



INSPECTOR GENERAL

U.S. Department of Defense

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Summary Report: Lessons Learned from DoD OIG Reports on Burden-Sharing with International Partners

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY





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DEPARTMENT OF DEFENSE
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May 21, 2025

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT
UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: Summary Report: Lessons Learned from DoD OIG Reports on Burden-Sharing with International Partners (Report No. DODIG-2025-097)

This summary report is one in a series of reports that summarizes key themes and lessons learned from our body of oversight work in several key areas. We offer these summaries to provide helpful and timely information relevant to DoD priorities. We reviewed DoD OIG audit and evaluation reports from the previous 10 years to identify trends and recurring challenges during contingencies and other DoD operations.

We identified lessons learned in six previously issued DoD OIG reports related to burden-sharing with international partners; specifically, the lack of proper reimbursement by international partners for supplies and services provided by the DoD. These audit and evaluation reports document that the DoD may have provided at least \$268.1 million in supplies and services without assurance that it was reimbursed by international partners.

Security relationships with international partners are essential to deterring our adversaries and countering malign activity around the world. With each of these security relationships, international partners agree to share the financial burden with the United States. DoD officials should consider the lessons learned provided in this report as it improves its practices for ensuring proper reimbursement by international partners.

We are providing this report for information and use. We did not make any recommendations; therefore, no management comments are required.

If you have any questions, please contact me at [REDACTED]

A handwritten signature in black ink, reading "Richard B. Vasquez".

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



Introduction

The DoD provides logistics support, supplies, and services (LSSS) to authorized foreign countries (international partners) on a reimbursable basis. The DoD enters into bilateral agreements with an international partner to establish the basic terms, conditions, and procedures to facilitate the reciprocal provision of LSSS. Burden-sharing is the term for dividing the costs of LSSS between the DoD and international partners.

We prepared this document based on common themes from previous DoD OIG reports to highlight lessons learned related to burden-sharing with international partners. DoD officials should consider and implement the lessons learned to ensure that the full costs of military operations are not solely borne by the DoD.

The DoD uses Acquisition and Cross-Servicing Agreements (ACSAs) to provide LSSS to international partners in exchange for reimbursement. DoD Directive 2010.09 defines an ACSA as a legal instrument that authorizes the reciprocal provision of LSSS.¹ An ACSA is entered into by the DoD and a partner nation for the purpose of establishing basic terms, conditions, and procedures to facilitate reciprocal provision of LSSS. The transfer of services under an ACSA is accomplished through supplementary agreements, such as implementing arrangements and ACSA order forms, which contain additional details, terms, and conditions related to a specific acquisition of services. Reimbursement for these services may take the form of cash payments, the exchange of supplies or services of equal value, or an in-kind replacement.

The ACSA Global Automated Tracking and Reporting System (AGATRS) is the DoD system of record for executing ACSA orders for the Office of the Secretary of Defense, Joint Staff, Combatant Commands, and Services. It is an unclassified, web-based system that builds, tracks, and manages LSSS transactions, implementing agreements, and future orders globally, throughout their life cycle. AGATRS is used to document all transfers of LSSS under ACSA authorities. To document a transfer of LSSS, a designated official uses an ACSA standard order form or other documentation that contains the minimum essential data. According to DoD officials, AGATRS was designed to be auditable and include supporting documentation as the audit trail; therefore, support documentation should be uploaded into AGATRS.

Lessons Learned from Past DoD OIG Reports

We reviewed DoD OIG audit and evaluation reports from the previous 10 years to identify trends and recurring challenges related to burden-sharing between the DoD and international partners. These reports cover multiple combatant commands; specifically, the U.S. Central Command, U.S. Africa Command, and U.S. Indo-Pacific Command supporting several overseas

¹ DoD Directive 2010.09, "Acquisition and Cross-Servicing Agreements," April 28, 2003 (Incorporating Change 2, August 31, 2018).

contingency operations. We identified three systemic lessons learned from six DoD OIG reports issued before April 1, 2025. These lessons learned related to whether the DoD sought full reimbursement from international partners for supplies and services provided. The reports documented that the DoD may have provided at least \$268.1 million in supplies and services without assurance that it was reimbursed by international partners.

The six reports included 38 recommendations, of which 29 are closed, 2 are resolved and open, and 7 are unresolved.² See the appendix for a list of reports reviewed, categorized by lessons learned. In addition to past reports, the DoD OIG is conducting ongoing oversight work related to this topic.³

Include All Supporting Documentation in AGATRS

DoD officials must ensure that AGATRS includes all ACSA-related supporting documentation to enable accurate accounting and proper reimbursement of LSSS provided to international partners.

- Four reports captured concerns with DoD personnel's use of AGATRS to capture all required supporting documentation. For example, one report documented that DoD personnel did not properly use AGATRS in support of Operation Inherent Resolve.⁴ As a result, the DoD did not have assurance that 142 ACSA orders, valued at \$223 million, were either accurate or reimbursed. During the audit, Army and Air Force officials updated existing Army and Air Force guidance to comply with DoD regulations.
- Two reports documented instances in which the commands involved were not aware of the logistical support provided to an international partner. For example, one report documented that DoD personnel were unaware of 76 of the 77 ACSA line items executed with the Republic of the Philippines during an 18-month period.⁵ This lack of awareness resulted in DoD personnel not having assurance that the ACSA transactions, valued at \$13 million, for LSSS with the Republic of the Philippines were accurate and reimbursed. In response to our report's recommendations, DoD personnel updated the Joint Knowledge Online-Training, developed Service component-specific training programs for all ACSA command officials, and designated ACSA Finance Program Managers.

When supporting documentation is not recorded in AGATRS, there is an increased risk that the DoD will not receive proper reimbursement.

² Not all 38 recommendations directly relate to the lessons learned in this report. Resolved and open recommendations are recommendations that management has agreed to implement, but for which corrective actions have not been completed. Unresolved recommendations are unresolved because the DoD OIG and DoD officials have not reached an agreement on the report recommendations.

³ Project No. D2024-D000RJ-0080.000, "Audit of DoD Hotline Allegations Concerning a Program in Kuwait," February 12, 2024.

⁴ Report No. DODIG-2016-067, "DoD Components Did Not Properly Use the Acquisition and Cross Service Agreement Automated Tracking and Reporting System," March 24, 2016.

⁵ Report No. DODIG-2019-004, "DoD Oversight of Bilateral Agreements With the Republic of the Philippines," November 2, 2018.

Seek Full Reimbursement from International Partners

When providing support to international partners, the DoD must ensure that it requests full reimbursement for those services. For example, in one report, we identified an instance in which DoD personnel did not seek full reimbursement for \$9.2 million in dining facility services provided to international partners at Resolute Support Headquarters through a DoD contract.⁶ Specifically, DoD personnel did not consistently initiate the billing of international partners for dining facility services provided over a 3.5-year period or consistently calculate the amount owed. In response to our report's recommendations, DoD personnel developed agreements with each international partner detailing the terms and conditions for dining facility services before providing services, and updated the training program for ACSA officials providing LSSS in Afghanistan.

Accurately Track Costs for Reimbursement

The DoD must ensure that it accurately tracks usage and related costs of services provided to international partners. In one report, we determined that the DoD paid \$773 million for air transportation services provided to U.S. personnel and international partners without tracking flight usage data and determining the rate per person. As a result, for the 3-year period examined, the DoD did not seek reimbursement from international partners because it could not calculate the amount of air transportation services attributable to international partner usage.⁷ In response to our report's recommendations, DoD personnel obtained flight usage data on a regular basis, determined the rate per person per flight, and established agreements with international partners in order to seek reimbursement.

Conclusion

If DoD officials do not seek proper reimbursement from international partners for DoD services provided, the U.S. Government, and ultimately the U.S. taxpayer, will unnecessarily carry the financial burden. Our prior work documented that the DoD may have provided at least \$268.1 million in LSSS without assurance that it was reimbursed by international partners. Consideration of lessons learned from our prior work will ensure that international partners fulfill their burden-sharing obligations and as a result, save U.S. taxpayer money.

⁶ Report No. DODIG-2020-096, "Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan," June 24, 2020.

⁷ Report No. DODIG-2021-062, "Audit of Coalition Partner Reimbursement for Contracted Rotary Wing Air Transportation Services in Afghanistan," March 22, 2021.

Appendix

Reports Reviewed and Lessons Learned

We reviewed DoD OIG audit and evaluation reports from the previous 10 years to identify trends and recurring challenges related to burden-sharing between the DoD and international partners. Table 1 lists the DoD OIG reports we reviewed to prepare this summary report, and Table 2 lists the reports we reviewed and associated lessons learned. The reports listed in each table contain additional details related to the lessons learned and past challenges the DoD OIG identified. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

Table 1. Comprehensive List of DoD OIG Reports Reviewed

Report No.	Title	Issue Date
DODIG-2025-073	Evaluation of DoD's Efforts Under the Enhanced Defense Cooperation Agreement with the Republic of the Philippines	February 28, 2025
DODIG-2021-062	Audit of Coalition Partner Reimbursement for Contracted Rotary Wing Air Transportation Services in Afghanistan	March 22, 2021
DODIG-2020-096	Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan	June 24, 2020
DODIG-2019-004	DoD Oversight of Bilateral Agreements With the Republic of the Philippines	November 2, 2018
DODIG-2017-121	U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements	September 21, 2017
DODIG-2016-067	DoD Components Did Not Properly Use the Acquisition and Cross Service Agreement Automated Tracking and Reporting System	March 24, 2016

Source: The DoD OIG.

Table 2. Lessons Learned

Lessons Learned			
Report No.	Include All Supporting Documentation in AGATRS	Seek Full Reimbursement from International Partners	Accurately Track Costs for Reimbursement
DODIG-2021-062	X		X
DODIG-2020-096		X	
DODIG-2019-004	X		
DODIG-2017-121	X		
DODIG-2016-067	X		

Source: The DoD OIG.

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U.S. DEPARTMENT OF DEFENSE

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