" (2021), "DoD Software Modernization Strategy" (2022), "DoD Trusted AI and Autonomy Critical Technology Roadmap" (2022), and "DoD Zero Trust Strategy" (2022).

This language is unintentionally confusing, as it conflates which documents the AI Adoption Strategy is built upon and which it supersedes. We suggest the following language:

The AI Adoption Strategy builds and supersedes the "DoD AI Strategy" (2018) and "DoD Data Strategy" (2020), while also building on documents such as the "DoD Digital Modernization Strategy" (2019), "DoD Enterprise DevSecOps Strategy Guide" (2021), "DoD Software Modernization Strategy" (2022), "DoD Trusted AI and Autonomy Critical Technology Roadmap" (2022), and "DoD Zero Trust Strategy" (2022).

Comment #2

On page 4, under the section, "The CDAO is Developing an Implementation Plan for the DoD's AI Adoption Strategy and AI Policy for the DoD; However, the CDAO's Roles and Responsibilities Are Not Clearly Defined," the report language reads as follows:

As a result of not having an approved implementation plan, the CDAO may not be able to manage and oversee the execution of the AI Adoption Strategy.

We find this language to be inaccurate. The CDAO drafted Implementation Guidance to describe the activities of the Strategy Implementation Working Group (SIWG) and expand on the causal logic in the base Strategy. This Guidance was distributed via email on March 12,

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2023, to a broad swath of data leaders across the Department and to the designated members of the SIWG.

To clarify further, we do not find it accurate to state that the Implementation plan lacks approval. Because the DoD Data, Analytics, and AI Adoption Strategy was formally approved and signed, we assert it provided CDAO the explicit authority to lead and oversee implementation. Thus, the Implementation Guidance did not require the same formal coordination process and signature. To that end, CDAO is still following the Implementation Guidance as written and agreed on by Dr. Craig Martell, the CDAO at the time. Since the CDAO is using the CDAO Council/Strategy Implementation Working Group to carry through the Implementation Guidance, we suggest that the IG re-word this finding to reflect the above explanation or remove the language altogether.

Comment #3

On page 7, under the section, “The DoD May Not Be Effectively Implementing or Achieving the Full Benefits of AI,” the report language reads as follows:

As a result of not having an implementation plan for the AI Adoption Strategy and AI policy, the DoD may not be effectively implementing or achieving the full benefits of AI.

Echoing the explanation in Comment #2 above, CDAO does have Implementation Guidance for the AI Adoption Strategy. When it comes to AI policy overall, the IG makes a credible claim that the DoD may not be effectively implementing or achieving the full benefits of AI. There are many potential reasons why that is – one of the motives for establishing the CDAO was precisely because the DoD is not achieving the full benefits of AI – but the CDAO not having a traditional implementation plan for the AI Adoption Strategy is not one of those reasons. We suggest the following language instead:

As a result of DoD’s organizationally siloed structure, the DoD may not be implementing AI-enabled capabilities uniformly across Components.

Comment #4

On page 8, under the Recommendation section, the report language reads as follows:

Recommendation 1

We recommend that the Chief Digital and Artificial Intelligence Officer:

- a. *Finalize and publish an implementation plan as required by the DoD’s 2023 Data, Analytics, and Artificial Intelligence Adoption Strategy that defines key foundational terms and outlines how the CDAO Council and DoD Components will work together to create strategic performance measures to facilitate the accomplishment of the DoD’s Artificial Intelligence strategic outcomes and goals.*
- b. *Coordinate with the Director of Administration and Management to review existing guidance to determine which should be canceled or incorporated into DoD Directive 5105.UW and DoD Instruction 8410.dd, and then approve DoD Directive 5105.UW and DoD Instruction 8410.dd.*

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For (a), key foundational terms will be included in the forthcoming DoDI 8410.dd, as these definitions are more appropriate in formal policy issuances. The Implementation Guidance already outlines how the CDAO Council and DoD Components will work together to create strategic performance measures to facilitate the accomplishment of the DoD's AI strategic outcomes and goals. The SIWG has been carrying out this work and adhering to the Implementation Guidance for several months, so we assert the CDAO is already implementing Recommendation 1a.

My point of contact for this matter is [REDACTED]

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Mr. John D. Turner
Deputy Chief Digital and Artificial Intelligence
Officer for Policy, Acting

Acronyms and Abbreviations

| | |
|------------------|---|
| ADVANA | Advancing Analytics |
| AI | Artificial Intelligence |
| CDAO | Chief Digital Artificial Intelligence Office |
| CDO | Chief Data Officer |
| DoD CIO | Department of Defense Chief Information Office |
| DDS | Defense Digital Service |
| DepSecDef | Deputy Secretary of Defense |
| JAIC | Joint Artificial Intelligence Center |
| ODA&M | Office of the Director of Administration and Management |
| O&MP | Organizational & Management Policy |
| SIWG | Strategic Implementation Working Group |

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