



INSPECTOR GENERAL

U.S. Department of Defense

SEMIANNUAL REPORT *to the* CONGRESS

APRIL 1, 2019 *through* SEPTEMBER 30, 2019



INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

Required by Public Law 95-452

Mission

To detect and deter fraud, waste, and abuse
in Department of Defense programs and operations;
Promote the economy, efficiency, and effectiveness of the DoD; and
Help ensure ethical conduct throughout the DoD

Vision

Engaged oversight professionals dedicated
to improving the DoD



Whistleblower Protection U.S. DEPARTMENT OF DEFENSE

Whistleblower Protection safeguards DoD employees against
retaliation for protected disclosures that expose possible waste,
fraud, and abuse in government programs.

For more information, please visit the Whistleblower webpage at
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Whistleblowerprotectioncoordinator@dodig.mil



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DEPARTMENT OF DEFENSE**
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Principal Deputy Inspector General
Performing the Duties of the
Inspector General, Glenn A. Fine

I am pleased to submit this Semiannual Report summarizing the work of the Department of Defense (DoD) Office of Inspector General (OIG) from April 1, 2019, through September 30, 2019.

This report describes significant oversight the DoD OIG has

performed over the past 6 months. The report also provides various statistical accomplishments of the DoD OIG during the reporting period and 409 recommendations to the DoD for improvement. The DoD OIG also completed multiple criminal investigations, some conducted jointly with other law enforcement organizations, resulting in 209 arrests, 269 criminal charges, 226 criminal convictions, \$807 million in civil judgments and settlements, and \$246 million in criminal fines, penalties, and restitution ordered. In addition, the DoD OIG completed 29 senior official, reprisal, and restriction investigations, and oversaw 249 senior official, reprisal, and restriction investigations completed by the Military Service and Defense agency OIGs. The DoD OIG also issued quarterly reports on six overseas contingency operations.

In this message, however, I want to highlight some of the DoD OIG's important initiatives. In July 2019, the DoD OIG issued its third Compendium of Open Office of Inspector General Recommendations to the Department of Defense. Since 2017, this annual document has helped focus attention on open OIG recommendations to the DoD. This year's Compendium identified 1,581 recommendations that remained open as of April 1, 2019. Among them are 41 open recommendations from DoD OIG

reports with potential monetary benefits of \$4.8 billion. The Compendium also highlighted 30 open recommendations that the DoD OIG believes warrant priority attention based on the potential for the recommendations to improve the effectiveness of DoD operations and provide cost savings to the taxpayer. The 2019 Compendium also includes a new chapter that discusses the findings and recommendations that resulted from the first ever DoD-wide financial statement audit, which the DoD OIG conducted in 2018.

This quarter, I also want to highlight the work of the DoD OIG's Defense Criminal Investigative Service, which conducts many important criminal investigations. For example, a DCIS joint criminal and civil investigation resulted in the civil and criminal prosecution of five South Korean oil companies for participating in a bid rigging and fraud conspiracy that targeted DoD installations in South Korea. The Antitrust Division of the Department of Justice, based on the work of DCIS, obtained plea agreements from the oil companies that resulted in over \$155 million in criminal fines and charges against seven managers and executives. The civil claims also resulted in the recovery of more than \$205 million in damages and civil penalties. The criminal and civil settlements are the largest settlements ever obtained under the antitrust laws. On October 23, 2019, the U.S. Attorney General recognized the Korean Fuels team with the U.S. Attorney General's Award for Distinguished Service, the second highest award for employee performance from the Department of Justice.

Our Administrative Investigations continues its important investigations and training. For example, on July 30, 2019, Administrative Investigations held its 7th Annual Hotline Worldwide Outreach event. Hotline professionals from throughout the DoD and the Government attended the event, which included

discussions on best practices and challenges facing the Hotline community. Our Hotline is a model for the Federal Government, and our Administrative Investigations component is regularly called upon to provide training and assistance to other Hotlines. In addition, the DoD OIG's alternative dispute resolution (ADR) program has continued to improve the timeliness of our whistleblower reprisal investigations and Hotline cases.

The DoD Inspector General, as the Lead Inspector General (IG), and our oversight partner agencies from the Department of State and U.S. Agency for International Development, continued our important oversight of six overseas contingency operations, including operations in Syria, Iraq, and Afghanistan. The Lead IG concept represents an unprecedented interagency model of cooperation among separate Federal OIGs that have been working together for

over 4 years. Each quarter, we issue a status report on the current state of six overseas contingency operations and the oversight conducted on each of them by several Federal agencies.

Finally, I am pleased that the Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognized the impactful work of the DoD OIG during the 2019 CIGIE awards ceremony. This year, the DoD OIG received eight awards across multiple categories. These awards highlight some of the most significant work produced by the DoD OIG, which was the result of the hard work and commitment of our employees.

These are just a few examples of DoD OIG accomplishments and initiatives during this semiannual reporting period. I want to thank OIG employees for their outstanding work in fulfilling the challenging and critical mission of the DoD OIG.



Glenn A. Fine
Principal Deputy Inspector General
Performing the Duties of the Inspector General

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SUMMARY OF ACTIVITIES

The Inspector General Act of 1978, as amended, requires the Department of Defense Office of Inspector General (DoD OIG) to prepare semiannual reports summarizing its activities for the preceding 6-month period. These semiannual reports are intended to keep the Secretary of Defense and Congress fully informed of significant findings, progress the DoD has made relating to those findings, and recommendations for improvement.

For the reporting period of April 1, 2019, through September 30, 2019, DoD OIG components issued 54 audit and evaluation reports.

Audit

Audit issued 33 reports identifying \$267 million in questioned costs and \$1.1 billion in funds that could be put to better use. The reports addressed issues related to the award and oversight of DoD contracts, health care payments, troop readiness, reporting of improper payments, acquisition of weapon systems and spare parts, cybersecurity, and other important areas of DoD operations. For example, the DoD OIG determined that the DoD did not receive ready-for-issue F-35 spare parts in accordance with contract requirements and paid performance incentive fees on the sustainment contracts based on inflated and unverified F-35A aircraft availability hours. As a result, the DoD received non-ready-for-issue spare parts and spent up to \$303 million in DoD labor costs since 2015, and it will continue to pay up to \$55 million annually for non-ready-for-issue spare parts until the non-ready-for-issue spare parts issue is resolved. In another audit, the DoD OIG determined that the Defense Logistics Agency did not have adequate controls to identify and authenticate users when issuing Commercial and Government Entity codes to contractors or allowing the contractors to update Commercial and Government Entity code information. As a result, unauthorized contractors received Defense Logistics Agency contracts.

Evaluations (EVAL)

The Evaluations component issued 21 reports that examined important DoD programs. For example, the DoD OIG determined that U.S. and Coalition trainers did not develop a training curriculum or train and track the operational effectiveness of Afghan tactical air coordinators and liaison officers. As a result, the lack of training for Afghan tactical air coordinators

and Afghan air liaison officers increased the risk for unsuccessful air-to-ground operations, civilian casualties, and failure to meet operational objectives. Another evaluation determined that Military Service law enforcement organizations did not consistently comply with DoD policies when responding to nonsexual domestic violence incidents with adult victims. As a result, Military Service law enforcement personnel did not thoroughly investigate and document their responses to domestic violence incidents, and commanders and prosecutors did not have the necessary information to make informed disciplinary or prosecutorial decisions. Another evaluation determined that, although victim support services were available to cadet victims at the Air Force Academy, reports of sexual assaults at the Air Force Academy were not accurately reported to Congress, as required by law.

Defense Criminal Investigative Service (DCIS)

Defense Criminal Investigative Service (DCIS) investigations, including those conducted jointly with other law enforcement organizations, resulted in \$537.1 million in civil judgments and settlements; \$181.3 million in criminal fines, penalties, and restitution ordered; and \$2.35 million in administrative recoveries, such as contractual agreements and military nonjudicial punishment. As of September 30, 2019, DCIS had 1,646 ongoing investigations, and had opened 287 cases and closed 240 cases during this reporting period. These cases related to criminal allegations of procurement fraud, public corruption, product substitution, health care fraud, illegal technology transfer, and cyber crimes and computer network intrusions.

Administrative Investigations (AI)

Administrative Investigations (AI) completed 29 senior official, reprisal, and restriction investigations, and oversaw 249 senior official, reprisal, and restriction investigations completed by the Military Service and Defense agency OIGs. For example, the DoD OIG determined that the former Acting Secretary of Defense complied with his ethics agreements and his ethical obligations regarding his former employer and its competitors. The DoD Hotline received 7,381 contacts, opened 3,723 cases, and closed 3,883 cases.

The DoD OIG's alternative dispute resolution (ADR) program continued to resolve whistleblower reprisal cases. ADR allows complainants and management to resolve differences voluntarily to resolve complaints without the need for a full investigation. The number of complaints resolved without an investigation increased during this reporting period to 48, a 33-percent increase over the previous 6-month period.

Overseas Contingency Operations (OCO)

The DoD OIG's Overseas Contingency Operations (OCO) component coordinated and fulfilled the DoD OIG's Lead IG oversight responsibilities. The DoD IG is the Lead IG for six named OCOs: Operation Inherent Resolve, the effort to defeat the Islamic State of Iraq and Syria (ISIS) in Iraq and Syria, initiated in October 2014; Operation Freedom's Sentinel, the counterterrorism effort and train, advise, and assist mission in Afghanistan, initiated in January 2015; Operation Pacific Eagle–Philippines, the U.S. effort

to support the Philippine government in its efforts to counter ISIS and other violent extremist organizations in the Philippines, initiated in November 2017; and three classified operations to combat al Qaeda and ISIS-affiliated terrorists in specific areas of Africa and the Middle East, initiated in February 2018. The DoD OIG published two quarterly reports on each of the six named overseas contingency operations, and supplemented the reports with classified appendixes. The DoD OIG also issued 11 individual oversight reports related to the OCOs. For example, the DoD OIG reported on DoD compliance with combating trafficking in persons in Kuwait; U.S. and Coalition efforts to train, advise, assist, and equip Afghan tactical air coordinators, air liaison officers, and Afghan air targeting officers; and the aviation readiness of units assigned to U.S. Indo-Pacific Command, including those supporting Operation Pacific Eagle–Philippines (OPE-P). Lead IG agency investigations also resulted in 1 criminal charge, 2 convictions, 11 debarments, 4 administrative actions, 2 personnel actions, and savings or recoveries of over \$485,894 to the U.S. Government.

STATISTICAL HIGHLIGHTS

Summary of Activities	Total for the Reporting Period
AUDIT ACTIVITIES	
Reports Issued	33
Recommendations Made With Questioned Costs	\$267 million
Recommendations Made on Funds Put to Better Use	\$1.1 billion
Achieved Monetary Benefits	\$48.5 million
EVALUATIONS	
Reports Issued	21
Program, COCOM, and OCO	5
Space, Intelligence, Engineering, and Oversight	16
Existing and Proposed Regulations Reviewed	215
DEFENSE CRIMINAL INVESTIGATIVE SERVICE ACTIVITIES (DOLLARS ARE TRUNCATED)	
Total Investigative Receivables and Recoveries ¹	\$729.9 million
Recovered Government Property	\$9.24 million
Civil Judgments and Settlements	\$537.1 million
Criminal Fines, Penalties, and Restitution Ordered (Excludes Asset Forfeitures)	\$181.3 million
Administrative Recoveries ²	\$2.35 million
Inspector General Subpoenas Issued	428
Investigative Activities	
Arrests	131
Criminal Charges	145
Criminal Convictions	139
Suspensions	77
Debarments	75
Asset Forfeiture Results	
Seized	\$ 44.47 million
Final Orders of Forfeiture	\$ 113.81 million
Monetary Judgments	\$ 3.93 million
ADMINISTRATIVE INVESTIGATIONS	
Publicly Released Reports	5
Complaints Received	1,610
Senior Official	496
Whistleblower Reprisal and Restriction	1,114
Complaints Closed	1,600
Senior Official	499
Whistleblower Reprisal and Restriction	1,101

1. Includes investigations conducted jointly with other law enforcement organizations.

2. Includes contractual agreements and military nonjudicial punishment.

EXECUTIVE SUMMARY

Summary of Activities	Total for the Reporting Period
DoD OIG Investigations Closed	29
Senior Official	5
Whistleblower Reprisal and Restriction	24
Service and Defense Agency IG Investigations Closed and Overseen by the DoD OIG	249
Senior Official	65
Whistleblower Reprisal and Restriction	184
Service and Defense Agency IG Cases Closed and Overseen by the DoD OIG (Includes Investigations, Dismissals, and Withdrawals)	633
Senior Official	65
Whistleblower Reprisal and Restriction	568
Whistleblower Protection Coordinator	
Contacts	166
Visits to Whistleblower Rights and Protections Webpage	1,874
DoD Hotline	
Contacts	7,381
Cases Opened	3,723
Cases Closed	3,883
Contractor Disclosures Received	96

1. OVERVIEW



THE OIG'S MISSION

Established in 1982, the DoD OIG is an independent office within the DoD that conducts oversight of DoD programs and operations. According to the IG Act of 1978, as amended, the DoD OIG's functions and responsibilities include the following.

- Recommend policies for and conduct, supervise, or coordinate other activities for the purpose of promoting economy and efficiency, and preventing and detecting fraud, waste, and abuse in DoD programs and operations.
- Serve as the principal advisor to the Secretary of Defense in matters of DoD fraud, waste, and abuse.
- Provide policy direction for and conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the DoD.
- Ensure that the Secretary of Defense and the Congress are fully informed of problems in the DoD.
- Review existing and proposed legislation and regulations relating to programs and operations of the DoD in regard to their impact on economy and efficiency, and the prevention and detection of fraud, waste, and abuse in the DoD.
- Coordinate relationships with Federal agencies, state and local government agencies, and non-governmental entities in matters relating to the promotion of economy and efficiency and detection of fraud, waste, and abuse.
- Transmit a semiannual report to Congress that is available to the public.

The DoD OIG is authorized "to have timely access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to [any DoD Component] which relate to programs and operations" of the DoD, as stated in section 6(a)(1) of the IG Act.

Our Mission

The DoD OIG's mission is to detect and deter fraud, waste, and abuse in DoD programs and operations; promote the economy, efficiency, and effectiveness of the DoD; and help ensure ethical conduct throughout the DoD.

Our Vision

The DoD OIG's vision is to help improve DoD programs and operations through timely, credible, relevant, impactful, and actionable oversight. Central to this vision is our people. We strive to be an employer of choice, ensuring our people are well-trained, well-equipped, and engaged. We are committed to a culture of performance, disciplined execution, and tangible results. We work together as One OIG to achieve results.

Our independence is key to fulfilling our mission. We align our work with the critical performance and management challenges facing the DoD. We focus on program efficiency, effectiveness, cost, and impact. We regularly follow up on our recommendations to ensure that the DoD implements these recommendations. Implementation of our recommendations helps promote accountability and continuous improvement in the DoD.

We are agile. To remain relevant and impactful, we continually seek to improve our processes and our organization, and to operate more efficiently and effectively. We value innovation and use technology to help deliver timely results.

We seek to be a leader within the DoD and Federal oversight community, collaboratively sharing information, data, and best practices with our oversight colleagues to help improve oversight within the DoD and the Government as a whole.

Our Core Values

Our values define our organizational character and help guide the behaviors necessary to achieve our vision.

- Integrity
- Independence
- Excellence

Organizational Structure

The DoD OIG is headquartered in Alexandria, Virginia, and has more than 50 field offices located in the United States, Europe, Southwest Asia, and South Korea. The DoD OIG carries out its mission with a workforce of approximately 1,800 auditors, evaluators, criminal and administrative investigators, attorneys, support staff, and contractors. At any time, approximately 50 employees are temporarily assigned to Southwest Asia.

Figure 1.1 DoD OIG Field Offices Located Within the United States

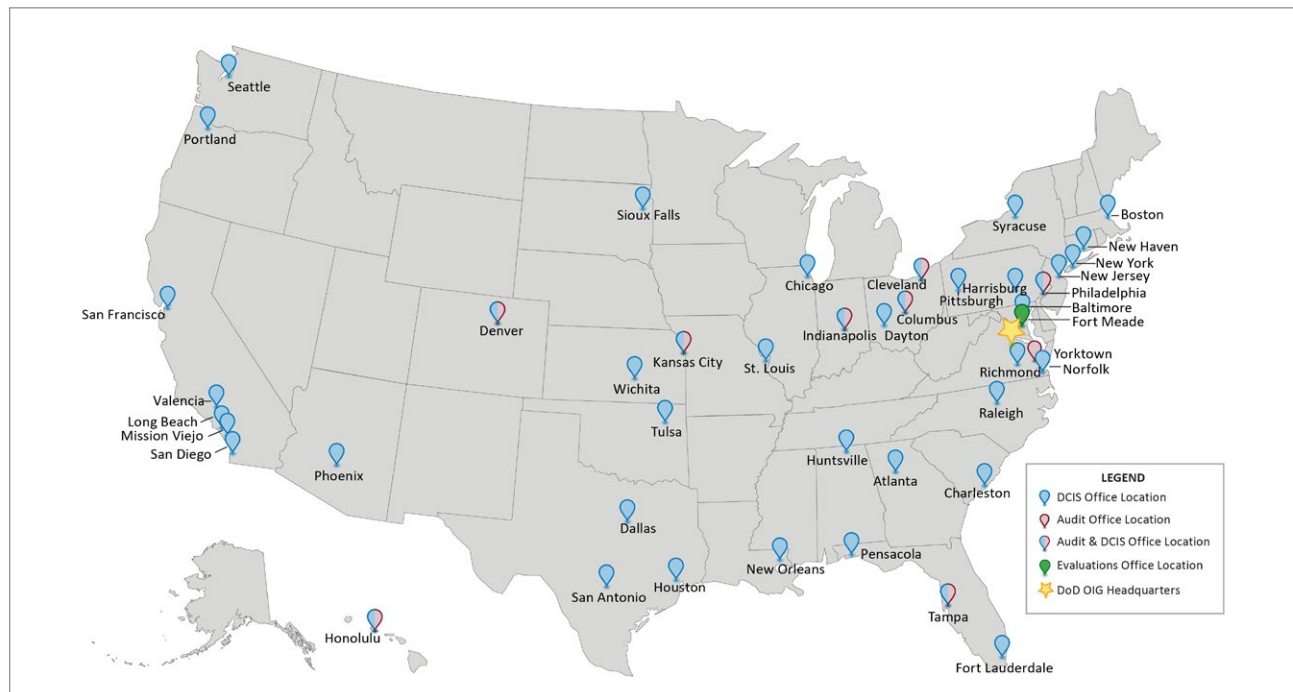
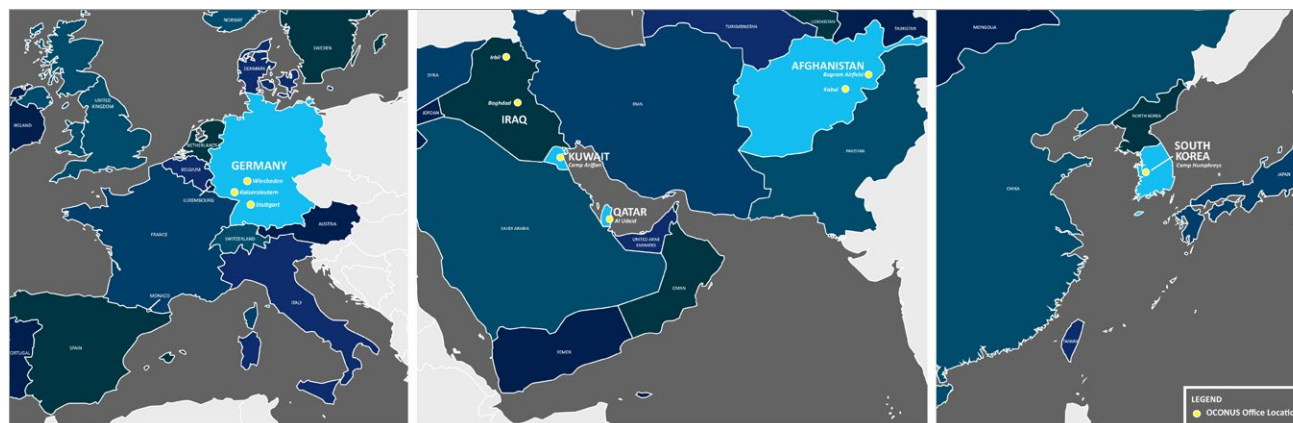
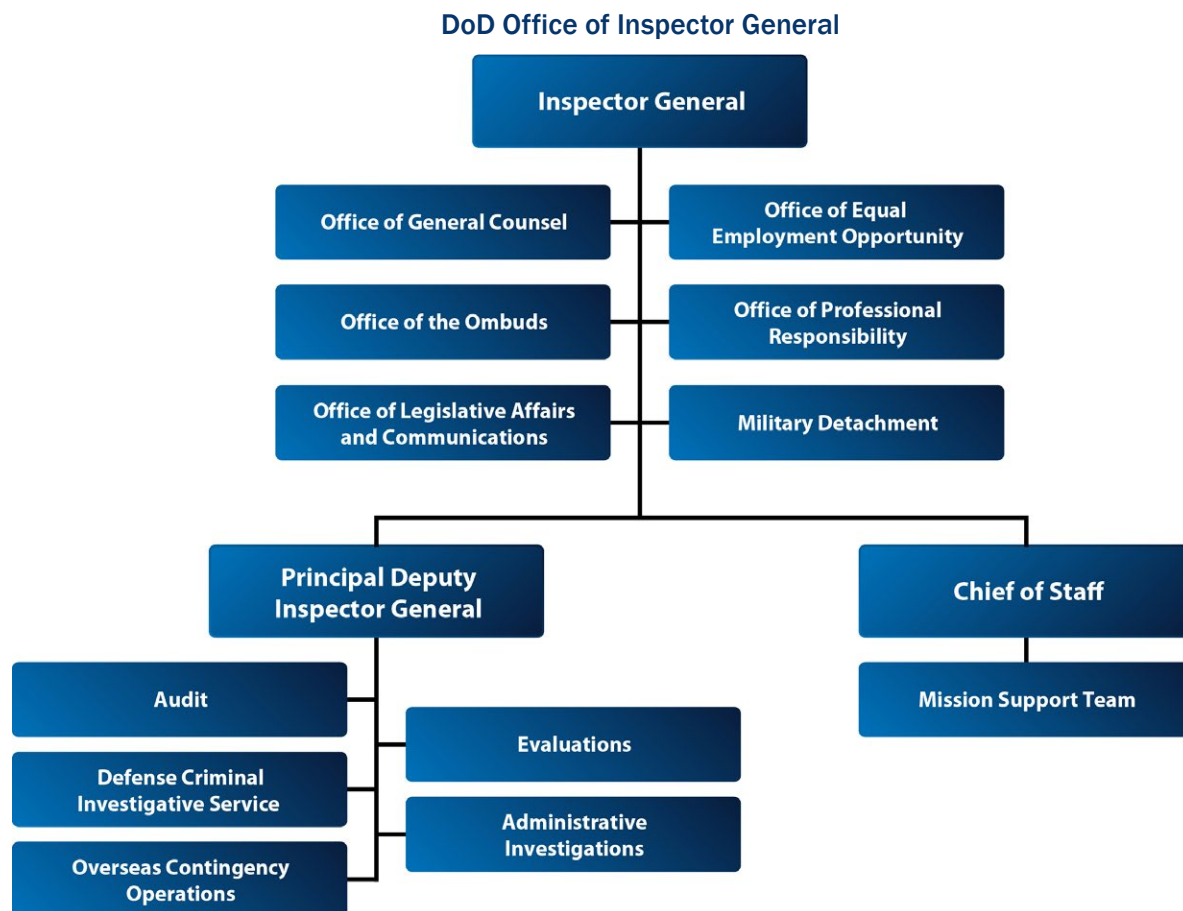


Figure 1.2 DoD OIG Offices Located Overseas





AUDIT

Audit conducts independent, relevant, and timely audits to detect and deter fraud, waste, and abuse; promote economy, efficiency, and effectiveness; and provide actionable recommendations that can help improve DoD programs, operations, and stewardship of resources.

EVALUATIONS (EVAL)

Evaluations conducts independent reviews of DoD operations and activities. These evaluations include classified programs, space and missile programs, construction, safety, health care, and oversight of criminal investigations and audits conducted by other entities within the DoD.

DEFENSE CRIMINAL INVESTIGATIVE SERVICE (DCIS)

DCIS conducts criminal investigations related to DoD programs and operations, focusing on procurement fraud, public corruption, product substitution, health care fraud, illegal technology transfer, cyber crimes, and computer intrusions.

ADMINISTRATIVE INVESTIGATIONS (AI)

AI investigates and oversees DoD Components' investigations of allegations of misconduct against senior DoD officials and allegations of whistleblower reprisal and restriction from communication with an IG or Member of Congress. AI also manages the DoD Hotline for confidential reporting of fraud, waste, and abuse and for detecting and preventing threats and danger to the public health and safety of DoD programs, operations, and employees.

OVERSEAS CONTINGENCY OPERATIONS (OCO)

OCO supports the DoD OIG's Lead IG responsibilities; coordinates the oversight of overseas contingency operations by the DoD OIG, Department of State OIG, U.S. Agency for International Development OIG, Special Inspector General for Afghanistan Reconstruction, and other partner agencies through joint strategic planning and project management. OCO produces quarterly reports related to each overseas contingency operation.

SUMMARY OF TOP DOD MANAGEMENT CHALLENGES

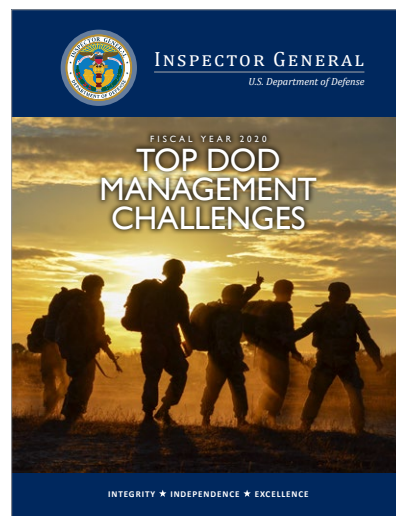
Each Inspector General (IG) is required by the Reports Consolidation Act of 2000 to prepare an annual statement that summarizes what the IG considers to be the “most serious management and performance challenges facing the agency” and to assess the agency’s progress in addressing those challenges. The law also requires the IG’s statement to be included in the agency’s financial report.

The following is the DoD OIG’s list of the top management and performance challenges facing the DoD in FY 2020. The DoD OIG identified these challenges based on a variety of factors, including DoD OIG oversight work, research, and judgment; oversight work done by other DoD Components; oversight work conducted by the Government Accountability Office; and input from DoD officials. While the DoD OIG reviewed DoD statements, documents, and assessments of these and other critical issues, the DoD OIG identified these top challenges independently.

The DoD OIG also uses this document to determine areas of risk in DoD operations and where to allocate DoD OIG oversight resources. This document is forward-looking and identifies the top challenges facing the DoD in FY 2020 and in the future.

As reflected in this document, the top 10 DoD management and performance challenges are:

1. Countering China, Russia, Iran, and North Korea
2. Combatting Global Terrorism
3. Ensuring the Welfare and Well-being of Service Members and Their Families
4. Ensuring Ethical Conduct
5. Financial Management: Implementing Timely and Effective Actions to Address Financial Management Weaknesses Identified During the First DoD-Wide Financial Statement Audit
6. Enhancing DoD Cyberspace Operations and Capabilities
7. Enhancing Space-Based Operations, Missile Detection and Response, and Nuclear Deterrence
8. Improving Supply Chain Management and Security
9. Acquisition and Contract Management: Ensuring That the DoD Gets What It Pays for On Time, at a Fair Price, and With the Right Capabilities
10. Providing Comprehensive and Cost-Effective Health Care



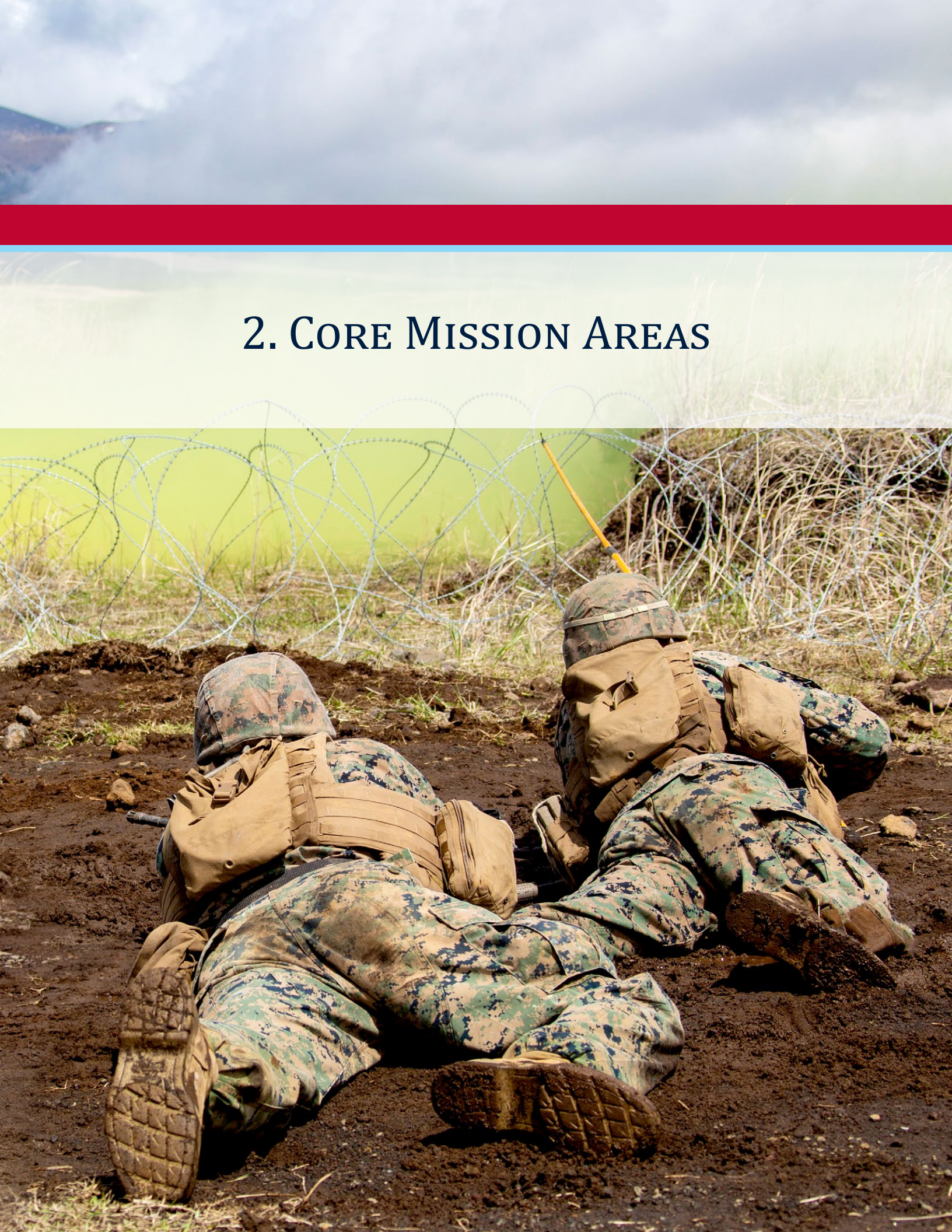
In the top management challenges document, we discuss each challenge, actions taken by the DoD to address the challenge, and oversight work by the DoD OIG and others related to the challenge.

These challenges are not listed in order of importance or by magnitude of the challenge. All are critically important management challenges facing the DoD.

The full report with details on these challenges can be viewed at:

<http://www.dodig.mil/Reports/Top-DoD-Management-Challenges>.





2. CORE MISSION AREAS

AUDIT

The DoD OIG's Audit component conducts audits of DoD operations, systems, programs, and functions. The Audit component consists of four operating directorates:

- Acquisition, Contracting, and Sustainment,
- Cyberspace Operations,
- Financial Management and Reporting, and
- Readiness and Global Operations.

The following are highlights from DoD OIG audit work during the reporting period.

Compendium of Open Office of Inspector General Recommendations to the Department of Defense

On July 22, 2019, the DoD OIG issued its third annual Compendium of Open Office of Inspector General Recommendations to the Department of Defense. The Compendium lists open DoD OIG recommendations issued to DoD Components and provides information on the number and status of open recommendations. An open recommendation is a recommendation made in a previously issued DoD OIG report for which corrective actions have not been completed.

In 2017, the DoD OIG issued its first Compendium of Open Recommendations to the DoD. The 2017 Compendium identified 1,298 recommendations that were open as of March 31, 2017—all but 47 of which the DoD had agreed to implement. The second Compendium, issued in 2018, identified 1,558 recommendations that were open as of March 31, 2018. The second Compendium noted that 421 recommendations had been closed since the previous year, but because the DoD OIG continued to make recommendations in new reports, the number of open recommendations had increased from 1,298 to 1,558.

This year, the number of open recommendations remained stable. As of March 31, 2019, the DoD had 1,581 open recommendations, issued to 48 DoD Components through 319 reports. Of the 1,581 open recommendations, the DoD had agreed to take corrective actions on 1,481. For the remaining 100 open recommendations, the DoD OIG and DoD Components have not agreed on corrective actions that meet the intent of the recommendation. The 1,581 open recommendations include 41 recommendations with \$4.8 billion of potential monetary benefits, if implemented.

DoD management has taken action or provided documentation that enabled the DoD OIG to close 597 of the 1,558 (38 percent) recommendations listed in the 2018 Compendium, including 7 of 25 (28 percent) high-priority recommendations, and 12 of the 33 (36 percent) recommendations with potential monetary benefits, totaling more than \$1 billion. However, the DoD OIG made 766 new recommendations in reports issued between April 1, 2018, and March 31, 2019. Figure 2.2 summarizes the number of recommendations that the DoD OIG opened and closed since last year's Compendium.

The 1,581 open recommendations were issued to 48 DoD Components through 319 reports. Figure 2.3 presents the five DoD Components with the most open recommendations. These five Components collectively have 733 open recommendations, which account for 46 percent of all open recommendations.

DoD management continues to coordinate with the DoD OIG on the status of open recommendations. As a result of these efforts, the DoD has provided supporting documentation that led to the closure of over 1,300 recommendations in the 2 years since the first issuance of the Compendium in 2017. However, 80 of the open recommendations are at least 5 years old, a 42-percent increase over the number of recommendations that were reported as at least 5 years old in last year's Compendium. This trend indicates that the DoD must continue to emphasize addressing open recommendations, particularly high-priority recommendations issued in previous years. Figure 2.4 shows the number and age of the open recommendations reported in each Compendium.

Figure 2.1 Number of Open Recommendations Reported in Compendiums

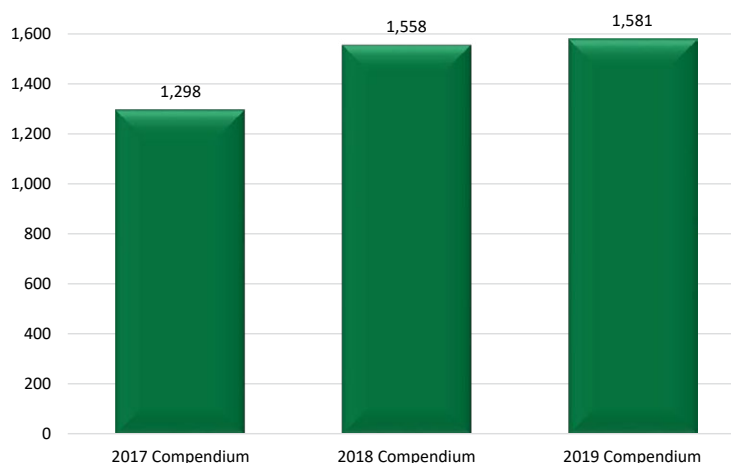


Figure 2.2 Number of Open Recommendations

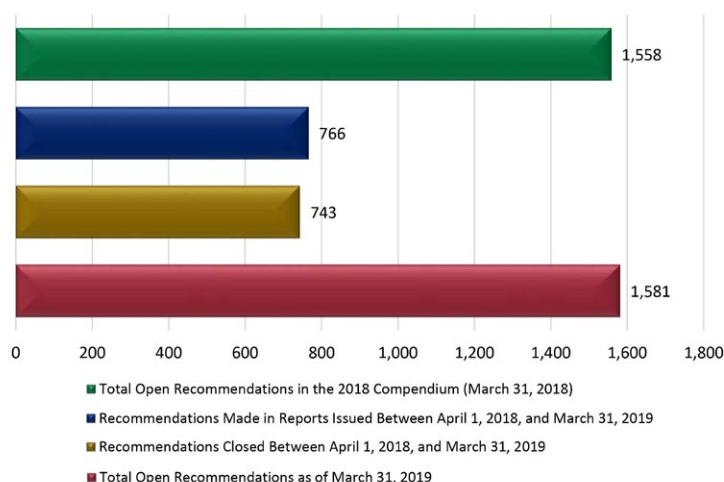


Figure 2.3 DoD Components With the Most Open Recommendations, as of March 31, 2019

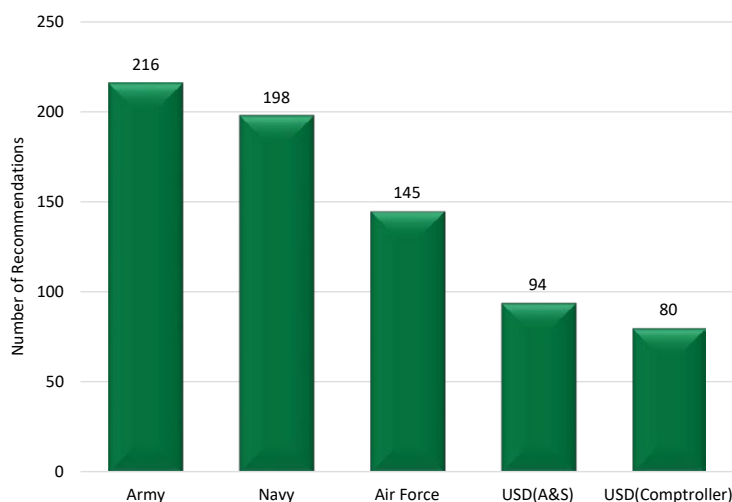
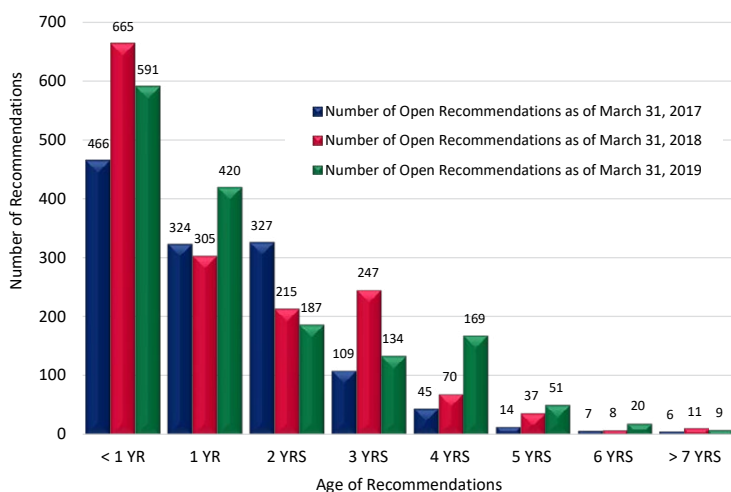


Figure 2.4 Number and Age of Open Recommendations as of March 31, 2019



Acquisition, Contracting, and Sustainment

Audit of F-35 Ready-For-Issue Spare Parts and Sustainment Performance Incentive Fees

The DoD OIG determined whether the DoD received ready-for-issue (RFI) spare parts for the F-35 Joint Strike Fighter (F-35) in accordance with contract requirements and paid sustainment performance incentive fees according to the incentive fee plan. The F-35 is a supersonic, low observable stealth fighter capable of executing multi-role missions. Lockheed Martin is required to deliver RFI F-35 spare parts, such as wheel, seat, and window assemblies, as part of the F-35 sustainment contract. According to the contract, RFI means that spare parts are ready for aircraft maintenance personnel to install on the aircraft and have an assigned Electronic Equipment Logbook (EEL), which includes information on part history and remaining life (hours).

The DoD OIG determined that the DoD did not receive RFI F-35 spare parts in accordance with contract requirements and paid performance incentive fees on the sustainment contracts based on inflated and unverified F-35A aircraft availability hours. As a result, the DoD received non-RFI spare parts and spent up to \$303 million in DoD labor costs since 2015, and it will continue to pay up to \$55 million annually for non-RFI spare parts until the non-RFI spare parts issue is resolved. In addition, the lack of available RFI spare parts could result in the F-35 fleet being unable to perform required operational and training missions. Furthermore, until the DoD addresses the delivery of non-RFI spare parts, the use of manual processes to mitigate non-RFI problems creates a life and safety concern for aircrews. Finally, the DoD has potentially overpaid \$10.6 million in performance incentive fees by not independently collecting and verifying aircraft availability hours.

The DoD OIG recommended that the Program Executive Officer for the F-35 Joint Program Office pursue compensation from the contractor for the costs of non-RFI spare parts that have been delivered on the sustainment contracts since 2015, and direct the contracting officer to add language to future F-35 sustainment contracts to allow the DoD to collect compensation



F-35A in flight
Source: Lockheed Martin.

for each non-RFI spare part that the contractor provides. Additionally, the Program Executive Officer should direct the lead contracting officer's representative (COR) to update the quality assurance surveillance plan, requiring CORs to provide monthly information on the manual processes DoD personnel use to correct non-RFI problems; document total F-35 aircraft availability hours; assign CORs to provide oversight at all F-35 sites; and collect contractor performance data from the CORs and the Defense Contract Management Agency to identify systemic contractor performance problems. Management agreed with the recommendations.

Report No. DODIG-2019-094

Audit of TRICARE Payments for Health Care Services and Equipment That Were Paid Without Maximum Allowable Reimbursement Rates

The DoD OIG determined whether the Defense Health Agency (DHA) paid higher prices than necessary for TRICARE health care services and equipment where it did not establish or use existing TRICARE maximum allowable reimbursement rates. A TRICARE maximum allowable reimbursement rate is the payment ceiling for reimbursement to providers. The DHA reimburses

providers for medical services and equipment using TRICARE maximum allowable reimbursement rates. When TRICARE maximum allowable reimbursement rates do not exist, the DHA reimburses providers for health care services and equipment based on the amount billed (paid-as-billed). The DHA also pays as billed when the amount billed is less than the existing TRICARE maximum allowable reimbursement rates.

The DoD OIG determined that the DHA regularly paid more than other pricing benchmarks for services and equipment where it did not establish or use existing TRICARE maximum allowable reimbursement rates. Specifically, the DHA paid more for vaccines, contraceptive systems, compression devices, oral appliances, costs associated with the installation of medical equipment, and stem cell acquisition provided to TRICARE beneficiaries in the United States in 2017. For example, the DHA paid more than other pricing benchmarks for 70,248 of 107,953 vaccines (65 percent) and 1,341 of 5,450 contraceptive systems (25 percent). As a result, of the \$18.1 million reimbursement that the DoD OIG reviewed, the DHA paid \$3.9 million more than other pricing benchmarks for vaccines and contraceptive systems provided to TRICARE beneficiaries in the United States in 2017. If the DHA continues its current paid-as-billed practice, and prices

and volume stay the same, the DoD OIG calculated that the DHA would waste an additional \$19.5 million for health care services and equipment over the next 5 years.

The DoD OIG also identified examples of the DHA paying more than other pricing benchmarks for durable medical equipment and costs associated with obtaining stem cells. While the DoD OIG was unable to quantify the total magnitude, these examples showed that the DHA paid excessive prices and continues to waste funds on other services and equipment that are paid-as-billed. DHA policy requires beneficiaries in certain TRICARE categories to pay cost shares for equipment. Therefore, TRICARE beneficiaries will continue to pay higher out-of-pocket costs if the DHA does not establish or use existing TRICARE maximum allowable reimbursement rates.

Among other recommendations, the DoD OIG recommended that the DHA Director identify the reasons why TRICARE region contractors did not use existing TRICARE maximum allowable reimbursement rates, take immediate actions to confirm that TRICARE claims for vaccines and contraceptive systems are paid using the TRICARE maximum allowable reimbursement rates, and recoup overpayments. Additionally, the Director should conduct annual reviews to identify health care services, supplies, and equipment for which TRICARE paid higher prices, and establish and implement new TRICARE maximum allowable reimbursement rates accordingly. The Director should also seek voluntary refunds from TRICARE providers where the DHA paid more than other pricing benchmarks identified in this report. Management did not agree with all of the recommendations; therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-112



Compression Device Provided by TRICARE durable medical equipment supplier
Source: The DoD OIG.

Audit of U.S. Army Corps of Engineers Oversight of Contracts for Repair and Restoration of the Electric Power Grid in Puerto Rico

The DoD OIG determined whether the U.S. Army Corps of Engineers (USACE) properly monitored contractor labor hours and accurately reviewed and paid invoices for the Puerto Rico power grid repair and restoration contracts in accordance with Federal and DoD guidance. USACE Huntsville awarded



Oral Appliances Provided by TRICARE Dental Supplier
Source: The DoD OIG.

two time-and-materials contracts to one contractor, and USACE Jacksonville awarded a time-and-materials contract to a second contractor for the repair and restoration of the Puerto Rico power grid damaged by Hurricane Maria. According to Federal and DoD guidance, time-and-materials contracts are the least favorable Government contract type because they provide no positive profit incentive to the contractor for cost control or labor efficiency.

The DoD OIG determined that USACE Huntsville did not adequately monitor contractor labor hours worked or accurately review invoices to ensure that contractor invoices corresponded to actual work performed on its two power grid repair and restoration contracts. As a result, USACE Huntsville did not know whether contractor labor costs paid on 11 invoices, valued at \$258.9 million, were allowable in accordance with the terms of the contracts. Based on the testing of a sample of labor costs, the DoD OIG identified at least \$20.9 million paid by USACE that was unsupported and potentially unallowable. Additionally, USACE Jacksonville did not adequately monitor contractor labor hours worked or accurately review invoices to ensure contractor invoices corresponded to actual work performed on a third power grid repair and restoration contract. As a result, USACE Jacksonville did not know whether contractor labor costs paid on seven invoices, valued at \$61.3 million, were allowable in accordance with Federal regulations or terms of the contract. Based on the testing of labor costs, the DoD OIG identified at least \$29.2 million paid by USACE that was unsupported and potentially unallowable.

The DoD OIG recommended that the USACE Commanding General develop, implement, and require training on standard operating procedures for time-and-materials contracts, and initiate a review of all contracting officials' actions on the contract awarded by USACE Jacksonville. The DoD OIG recommended that the Commander of U.S. Army Engineering and Support Center, Huntsville, direct contracting officials to validate all labor and material costs on its two contracts, and determine whether they are supportable and allowable in accordance with Federal regulations and if not, take action to recoup those costs. The DoD OIG recommended that the Commander of USACE's Jacksonville District direct contracting officials to review all labor and material costs for its contract and determine whether they are supportable and allowable in accordance with Federal regulations. If contracting officials are unable to determine whether costs are allowable, they should work with Defense Contract Audit Agency officials

to develop a total contract cost reduction to reduce total contract costs. Management agreed with the recommendations but did not fully address all specifics of the recommendations; therefore, the DoD OIG asked for additional comments.

Report No. DODIG-2019-128

Audit of Payments to the DoD for Medical Services Provided to Department of Veterans Affairs Beneficiaries at Selected Army Medical Centers

The DoD OIG determined whether the Army billed and received payment for services provided to Department of Veterans Affairs (VA) beneficiaries under Health Care Sharing Agreements at selected Army medical centers. The DoD OIG performed the audit at Tripler Army Medical Center (Tripler) in Honolulu, Hawaii, and William Beaumont Army Medical Center (Beaumont) in El Paso, Texas.

The DoD OIG determined that Tripler and Beaumont personnel did not always bill the VA for authorized care or receive payment from the VA for all medical care provided to VA beneficiaries under resource sharing agreements established between the DoD and the VA. For example, as of May 2018, VA Pacific Islands Health Care System personnel had not paid \$23.8 million for FY 2017 health care.

Among other recommendations, the DoD OIG recommended that the:

- Assistant Secretary of Defense for Health Affairs coordinate with VA counterparts on the Health Executive Committee to develop a joint solution to improve timeliness of VA payments to Tripler;
- Defense Health Agency Director identify sources of billing errors and modify the system to prevent future errors;
- Tripler Army Medical Center Commander review and resubmit all FY 2016 and FY 2017 claims that the VA denied due to the settlement; and
- William Beaumont Army Medical Center Commander update standard operating procedures to require a valid authorization for VA beneficiaries.

Management did not agree with all of the recommendations; therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-073

Audit of the Army Integrated Air and Missile Defense Program

The DoD OIG determined whether the Army is developing an affordable Integrated Air and Missile Defense (IAMD) program that can meet all capability requirements and whether these requirements remain valid and meet current and future warfighter needs. A capability requirement is a capability that an organization needs to fulfill its roles, functions, and missions in current or future operations. The Army IAMD system includes a common mission command center, integrated fire control network, and common interface kits that connect Army air and missile defense sensors and weapons.

The DoD OIG determined that the Army IAMD capability requirements, developed to address current and future warfighter needs, remained valid. However, IAMD project officials will not have a full analysis of the next limited user test data until after the Milestone C review, scheduled for September 2020. The purpose of the Milestone C review is to assess a program's readiness and to make a sound investment decision before committing DoD financial resources to begin production. To meet the scheduled Milestone C review, IAMD project officials plan to rely on a quick look of IAMD system performance that includes developmental tests and the limited user test. A quick look is a limited review and will not fully measure all IAMD capability requirements or fully evaluate system effectiveness, suitability, and survivability. However, IAMD project officials' plan to rely on a quick look to support the Milestone C decision does not meet the requirements of DoD policy that requires project officials to verify all operational requirements have been met (through testing) before a Milestone C review. IAMD project officials will not have a full analysis of the next limited user test because officials have not adjusted the schedule for the Milestone C review to allow sufficient time to analyze the limited user test data. Furthermore, the Army may not be able to afford production and sustainment of the IAMD program through 2049 as planned because Army officials have not established total life-cycle affordability constraints through an affordability analysis for unit production and sustainment costs for the IAMD system. As a result, the milestone decision authority may approve procurement of six initial IAMD systems, at a total cost of about \$29.6 million, based on an incomplete analysis of the limited user test. In addition, without the total life-cycle affordability analysis and affordability constraints, Army officials have limited assurance that the IAMD program is affordable within the air and missile defense portfolio, the project manager

cannot ensure program costs are within affordability constraints, and the milestone decision authority cannot enforce affordability constraints throughout the program life cycle.

The DoD OIG recommended that the IAMD project manager modify the Milestone C review date to allow sufficient time to fully analyze and report on the limited user test data. Additionally, the Deputy Chief of Staff of the Army, G-8, should immediately conduct an affordability analysis to establish total life-cycle affordability constraints and determine whether the Army can afford the IAMD program through 2049, in accordance with DoD policy. Management agreed with the first recommendation but did not fully address all specifics of the recommendation. Management neither agreed nor disagreed with the second recommendation; therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-114

Audit of the B61-12 Tail Kit Assembly Program

The DoD OIG determined whether the Air Force was developing the B61-12 Tail Kit Assembly within cost, schedule, and performance requirements.

The report findings and recommendations are classified.

Report No. DODIG-2019-080

Audit of the Air Force Nonappropriated Fund Government Purchase Card Program

The DoD OIG determined whether Government purchase card (GPC) cardholders under the Air Force Nonappropriated Fund (NAF) Purchasing Office properly made and documented purchases in accordance with applicable laws and regulations. NAFs are not appropriated by Congress but are funds the DoD receives from the sale of goods and services. NAFs are used to support Morale, Welfare, and Recreation programs, such as fitness, arts and crafts, auto hobby shops, outdoor recreation, bowling, golf, and other membership programs, as well as other programs for the collective benefit of military personnel, their family members, and authorized civilians.

The DoD OIG determined that, although Air Force NAF GPC cardholders made purchases supporting the Air Force Morale, Welfare, and Recreation program and other support activities, not all purchases were proper and documented in compliance with applicable laws and regulations. In addition, cardholders made recurring GPC purchases to the same merchant without establishing a contract

because Air Force NAF GPC cardholders did not successfully coordinate with contracting offices to aggregate recurring GPC purchases. As a result of these deficiencies, the DoD OIG statistically projected that cardholders made up to \$23.3 million in potential improper payments on 14.6 percent, or 45,737 of 312,261 purchases, between July 2017 and June 2018. Additionally, Air Force NAF GPC program personnel were responsible for administrative discrepancies on up to 303,125 purchases, totaling \$167.3 million. Unless the Air Force strengthens NAF GPC controls, cardholders will continue to make improper payments, pay sales tax, and miss the opportunity for cost savings through negotiated contracts.

Among other recommendations, the DoD OIG recommended that the Director of the Air Force Nonappropriated Fund Purchasing Office establish an annual requirement to review cardholder delegations of purchase authority; review the statistically sampled purchases that did not include the required supporting documentation or that included erroneously paid sales tax to determine whether the purchases were improper payments; and report confirmed improper payments in accordance with the Improper Payments Elimination and Recovery Improvement Act. The DoD OIG also recommended that the Director direct all installation program coordinators, approving officials, and cardholders to determine whether the purchases are tax-exempt and recoup any erroneously paid sales tax, identify purchases that are logically associated or purchased together and aggregate them to obtain lower prices and standardize requirements, and incorporate a requirement for aggregation into policy. Management agreed with the recommendations.

Report No. DODIG-2019-113

Audit of the DoD's Preparation for Natural Disasters

The DoD OIG determined to what extent the DoD has prepared to respond to future natural disasters within U.S. Northern Command's area of responsibility. The DoD OIG performed this audit as part of a Disaster Assistance Working Group–Cross Cutting Functional Effort by the Council of Inspectors General on Integrity and Efficiency.

The DoD OIG determined that the DoD prepared for natural disasters by developing a framework for natural disaster preparedness that includes guidance, exercises, corrective action programs, training, advanced contracts, and service and support agreements. The Joint Chiefs of Staff, the Office of

the Assistance Secretary of Defense for Homeland Defense and Global Security, U.S. Northern Command, U.S. Army Corps of Engineers, and the Defense Logistics Agency developed policies and procedures to plan and prepare for natural disaster events. U.S. Northern Command developed incident-specific exercises to support plans and enhance preparedness for natural disasters. The DoD Components developed policies and after-action reports to incorporate lessons learned into future operations responding to natural disasters. The DoD Components incorporated training requirements through various methods, such as instructions, manuals, and operational plans. The U.S. Army Corps of Engineers and the Defense Logistics Agency awarded 54 contracts in preparation for natural disasters. Through these contracts, the DoD can procure goods and services related to emergency power, debris removal, temporary roof repairs, Rapid Disaster Infrastructure Response, fuel, meals, and generator deployment. The DoD entered into 29 agreements for various natural disaster preparedness activities, including food preparation in emergency situations; logistical support for non-fuel support, fuels support, and generator leasing; and light powered aircraft, aircrews, and communication support.

Based on the scope of this audit, as coordinated with the Disaster Assistance Working Group–Cross Cutting Functional Effort by the Council of Inspectors General on Integrity and Efficiency, the DoD OIG did not evaluate the adequacy of this framework; therefore, the DoD OIG did not make any recommendations in the report.

Report No. DODIG-2019-086

Audit of Defense Logistics Agency Troop Support Negotiation of Prices for the Pharmaceutical Prime Vendor–Global Program

The DoD OIG determined whether the Defense Logistics Agency (DLA) Troop Support could improve its negotiations of pharmaceutical prices. The DLA Troop Support Pharmaceutical Prime Vendor–Global program provides the global distribution of pharmaceuticals and related products directly to customers in the DoD and other Government agencies. The prime vendor provides the pharmaceuticals directly to the customer, eliminating the need for DLA Troop Support to manage large inventories of perishable pharmaceuticals.

DLA Troop Support established prices for the Pharmaceutical Prime Vendor–Global program based on Government prices, such as the Veterans Affairs Federal Supply Schedule or the prime vendor's pricing

agreements, which allowed the prime vendor to distribute the supplier's products at an agreed-to price. DLA Troop Support officials compared the prices from the pharmaceutical prime vendor's pricing agreements to the average wholesale price, which is an industry pharmaceutical pricing benchmark. The DoD OIG determined that additional pricing data were available from the Defense Health Agency (DHA) that DLA Troop Support could have used to help negotiate lower prices for some pharmaceuticals. DLA Troop Support stated that its ability to obtain the prices in the DHA's pricing data was affected by the Buy American Act and Trade Agreements Act, which limit potential sources for pharmaceuticals and reduce competition. However, the pharmaceutical prices from the DHA's pricing data were from retail pharmacies, which were not subject to the limitations of these Acts. Another limitation affecting DLA Troop Support's ability to negotiate lower prices was that it could not guarantee sales to its suppliers with distribution and pricing agreements in exchange for quantity discounts or price breaks. Because DLA Troop Support had to comply with the Acts, DLA Troop Support may not have been able to achieve the same prices reflected in the DHA's pricing data. Nevertheless, DLA Troop Support could have used the pricing data from the DHA to help negotiate lower prices for some pharmaceuticals in the program. Based on DoD OIG calculations, the DHA's median (middle) amounts paid for the same quantity of pharmaceuticals were \$137.1 million less than DLA Troop Support's prices for the 6,615 pharmaceutical National Drug Codes.

The DoD OIG recommended that the DLA Director require the DLA Troop Support Commander to coordinate with the DHA to obtain pricing data from the Military Health System Data Repository and use the data to evaluate existing and future prices when negotiating pharmaceutical prices. Management agreed with the recommendations; however, the DLA did not concur with the DoD OIG assertion that the agency could achieve potential savings of \$137 million by adopting the recommendation. The DoD OIG revised the report to clarify that it was not asserting the DLA could achieve potential savings of \$137.1 million. The DoD OIG intent was to highlight another source of pricing data that DLA Troop Support should consider when establishing pharmaceutical prices that could result in lower prices.

Report No. DODIG-2019-109

Cyberspace Operations

Audit of the DoD's Management of the Cybersecurity Risks for Government Purchase Card Purchases of Commercial Off-the-Shelf Items

The DoD OIG determined whether the DoD assessed and mitigated cybersecurity risks when purchasing commercial off-the-shelf (COTS) information technology items. Although the DoD OIG primarily focused on Government purchase card (GPC) purchases, the DoD OIG also assessed risks affecting traditional acquisition processes. The DoD purchases and uses a wide variety of COTS information technology items, such as laptops, software, security cameras, and networking equipment.

The DoD OIG determined that the DoD purchased and used COTS information technology items with known cybersecurity risks. Specifically, Army and Air Force GPC holders purchased at least \$32.8 million of COTS information technology items, such as computers, printers, and cameras, with known cybersecurity vulnerabilities in FY 2018. The DoD purchased and used COTS information technology items with commonly known cybersecurity risks because the DoD did not develop a strategy to manage cybersecurity risks of COTS information technology items, implement acquisition policies to address the cybersecurity risks, develop an approved products list, or establish controls to prevent the purchase of high-risk COTS information technology items. As a result, adversaries could exploit known cybersecurity vulnerabilities that exist in COTS items purchased by the DoD. If the DoD continues to purchase and use COTS information technology items without identifying, assessing, and mitigating the known vulnerabilities associated with COTS information technology items, missions critical to national security could be compromised.

Among other recommendations, the DoD OIG recommended that the Secretary of Defense direct an organization or group to develop a risk-based approach to prioritize COTS items for further evaluation, a process to test high-risk COTS items, and a process to prohibit the purchase and use of high-risk COTS items, when necessary, until mitigation strategies can limit the risk to an acceptable level. In addition, the DoD OIG recommended that the Under Secretary of Defense for Acquisition and Sustainment update or develop and implement DoD acquisition policy to require organizations to review and evaluate cybersecurity risks for high-risk COTS items prior to purchase. The DoD OIG also recommended that

the Under Secretary of Defense for Acquisition and Sustainment and the DoD Chief Information Officer identify and implement administrative solutions or seek legislative authority to expand the national security system-restricted list (a list of COTS items prohibited from being used in national security systems) DoD-wide to include high-risk COTS information technology items used for non-national security systems. Management did not agree with all recommendations; therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-106

Audit of the DoD's Implementation of the Joint Regional Security Stacks

The DoD OIG determined whether the DoD's implementation of the Joint Regional Security Stacks (JRSS) is achieving the expected outcomes of the DoD's Joint Information Environment (JIE) objective to implement regional security. The expected outcomes of implementing regional security are to:

- provide timely access to trusted cyber situational awareness that will provide the DoD an understanding of its security posture and threat environment, related risk, and the entity's projected future status;
- reduce the number of paths an adversary can use to gain access to the DoD Information Network (DoDIN); and
- improve the DoDIN security posture.

The DoD OIG determined that the DoD's implementation of the JRSS was not fully achieving the expected outcomes of the DoD's JIE objective to implement regional security. Although implementing the JRSS was reducing the footprint and number of enemy attack vectors to the DoDIN, the JRSS was not achieving other intended JIE outcomes for implementing regional security. Additionally, the DoD did not consider the JRSS a major automated information system acquisition; thus, DoD officials did not develop formal capability requirements, an approved test and evaluation master plan, or a training plan for operators during the development of the JRSS. According to the Director of DoDIN Modernization, the JRSS is the most critical near-term element of the DoD's JIE. Therefore, if the JRSS is not operationally effective, secure, or sustainable, the DoD may not achieve the JIE vision, which includes achieving greater security on the DoDIN. In addition, without adequate security safeguards for the JRSS, weaknesses identified



Non-Secure Internet Protocol Router Network JRSS
Source: The DoD CIO.

in this report could prevent network defenders from obtaining the information necessary to make timely decisions, and could lead to unauthorized access to the DoDIN and the destruction, manipulation, or compromise of DoD data.

In December 2018, the DoD CIO issued a memorandum describing actions that the DoD CIO plans to take to improve JRSS operations. Although the DoD CIO's memorandum addressed training challenges that the DoD OIG identified in the report, it did not specify whether the DoD CIO planned to develop and implement a schedule for providing all JRSS operators with JRSS scenario-based training and lab-based exercises. Therefore, the DoD OIG recommended that the Defense Information Systems Agency Director develop and implement a schedule to ensure that all JRSS operators receive the training needed to use the JRSS as intended. The DoD OIG also recommended that the Under Secretary of Defense for Acquisition and Sustainment establish or revise guidance that requires DoD Components to follow the same requirements when developing a technology refresh as required for new acquisitions. Additionally, the DoD OIG recommended that the DoD Chief Information Officer and the Defense Information Systems Agency Director develop a baseline JRSS functional capabilities requirement document that includes all capabilities required for the JRSS to meet user needs and the expected outcomes of implementing regional security. Management agreed with the recommendations, but the Office of the Under Secretary of Defense for Acquisition and Sustainment did not fully address all specifics of the recommendations. Therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-089

Audit of Protection of DoD Controlled Unclassified Information on Contractor-Owned Networks and Systems

The DoD OIG determined whether DoD contractors implemented adequate security controls to protect DoD-controlled unclassified information (CUI) maintained on their networks and systems from internal and external cyber threats. CUI is a designation for identifying unclassified information that requires proper safeguarding in accordance with Federal and DoD guidance. The DoD OIG conducted this audit in response to a request from the Secretary of Defense that the DoD OIG perform a DoD-wide audit to determine whether contractors were protecting CUI on their networks and systems.

The DoD OIG determined that DoD contractors did not consistently implement DoD-mandated system security controls for safeguarding Defense information. Additionally, the DoD OIG determined that DoD Components did not comply with all National Institute of Standards and Technology (NIST) requirements, as required by DoD, including verifying that contractors' networks and systems met NIST security requirements before contract award, notifying contractors of the specific CUI category related to the contract requirements, and verifying that contractors implemented security controls for protecting CUI. Furthermore, DoD Component contracting offices and requiring activities did not always know which contracts required contractors to maintain CUI because the DoD did not implement processes and procedures to track which contractors maintain CUI. In addition, the contracting offices inconsistently tracked which contractors maintain CUI on their networks and systems. As a result, the DoD does not know the amount of DoD information managed by contractors and cannot determine whether contractors are protecting unclassified DoD information from unauthorized disclosure. Without knowing which contractors maintain CUI on their networks and systems and taking actions to validate that contractors protect and secure DoD information, the DoD is at greater risk of its CUI being compromised by cyber attacks from malicious actors who target DoD contractors.

Among other recommendations, the DoD OIG recommended that the DoD Chief Information Officer direct DoD Component contracting offices and requiring activities to require contractors to use strong passwords and configure their networks and

systems to align with DoD requirements for locking accounts after 15 minutes of inactivity and three unsuccessful logon attempts. In addition, the DoD OIG recommended that the Principal Director for Defense Pricing and Contracting revise current policy related to assessing a contractor's ability to protect DoD information to require DoD Component contracting offices, as part of the Request for Proposal and source selection processes, and requiring activities, during the contract performance, to validate, at least annually, that contractors comply with security requirements for protecting CUI before contract award and throughout the contract's period of performance. Management did not agree with all of the recommendations; therefore, the DoD OIG requested further comments.

Report No. DODIG-2019-105

Audit of Consolidated Afloat Networks and Enterprise Services Security Safeguards

The DoD OIG determined whether security safeguards protected the Consolidated Afloat Networks and Enterprise Services information system from cyber threats and managed system vulnerabilities.

The report findings and recommendations are classified.

Report No. DODIG-2019-072

Audit of Contingency Planning for DoD Information Systems

The DoD OIG determined whether DoD Components consistently developed and tested information system contingency plans (ISCP), as required by DoD and Federal guidance, for the recovery of national security systems (NSS) and data after emergencies, system failures, or disasters. A national security system is an information system that involves intelligence activities, cryptologic activities related to national security, command and control of military forces, weapon or weapons system equipment, or the direct fulfillment of military or intelligence missions.

The DoD OIG determined that DoD Components did not consistently develop and test ISCPs to recover NSSs and data after emergencies, system failures, or disasters, as required by DoD and Federal guidance. Specifically, the DoD OIG determined that the system owners developed and tested ISCPs for 2 of the 15 systems in accordance with minimum ISCP requirements; developed ISCPs for 9 of the 15 systems, but the ISCPs

did not contain all minimum ISCP requirements or test the ISCPs; and did not develop or test ISCPs for 4 of the 15 systems. As a result, DoD Components may not effectively recover NSSs or data in a timely manner or minimize the negative impact to critical missions after emergencies, system failures, or disasters.

Among other recommendations, the DoD OIG recommended that the DoD CIO update DoD guidance to require that DoD Component heads develop and test an ISCP in accordance with DoD guidance and verify and conduct periodic reviews to ensure that all NSSs have a developed and tested ISCP. Management did not agree with all recommendations; therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-116

Financial Management and Reporting

Audit of the DoD's FY 2018 Compliance With the Improper Payments Elimination and Recovery Act Requirements

The DoD OIG determined whether the DoD complied with Public Law No. 107-300, "Improper Payments Information Act of 2002," November 26, 2002, as amended by Public Law No. 111-204 and Public Law No. 112-248, which require each Federal agency to review its programs and identify programs that may be susceptible to significant improper payments, report the amount and causes of improper payments that occurred, and report on corrective actions planned to reduce the improper payments.

The DoD OIG determined that the DoD did not comply with the Improper Payments Elimination and Recovery Act (IPERA) in reporting its improper payment estimates; however, the DoD has made improvements in meeting the reporting requirements of IPERA by including key information that was previously missing in the Agency Financial Report. The DoD complied with three of the six IPERA requirements by publishing all required information in the Payment Integrity section of the Agency Financial Report; conducting program-specific risk assessments, as required; and reporting an improper payment rate of less than 10 percent for each of the eight programs that included an improper payment estimate in the FY 2018 Agency Financial Report. However, the DoD did not publish reliable improper payment estimates, publish all required elements for its corrective action plans, or meet improper payment reduction targets. As a result, the DoD did not comply with

improper payment reporting requirements for the 7th consecutive year. The DoD reported unreliable estimates and may not have promptly detected, prevented, or recovered improper payments from \$11.4 billion of transactions by excluding \$6.3 billion in transactions from improper payment reviews and performing inadequate improper payment reviews for an additional \$5.1 billion of transactions. Furthermore, when the DoD Agency Financial Report is missing key improper payment information and improper payment estimates are unreliable, DoD leadership and Congress cannot accurately determine whether the DoD has the necessary resources and the right measures in place to reduce its improper payments.

The DoD OIG recommended that the Under Secretary of Defense (Comptroller)/Chief Finance Officer, DoD, in coordination with the respective DoD Components:

- develop and implement procedures to incorporate Military Health Benefits program payments reported in the Administrative and Other categories in a sampling and estimation plan;
- develop a process that uses the amount paid for a traveler instead of the entire amount for the Defense Travel System population in the DoD Travel Pay program, and develop and implement sufficient control measures in the population review process to ensure that the DoD includes all necessary payments for Military Pay, Civilian Pay, Military Retirement, and DoD Travel Pay populations and reports accurate numbers in the AFR; and
- conduct a risk assessment of military academy cadet payments and, as necessary, implement procedures to review the payments for improper payments.

The DoD OIG also recommended that the Under Secretary of Defense (Comptroller)/Chief Finance Officer submit to the Office of Management and Budget and Congress the required report and planned corrective actions based on DoD programs' noncompliance with IPERA. Management agreed with eight of the recommendations, did not agree with one recommendation, and partially agreed with one recommendation. However, management presented planned actions that, if implemented, would address the underlying intent of the two recommendations that it did not fully agree with.

Report No. DODIG-2019-087

Audit of the Defense Security Cooperation Agency–Security Assistance Accounts

The DoD OIG determined whether the Defense Security Cooperation Agency (DSCA)–Security Assistance Accounts (SAAs) September 30, 2017, balance sheet was accurate and whether the DSCA and Defense Finance and Accounting Service (DFAS) implemented effective controls over financial reporting for the SAAs.

The DoD OIG determined that the DSCA and DFAS-Indianapolis misstated assets and liabilities on the September 30, 2017, DSCA-SAA balance sheet. Specifically, DSCA and DFAS-Indianapolis personnel did not report up to \$410.7 million in Special Defense Acquisition Fund inventory, transfer up to \$745.5 million in available collections received in DoD Miscellaneous Receipt accounts to the Special Defense Acquisition Fund, or report Accrued Unfunded Annual Leave balances for Army, Air Force, and Other Defense Organization personnel who support the security assistance programs. Additionally, DSCA and DFAS-Indianapolis personnel overstated the Navy Accrued Unfunded Annual Leave balance by \$1.3 million. Without reliable accounting records, the DoD cannot be sure that Special Defense Acquisition Fund inventory is readily available for its foreign customers so that foreign customers can develop military capabilities that are consistent with U.S. strategy, priorities, and Defense objectives. The Special Defense Acquisition Fund also reduces the need to divert equipment and material from U.S. inventory when foreign partners have urgent requirements that cannot be otherwise satisfied. Without its full level of funding, the Special Defense Acquisition Fund may not achieve these objectives. Furthermore, without reliable data for Accrued Unfunded Annual Leave, the DSCA will not be able to determine the amount that the DoD should be reimbursed by foreign customers to recoup the DoD's security assistance personnel costs.

The DoD OIG also determined that DSCA and DFAS-Indianapolis personnel did not have effective controls over financial reporting for the SAAs. The DoD relies on accurate accounting records to prepare budget requests and calculate overhead fees to recover the DoD's operating costs associated with executing the SAAs. Without effective internal controls, the DoD will be unable to determine whether it is incurring a gain or loss on individual cases on its business transactions with its foreign customers, which may result in DoD appropriations being spent on SAA operations.

Among other recommendations, the DoD OIG recommended that the DSCA Director:

- provide the implementing organizations with detailed accounting and reporting guidance for the Special Defense Acquisition Fund inventory that complies with accounting standards;
- update the Security Assistance Management Manual to require the implementing organizations to report the value and location of Special Defense Acquisition Fund inventory quarterly;
- work with the Directors of the implementing organizations to develop and implement a comprehensive end-to-end accounting and reporting process for Special Defense Acquisition Fund inventory;
- perform annual inspections of DoD and contractor facilities to determine the location, identification numbers, quantities, and values of the inventory; and
- develop and implement detailed standard operating procedures, process narratives, and process maps for each of the SAAs.

The DSCA Director agreed with 25 of the 26 recommendations, stating that the DSCA, in coordination with the Office of the Under Secretary of Defense (Comptroller)/Chief Finance Officer, DoD, and the implementing organizations, has developed corrective action plans. The DoD OIG requested further comments on the remaining recommendation, which remains open.

Report No. DODIG-2019-085

Readiness and Global Operations

Audit of Access Controls in the Defense Logistics Agency's Commercial and Government Entity Code Program

The DoD OIG determined whether the Defense Logistics Agency's (DLA) controls governing the Commercial and Government Entity (CAGE) code process are adequate and effective in: issuing CAGE codes to contractors, allowing contractors to update CAGE code information, and managing contractor access to DLA systems. A CAGE code is a unique five-character identifier assigned to contractors located in the United States

and its territories to identify a commercial or government entity. Contractor representatives with CAGE codes can then request access to DLA systems and programs, including the:

- DLA Internet Bid Board System (DIBBS) for submitting secure quotes or bids for DLA contracts;
- Collaboration Folders (C-Folders) application for accessing and downloading technical data, including export-controlled data (unclassified military critical technical data that must be protected from public disclosure) to develop quotes or bids placed in DIBBS; and
- Joint Certification Program (JCP) for accessing the unclassified export-controlled data within the C-Folders.

The DoD OIG determined that DLA Program Offices did not have adequate and effective controls to govern the CAGE code process, as required by DLA policy and Federal guidance. Specifically, the CAGE Code Program Office did not have adequate controls to identify and authenticate users when issuing CAGE codes to contractors or allowing the contractors to update CAGE code information. As a result, unauthorized contractors received CAGE codes and DLA contracts. As of September 2018, the DLA stated that it spent over \$12.9 million to identify nonconforming parts. When the DLA identifies a part that is nonconforming, all parts associated with the part's national stock number and supplied by the same contractor are categorized as nonconforming and the DLA disposes of the nonconforming parts.

The DoD OIG also determined that DLA Program Offices did not have adequate and effective controls governing the export-controlled data contained in the C-Folders. Specifically, the DLA JCP and C-Folders Program Office did not limit access to export-controlled data, as required by DoD policy. For example, the DLA JCP Office approved contractor requests for access to export-controlled data without requiring the contractor to provide a detailed and specific rationale for requesting access. Access to export-controlled data allowed unauthorized contractors to view, download, and share unclassified military technical data with unauthorized parties. Unauthorized contractors could use information to replicate military equipment or technology for improper purposes. For example, according to DoD policy, unauthorized access to these data could make a significant contribution to the military potential of another country and harm the security of the United States.

The DoD OIG recommended that the DLA conduct a comprehensive review of the internal controls for systems associated with the CAGE code process, train officials, and apply additional controls. Management agreed with the recommendations.

Report No. DODIG-2019-127

Audit of Training Ranges Supporting Aviation Units in the U.S. Indo-Pacific Command

The DoD OIG determined whether available training ranges and airspace had the capability and capacity to provide the necessary readiness for U.S. Indo-Pacific Command (USINDOPACOM) aviation units. Specifically, the DoD OIG assessed ranges located in Japan, South Korea, Hawaii, Alaska, Nevada, and Arizona, focusing on rotary-wing (helicopter), fixed-wing (airplane), and unmanned aircraft systems that have offensive air support. The audit focused on the ability of these ranges to provide realistic training conditions, targets, and threats, and their capacity to accommodate the number and types of aircraft and training missions that need to be flown.

The DoD OIG determined that the training ranges and airspace did not have the capability or capacity to support aviation readiness for units assigned to USINDOPACOM. The DoD OIG identified several reasons the training ranges and airspace capability and capacity limitations occurred. First, the training range land, airspace, and impact areas were designed to meet outdated mission needs. For example, most military training ranges were established in rural areas more than 75 years ago when the United States was preparing for World War II. Second, training ranges in Japan and South Korea have limited availability because the ranges are shared with host nation forces. Third, funds available for modernizing range capabilities were prioritized for operations in Southwest Asia and limited by congressional continuing resolutions. Fourth, protection of endangered species, safety considerations, and inclement weather limited range activities. Finally, the Army and Air Force lacked a clear command structure to jointly operate and manage the Joint Pacific Alaska Range Complex. As a result, the aviation units in the USINDOPACOM area of responsibility could not adequately train as they would fight, which the National Defense Strategy states is essential for success in accomplishing theater campaign and operation plan objectives.

The DoD OIG recommended that the Under Secretaries of Defense for Personnel and Readiness and for Acquisition and Sustainment review the individual Services' range plans to address the National Defense Authorization Act requirement; develop and implement a plan to field and sustain DoD-wide solutions to address training gaps; and develop and implement plans to synchronize Army and Air Force range management and use in Alaska for joint training events, individual and collective level training, and future F-35 training needs to ensure readiness and the ability to accomplish operation plans. Management agreed with the recommendations.

Report No. DODIG-2019-081

Audit of Air Force Accountability of Government Property and Oversight of Contractual Maintenance Requirements in the Contract Augmentation Program IV in Southwest Asia

The DoD OIG determined whether the Air Force accounted for Government-furnished property (GFP), and provided oversight of contractual maintenance requirements in the Air Force Contract Augmentation Program (AFCAP) IV in Southwest Asia. This program provides logistic and sustainment support to deployed forces, using contractors to provide Government customers with civil engineering, base construction, and logistic operations, including dining facility and food services, vehicle maintenance and management

operations, and professional engineering services. GFP includes mobile power generators, forklifts, light carts, and street sweepers.

The DoD OIG determined that the Air Force did not account for GFP under four AFCAP IV task orders in Kuwait, Qatar, and the United Arab Emirates. AFCAP IV procuring contracting officers (PCOs) did not follow DoD and Air Force requirements to maintain GFP lists in contracts; include required data elements in GFP lists; or provide GFP lists to the accountable property officers. As a result of the Air Force's lack of accountability and oversight of GFP items provided to the contractors, the Air Force did not know the value of GFP provided to contractors, had no oversight of the property, and could not hold the contractors accountable for how they managed GFP, including property damage and losses.

In addition, the Air Force did not consistently include the value of GFP listed in the contracts and included only the value of GFP for the Government property items provided to the Qatar base support contractors, one of the four task orders that the DoD OIG reviewed. Therefore, based on the value of the GFP items included in the base support task order, the Air Force understated its FY 2018 asset balances on the balance sheet by at least \$5 million. Additionally, the Air Force did not verify that AFCAP IV base support or dining facility contractors performed contracted services for routine maintenance and repairs on Government



Example of Light Carts and Forklift
Source: The DoD OIG.



Examples of GFP: Street Sweeper and Mobile Generator
Source: The DoD OIG.

property. Without oversight of contractually required maintenance services, the Air Force and the contractors did not have assurance that the base support contractors in Qatar maintained at least \$20.6 million of Government property as required. Because preventive maintenance is essential for sustaining equipment through its useful life, the lack of oversight of AFCAP IV contractual maintenance requirements could impair Air Force operations in Southwest Asia, including services for dining facilities, power generation, and airfield lighting.

Among other recommendations, the DoD OIG recommended that the Chief of Air Force Installation Contracting Agency 722nd Enterprise Sourcing Squadron Contracting Division:

- establish GFP accountability training for PCOs;
- require PCOs to coordinate with the accountable property officers and AFCAP IV contractors to jointly verify the GFP provided in each task order and modify the contracts to reflect an accurate list of GFP;
- update the Air Force Installation Contracting Agency's delegation procedures to ensure that PCOs assign property administration duties to deployed administrative contracting officers and contracting officer's representatives; and
- direct the PCOs to coordinate with the requiring activity in order to update the Air Force Installation Contracting Agency's AFCAP IV quality assurance surveillance plans to include detailed property administration and GFP oversight procedures.

In addition, the DoD OIG recommended that the Principal Director of the Defense Pricing and Contracting Division in the Office of the Under Secretary of Defense for Acquisition and Sustainment

make existing GFP training resources mandatory for all contracting personnel and coordinate with the Services to implement GFP training courses for contingency contracting personnel. Management agreed with the recommendations.

Report No. DODIG-2019-103

Audit of the Planning for and Implementation of the Afghan Personnel and Pay System

The DoD OIG determined whether the DoD's planning for and implementation of the Afghan Personnel and Pay System (APPS) would result in a system that could accurately track and pay Afghan forces.

The DoD OIG determined that the Combined Security Transition Command–Afghanistan (CSTC-A) did not validate the accuracy of the personnel records for Ministry of Defense and Ministry of Interior personnel added to APPS and did not verify whether the contractor developed the system in accordance with contract requirements. As a result, CSTC-A paid \$26.2 million, as of December 2018, to the APPS software development contractor for a system that could not communicate directly with Afghan systems, required the same manually intensive human resource and payroll processes that the system was designed to streamline, and did not accomplish the stated objective of reducing the risk of inaccurate personnel records or fraudulent payments through the use of automated controls. In addition, as of April 2019, the Ministries were not using APPS to generate payroll data, even though CSTC-A officials stated that they would fund salaries based on APPS-generated payroll data when the system was designated fully operational for the Ministry of Defense in July 2018 and the Ministry of Interior in November 2018. Furthermore, because APPS did not have an interface with the Afghan biometric system and required manual input of the

biometric identification number, there was no link between the two systems to validate the authenticity of the biometric number recorded in APPS. Therefore, the DoD did not have assurance that APPS personnel records were biometrically linked, and the DoD remained at risk of funding payroll for fraudulent personnel records.

The DoD OIG recommended that the CSTC-A Commander require the APPS Project Management Office to develop and implement:

- procedures to audit the accuracy of biometric identification numbers and personnel data for APPS records to ensure personnel records have an authentic biometric identification number and are biometrically linked; and
- corrective action plans that include root cause analysis of, corrective actions, and timelines for: (1) implementing the remaining APPS capabilities, (2) streamlining the data validation efforts, (3) increasing oversight and controls of the process for creating personnel records, (4) retiring the previous Afghan human resource system, and (5) executing the required interfaces with Afghan biometric and financial systems.

The DoD OIG also recommended that the CSTC-A Commander, in coordination with the Government of the Islamic Republic of Afghanistan, develop and implement a plan with benchmarks and timelines to transition APPS to Afghan control. Additionally, the DoD OIG recommended that the Army Contracting Command–Afghanistan Commander, in coordination with the APPS Project Management Office, develop a plan to identify all contract requirements not met on the software development contract and remedy contractor non-performance. Management agreed with the recommendations.

Report No. DODIG-2019-115

Audit of the Identification and Training of DoD's Operational Contract Support Workforce

The DoD OIG determined whether DoD Components incorporated operational contract support training into workforce development for military and DoD civilian personnel. Operational contract support is the process of obtaining supplies, services, and construction from commercial sources to support military operations. When properly planned, operational contract support can provide services that either cannot be performed by military forces or can be performed more efficiently through contract solutions.

The DoD OIG determined that DoD Components did not consistently integrate operational contract support training into workforce development. For example, the Army developed a training course for non-acquisition personnel, but this training did not adequately prepare personnel to perform operational contract support in theater at the combatant command level. In addition, the Navy developed training requirements for its operational contract support personnel, but it did not identify which personnel were required to receive the training. The Air Force and the Marine Corps also did not incorporate operational support training into their workforce development policy. Without properly trained personnel to meet the operational contract support needs of combatant commanders, the DoD risks poor management of contracted capabilities in contingency operations.

The DoD OIG recommended that the Under Secretary of Defense for Personnel and Readiness conduct a Functional Competency Model assessment for operational contract support personnel. The DoD OIG also recommended that the Under Secretary of Defense for Acquisition and Sustainment establish training requirements for operational contract support positions. Management agreed with the recommendations.

Report No. DODIG-2019-079

Audit of the Training of the Army's Regionally Aligned Forces in the U.S. Africa Command

The DoD OIG determined whether U.S. Africa Command (USAFRICOM) Regionally Aligned Forces (RAF) were trained to meet the RAF's mission requirements. The DoD OIG focused on whether regionally aligned training adequately prepared RAF personnel for missions in USAFRICOM. The RAF concept is the Army's approach for providing combatant commanders with Army forces that have dedicated capabilities oriented to sociocultural and political aspects of specific geographic areas.

The DoD OIG determined that RAF personnel allocated to USAFRICOM did not receive adequate regionally aligned training to meet the RAF's mission requirements. For example, senior U.S. officials from country teams, individual RAF personnel, a USAFRICOM Branch Chief, and an Army Asymmetric Warfare Group observation reported the need for more robust preparation in several areas, including cultural awareness training, instructor training to enable the teaching and advising of skills and tactics to partner nations, and training on partner nations' environments or militaries. The DoD OIG determined that Army

components did not plan, implement, or monitor the regionally aligned training provided to the USAFRICOM RAF in accordance with Army requirements. As a result, the RAF was not consistently prepared for its deployments to Africa, reducing the effectiveness of the RAF's missions. Specifically, U.S. senior officials from country teams, individual RAF personnel, and the Army Asymmetric Warfare Group reported that the lack of RAF mission preparation, cultural awareness training, instructor training, and training on the partner nations' environment or military has resulted in RAF personnel being unable to meet mission requirements. Security cooperation is a key element of USAFRICOM's theater campaign plan because it helps build our African partners' capabilities and capacities, which promotes regional security, stability, and prosperity in Africa. Therefore, ineffective RAF training could disrupt or delay the execution of USAFRICOM's strategy for the continent.

The DoD OIG recommended that the Deputy Chief of Staff of the Army, G-3/5/7, direct the appropriate Army components to assess the USAFRICOM RAF's:

- implementation, including analyzing the selection of RAF units and personnel, and determine whether allocating a different brigade combat team to the RAF each year to execute most of the RAF missions is the best option;
- regionally aligned training program, including training plans, areas for improvement, and implementation of improvements to the training plans; and
- performance, including developing a baseline to determine effectiveness, identify areas for improvement, and quantify results.

The DoD OIG also recommended that the USAFRICOM Commanding General provide RAF clear instructions to guide after-action reviews and use lessons learned from completed missions and rotations to identify improvements in the regionally aligned training program. Management agreed with the recommendations.

Report No. DODIG-2019-096

Audit of the Army's Oversight of National Afghan Trucking Services 3.0 Contracts

The DoD OIG determined whether the Army provided adequate oversight of the National Afghan Trucking Services 3.0 (NAT 3.0) contracts. The National Afghan Trucking program seeks to provide U.S. and Coalition forces with secure and reliable means of

distributing various materials, equipment, and fuel. The Army awarded three firm-fixed-price contracts to three Afghan trucking companies with a maximum contract value of \$93 million.

The DoD OIG determined that the Army did not have assurance that the NAT 3.0 contractors' services, valued at \$41.3 million as of December 2018, complied with contract requirements. The Army did not fully monitor contractor costs or provide continuous oversight of contractor performance for the NAT 3.0 contracts. Specifically, the CORs did not develop a review process to ensure that all costs associated with the transportation movement requests were accurate before invoice approval. In addition, CORs did not have the specialized experience to conduct the contract reviews. Furthermore, the CORs did not complete monthly surveillance checklists or status reports from March through September 2018. The administrative contracting officer accepted only one form of surveillance instead of the required surveillance checklist and status report.

The DoD OIG recommended that the Army Contracting Command–Afghanistan Commander:

- instruct the CORs and administrative contracting officer to review and update the quality assurance surveillance plan, which should include approved oversight guidance for reviewing transportation movement requests;
- develop a program and requirements to train NAT 3.0 CORs or designate a qualified official to perform invoice reviews to verify that costs associated with contractor performance are accurate; and
- review the May and June 2018 invoices to determine Afghan Trucking Services (NAT 3.0) contracts.

Management agreed with the recommendations.

Report No. DODIG-2019-069

Audit of Distribution of Preferred Munitions in Support of the Republic of Korea

The DoD OIG determined whether the U.S. Indo-Pacific Command and U.S. Forces Korea had an adequate distribution network to receive and deliver critical munitions in support of operation plan requirements.

The report findings and recommendations are classified.

Report No. DODIG-2019-099

Followup Audit of the Defense Logistics Agency's Management of Excess Items in Long-Term Storage

The DoD OIG determined whether the Defense Logistics Agency (DLA) implemented the recommendations in Report No. DODIG-2016-036, "Management of Items in the Defense Logistics Agency's Long-Term Storage Needs Improvement," December 22, 2015, and whether the implemented actions corrected the problems identified in the report.

In this followup audit, the DoD OIG determined that the DLA had improved long-term storage (LTS) inventory management and implemented all four recommendations from Report No. DODIG-2016-036. The DLA implemented three prior DoD OIG recommendations related to policy, excess inventory, and the exclusion of specific categories of inventory from automated reuse. As a result of the DLA's corrective actions in response to these three recommendations, from November 2014 to January 7, 2019, DLA LTS inventory decreased by about 2.72 million inventory items, valued at \$1.4 billion. Additionally, from November 2018 through February 2019, the DLA automatically reused 5,240 items, valued at \$699,571, that the DLA previously excluded from reuse. Therefore, the DoD OIG determined that the implemented actions were effective, and closed these three recommendations.

As of November 2018, the DLA had not implemented the fourth recommendation, which related to the DLA's automated recoupment process not reusing all eligible LTS inventory. The DLA concluded that the corrective actions implemented for the reuse of excluded categories of inventory would also resolve this recommendation. However, the DoD OIG determined that the corrective action for the reuse of excluded categories of inventory was not effective in addressing this recommendation. As a result, the DLA unnecessarily purchased at least 361 items, valued at \$342,282, already in its LTS inventory. Furthermore, the DoD OIG identified and informed DLA personnel about 7,201 items that the DLA's system listed as not in stock, although the items were available for reuse in LTS inventory. After the DoD OIG informed the DLA on June 11, 2019, about the items that were listed as not in stock, DLA Disposition Service personnel took action to correct the stock levels reported in the DLA system for 13,377 related records, valued at \$93.8 million. As a result of the stock-level correction, the DLA Disposition Service processed 802 reuse transactions valued at

\$1.4 million on June 15, 2019. Because of the actions that the DLA took during this audit, the DoD OIG closed the fourth recommendation.

During this followup audit, the DoD OIG found an additional problem with the automated process that identifies items for reuse. Although the process identified items for reuse, the DLA did not reuse those items because the DLA's system failed to create a purchase order (a reuse request for DLA Disposition Service inventory) in the automated process. As a result, the purchase order failures prevented the reuse of 11,379 items valued at \$364,136.

The DoD OIG recommended that the DLA Director update the system programming to correct the purchase order failures and verify that the update to the system works properly. Management agreed with the recommendation.

Report No. DODIG-2019-121

Audit of Controls at Military Installations for Schools Participating in the DoD Tuition Assistance Program

The DoD OIG determined whether military installations had implemented controls for the DoD Tuition Assistance Program that were designed to ensure that educational institutions with authorized access to DoD installations complied with DoD policies and partnership memorandums of understanding to prevent improper recruitment of service members. According to a DoD Instruction, improper recruiting practices include:

- using unfair, deceptive, abusive, or fraudulent devices, schemes, or artifices (including misleading advertising or sales literature); and
- engaging in unfair, deceptive, or abusive marketing tactics, such as marketing during unit briefings or assemblies, engaging in open recruiting efforts, or distributing marketing materials on DoD installations or at DoD events without approval and monitoring by the responsible education adviser.

The DoD OIG determined that, at the five military installations visited, Military Service officials had implemented Tuition Assistance Program controls that sought to ensure that educational institutions with authorized access to DoD installations complied with DoD instructions and partnership memorandums of understanding to prevent improper recruitment of service members. The DoD OIG also found that DoD education center or Morale, Welfare, and Recreation

personnel had approved and monitored sponsorship and advertising agreements and approved installation access requests for educational institutions to seek to ensure that educational institutions met the requirements of DoD instructions and partnership memorandums of understanding. In addition, Military Services required service members to meet with an education counselor to discuss their academic and career goals and identify potential institutions or education programs that fit their goals before being approved to receive tuition assistance funds.

The DoD OIG did not make any recommendations.

Report No. DODIG-2019-122

Ongoing Audit Oversight

Ongoing Work

The DoD OIG is conducting other ongoing audits, including audits to determine whether:

- military treatment facilities overprescribed opioids for DoD beneficiaries;
- DoD personnel received personal property shipments in a timely manner and whether timely actions were taken on household goods that were damaged or lost during permanent change of station moves;
- the Air Force Space Command implemented security controls to protect the Air Force Satellite Control Network against potential cyber attacks;
- the DoD's artificial intelligence portfolio has gaps or weaknesses related to the governance, protection, and ownership rights of artificial intelligence data and technologies;
- DoD Red Teams and DoD Components addressed the recommendations in Report No. DODIG-2013-035, "Better Reporting and Certification Processes Can Improve Red Teams' Effectiveness," December 21, 2012; whether DoD Red Teams supported operational testing and combatant command exercises to identify network vulnerabilities, threats, and other security weaknesses affecting DoD systems, networks, and facilities; and whether corrective actions were taken to address the findings of the Red Teams;

- DoD Components recovered their costs for executing security assistance programs and distinguished their assets from those of the security assistance programs;
- the Army implemented corrective actions in response to recommendations in Report No. DODIG-2013-130, "Army Needs to Improve Controls and Audit Trails for the General Fund Enterprise Business System Acquire-to-Retire Business Process," September 13, 2013, and recommendations in Report No. DODIG-2014-090, "Improvements Needed in the General Fund Enterprise Business System Budget-to-Report Business Process," July 2, 2014;
- Service components met the terms outlined in joint base memorandums of agreement and whether processes are in place to report and address joint base-related concerns;
- aircraft supporting the Naval Aviation Warfighting Development Center in Fallon, Nevada, are fully operational to train carrier air wings for deployment;
- physical security measures at Military Ocean Terminal Concord and Military Ocean Terminal Sunny Point are protecting the trans-shipment of DoD ammunition, explosives, and cargo; and
- the Defense Health Agency and the Military Services are providing effective training to mobile medical teams prior to deploying them to the U.S. Indo-Pacific Command and U.S. Africa Command areas of responsibility to improve trauma care.

EVALUATIONS

The DoD OIG's Evaluations component conducts independent reviews of DoD operations and activities. These evaluations include classified programs, space and missile programs, construction, safety, health care, and oversight of criminal investigations and audits conducted by other entities within the DoD.

The Evaluations component consists of two operating directorates:

- Program, Combatant Command (COCOM), and Overseas Contingency Operations (OCO), and
- Space, Intelligence, Engineering, and Oversight.

The following are highlights from DoD OIG evaluations work during the reporting period.

Program, COCOM, and OCO

Evaluation of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip Afghan Tactical Air Coordinators, Air Liaison Officers, and Afghan Air Targeting Officers

The DoD OIG determined whether U.S. and Coalition efforts to train, advise, assist, and equip Afghan tactical air coordinators, air liaison officers, and Afghan air targeting officers met U.S. and Coalition objectives in support of developing Afghan air-to-ground integration.

The DoD OIG determined that U.S. and Coalition trainers did not train Afghan tactical air coordinators on coordinating airdrop operations; did not develop the required detailed training curriculum for air liaison officers; and did not track the operational effectiveness of the deployed Afghan tactical air coordinators and Afghan air targeting officers. The lack of training for Afghan tactical air coordinators and Afghan air liaison officers increased the risk for unsuccessful air-to-ground operations, civilian casualties, and failure to meet operational objectives.

The DoD OIG recommended that U.S. commands conducting this training make a determination regarding inclusion of airdrop training; develop and implement a detailed training curriculum for the air liaison officers; and establish procedures and processes to track the operational effectiveness of the deployed Afghan tactical air coordinators, air liaison officers, and Afghan air targeting officers.

Management agreed with the recommendations but did not fully address all specifics of one recommendation; therefore, the DoD OIG asked for additional comments.

Report No. DODIG-2019-110

Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait

The DoD OIG determined whether DoD contracts in Kuwait complied with Federal and DoD requirements regarding combating trafficking in persons (CTIP), and whether DoD commands provided oversight of CTIP requirements.

The DoD OIG determined that U.S. Central Command (USCENTCOM), U.S. Air Forces Central Command, the Army and Air Force Exchange Service, and Army Contracting Command–Rock Island did not consistently enforce DoD and command regulations or provide oversight to U.S. contractors regarding combating trafficking in persons in Kuwait.

For example, DoD contracting organizations did not have a process for determining Kuwaiti labor law requirements and did not conduct oversight of contractors' implementation of the Federal Acquisition Regulation (FAR) clause regarding CTIP. Army and Air Force contracting officers did not confirm that contracts included the required FAR CTIP clauses or monitor, document, and report contractor CTIP compliance. As a result, USCENTCOM is at increased risk of not detecting or correcting and underreporting labor trafficking in persons on U.S. military facilities.

Among other recommendations, the DoD OIG recommended that the USCENTCOM Commander enforce Central Command Regulation (CCR) 570-4, "Combating Trafficking in Persons," October 27, 2016, which implements DoD Instruction 2200.01, by establishing procedures and assigning responsibilities for the identification and oversight of CTIP in the USCENTCOM area of responsibility. Additionally, the DoD OIG recommended that:

- senior officials from U.S. Air Forces Central Command and Army Contracting Command–Rock Island ensure that contracting officers include the FAR CTIP clause in all contracts, ensure that quality assurance surveillance plans are prepared, and monitor contractor performance regarding trafficking in persons;
- the Army and Air Force Exchange Service Chief Executive Officer update the Army and Air Force Exchange Service CTIP policy to provide guidance on monitoring contractor compliance with the FAR CTIP clause; and
- senior officials from U.S. Air Forces Central Command and Army Contracting Command–Rock Island and the Chief Executive Officer of the Army and Air Force Exchange Service obtain definitive guidance on Kuwaiti labor laws that apply to DoD contracts.

Management from USCENTCOM disagreed with the recommendation, stating that DoD Instruction 2200.01 and CCR 570-4 may conflict with Federal intelligence collection regulations and preclude USCENTCOM enforcement of CCR 570-4. However, USCENTCOM also stated that it would update and enforce CCR 570-4 in response to an updated DoD Instruction on CTIP.

The Army and Air Force Exchange Service and Army Contracting Command–Rock Island agreed with the recommendation to designate a single element in Kuwait responsible for CTIP compliance. However,

U.S. Air Forces Central Command did not agree with the recommendation. Therefore, the DoD OIG requested further comments on this recommendation.

U.S. Air Forces Central Command, Army Contracting Command–Rock Island, and the Army and Air Force Exchange Service agreed with the recommendations.

Report No. DODIG-2019-088

Evaluation of the DoD's Management of Opioid Use Disorder for Military Health System Beneficiaries

The DoD OIG determined whether the DoD's management of opioid use disorder treatment complied with DoD policies and national guidance. Opioid use disorder is a substance abuse disorder associated with the recurrent use of opioids that causes significant impairments, such as health problems, disability, and failure to meet major responsibilities at work, school, or home.

The DoD OIG determined that the DoD established policies and programs to manage the treatment of opioid use disorder for Military Health System beneficiaries. However, Marine Corps Substance Abuse Counseling Center (SACC) counselors diagnosed substance abuse disorder in violation of DoD and Navy Bureau of Medicine and Surgery policies. Although the SACC counselors were licensed, they were not granted clinical privileges and did not have access to the DoD Health Record system. As a result, the SACC counselors could not document substance abuse disorders in the DoD Health Record, which could affect quality of care and quality of medical data. Moreover, the Military Health System has no mechanism to compare the performance of opioid use disorder treatment programs to civilian benchmarks or across military treatment facilities, and the full extent of the DoD's opioid use disorder population is unclear.

The DoD OIG recommended that the Navy modify policies, review records, and certify that all substance use disorder diagnoses are made by a health care provider with appropriate clinical privileges, and that all diagnoses are documented in the DoD Health Record. The DoD OIG also recommended that the Assistant Secretary of Defense for Health Affairs implement standard DoD-wide measures specific to opioid use disorder. Management agreed with the recommendations but did not fully address all specifics of the recommendations; therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-091

Evaluation of the Operations and Management of Military Cemeteries

The DoD OIG determined whether the DoD properly managed and operated 16 of 38 DoD military cemeteries. Specifically, the DoD OIG evaluated gravesite accountability and records; reviewed the status and implementation of Military Service cemetery regulations; reviewed contracted support for military cemeteries; and verified that the Military Services completed corrective actions in response to recommendations made in a prior DoD OIG report, Report No. DODIG-2013-098, "Assessment of U.S. Military Cemeteries," June 28, 2013, (Revised May 20, 2019).

The DoD OIG determined that 5 of the 16 military cemeteries visited did not have full gravesite accountability due to improper placement of gravesite markers or incorrect marker information, outdated burial records, or incorrect gravesite locations in the system of record. As a result, family members or other interested persons could not locate specific gravesites. Incorrect records could also result in new burials being initiated on sites that are already occupied, thereby unintentionally disturbing remains. In addition, the DoD OIG determined that Service cemetery regulations and guidelines were inconsistent because the DoD does not have a policy governing the operation and management of military cemeteries. As a result, the Military Services operated cemeteries using various standards and practices, which could compromise gravesite accountability.

Among other recommendations, the DoD OIG recommended that the DoD develop standardized and comprehensive training and guidance on the operation of military cemeteries; develop and publish business rules to standardize the method for adjudicating data discrepancies and inaccuracies; conduct a census of military cemeteries; and direct a conversion to full use of digital records. Management agreed with the recommendations.

Report No. DODIG-2019-084

Evaluation of Operations and Management of Arlington and Soldiers' and Airmen's Home National Military Cemeteries

The DoD OIG determined whether the Army provided effective oversight of aspects of the management and operation of Arlington National Cemetery and the U.S. Soldiers' and Airmen's Home National Cemetery. Specifically, the DoD OIG evaluated

gravesite accountability; the reliability of information technology systems; execution and oversight of contract support; and possible causes for the varying wait times for pending interments and inurnments. The DoD OIG also verified that Arlington National Cemetery completed corrective actions in response to recommendations made in a prior DoD OIG report, Report No. DODIG-2014-026, “Assessment of Arlington and Soldiers’ and Airmen’s Home National Cemeteries,” December 20, 2013 (Revised May 20, 2019).

The DoD OIG determined that there were no errors in accountability for the 553 randomly selected gravesites we reviewed at Arlington National Cemetery. For each of the gravesites, the name in the cemetery database corresponded to the identified grave in the cemetery and the gravesite was in the location shown in the database. However, the DoD OIG found five discrepancies in the records, in which one or more of the data elements were inconsistent between the cemetery’s database, website, and gravesites. None of these discrepancies affected gravesite accountability. The DoD OIG found five errors in accountability in its evaluation of 290 randomly selected gravesites at the U.S. Soldiers’ and Airmen’s Home National Cemetery, in which burials in the database were not displayed on grave markers in the cemetery. The DoD OIG also determined that the information technology systems supporting burial requests, scheduling and execution, and gravesite accountability at the two cemeteries were reliable. The DoD OIG identified no areas of concern regarding contracted services for the two cemeteries. Furthermore, the DoD OIG determined that, although Arlington National Cemetery has a system in place for managing requests for burial, families of eligible decedents requesting funeral honors often experience extended wait times.

The DoD OIG recommended that the Executive Director of Army National Military Cemeteries field and implement the planned quality assurance module to the cemetery database to improve the accuracy of data in earlier burials and ensure timely and proper designation of all decedent burial sites with a temporary marker, if necessary, followed by a permanent marker; direct a census review of U.S. Soldiers’ and Airmen’s Home National Cemetery burial sites; and finalize and publish the updated drafts of Army regulations regarding the administration, operation, and maintenance of Army cemeteries. Management agreed with the recommendations.

Report No. DODIG-2019-083

Evaluation of Theater Linguist Support for OFS

The DoD OIG determined whether U.S. Central Command and U.S. Army Intelligence Security Command have developed and implemented processes for satisfying U.S. Forces–Afghanistan Commander and Operation Freedom’s Sentinel contract linguist requirements. The report findings and recommendations are classified.

Report No. DODIG-2019-098

Space, Intelligence, Engineering, and Oversight

Follow-up Evaluation of Corrective Actions Taken in Response to a Prior DoD OIG Audit of the F-35 Lightning II Autonomic Logistics Information System

The DoD OIG determined whether corrective actions taken in response to nine recommendations made in Report No. DODIG-2013-031, “Audit of the F-35 Lightning II Autonomic Logistics Information System (ALIS),” December 10, 2012, adequately addressed the recommendations. The findings and recommendations in this report are classified. The follow-up report closed four of nine recommendations. The F-35 Joint Program Office Program Management and Operations Director agreed with the findings.

Report No. DODIG-2019-100

Evaluation of Military Services’ Law Enforcement Responses to Domestic Violence Incidents

The DoD OIG determined whether Military Service law enforcement policies for responding to domestic violence incidents were consistent with DoD policy, and whether Military Service law enforcement organizations complied with DoD policy when responding to nonsexual domestic violence incidents with adult victims.

The DoD OIG determined that the Military Service law enforcement policies related to responding to incidents of domestic violence were consistent with DoD regulations. However, the DoD OIG determined that Military Service law enforcement organizations did not consistently comply with DoD policies when responding to nonsexual domestic violence incidents with adult victims. Specifically, in the 219 domestic

violence incidents reviewed, Military Service law enforcement organizations did not consistently process crime scenes (62 of 219); conduct thorough interviews (148 of 219); notify the Family Advocacy Program of domestic violence incidents (49 of 219); or submit criminal history data to the Defense Central Index of Investigations, the Federal Bureau of Investigation Criminal Justice Information Services Division, and the Defense Forensics Science Center (180 out of 219). Additionally, Military Service law enforcement personnel did not have the necessary equipment, such as cameras and digital field exploitation systems, to comply with DoD policies that require law enforcement personnel to collect and preserve evidence. As a result, Military Service law enforcement personnel may not thoroughly investigate and document their response to domestic violence incidents, and commanders and prosecutors may not have the necessary information to make informed disciplinary or prosecutorial decisions.

The DoD OIG recommended that the Military Services:

- conduct a comprehensive review of criminal investigative databases and files to verify that all subjects of domestic violence incidents from 1998 to present are titled and indexed in the Defense Central Index of Investigations;
- collect and submit subject fingerprint cards and final disposition reports to the Federal Bureau of Investigation Criminal Justice Information Services Division;
- collect and submit DNA to the Defense Forensics Science Center for submission to the Combined DNA Index System;
- comply with and emphasize DoD and supplemental Military Service policies related to law enforcement's response to domestic violence incidents; and
- ensure that Military Service law enforcement practices, equipment, and supervisory reviews comply with DoD policies.

Management generally agreed with the recommendations but did not fully address all specifics of many of the recommendations; therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-075

Evaluation of the DoD's Handling of Incidents of Sexual Assault Against (or Involving) Cadets at the United States Air Force Academy

The DoD OIG determined whether the U.S. Air Force Academy sexual assault response coordinator (USAFA SARC) and Sexual Assault Prevention and Response (SAPR) victim advocates provided SAPR services to cadet-victims of sexual assault, as required by DoD and Air Force policy. The DoD OIG found that victim support services were available to cadet victims at USAFA. However, the DoD OIG determined that the USAFA SARC did not have a process to document contacts and consultations with cadet-victims who chose not to make an official report of sexual assault. Moreover, the DoD OIG determined that 11 cadet-victim reports of sexual assaults that were made to the USAFA Family Advocacy Program (FAP) were not entered into the Defense Sexual Assault Incident Database (DSAID) because USAFA FAP personnel used the Air Force Service-level FAP central registry to track the number of reports of sexual assault instead of the DSAID. The DoD SAPR Office uses the DSAID to account for the number of cadet-victim reports of sexual assault in its annual reports to Congress. As a result, reports of sexual assault made to the USAFA FAP were not included in the "Annual Report on Sexual Harassment and Violence at the Military Service Academies" submitted to Congress, as required by Public Law 109-364.

The DoD OIG recommended that the Under Secretary of Defense for Personnel and Readiness develop and institute a process to ensure that the accurate number of reports of sexual assaults made to the Air Force FAP are included in all future annual reports on sexual harassment and violence at the military service academies. In addition, the DoD OIG recommended that the Director of the DoD SAPR Office:

- develop and institute a process that documents consults or contracts with victims of sexual assaults and any resulting referrals to victim support services if those contacts do not result in an official sexual assault report, and
- update the DSAID to include a field for the Military Service DSAID administrators to record the reason that reports of sexual assault are archived in the DSAID.

Finally, the DoD OIG made recommendations to the Director of the Air Force SAPR Office regarding the process used to archive and document the reasons for archiving reports of sexual assault in the DSAID.

Management agreed with the recommendations.

Report No. DODIG-2019-125

Evaluation of U.S. European Command's Nuclear Command and Control

The DoD OIG determined whether U.S. European Command met the DoD requirements for continuous, survivable, and secure nuclear command and control between the President and theater nuclear forces. The findings and recommendations in this report are classified.

Report No. DODIG-2019-093

Evaluation of the Air Force's Implementation of DoD OIG Recommendations Concerning Modifications of the Integrated Tactical Warning and Attack Assessment (ITW/AA) Mobile Ground System

The DoD OIG determined whether the Air Force adequately implemented recommendations in Report No. DODIG-2015-133, "Evaluation of the Integrated Tactical Warning and Attack Assessment Mobile Ground System," June 18, 2015, and whether the current mobile ground system can be sustained until the replacement system attains full operational capability. The findings and recommendations in this report are classified.

Report No. DODIG-2019-078

Evaluation of the Oversight of Intelligence Interrogation and Techniques

The DoD OIG determined whether the oversight of intelligence interrogation approaches and techniques used by the Office of the Under Secretary of Defense for Intelligence (OUSD(I)), U.S. Southern Command, USCENTCOM, and U.S. Special Operations Command adhered to applicable DoD policies and regulations.

The DoD OIG determined that the OUSD(I) had developed and coordinated DoD policy and reviewed, approved, and ensured coordination of DoD Component intelligence interrogation policies, directives, and doctrine. However, the DoD OIG

found inconsistencies in OUSD(I)'s oversight of the implementation of DoD policy regarding combatant command intelligence interrogation approaches and techniques. This occurred because OUSD(I) officials focused on policy reviews rather than developing procedures for oversight of intelligence interrogations. As a result, OUSD(I) cannot ensure that the combatant commands' intelligence interrogation programs are employing interrogation approaches and techniques consistent with the applicable policies and regulations.

The DoD OIG recommended that the OUSD(I) develop formal oversight procedures for combatant command intelligence interrogation and develop a schedule for implementing intelligence interrogation oversight. Management agreed with the recommendation.

Report No. DODIG-2019-077

Evaluation of DoD Component Responsibilities for Counterintelligence Support for the Protection of Defense Critical Infrastructure

The DoD OIG determined whether DoD Components assigned responsibilities for counterintelligence (CI) support and managed the Defense Critical Infrastructure Line of Effort Integrated Management Group to protect defense critical infrastructure. Critical infrastructure is defined as an asset so vital that its exploitation, incapacitation, or destruction would have a debilitating effect on national security, the U.S. economy, or public health or safety.

The DoD OIG determined that the OUSD(I) did not reassign responsibilities for CI coverage of critical assets and facilities previously managed by defense infrastructure sector lead agents (DISLAs). DISLAs were responsible for the identification, prioritization, and protection of essential DoD services and infrastructure within 10 defined infrastructure sectors, such as space, transportation, and intelligence. However, DISLA positions were eliminated in 2016, and current DoD CI efforts may not consistently identify threats to essential DoD services and infrastructure. In addition, the DoD OIG determined that, from 2015 to 2018, the Defense Intelligence Agency did not adequately manage the Integrated Management Group to support CI functional management and integration of CI support, as required by DoD Instruction 5240.19. According to Defense Intelligence Agency officials, this occurred because personnel limitations hampered attempts to reinvigorate the Defense Critical

Infrastructure Line of Effort Integrated Management Group. However, as a result, the DoD may not be adequately integrating and coordinating CI support for essential DoD services and infrastructure, which could result in duplicative CI efforts or insufficient CI coverage.

The DoD OIG recommended that applicable DoD policies be revised to ensure the protection of essential DoD services and infrastructure. Additionally, the DoD OIG recommended that the Defense Critical Infrastructure Line of Effort Integrated Management Group be reestablished, and a chair and deputy chair be appointed to enhance CI functional management and integration of CI support to the essential DoD services and infrastructure line of effort. Management agreed with the recommendations.

Report No. DODIG-2019-071

Followup to DODIG-2018-068, “Evaluation of Oversight of Privileged Users Within the Army’s Intelligence Component”

The DoD OIG determined whether the U.S. Army Intelligence and Security Command implemented the recommendations made in Report No. DODIG-2018-068, “Evaluation of Oversight of Privileged Users Within the Army’s Intelligence Component,” January 30, 2018, to improve controls over Joint Worldwide Intelligence Communications System (JWICS) privileged users. JWICS is the top secret, sensitive compartmented information portion of the Defense Information Systems Network that permits classified information exchange involving voice, text, graphics, data, and video teleconferencing. Privileged users are authorized to perform security-relevant functions that ordinary users are not authorized to perform. Those privileges are typically allocated to system, network, security, and database administrators, as well as information technology administrators.

In the prior report, the DoD OIG made two recommendations. The DoD OIG made the first recommendation to the Commander of U.S. Army Cyber Command to establish specific guidance regarding privileged users. Because the Commander of U.S. Army Cyber Command issued “Army User Activity Monitoring (UAM) Concept of Operations (CONOPS)” on October 7, 2019, this recommendation is now resolved.

The second recommendation was that the U.S. Army Intelligence and Security Command Chief of Staff:

- complete and execute Intelligence and Security Command Policy 6-3 to define the authorities, program oversight and governance, and to ensure a cybersecurity audit process is in place prior to the transfer of responsibility for monitoring user activity to U.S. Army Cyber Command;
- enhance controls and processes to ensure that all records in the Army Training and Certification Tracking System are complete, accurate, and properly reviewed to comply with DoD instructions and Army regulations;
- review privileged users, enter all missing records into the Army Training and Certification Tracking System, and correct all errors in Army Training and Certification Tracking System records; and
- revalidate all privileged users to ensure that access is commensurate with current mission requirements and revoke privileged access from any user who no longer requires access.

In the followup report, the DoD OIG determined that the U.S. Army Intelligence and Security Command’s actions to implement the two sub-parts from the recommendation did not improve controls over Army Training and Certification Tracking System records and privileged users. Therefore, the DoD OIG recommended that the U.S. Army Intelligence and Security Command:

- develop a plan for Army Training and Certification Tracking System managers to conduct quarterly reviews of privileged users as required by DoD and Army guidance, and
- develop tools that capture all information required in training and nomination records and report accurate information matching the records in the Army Training and Certification Tracking System to verify privileged user compliance with DoD and Army guidance.

Management agreed with the recommendations.

Report No. DODIG-2019-097

Follow-up Evaluation of Corrective Actions Taken in Response to a Prior Evaluation of Foreign Officer Involvement at the United States Special Operations Command

The DoD OIG determined whether the actions taken by the Under Secretary of Defense for Policy, the U.S. Special Operations Command, and the Defense Intelligence Agency addressed the 25 recommendations made in Report No. DODIG-2016-098, “Evaluation of Foreign Officer Involvement at U.S. Special Operations Command,” June 15, 2016. The June 2016 report found that U.S. Special Operations Command did not fully comply with applicable laws and DoD directives concerning the use of foreign officers.

The DoD OIG determined that U.S. Special Operations Command and the Defense Intelligence Agency took corrective actions to develop policies and procedures for foreign officers assigned to the DoD. Specifically, U.S. Special Operations Command developed internal policies related to international agreements, improved security and access procedures for foreign nationals, and conducted training for persons involved with the integration of foreign officers into the U.S. Special Operations Command. The Defense Intelligence Agency reviewed accreditations for sensitive compartmentalized information facilities and automated information systems and submitted policy recommendations to the OUSD(I) for integrating partner nations into sensitive compartmentalized information facilities.

However, management did not fully address the recommendation to the Under Secretary of Defense for Policy to update policy regarding foreign national visits. Therefore, the DoD OIG requested additional comments.

Report No. DODIG-2019-090

Evaluation of Missile Defense Agency, Pentagon Force Protection Agency, and Defense Commissary Agency Use of Authorities to Conduct Counterintelligence Inquiries

The DoD OIG determined whether the Missile Defense Agency, Pentagon Force Protection Agency, and Defense Commissary Agency adhered to all applicable guidance when conducting counterintelligence activities. The findings and recommendations from this report are classified.

Report No. DODIG-2019-076

System Review Report of the United States Special Operations Command, Office of the Inspector General, Audit Division

The DoD OIG reviewed the systems of quality control for the Audit Division of the U.S. Special Operations Command (USSOCOM) OIG that were in effect for the period of January 1, 2016, through December 31, 2018. A system of quality control encompasses the USSOCOM OIG Audit Division’s organizational structure and establishes policies and procedures to provide the organization with reasonable assurance that it conforms to Government Auditing Standards.

The DoD OIG review determined that the system of quality control for the USSOCOM OIG Audit Division, in effect for the 3-year period that ended December 31, 2018, was suitably designed to provide the USSOCOM OIG Audit Division with reasonable assurance that their performance and reporting conformed with applicable professional standards in all material aspects. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. The USSOCOM OIG Audit Division received a rating of pass.

Report No. DODIG-2019-102

Ongoing Evaluations Oversight

Other Ongoing Work

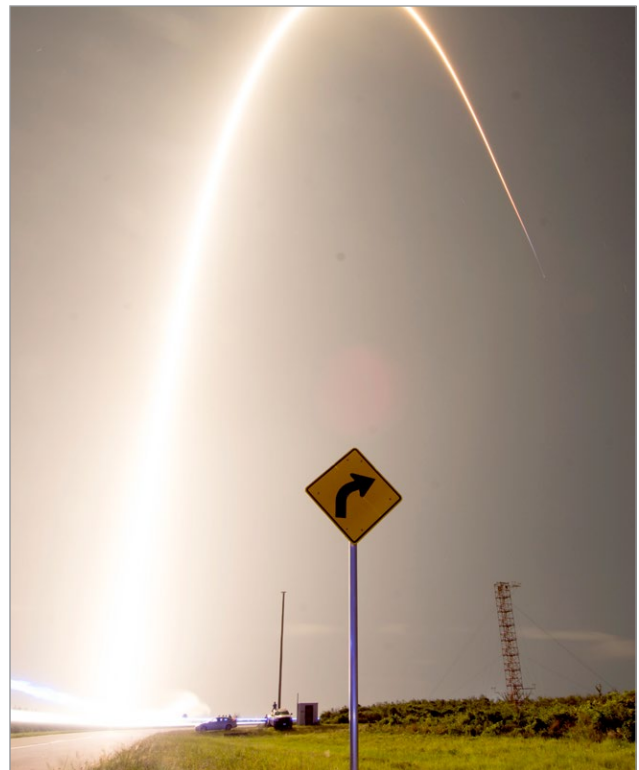
The DoD OIG is conducting ongoing evaluations, including evaluations to determine whether:

- the Air Force has mission capable aircraft and aircrew to meet the U.S. Strategic Command’s Operation Global Citadel air refueling requirement;
- the Air Force effectively planned, designed, and implemented requirements to provide airfield and base support infrastructure for Air Base 201 in Niger;
- security controls for preventing foreign access to Intelligence, Surveillance, and Reconnaissance asset supply chains are effective;
- the Military Services effectively managed health and safety hazards in Government-owned and Government-controlled military family housing;
- U.S. Central Command target development and prosecution processes and post-strike collateral damage and civilian casualty assessment activities are effective;



MQ-9 Reaper in flight
Source: U.S. Air Force.

- the V-22 Program Office developed the Engine Air Particle Separator to protect the engines in desert environments;
- the Air Force implemented weather support capabilities on the MQ-9 Reaper unmanned aircraft systems;
- the Algorithmic Warfare Cross-Functional Team (Project Maven) developed internal controls to oversee the integration of artificial intelligence into intelligence collection platforms to improve the processing, exploitation, and dissemination of intelligence;
- the DoD's Senior Integration Group for countering small unmanned aircraft systems is developing policy and implementing processes to provide interoperable and sustainable systems to the combatant commands and the Military Services;
- U.S. Forces–Afghanistan developed and implemented screening, vetting, and biometric processes for force protection in Afghanistan;
- the Air Force developed a plan to implement the Integrated Enterprise Ground Service, which is the prototype phase of the Air Force Satellite Control Network;
- the Navy adequately implemented recommendations from Report No. DODIG-2014-083, "Insufficient Infrastructure Support to the Fixed Submarine Broadcast System," June 23, 2014, to ensure that the infrastructure, maintenance, modernization, and management of the Fixed Submarine Broadcast System are sufficient to perform required functions;
- Combined Joint Task Force–Operation Inherent Resolve effectively planned and executed military information support operations to counter the Islamic State in Iraq and Syria in Iraq and Syria;
- the Army's development and deployment of the Tactical Signals Intelligence Payload for unmanned aerial systems meets the intelligence requirements of the Army's operational units; and
- the Air Force complied with the Launch Services New Entrant Certification Guide when certifying the launch system design for the Evolved Expendable Launch Vehicle-class SpaceX Falcon 9 and Falcon heavy launch vehicles.



A SpaceX Falcon 9 rocket launches at Cape Canaveral Air Force Station, Florida.
Source: U.S. Air Force.

DCIS INVESTIGATIONS

The following cases highlight investigations conducted by DCIS and its Federal law enforcement partners during the reporting period. DCIS investigative priorities include cases in the following areas.

- Procurement Fraud
- Public Corruption
- Product Substitution
- Health Care Fraud
- Illegal Technology Transfer
- Cyber Crimes and Computer Network Intrusion

Procurement Fraud

Procurement fraud investigations are a major portion of DCIS cases. Procurement fraud includes, but is not limited to, cost and labor mischarging, defective pricing, price fixing, bid rigging, and defective and counterfeit parts. The potential damage from procurement fraud extends well beyond financial losses. This crime poses a serious threat to the DoD's ability to achieve its objectives and can undermine the safety and operational readiness of the warfighter.

Owner of A&P Alloys, Inc., Sentenced for Role in Fraudulent Sale of Titanium to DoD Subcontractor

A joint investigation with the Air Force Office of Special Investigations (AFOSI), and the Department of Transportation OIG investigated allegations that A&P Alloys, Inc. (A&P), provided substandard titanium to a DoD subcontractor.

From April 2012 to November 2013, John Palie, Jr., the owner of A&P, and John Palie III, an A&P manager, falsely represented the source and quality of titanium that the company sold to a DoD subcontractor that manufactures aircraft engines. A&P falsely certified that the titanium met advanced aerospace quality standards; however, the metal was substandard scrap titanium. John Palie, Jr., and John Palie III admitted that they knew that the scrap titanium that A&P sold as certified titanium would be used in military aircraft engines.

On June 27, 2018, John Palie, Jr., and John Palie III pleaded guilty to two counts of mail fraud. On August 28, 2019, John Palie, Jr., was sentenced

to 10 months in prison, 24 months of supervised release, and a \$10,000 fine. John Palie III was sentenced to 6 months in prison and 24 months of supervised release.

Defense Contractor Agreed to Pay \$4 Million to Resolve Allegations of Improper Billing

DCIS, the U.S. Army Criminal Investigation Command (Army CID), and the Defense Contract Audit Agency (DCAA) jointly investigated allegations that Mission 1st Group (Mission First) fraudulently billed the DoD.

Mission First is a contractor that provides program management, system engineering, information technology, and communication services to the DoD. Mission First employees stationed in Iraq and Afghanistan are entitled to danger and hazardous duty payments, known as uplifts. Mission First allegedly billed the DoD for uplifts, but did not provide these funds to its employees. Mission First also allegedly collected Federal Insurance Contributions Act taxes on its employees' uplifts, but improperly retained the taxes that it collected.

On August 6, 2019, Mission First entered into a civil settlement agreement with the Department of Justice (DOJ) and agreed to pay the Government \$4 million to resolve alleged violations of the False Claims Act.

PAE Applied Technologies, LLC, Agreed to Pay \$4.2 Million to Resolve Alleged Violations of the False Claims Act

DCIS and AFOSI jointly investigated allegations that PAE Applied Technologies, LLC (PAE), submitted false claims to the Air Force regarding service contracts. PAE provided numerous contract services, including aircraft maintenance, aircrew life support, and airfield management, to the Air Force at Vance Air Force Base, Oklahoma.

From 2009 to 2014, PAE allegedly submitted fraudulent claims regarding its employees' wages. The alleged false claims exceeded the applicable wage cap rates and allowed PAE to obtain award fees it otherwise would not have received based on the contract.

This investigation was initiated as a result of a civil lawsuit filed under the qui tam provisions of the False Claims Act. On June 20, 2019, PAE entered into a civil settlement agreement with the DOJ and agreed to pay \$4.2 million to the Government to resolve alleged violations of the False Claims Act.

Product Substitution

DCIS investigates criminal and civil cases involving counterfeit, defective, substandard, or substituted products introduced into the DoD supply chain that do not conform with contract requirements.

Nonconforming products can threaten the safety of military and Government personnel and other end users, compromise readiness, and waste economic resources. In addition, when substituted products are provided to the DoD, mission-critical processes and capabilities can be compromised until they are removed from the supply chain. DCIS works with Federal law enforcement partners, supply centers, and the Defense industrial base in working groups and task forces to investigate allegations that DoD contractors are not providing the correct parts and components to meet contract requirements.

California Business Owner Sentenced for Defrauding Government Agencies

DCIS and the General Services Administration OIG jointly investigated allegations that Jim Meron, the owner of two office supply companies, defrauded the Government out of as much as \$3.5 million.

Between May 2011 and July 2017, Meron's two office supply companies, WOW Imaging Products, LLC, and Time Enterprises, LLC, sold office supplies through two web-based Government sales portals: General Service Administration Advantage, operated by the General Service Administration, and DoD eMall, operated by the DoD. Meron's companies received orders for name brand products, but the companies substituted premium products with generic products. Meron retained the difference in price between the products ordered and the products delivered.

On November 5, 2018, Meron pleaded guilty to mail fraud and wire fraud. On June 17, 2019, Meron was sentenced to 33 months in prison and 36 months supervised release. He was ordered to pay \$1.6 million in restitution and to forfeit more than \$1.7 million in assets.

Defense Contractor Agreed to Pay \$3.3 Million to Resolve Alleged Violations of the False Claims Act

DCIS, Army CID, and the Department of Veterans Affairs (VA) OIG jointly investigated allegations that a medical supply company, Ambu, Inc. (Ambu), submitted false claims to the Defense Logistics Agency (DLA) and the VA. According to the Trade Agreements Act,

products that are sold to Government agencies must come from countries that have a trade agreement with the United States. Although many countries comply with the Trade Agreements Act, China and Malaysia do not.

Between 2011 and 2015, Ambu billed the DLA and the VA for medical supplies that the company manufactured in China and Malaysia. More than 80 percent of Ambu's sales to the DLA and the VA during this timeframe were from these noncompliant countries. Ambu executives certified that the company's products complied with the Trade Agreements Act despite allegedly knowing that most of its medical products were manufactured in noncompliant countries.

On July 31, 2019, Ambu entered into a civil settlement agreement with the DOJ and agreed to pay the Government \$3.3 million to resolve alleged violations of the False Claims Act through violations of the Trade Agreements Act.

ITT Cannon Paid \$11 Million to Resolve Allegations That It Sold Untested Electrical Connectors to the Military

DCIS, Naval Criminal Investigative Service (NCIS), the Coast Guard Investigative Service, AFOSI, the DLA, the DCAA, the National Reconnaissance Office OIG, and the National Aeronautics and Space Administration OIG jointly investigated allegations that ITT Cannon (ITT) supplied electrical connectors to the military that had not been properly tested.

From 2008 to 2017, ITT allegedly neglected to periodically test six models of electrical connectors, and the company sold the untested electrical connectors to the Government directly, through distributors, and through other Government contractors that incorporated them into technology and equipment sold to the Government. In December 2010, the Government learned that ITT had not tested these connectors, and the company promised that it would conduct remedial testing and report the results. In February 2011, ITT experienced several failures during its remedial testing, but it did not immediately disclose these failures to the Government. In 2017, the DLA issued a stop order for the six electrical connector models. Subsequently, ITT implemented corrective actions, and the DLA requalified one of the six connectors for inclusion on its Qualified Products List.

This investigation was initiated as a result of a lawsuit filed under the qui tam provisions of the False Claims Act. The False Claims Act allows private individuals, known as relators, to sue on behalf of the Government those who falsely claim Federal funds. The relator receives a share of any funds recovered through the lawsuit. On May 29, 2019, ITT entered into a civil settlement agreement with the DOJ and agreed to pay the Government \$11 million to resolve alleged violations of the False Claims Act, the Program Fraud Civil Remedies Act, and the Contract Disputes Act. The relator received \$2.1 million of the settlement amount.

DoD Contractor Agreed to Pay \$2.4 Million to Resolve Alleged Violations of the False Claims Act

DCIS, Army CID, the General Service Administration OIG, and the VA OIG jointly investigated allegations that a Statesboro, Georgia, manufacturer, the Sesolinc Group (Sesolinc), violated the False Claims Act by selling the Government defective products that did not comply with required electrical and structural standards.

This investigation was initiated as a result of a lawsuit filed under the qui tam provisions of the False Claims Act. On July 15, 2019, Sesolinc, along with its chief executive officer and owner, Harry Ford III, entered into a civil settlement agreement with the DOJ and agreed to pay the Government up to \$1.25 million in restitution for repair of goods previously supplied to the Government and obligated to make an additional payment of \$250,000 as part of the settlement. Ford will pay the Government \$150,000 as a result of the civil settlement, and the relator will receive \$297,000.

Public Corruption

Corruption by public officials can undermine public trust in Government, threaten national security, and compromise the safety of DoD systems and personnel. Public corruption can also waste tax dollars. DCIS combats public corruption through its criminal investigations, including using investigative tools, such as undercover operations, court-authorized electronic surveillance, and forensic audits.

Former Navy Contract Official Sentenced for His Role in Bribery Scheme

DCIS, NCIS, and the Internal Revenue Service jointly investigated allegations that Fernando Barroso, Sr., a former senior procurement official for the Navy, received bribes for submitting false contracting claims.

In 2008, Barroso agreed to approve false claims for reimbursement to benefit the business interests of Theodore Bauer, a Ventura County, California, businessman, in exchange for 50 percent of all proceeds generated by the scheme. As part of the scheme, Barroso approved invoices that Bauer submitted for materials never received and services never performed, and Bauer paid Barroso \$1.2 million in cash and checks.

On March 7, 2019, Barroso pleaded guilty to conspiracy to commit bribery of a public official and submission of false tax returns. On July 15, 2019, Barroso was sentenced to 70 months in prison, and he was ordered to pay \$1.1 million in restitution. He was also ordered to forfeit a 2005 Monaco Esquire recreational vehicle and a 2013 Toyota Tacoma.

CEO, CFO, and Company Sentenced for Massive Pharmaceutical Scheme

DCIS and the Federal Bureau of Investigation (FBI) jointly investigated allegations of theft from the Defense Supply Center Philadelphia Medical Prime Vendor Returns Program.

From approximately 1999 through 2014, Dean Volkes, the president and chief executive officer of Guaranteed Returns, and Donna Fallon, Volkes's sister and the company's chief financial officer, operated Guaranteed Returns. Guaranteed Returns managed the return of pharmaceutical products to pharmaceutical manufacturers for health care providers, including DoD medical facilities. The clients of Guaranteed Returns paid the company a fee, and the clients would receive any refund that Guaranteed Returns received from the pharmaceutical manufacturer. At Volkes's direction, Guaranteed Returns retained reimbursements from the pharmaceutical manufacturers instead of forwarding these funds to the company's clients. Through this fraudulent practice, Guaranteed Returns stole more than \$100 million from more than 13,000 clients, including more than \$20 million from medical facilities operated by the DoD and other Government agencies.

In March 2017, Volkes, Fallon, and Devos, Ltd., doing business as Guaranteed Returns, were convicted at trial of mail fraud, wire fraud, theft of Government property, money laundering conspiracy, obstruction of justice, and making false statements. On July 2, 2019, Volkes was sentenced to 5 years confinement to be followed by 3 years supervised release, and ordered to pay restitution of \$94.7 million jointly and severally with Guaranteed Returns. Fallon was sentenced to 1 year and 1 day confinement followed by 3 years supervised release and ordered to pay

restitution of \$515,222 jointly and severally with Volkes and Guaranteed Returns. In addition, Volkes and Guaranteed Returns were each ordered to forfeit \$114.8 million.

Former Army Civilian Pleaded Guilty to Conspiracy to Commit Bribery

DCIS, Army CID, and the FBI investigated allegations that a former Army civilian, Franklin Raby, participated in a bribery conspiracy.

From March 2015 through May 2018, Raby accepted bribes worth tens of thousands of dollars from a DoD contractor while he was employed by the Army as the range operations manager at Schofield Barracks, Hawaii. Raby provided the contractor with sensitive procurement information, and the contractor provided Raby with bribes, such as an antique automobile, diamond earrings, and a rifle.

On May 2, 2019, Raby pleaded guilty to one count of conspiracy to commit bribery. He will be sentenced in November 2019.

Former Virginia State Delegate Sentenced for His Role in Contracting Scheme

DCIS and the Small Business Administration (SBA) jointly investigated allegations that a former active duty Army colonel, Anthony R. Williams, accepted bribes for steering DoD contracts to a business that was owned by Calvin Lawyer, a retired Army colonel. According to court documents and proceedings, Williams accepted bribes from co-conspirators to steer DoD contracts to Lawyer's company, the CREC Group. The Small Business Administration certified the CREC Group as a small disadvantaged business based on Lawyer's false representations. Lawyer previously pleaded guilty to charges related to this case and is serving a 60-month prison sentence. Anthony Roper, another co-conspirator and former active duty Army colonel, also pleaded guilty to charges related to this case and is serving a 60-month sentence.

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Ronald A. Villanueva began working for SEK Solutions around 2005. In or around January 2006, SEK's minority owner ceded nearly total control of SEK to Villanueva and a co-conspirator. In 2010, when SEK's 8(a) certification was about to expire, Villanueva and multiple co-conspirators established Karda Systems. Although the 8(a) program application for Karda Systems stated that the company was owned by Villanueva's brother-in-law, the company was actually operated by Villanueva and others associated with SEK. At this time, Villanueva was a member of the Virginia General Assembly and used his Virginia House of Delegates letterhead to support Karda's 8(a) program certification application. Even though neither company was eligible to participate in the

8(a) program, Villanueva and his co-conspirators fraudulently obtained more than \$80 million in Government contracts.

On March 19, 2019, Villanueva pleaded guilty to conspiracy to defraud the United States for his role in the scheme. On July 2, 2019, Villanueva was sentenced to 30 months of prison and 3 years of supervised release. He was also ordered to pay \$524,533 in restitution, of which, \$300,681 is attributed to contracts that were fraudulently awarded to SEK or Karda Systems, including contracts for the Army and special operations commands for the Army, Navy, and Air Force.

Former Army Colonel Sentenced for Conspiracy to Commit Bribery

DCIS, Army CID, and the Small Business Administration (SBA) jointly investigated allegations that a former active duty Army colonel, Anthony R. Williams, accepted bribes for steering DoD contracts to a business that was owned by Calvin Lawyer, a retired Army colonel. According to court documents and proceedings, Williams accepted bribes from co-conspirators to steer DoD contracts to Lawyer's company, the CREC Group. The Small Business Administration certified the CREC Group as a small disadvantaged business based on Lawyer's false representations. Lawyer previously pleaded guilty to charges related to this case and is serving a 60-month prison sentence. Anthony Roper, another co-conspirator and former active duty Army colonel, also pleaded guilty to charges related to this case and is serving a 60-month sentence.

On August 30, 2019, Williams, who previously pleaded guilty to conspiracy to commit offenses against the United States, was sentenced to 60 months in prison. He was also ordered to forfeit more than \$1.2 million.

Former Soldier Sentenced For Firearms Charge and Theft of Government Property

DCIS, the Special Inspector General for Afghanistan Reconstruction, Army CID, and the FBI jointly investigated allegations that Joseph Russel Graff, a former sergeant first class, illegally imported firearms from Afghanistan.

Graff, a former Special Forces weapons sergeant, deployed to Afghanistan as a member of the 3rd Special Forces Group. A search warrant that was executed at Graff's residence after he returned to the United States resulted in the recovery of eight firearms, including six machine guns. Graff falsely stated that he had permission from U.S. Customs and his chain

of command to obtain and import the weapons. The investigation also revealed Graff's participation in a theft of Government property conspiracy. The conspiracy involved stealing Government property and using local nationals to sell the stolen goods on the Afghan black market. Graff used the proceeds for a down payment on a home, vehicles, and an indoor pool.

On November 19, 2018, Graff pleaded guilty to unlawful possession of machine guns. On September 27, 2019, Graff was sentenced to 52 months in prison and 3 years of supervised release. Graff agreed to forfeit \$151,906.11 that was being held in an attorney trust account.

Health Care Fraud

DCIS conducts a wide variety of investigations involving health care fraud in the DoD's TRICARE system, including investigations of health care providers involved in corruption or kickback schemes, overcharging for medical goods and services, marketing or prescribing drugs for uses not approved by the U.S. Food and Drug Administration, and approving unauthorized individuals to receive TRICARE health care benefits. DCIS also proactively targets health care fraud through coordination with other Federal agencies and participation in Federal and state task forces.

Former Army Hospital Employee and Clinic Owner Sentenced for Paying and Receiving Kickbacks

DCIS, Army CID, and the FBI investigated allegations that a former William Beaumont Army Medical Center (Beaumont) employee, Jesus Arellano, and the owner of an orthopedic clinic, Jason Matsu, defrauded TRICARE and violated the anti-kickback statute.

Arellano and Matsu conspired to submit fraudulent prescriptions for TRICARE patients for compound medications that the prescribing physician did not authorize in exchange for kickbacks. Arellano forged prescriptions by using Beaumont physicians' names on prescriptions for TRICARE patients and provided the prescriptions to Matsu. Matsu paid Arellano kickbacks for the forged prescriptions, and Matsu Orthopedics forwarded the prescriptions to a compounding pharmacy. The pharmacy submitted false claims to TRICARE for reimbursement.

Matsu and Arellano previously pleaded guilty to a 44-count indictment of health care fraud and violations of the anti-kickback statute. On May 17, 2019, Matsu was sentenced to 60 months of probation. Matsu was ordered to pay \$300,000 in restitution to the Defense Health Agency and forfeit property to the

Government. Matsu also agreed to a forfeiture money judgment in the amount of \$237,222. On May 30, 2019, Arellano was sentenced to 41 months in prison and 36 months of supervised release. He was also ordered to pay \$2.4 million in criminal restitution, including \$2.37 million to the Defense Health Agency. Arellano also agreed to a forfeiture money judgment in the amount of \$150,700.

Pharmaceutical Manufacturer Agreed to Pay \$195 Million to Settle Alleged Violations of the False Claims Act

DCIS, the Department of Health and Human Services OIG, and the Office of Personnel Management OIG jointly investigated allegations that Insys Therapeutics, Inc. (ITI), a pharmaceutical company, provided kickbacks to medical providers for prescribing a synthetic opioid pain medication.

ITI markets and sells Subsys, a sublingual fentanyl spray that is a powerful synthetic opioid painkiller. From May 2012 to December 2015, ITI allegedly provided various forms of kickbacks to encourage medical providers to prescribe Subsys and promote the prescription of Subsys for reasons that were not approved by the Food and Drug Administration. ITI allegedly submitted, or caused to be submitted, claims for payments to various Government programs, including TRICARE, in which kickbacks were used to influence the use of Subsys.

On June 5, 2019, ITI entered into a civil settlement with the DOJ and agreed to pay the Government and states participating in Medicaid \$195 million in six interest-bearing installments over the course of 5 years to resolve alleged violations of the False Claims Act and the Anti-Kickback Statute.

Physical Therapist Sentenced for Defrauding Federal Health Care Programs

DCIS, the Department of Health and Human Services OIG, the FBI, and the State of Hawaii Medical Fraud Control Unit jointly investigated allegations that Garret Okubo, a physical therapist in Hawaii, defrauded TRICARE by billing for services that he did not provide.

From at least January 2011 to October 2017, Okubo submitted false reimbursement claims to TRICARE and other Federal health care programs. Okubo misrepresented the services that he billed to the Government, and billed the Government for services that were not performed. Additionally, Okubo was often not present when patients received services and his staff members were not properly licensed to perform the services.

On May 9, 2019, Okubo pleaded guilty to four counts of health care fraud and was sentenced to 42 months in prison and 3 years of supervised release. He was also ordered to pay the Defense Health Agency \$3.1 million in restitution plus additional asset forfeiture.

Illegal Technology Transfer

DCIS investigates theft and the illegal exportation or diversion of strategic technologies and U.S. Munitions List items to banned nations, criminal enterprises, and terrorist organizations. This includes the illegal theft or transfer of defense technology, weapon systems, and other sensitive components and program information.

A Company and Its Owner Were Debarred From Government Contracting

A joint investigation with Department of Homeland Security Investigations and the Department of Commerce Bureau of Industry and Security investigated allegations that Si Chen, the owner of Archangel Systems Space, exported restricted space and military communications equipment to entities in the People's Republic of China.

From March 2013 through the end of 2015, Chen smuggled sensitive technology to China without obtaining the required permits under the International Emergency Economic Powers Act. Chen falsified export paperwork and used false identities and an

intermediary in Hong Kong to facilitate illegal technology transfer activities and avoid law enforcement scrutiny.

On July 9, 2017, Chen pleaded guilty to conspiracy to violate the International Emergency Economic Powers Act as well as using a false passport and money laundering. On October 1, 2018, Chen was sentenced to 46 months in prison for illegally exporting sensitive technology to China. On February 28, 2019, Chen and her associated entities were suspended from Government contracting. On April 2, 2019, Chen and her associated entities were debarred from Government contracting for 3 years.

Asset Forfeiture Division

The DCIS Asset Forfeiture Division provides civil and criminal forfeiture support to DCIS investigations. Forfeiture counts are included in indictments, criminal information, and consent agreements when warranted by the evidence. The division seeks to deprive criminals of proceeds and property used or acquired through illegal activity, both in the United States and overseas.

During this 6-month reporting period, DCIS seized assets totaling \$44.47 million, consisting of U.S. currency, electronic equipment, financial instruments, jewelry, real property, vehicles, and vessels. In addition, DCIS obtained final orders of forfeiture totaling \$113.81 million and money judgments in the amount of \$3.93 million. This data is valid as of September 30, 2019.

Figure 2.5 Asset Forfeiture Program as of September 30, 2019

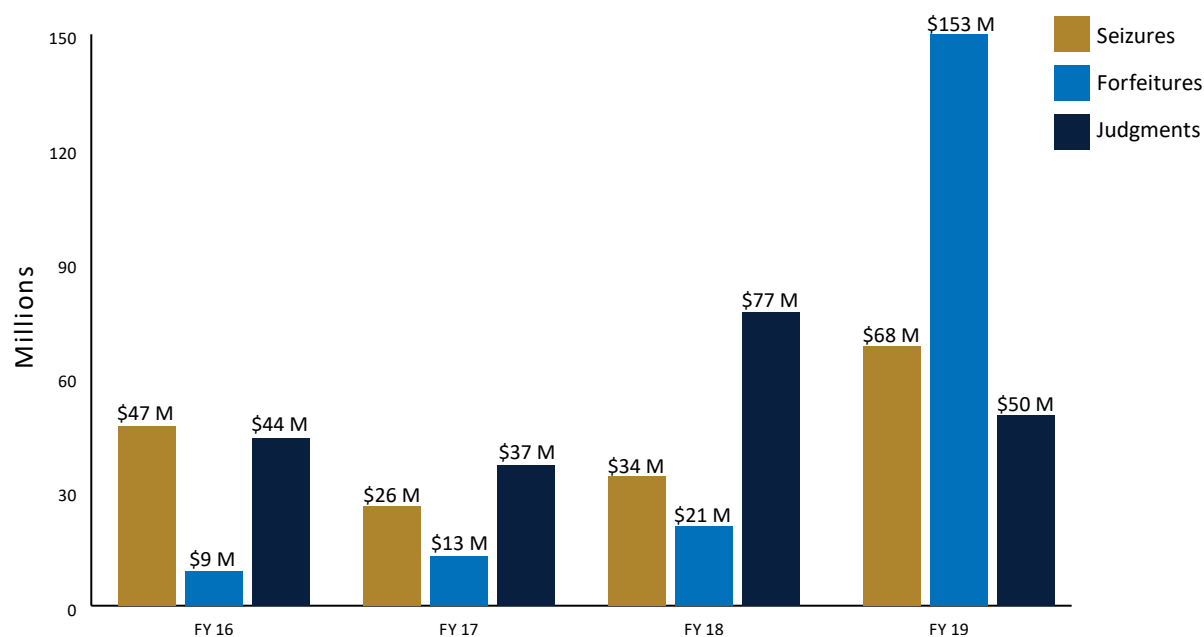
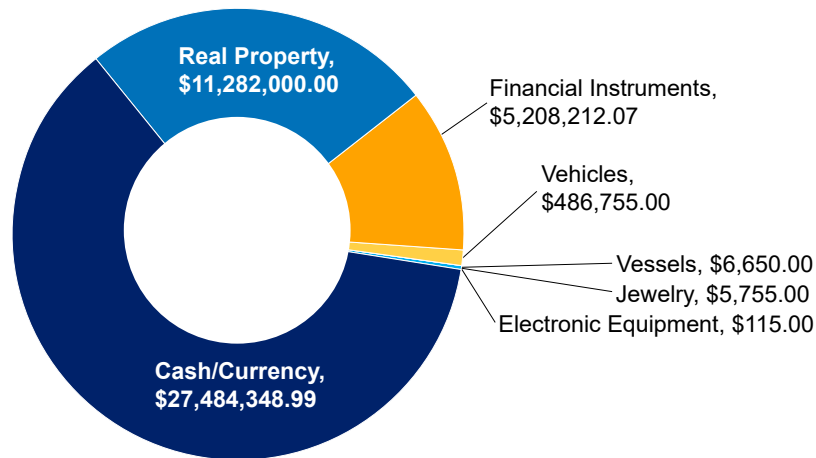


Figure 2.6 Seized Assets by Type April 1, 2019 through September 30, 2019



Subpoena Program

The DoD OIG's authority to issue subpoenas is based on sections 6 and 8 of the IG Act of 1978, as amended. A DoD OIG subpoena request must meet three criteria:

- the subpoena can only be issued for investigations within the legal authority of the IG;
- the information sought must be reasonably relevant to the IG investigation, audit, or evaluation; and
- the subpoena cannot be unreasonably broad or unduly burdensome.

According to the IG Act, the DoD OIG can issue subpoenas to obtain business, personnel, financial, and state and local government records. Records obtained by subpoena may also be used to locate witnesses, confirm statements made by witnesses or subjects, and provide other relevant information.

From April 1, 2019, through September 30, 2019, the DoD OIG issued 428 subpoenas.

Figure 2.7 DoD OIG Subpoenas issued in FY 2019

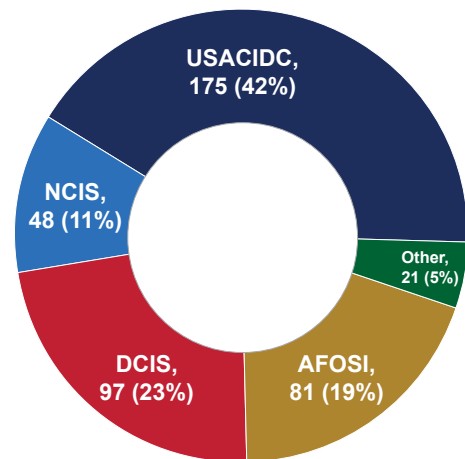
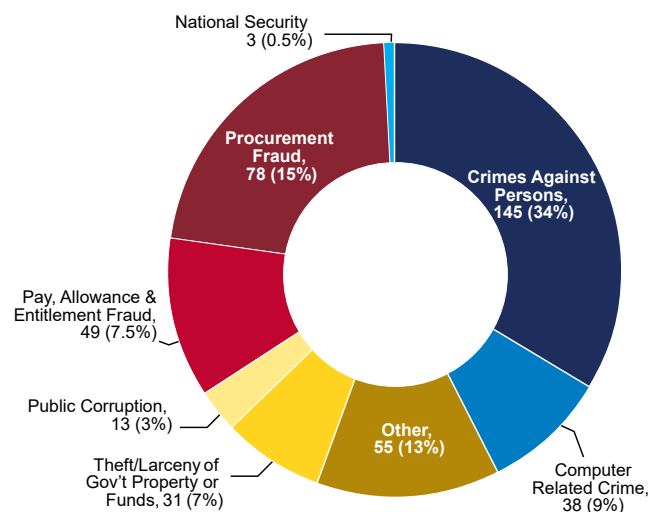


Figure 2.8 Subpoenas Requested in FY 2019 by Type of Investigation



DCIS Investigations of Cases Involving Senior Government Employees

The IG Empowerment Act of 2016 modified the IG Act of 1978 to require reporting of investigations involving senior Government employees (GS-15 or O-6 and above) where the allegations of misconduct were substantiated or closed and not disclosed to the public.

- A complaint alleged that a GS-15 DoD technical director shared sensitive contract and procurement information with a cleared DoD contractor. The technical director allegedly steered an IT contract award by providing detailed competitor information to the cleared DoD contractor. The allegations were not substantiated. The DOJ declined to pursue legal action regarding this matter, and this case was closed on July 1, 2019.
- A complaint alleged that a GS-15 DoD employee discussed future contract awards with a software development company. The GS-15 retired, and the software company hired the retired GS-15 employee. The retired GS-15 employee allegedly used his Government contacts to steer DoD contracts to his employer. The allegations were unsubstantiated. On April 18, 2019, the DOJ declined to pursue legal action regarding this matter, and this case was closed on July 26, 2019.
- A complaint alleged that an Army colonel and a Marine Corps lieutenant colonel were provided gifts and financial kickbacks for influencing a DoD contract award panel and steering a multi-million dollar DoD contract. The allegations were unsubstantiated. On October 22, 2018, the DOJ declined to pursue legal action regarding this matter, and this case was closed on May 23, 2019.
- A complaint alleged that a retired Army colonel engaged in a conflict of interest. Upon his retirement, the colonel accepted employment with a company that he conducted business with while he was on active duty. The retired colonel pleaded guilty to two counts of making false statements and one count of conflict of interest; he was sentenced to 60 months of probation and 8 months of home confinement. The retired colonel was ordered to pay a \$10,000 fine and a \$300 special assessment fee.

- A complaint alleged that an Army colonel received prohibited income. The colonel accepted payments from a medical supply vendor for providing training services while he was on active duty. The colonel pleaded guilty to one count of supplementation of salary, and he agreed to pay \$50,000 to the Government as well as a \$25 special assessment fee.
- A complaint alleged that a GS-15 comptroller with the Navy received gratuities from a Government subcontractor. The subcontractor used unexpended contract funds to provide the GS-15 employee with items of value worth approximately \$35,870.69. The GS-15 pleaded guilty to one count of conspiracy to receive gratuities by a public official; he was sentenced to 40 months in prison and 36 months of supervised release. He was ordered to forfeit \$35,000 and pay the Navy \$35,870.69 in restitution.

ADMINISTRATIVE INVESTIGATIONS

The DoD OIG's Administrative Investigations (AI) component consists of three directorates:

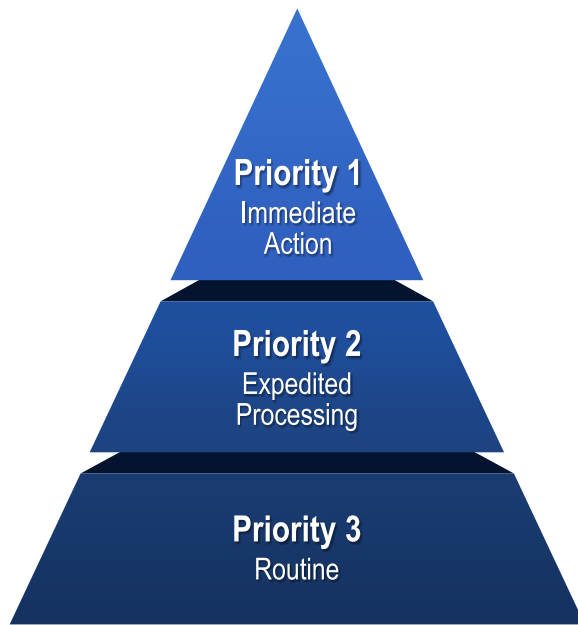
- DoD Hotline,
- Whistleblower Reprisal Investigations, and
- Investigations of Senior Officials.

DoD Hotline

The mission of the DoD Hotline is to provide a confidential, reliable means to report violations of law, rule, or regulation; fraud, waste, and abuse; mismanagement; trafficking in persons; serious security incidents; or other criminal or administrative misconduct that involves DoD personnel and operations, without fear of reprisal. Using a Priority Referral Process, the DoD Hotline receives, triages, and refers cases to DoD OIG components, Military Services, Defense agencies, and DoD field activities based on the following Hotline referral metrics criteria.



Fraud, Waste, & Abuse
HOTLINE
 Department of Defense
dodig.mil/hotline | 800.424.9098



HJotline Priority Pyramid

Priority 1: Immediate Action/Referred Within 1 Day

- Intelligence matters, including disclosures under the Intelligence Community Whistleblower Protection Act.
- Significant issues dealing with the DoD nuclear enterprise.
- Substantial and specific threats to public health or safety, DoD critical infrastructure, or homeland defense.
- Unauthorized disclosure of classified information.

Priority 2: Expedited Processing/Referred Within 3 Days

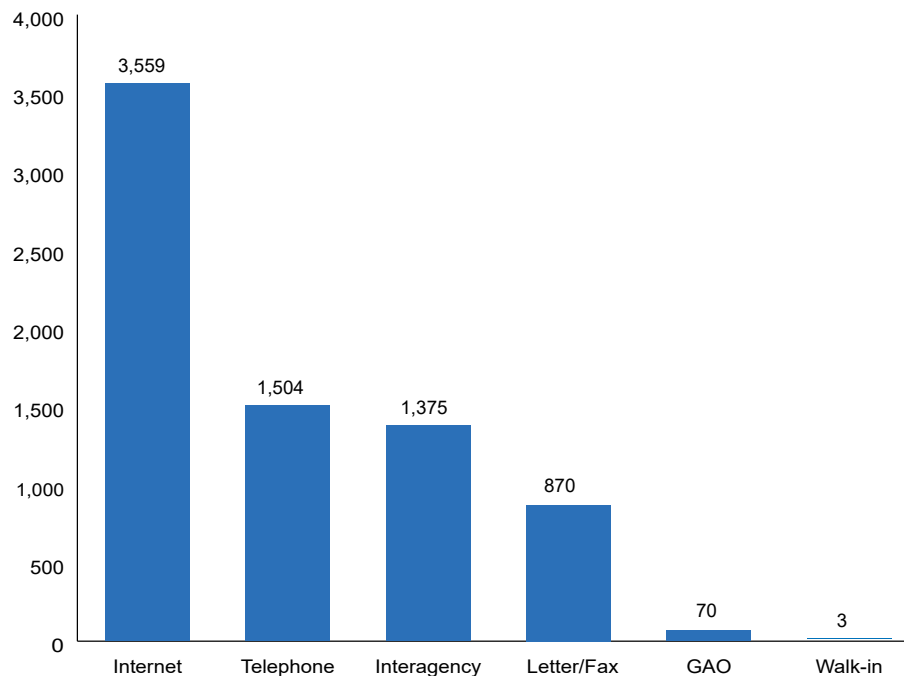
- Misconduct by DoD auditors, evaluators, inspectors, investigators, and IGs.
- Senior official misconduct.
- Whistleblower reprisal.
- Allegations originating within a designated Overseas Contingency Operation area.

Priority 3: Routine/Referred Within 10 Days

- All other issues.

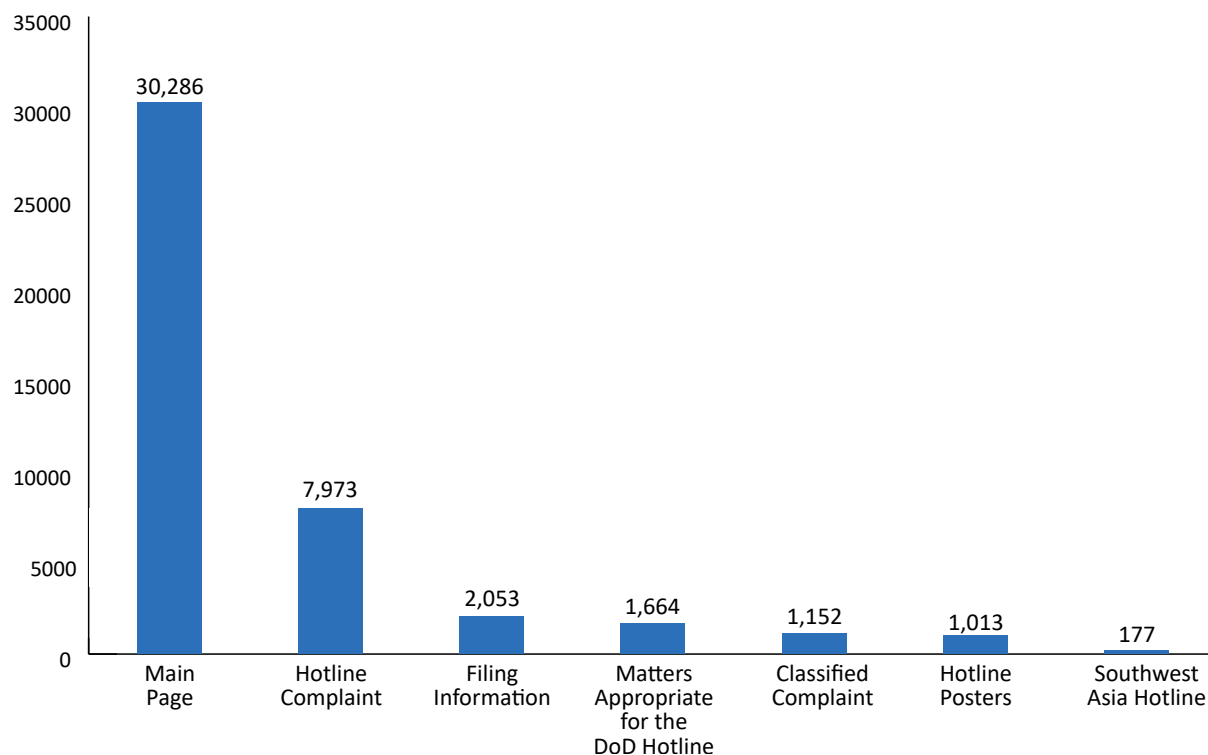
From April 1, 2019, through September 30, 2019, the DoD Hotline received 7,381 contacts. The figure below shows the contacts received by origin.

Figure 2.9 Hotline Contacts Received By Origin, April 1, 2019 – September 30, 2019



From April 1, 2019, through September 30, 2019, DoD Hotline webpages received 44,318 views, a 6-percent increase in this reporting period. This increase is due to changes made to DoD Hotline webpages that increased page visibility and access to the public. The figure below shows the number of visits to various fraud, waste, and abuse information pages.

Figure 2.10 Most Visited Pages on the DoD Hotline Website, April 1, 2019 – September 30, 2019



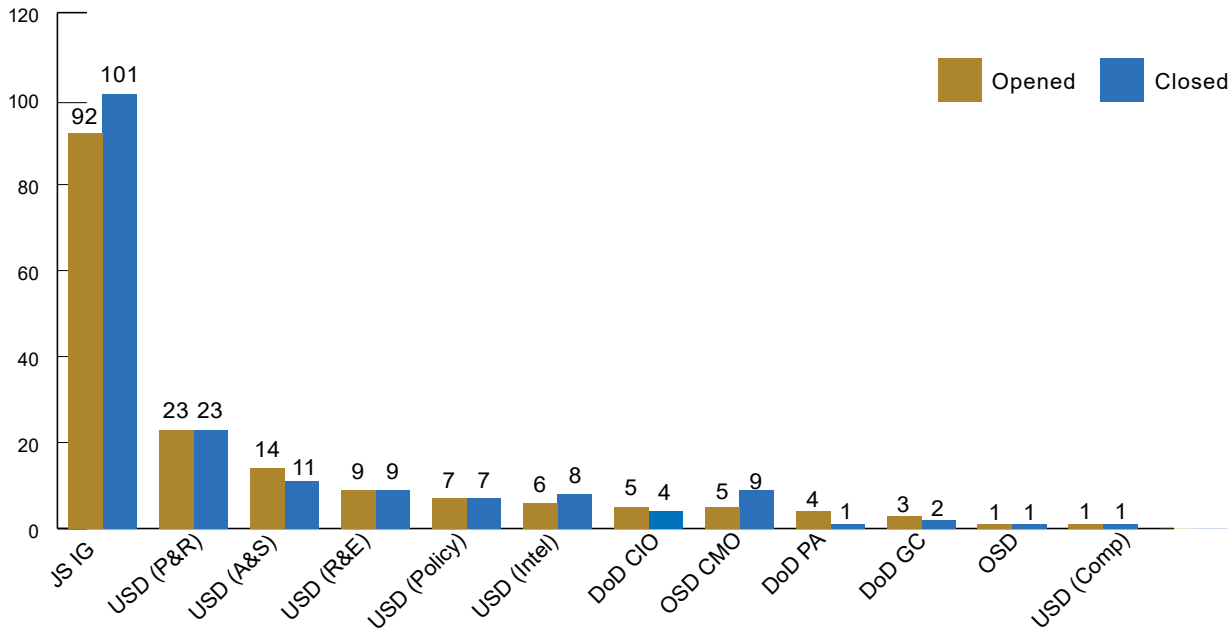
A DoD Hotline contact becomes a case when the Hotline opens and refers the case for action or information to a DoD OIG component, a Military Service, DoD agency, DoD field activity, or other agency outside the DoD. An action case referral requires the receiving agency to conduct an investigation. The Hotline case is not closed until the DoD Hotline receives and approves a Hotline Completion Report. An information case referral only requires action that the recipient agency deems appropriate. The DoD Hotline closes information cases after verifying receipt by the intended agency.

From April 1, 2019, through September 30, 2019, the DoD Hotline opened 3,723 cases and closed 3,883 cases.

The following charts show the referrals that the DoD Hotline made to the Office of the Secretary of Defense, DoD agencies and field activities, the Military Services, and DoD OIG components. Cases with no DoD affiliation are transferred to non-DoD agencies.

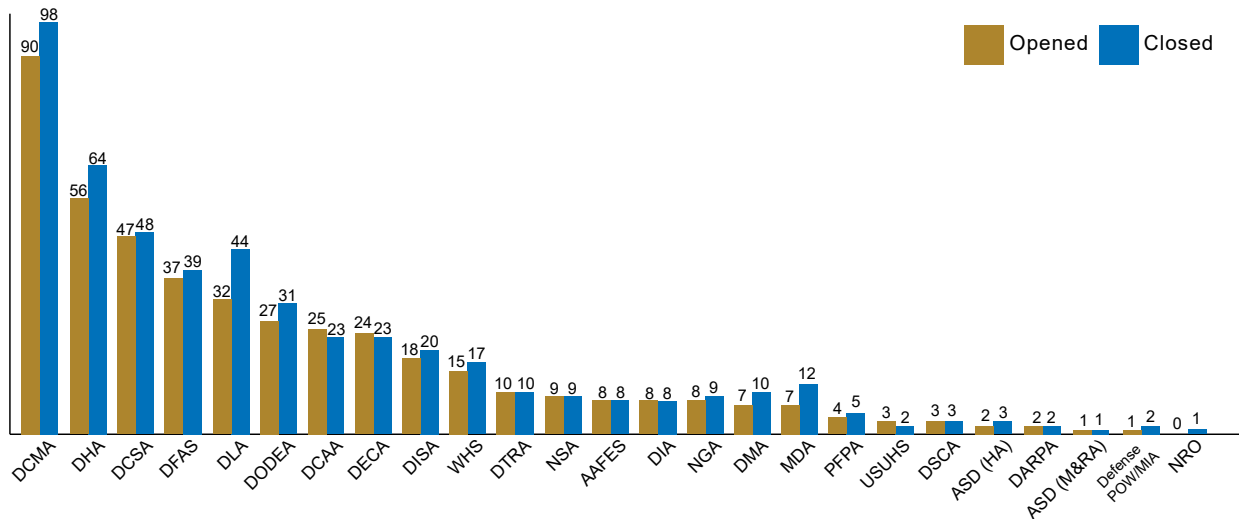
The DoD Hotline opened a total of 170 cases and closed 177 cases referred to the Office of the Secretary of Defense.

Figure 2.11 DoD Hotline Cases Opened and Closed—Office of the Secretary of Defense for April 1, 2019 – September 30, 2019



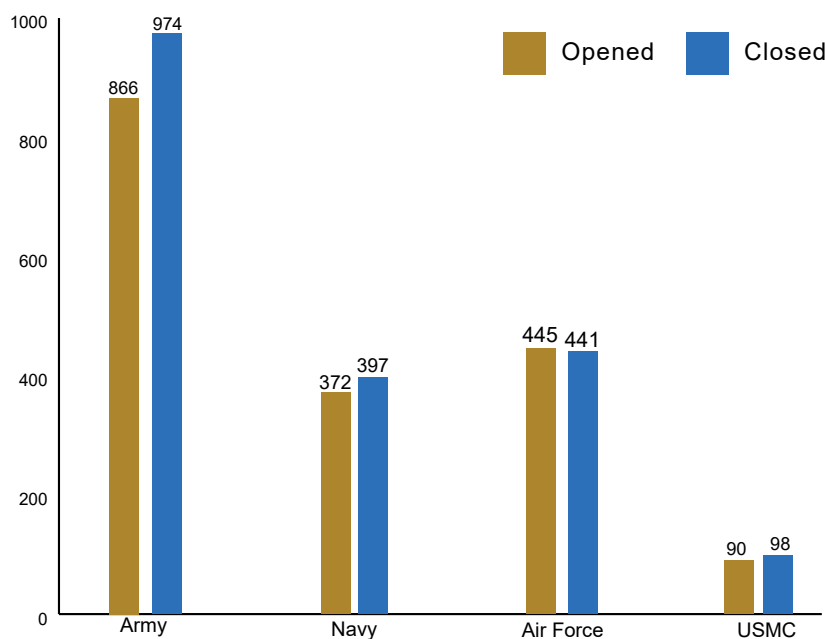
The DoD Hotline opened a total of 444 cases and closed 492 cases referred to DoD agencies and field activities.

Figure 2.12 DoD Hotline Cases Opened and Closed—DoD Agencies and Field Activities for April 1, 2019 – September 30, 2019



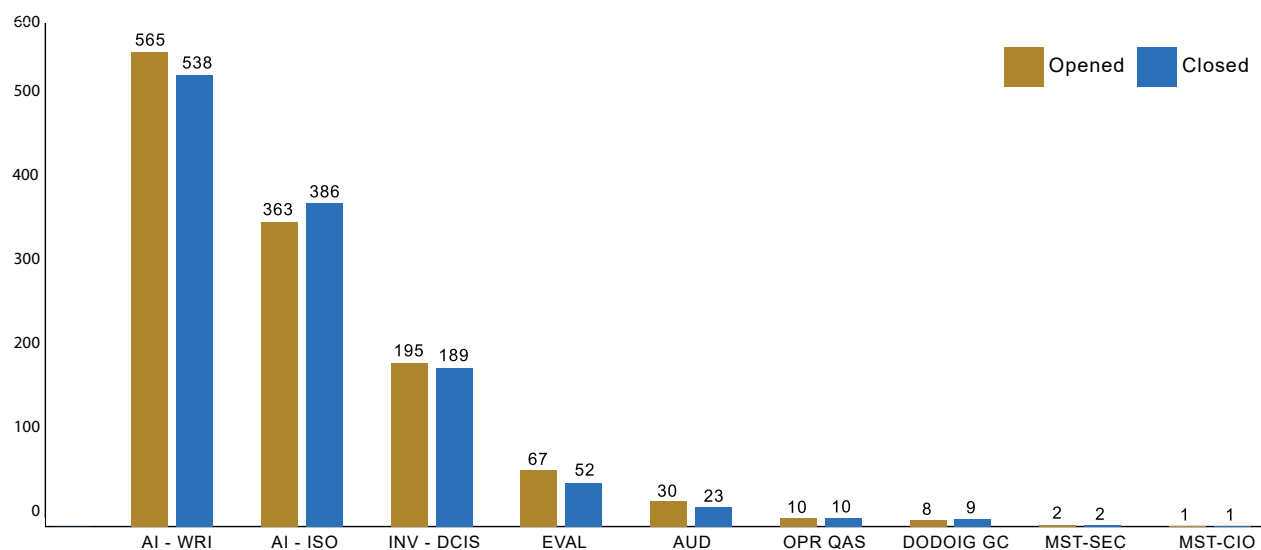
The DoD Hotline opened a total of 1,773 cases and closed 1,910 cases referred to the Military Services.

Figure 2.13 DoD Hotline Cases Opened and Closed—Military Services for April 1, 2019 – September 30, 2019



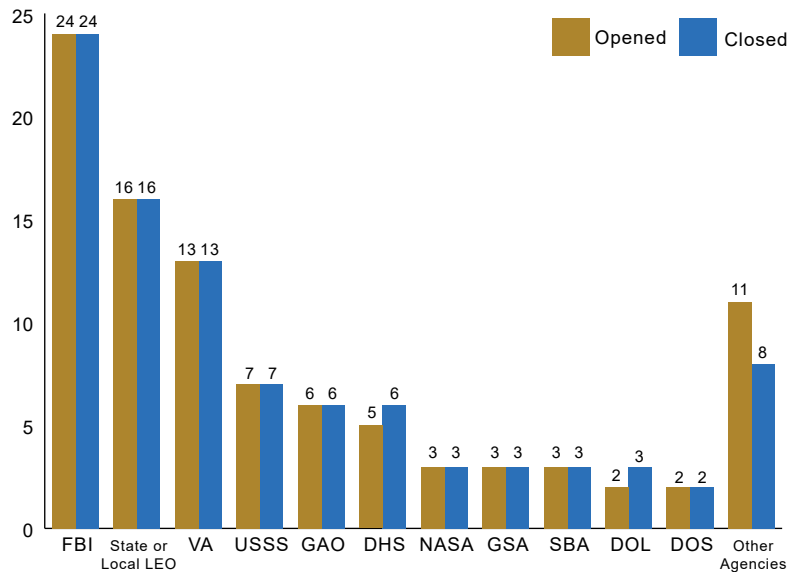
The DoD Hotline opened 1,241 cases and closed 1,210 cases referred to DoD OIG components.

Figure 2.14 DoD Hotline Cases Opened and Closed—DoD OIG Components for April 1, 2019 – September 30, 2019



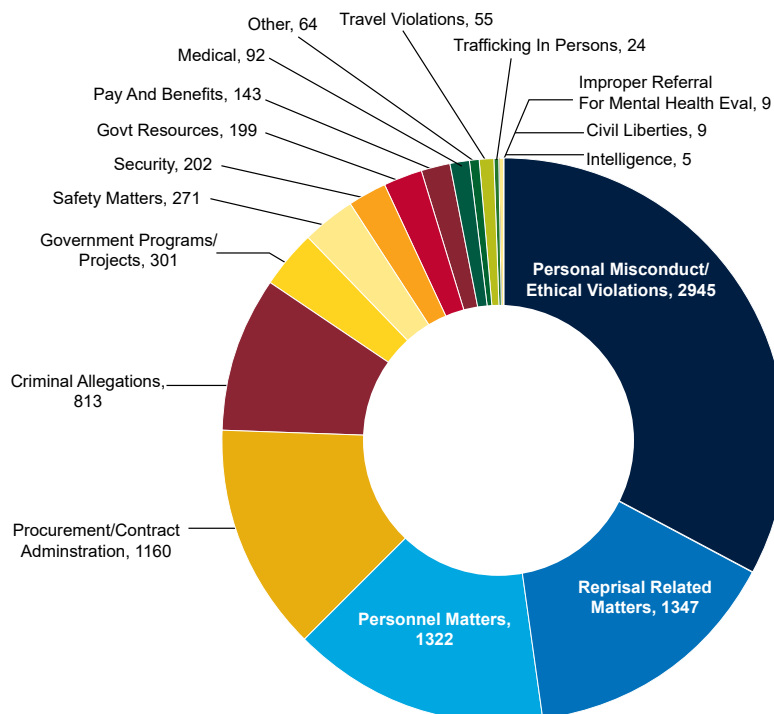
The DoD Hotline transferred 95 cases and closed 94 cases transferred to non-DoD agencies. Some of the non-DoD agencies that cases were transferred to include the Central Intelligence Agency, the Social Security Administration, and the Department of Justice.

Figure 2.15 Non-DoD Cases Opened and Closed for April 1, 2019 – September 30, 2019



The majority of allegations received by the DoD Hotline related to personal misconduct, reprisal-related matters, personnel matters, and improper procurement or contract administration. The following chart reflects the types of allegations in the cases opened by the DoD Hotline in this reporting period.

Figure 2.16 Types of Allegations Received by the DoD Hotline for April 1, 2019 – September 30, 2019



Significant DoD Hotline Cases and Cost Savings

The following are examples of significant results from DoD Hotline cases in this semiannual period.

- An Air Force Office of Special Investigations report substantiated allegations that an Air Force civilian employee claimed hours and overtime not actually worked from 2016 through 2018. As a result, the Defense Finance and Accounting Service issued a collection for \$137,290. Additionally, the subject was debarred from the base and subsequently resigned.
- An Inspector General of the Marine Corps investigation substantiated allegations that a housing management specialist failed to address mold and mildew complaints at the bachelor quarters on Marine Corps Base Quantico, Virginia. One building was assessed to be unsafe for occupancy due to mold, mildew, and water damage, which posed health and safety threats to marines. As a result, Marine Corps officials

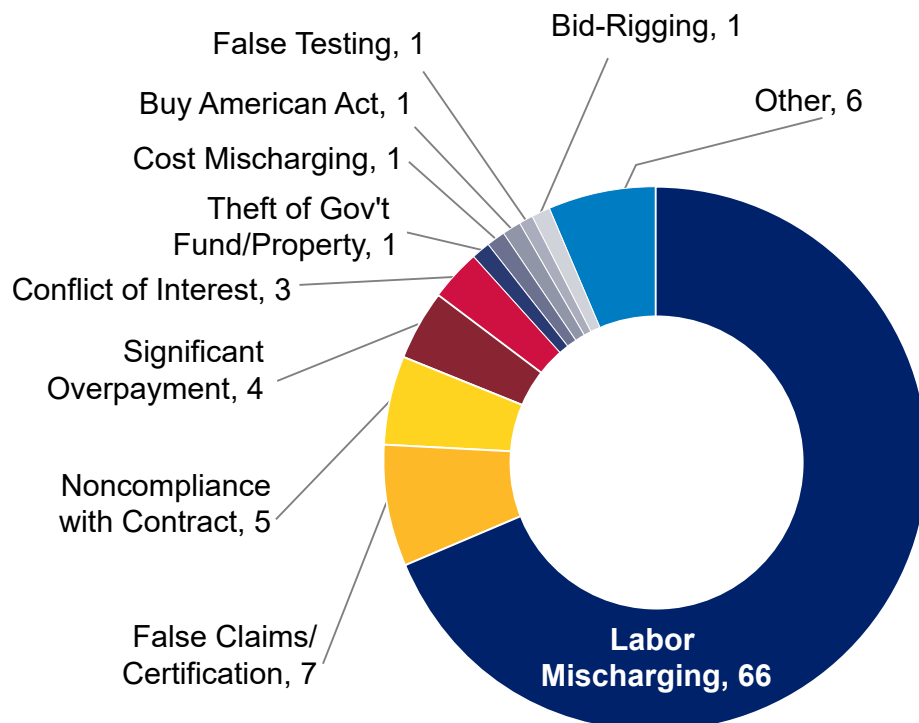
initiated several actions, including relocating marines from the affected building, improving mold abatement protocols, and updating barracks management standard operation procedures.

Contractor Disclosure Program

A contractor disclosure is a written disclosure by a DoD contractor or subcontractor to the DoD OIG that provides credible evidence that the contractor or subcontractor has committed a violation in connection with the award, performance, or closeout of a contract or any subcontract. Such disclosures are required by Federal Acquisition Regulation Rule 52.203-13, which implements Public Law 110-252, "The Close the Contractor Fraud Loophole Act."

From April 1, 2019, through September 30, 2019, the DoD OIG received 96 contractor disclosures, which identified approximately \$6.7 million of potential monetary recovery for the Government.

Figure 2.17 Contractor Disclosures by Type for April 1, 2019 – September 30, 2019



Whistleblower Reprisal Investigations

The Whistleblower Reprisal Investigations (WRI) Directorate investigates allegations of whistleblower reprisal made by:

- (1) members of the Armed Forces;
- (2) appropriated fund (civilian) employees of the DoD, including members of the DoD Intelligence Community and DoD employees with access to classified information;
- (3) employees of DoD contractors, subcontractors, grantees, subgrantees, and personal service contractors; and
- (4) nonappropriated fund instrumentality employees who are paid from nonappropriated funds generated by Military Service clubs, bowling centers, golf courses, and other activities.

The WRI Directorate also conducts oversight reviews of whistleblower reprisal investigations of these types of allegations, which are performed by the Services and Defense agency OIGs.

In addition, the WRI Directorate investigates and oversees investigations of allegations that service members were restricted from communicating with a Member of Congress or an IG.

The WRI Directorate conducts these investigations under the authority of the IG Act of 1978; Presidential Policy Directive 19; and 10 U.S.C. §§ 1034, 1587, and 2409.

Alternative Dispute Resolution Program

The DoD OIG has established an alternative dispute resolution (ADR) program in WRI, similar to the program used by the Office of Special Counsel. ADR is a voluntary process in which parties use mediation or facilitated settlement negotiations to seek resolution of a complaint prior to an otherwise lengthy investigative process, or at any point during the processing of the complaint. Voluntary resolutions through ADR can help reduce the time for resolving cases, and allow limited investigative resources to be allocated to completing other investigations in a timely manner. In addition, early resolution through settlements can provide voluntary relief for whistleblowers in a timely fashion.

The ADR process is facilitated by an ADR attorney who helps the parties resolve the complaint. If both parties in a complaint (the complainant and employer) agree to participate in ADR, the ADR attorney works with the parties to facilitate negotiations or a mediation. During this process, parties have the opportunity to explain their interests and concerns, explore possible solutions, and negotiate a resolution. WRI ADR attorneys serve as neutral third parties, assisting complainants and employers who voluntarily agree to participate in ADR with the goal of reaching a settlement agreement to resolve reprisal complaint cases. Notably, settlements provide beneficial outcomes, including (but not limited to) time and financial factors. Examples of resolution include monetary relief, expungement of negative personnel records, neutral references, re-characterization of discharge basis, reinstatement, transfer, training, debt forgiveness, reassignment, leave restoration, and reportedly improved working relationships.

During the reporting period, 48 cases involving allegations of whistleblower reprisal were voluntarily resolved by the complainants and their employers. This is a 33-percent increase over the previous 6-month period. As of the end of the reporting period, the DoD OIG had 73 cases in the ADR process.

Whistleblower Protection Coordinator

The DoD OIG's Whistleblower Protection Coordinator implements a comprehensive strategy to educate DoD employees about prohibitions on retaliation for protected disclosures and remedies for retaliation. The strategy includes the use of media platforms, face-to-face engagements, and training packages to:

- educate DoD employees about retaliation, including the means by which employees may seek review of any allegation of reprisal, and about the roles of the OIG, Office of Special Counsel, Merit Systems Protection Board, and other Federal agencies that review whistleblower reprisal;
- provide general information about the timeliness of such cases, the availability of any alternative dispute mechanisms, and avenues for potential relief;
- assist the DoD OIG in promoting the timely and appropriate handling and consideration of protected disclosures and allegations of reprisal, to the extent practicable; and

- assist the DoD OIG in facilitating communication and coordination with the Office of Special Counsel, the Council of the Inspectors General on Integrity and Efficiency, Congress, and other agencies that review whistleblower reprisals, regarding the timely and appropriate handling and consideration of protected disclosures, allegations of reprisal, and general matters related to the implementation and administration of whistleblower protection laws.

During this reporting period, the Whistleblower Protection Coordinator continued to provide information to DoD employees regarding the whistleblower protection statutes and avenues they may seek for review of reprisal allegations. The Whistleblower Protection Coordinator presented 22 informational briefings on whistleblower protections to 3,286 military and Federal civilian employees at the Defense Contract Management Agency, U.S. Army Training and Doctrine Command, the National Guard, and the Military Intelligence Readiness Command. Additionally, the Whistleblower Protection Coordinator received 166 contacts and 14,929 total visits to whistleblower webpages (1,874 visits to the Whistleblower Protection Coordinator webpage; 8,208 visits to Whistleblower Reprisal Investigations webpage; and 4,847 visits to the Whistleblower Reprisal Complaints webpage).

Reprisal Investigations

During the reporting period, the DoD OIG received a total of 1,114 complaints alleging reprisal and restriction of service members from communicating with a Member of Congress or an IG as shown below in Figure 2.18.

Tables 2.1 and 2.2 show the status of complaints, as of September 30, 2019, that were received by WRI through the Hotline at the DoD OIG and the Service and Defense agency IGs during this reporting period. Of the 1,114 complaints received this period, 565 were received at the DoD OIG and 549 were received at either a Service or Defense agency IG and then reported to the DoD OIG.

Of the 565 complaints received by the DoD OIG during this reporting period:

- 77 were under review or investigation by the DoD OIG,
- 351 were dismissed as having insufficient evidence to warrant an investigation or were withdrawn,
- 26 were resolved through the alternative dispute resolution process, and
- 45 were referred to either a Service or Defense agency IG.

Figure 2.18 Complaints Received DoD-Wide

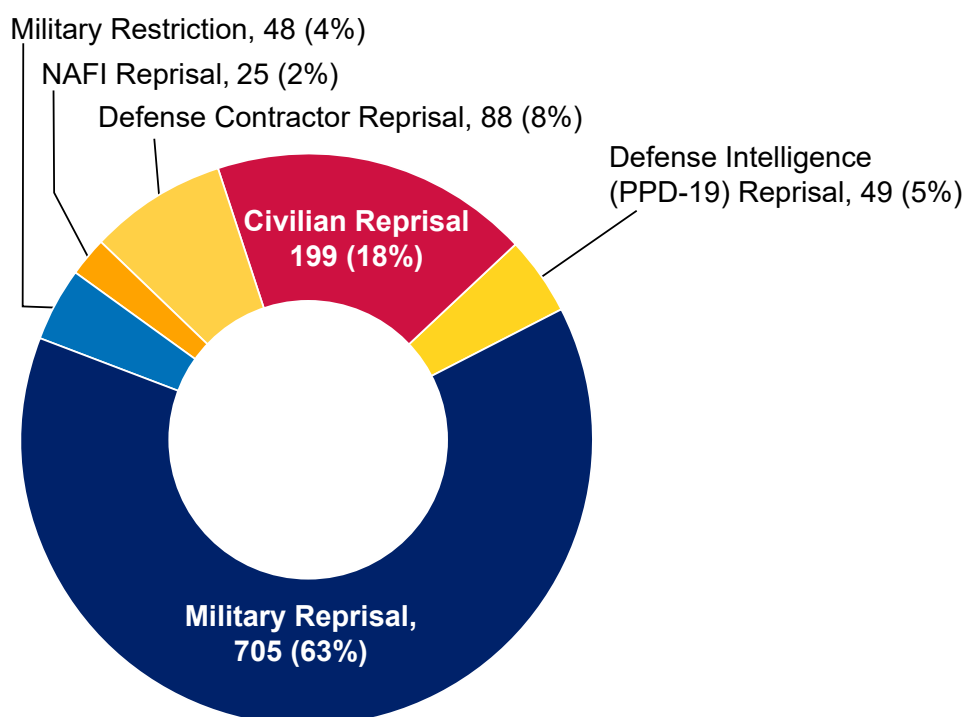


Table 2.1 Reprisal and Restriction Complaints Processed by the DoD OIG Received in FY 2019 (2nd Half)

	Received at the DoD OIG	Reprisal and Restriction Complaints Processed by the DoD OIG Received April 1, 2019 – September 30, 2019					
		Open Intake	Retained for DoD OIG Investigation	Dismissed Intake	Resolved*	Open ADR	Referred to Component
Type Complaint	Processed by the DoD OIG						
Military Reprisal	223	33	6	141	2	2	39
NAFI Reprisal	25	3	2	1	2	17	0
Defense Contractor Reprisal	87	11	0	12	21	43	0
Civilian Reprisal	189	8	1	178	0	2	0
Defense Intelligence (PPD-19) Reprisal	34	11	0	18	1	2	2
Subtotal FY 19 (2nd Half)	558	66	9	350	26	66	41
Military Restriction	7	1	1	1	0	0	4
Total FY 19 (2nd Half)	565	67	10	351	26	66	45

*These figures represent all complaints the Components reported to DoD OIG as having been received.

Table 2.2 Reprisal and Restriction Complaints Processed by Component OIG, With DoD OIG Oversight Received April 1, 2019 – September 30, 2019

	Received at Component OIG*	Status as of September 30, 2019				
		Assumed by the DoD OIG	Submitted to the DoD OIG for Review	Closed by the DoD OIG (Complainant Notification Pending)	Closed by the DoD OIG (Complainant Notified)	Open at Component
Type Complaint	Processed by Component OIG, With DoD OIG Oversight					
Military Reprisal	482	41	15	15	123	288
Defense Contractor Reprisal	1	1	0	0	0	0
Civilian Reprisal	10	5	0	1	0	4
Defense Intelligence (PPD-19) Reprisal	15	8	2	2	2	1
Subtotal FY 19 (2nd Half)	508	55	17	18	125	293
Military Restriction	41	3	0	3	11	24
Total FY 19 (2nd Half)	549	58	17	21	136	317
Grand Total FY19 (2nd Half)	1,114					

*These figures represent all complaints the Components reported to the DoD OIG as having been received.

Of the 549 complaints received at a Service or Defense agency OIG and then reported to the DoD OIG, as of September 30, 2019:

- 58 were assumed by the DoD OIG for review and investigation,
- 17 were submitted to and under review at the DoD OIG,
- 21 were closed by the DoD OIG pending notification to the complainant,
- 136 were closed by the DoD OIG and the complainant notified, and
- 317 were still open.

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Table 2.3 shows the number and type of complaints closed by the DoD OIG and the Service and Defense agency OIGs during this reporting period. Of the 1,101 complaints closed this period:

- 779 were dismissed without an investigation,
- 66 were withdrawn,
- 48 were resolved through the alternative dispute resolution process, and
- 208 were closed following full investigation by either the DoD OIG or a Service or Defense agency OIG.

Of the 208 investigations closed, 205 involved whistleblower reprisal (36 substantiated) and 3 involved restriction from communicating with a Member of Congress or an IG (1 substantiated).

Table 2.3 Reprisal and Restriction Complaints Closed April 1, 2019 – September 30, 2019

	Reprisal and Restriction Complaints Closed April 1, 2019 – September 30, 2019						
	Total Closed	Dismissed	Withdrawn	Resolved*	Investigated	Substantiated Cases	Substantiated Rate
Type Complaint	Processed by the DoD OIG						
Military Reprisal	201	181	12	2	6	1	17%
NAFI Reprisal	15	7	0	4	4	0	0%
Defense Contractor Reprisal	76	30	2	40	4	1	25%
Civilian Reprisal	185	183	0	0	2	1	50%
Defense Intelligence (PPD-19) Reprisal	49	39	3	2	5	1	20%
Subtotal FY19 (2nd Half)	526	440	17	48	21	4	19%
Military Restriction	7	4	0	0	3	1	33%
Total FY19 (2ndHalf)	533	444	17	48	24	5	21%
Type Complaint	Processed by Component OIG, with DoD OIG Oversight						
Military Reprisal	499	307	46	0	146	18	12%
Civilian Reprisal	25	1	0	0	24	9	38%
Defense Intelligence (PPD-19) Reprisal	20	5	1	0	14	4	29%
Subtotal FY19 (2nd Half)	544	313	47	0	184	31	17%
Military Restriction	24	22	2	0	0	0	0
Total FY19 (2nd Half)	568	335	49	0	184	31	17%
Grand Total FY19 (2nd Half)	1,101	779	66	48	208	36	17%

* “Resolved” denotes cases that underwent the alternative dispute resolution process and resulted in a settlement between the complainant and the employer.

Tables 2.4 and 2.5 show the number and type of open complaints with the DoD OIG and the Service and Defense agency OIGs at the end of this reporting period. Of the 1,005 total complaints as of September 30, 2019:

- 73 were being reviewed under the ADR process at the DoD OIG,
- 125 were being analyzed by the DoD OIG,
- 771 were being analyzed by a Service or Defense agency OIG, and
- 36 were submitted by a Service or Defense agency OIG to the DoD OIG for review.

Table 2.4 Reprisal and Restriction Complaints Processed by the DoD OIG Open at the End of This Reporting Period¹ on September 30, 2019

	Reprisal and Restriction Complaints Open in FY 2019 (2nd Half) ¹			
	Total Open	Status as of September 30, 2019		
		ADR ²	Intake	Investigation
Complaint Type	Processed by the DoD OIG			
Military Reprisal	66	2	57	7
NAFI Reprisal	24	17	3	4
Defense Contractor Reprisal	68	50	15	3
Civilian Reprisal	16	2	12	2
Defense Intelligence (PPD-19) Reprisal	21	2	17	2
Subtotal FY19 (2nd Half)	195	73	104	18
Military Restriction	3	0	2	1
Total FY19 (2nd Half)	198	73	106	19

1. Open complaints include those received during this reporting period as well as prior reporting periods.
2. Alternative dispute resolution is an optional process that both the complainant and the employer may choose to enter to settle the complaint.

Table 2.5 Reprisal and Restriction Complaints Processed by Component OIG, With DoD OIG Oversight Open at the End of This Reporting Period* on September 30, 2019

	Processed by Component OIG, With DoD OIG Oversight			
	Total Open	Ongoing Inquiry		Submitted for Oversight Review
		Referred from the DoD OIG	Recieved at Component OIG	
Complaint Type		Status as of September 30, 2019		
Military Reprisal	728	114	582	32
Defense Intelligence (PPD-19) Reprisal	10	6	2	2
Civilian Reprisal	8	0	8	0
Subtotal FY19 (2nd Half)	746	120	592	34
Military Restriction	61	2	57	2
Total FY19 (2nd Half)	807	122	649	36
Grand Total FY19 (2nd Half)	1,005			

*Open complaints include those received during this reporting period as well as prior reporting periods.

Substantiated Whistleblower Reprisal Cases Closed by the DoD OIG, Military Service OIGs, and Defense Agency OIGs

The following are descriptions of all DoD OIG, Military Service OIGs, and Defense agency OIGs substantiated allegations of reprisal closed during the period.

- A GS-13 civilian employee supervisor threatened to remove an Air Force senior master sergeant from supervisory duties and responsibilities in reprisal for the senior master sergeant reporting toxic leadership, unexcused absences, lack of communication, dress code violations, favoritism, and abusive behavior regarding the GS-13 supervisor to the chain of command. Corrective action is pending.
- A Defense Intelligence Community employee used negative language in the evaluation of a subordinate civilian employee in reprisal for making protected communications to the chain of command. Evidence supported that the same action would not have occurred had the subordinate not made protected communications. The supervisor received a written reprimand.
- An Air Force major and a first lieutenant issued a subordinate staff sergeant an adverse letter of counseling in reprisal for making a protected communication to members of the chain of command about unprofessionalism and toxic leadership displayed by two detachment flight chiefs (technical sergeants) during a group counseling session. Corrective action is pending.
- An Air Force senior master sergeant issued a subordinate master sergeant a lowered performance evaluation, removed the master sergeant from an Airman Leadership School instructor position, and administered a letter of reprimand in reprisal for making protected communications to the chain of command. The subordinate master sergeant reported an unprofessional relationship between the senior master sergeant and a subordinate, and the senior master sergeant's failure to perform required duties. The senior master sergeant received a written reprimand.
- An Air Force senior master sergeant threatened to remove a subordinate staff sergeant from a noncommissioned officer in charge position, influenced a subordinate technical sergeant to downgrade the staff sergeant's enlisted performance report, and downgraded the performance report. These actions were in reprisal for the staff sergeant making protected communications regarding illegal actions directed by the chain of command. The senior master sergeant received a verbal counseling.
- A Marine Corps lieutenant colonel threatened a subordinate Navy lieutenant with disciplinary action and requested a command investigation in reprisal for the subordinate lieutenant making several protected communications to an IG and a Member of Congress. A Navy commander initiated, and another Navy commander conducted, the requested retaliatory command investigation, and the first Navy commander issued the subordinate lieutenant an unfavorable fitness report. Corrective action is pending.
- Two Defense Intelligence Community employees suspended a Navy lieutenant's access to classified information in reprisal for the lieutenant making a protected communication to a supervisor that one of the employees violated an executive order. Corrective action is pending.
- An Air Force senior master sergeant downgraded an enlisted performance report and a master sergeant issued a letter of counseling to a subordinate technical sergeant in reprisal for the technical sergeant making a protected communication regarding a false statement written in his performance report. Corrective action is pending.
- An Air Force colonel refused to endorse a subordinate senior master sergeant's enlisted performance report, and returned the report to the senior rater for a lower level endorsement, in reprisal for the senior master sergeant making a protected communication to the chain of command. The senior master sergeant reported the colonel for alleged unlawful command influence regarding an assignment during a teleconference with another squadron commander. The colonel received verbal counseling.

- An Air Force Reserve lieutenant colonel downgraded a subordinate lieutenant colonel's billet and detailed the subordinate to a different duty location in reprisal for making protected communications regarding ethical violations that were substantiated during a commander-directed investigation. Corrective action is pending.
- A Defense Intelligence Community executive service employee attempted to negatively influence a subordinate Federal employee's performance evaluation and reported the subordinate for alleged time and attendance infractions in reprisal for the subordinate reporting the supervisor to the chain of command and the IG for unprofessional and harassing behavior. Corrective action is pending.
- An Air National Guard colonel influenced another Air National Guard colonel to recommend a subordinate lieutenant colonel for selective non-retention in the Air National Guard in reprisal for comments the subordinate lieutenant colonel made in a safety survey. Corrective action is pending.
- An Air Force technical sergeant did not recommend a subordinate Air Force technical sergeant for an end of tour award after the technical sergeant made protected communications to the chain of command regarding the supervising technical sergeant's unexcused absences from work. The technical sergeant received a letter of counseling.
- An Army command sergeant major threatened to submit a Uniform Code of Military Justice action against an Army specialist, to recommend disapproval of the specialist's application to the Warrior Transition Battalion Community Care Unit, and to influence denial of the specialist's leave and pass after transfer to the Warrior Transition Battalion in reprisal for the specialist making protected communications to a Member of Congress about the poor quality of medical care from military health care providers. Corrective action is pending.
- An Air Force Reserve lieutenant colonel issued an Air Force Reserve major an unfavorable officer performance report, threatened nonjudicial punishment, and influenced cadets to submit anonymous complaints against the major in reprisal for the major making protected communications to the IG and Equal Opportunity Office alleging a hostile work environment and sexual orientation discrimination by the lieutenant colonel. The lieutenant colonel received a letter of reprimand and was removed from command.
- Two DoD Senior Executive Service (SES) members placed a GS-11 executive assistant on an involuntary 120-day detail and extended the detail in reprisal for the executive assistant's protected disclosures to members in the complainant's chain of command regarding one of the SES member's alleged use of subordinates for personal services. Corrective action is pending for one SES member. The second SES member is no longer employed by the DoD; the Director of the Office of Personnel Management was notified of the substantiated allegation for inclusion in the second SES member's personnel file.
- A Defense contractor with the U.S. Army Special Operations Command placed a company employee on a temporary administrative leave of absence without pay in reprisal for reporting violations of law and abuse of authority to the IG and a contracting officer's representative. Corrective action is pending.
- Two DoD supervisors wrote an annual performance evaluation for a civilian employee that included language in the comments portion of the evaluation criticizing the employee for making a protected communication to the employee's supervisor. Corrective action is pending.
- A Defense Intelligence Community civilian employee removed an Intelligence Community civilian subordinate from a collateral duty and prevented him from assuming another duty without cause in reprisal for the subordinate making a protected communication to management officials. Corrective action is pending.
- An Army Active Guard Reserve captain issued an unfavorable noncommissioned officer evaluation report to an Active Guard Reserve staff sergeant after the staff sergeant made a protected communication to the chain of command regarding misconduct by the captain. Corrective action is pending.
- An Army chief warrant officer issued a letter of concern and withheld the noncommissioned officer evaluation report of a sergeant first class in reprisal for the sergeant first class making protected communications to the chain of command. Corrective action is pending.

- An Army Reserve lieutenant colonel influenced an Army Reserve specialist's early departure from deployment in reprisal for the specialist making protected communications to two IG offices regarding the lieutenant colonel's unfair treatment, bullying, abuse of authority, and inappropriate personal relationship with a battalion command sergeant major. Corrective action is pending.
- An Army captain issued an Army staff sergeant an unfavorable noncommissioned officer evaluation report in reprisal for making protected communications to the IG regarding misuse of Government resources by the captain. Corrective action is pending.
- An Air Force master sergeant denied an Air Force staff sergeant reenlistment in reprisal for making protected communications to the base Personally Identifiable Information Officer regarding the master sergeant sending For Official Use Only information to private e-mail accounts. Corrective action is pending.

Substantiated Military Restriction Cases Closed by the DoD OIG, Military Service OIGs, and Defense Agency OIGs

The following are descriptions of all DoD OIG, Military Service OIG, and Defense agency OIG substantiated allegations of restriction closed during the period.

- A Marine Corps lieutenant colonel attempted to restrict a Navy lieutenant from communicating with an IG on two separate occasions. In a group meeting, the lieutenant colonel stated that a person should think long and hard about the consequences before filing an IG complaint, or forwarding an IG complaint, and that his door is always open. Corrective action is pending.
- An Air Force lieutenant colonel attempted to restrict an Air Force technical sergeant from making an IG complaint. After the lieutenant colonel received and read a commander-directed investigation report, the lieutenant colonel issued letters of admonishment to six personnel whom he perceived to have made negative comments about him. Witness testimony from multiple individuals indicated that the lieutenant colonel's actions created a "chilling effect" that prevented them from going to the IG. Corrective action is pending.
- An Air Force senior master sergeant wrote a letter of reprimand for an Air Force technical sergeant that restricted the technical sergeant from communicating with an IG. The senior master sergeant stated in the reprimand that the technical sergeant repeatedly failed to use the chain of command and "you will no longer report personal issues, bias against your flight chief to members outside of the squadron." The senior master sergeant received verbal counseling.
- An Air National Guard lieutenant colonel wrote a memorandum of agreement, and an Air National Guard major presented it to an Air National Guard master sergeant for signature, that restricted the master sergeant from communicating with the IG. The memorandum of agreement stated that an administrative demotion action would be held in abeyance as long as the master sergeant submitted an application for retirement and waived his right to file a reprisal complaint about the administrative demotion action. Corrective action is pending.
- An Air Force civilian supervisor attempted to restrict an Air Force technical sergeant from making an IG complaint by threatening the technical sergeant with unfavorable personnel actions if he reported a violation of an Air Force Instruction to the IG. The civilian supervisor was terminated from Federal service.
- An Army command sergeant major made comments to an Army specialist during several (witnessed) counseling sessions concerning the specialist's ongoing protected communications with a Member of Congress. The comments were intended to restrict the specialist from preparing or making future protected communications with the Member of Congress and his staff. The command sergeant major instructed the specialist not to send e-mails to anyone who outranked the specialist and to let the chain of command handle the protected communications at the lowest level. Corrective action is pending.
- An Air Force senior master sergeant attempted to restrict an Air Force airman basic from filing a complaint with the IG about allegations of abuse of authority, maltreatment of trainees, and disparate treatment. The senior master sergeant made statements to the effect that visiting the IG would do nothing to assist the airman basic, and the issue would only end up back with the senior master sergeant to handle. The senior master sergeant retired.

- An Air Force senior master sergeant made verbal comments and issued written counseling sheets to instruct subordinate airmen to inform him before communicating with the IG or a Member of Congress. These actions caused airmen to either not go to the IG, or withhold information from the IG in fear of reprisal. Corrective action is pending.
- An Air Force GS-15 employee made comments that were intended to restrict an Air Force staff sergeant and other subordinates from preparing or making protected communications to the IG. Multiple witnesses testified that the GS-15 made comments to the effect that he had survived IG investigations in the past and implied that nothing would happen if someone filed another complaint against him. Corrective action is pending.
- A Navy captain made a comment intending to restrict a Navy lieutenant commander from communicating with anyone without going through a direct supervisor first. The captain told the lieutenant commander not to “initiate contacts outside [the work center] about your duties or [work center] activities that you have not discussed first with” the lieutenant commander’s direct supervisor. Corrective action is pending.

Table 2.6 shows the number and types of reprisal and restriction allegations substantiated since October 1, 2012. Of the 414 substantiated allegations, 312 have had corrective action decisions reported and 102 are still pending reports of corrective actions taken.

Table 2.6 Reprisal and Restriction Allegations Substantiated in FY 2013 – FY 2019 With Corrective Action Status

Reprisal and Restriction Allegations Substantiated in FY 2013 to FY 2019 (2nd Half)				
Allegation	Total Substantiated	Decision on Corrective Action Reported	Corrective Action Pending	Pending Rate
Military Reprisal	269	187	82	30%
NAFI Reprisal	11	11	0	0%
Defense Contractor Reprisal	8	8	0	0%
Civilian Reprisal	15	15	0	0%
Defense Intelligence (PPD-19) Reprisal	17	14	3	18%
Subtotal FY13 to FY19 (2nd Half)	320	235	85	27%
Military Restriction	94	77	17	18%
Total FY13 to FY19 (2nd Half)	414	312	102	25%

Note: Allegations against multiple subjects may be involved in a single case.

Table 2.7 shows the number and types of reprisal complaints substantiated since October 1, 2012. Of the 236 substantiated complaints, 54 have had remedy decisions reported and 182 are still pending reports of remedial actions taken.

Table 2.7 Reprisal Complaints Substantiated in FY 2013 – FY 2019 With Remedy Status

Reprisal Complaints Substantiated in FY 2013 to FY 2019 With Remedy Status				
Allegation	Total Substantiated	Decision on Remedy Reported	Remedy Pending	Pending Rate
Military Reprisal	201	25	176	88%
NAFI Reprisal	8	8	0	0%
Defense Contractor Reprisal	5	5	0	0%
Civilian Reprisal	9	9	0	0%
Defense Intelligence (PPD-19) Reprisal	13	7	6	46%
Total FY13 to FY19 (2nd Half)	236	54	182	77%

Corrective and Remedial Actions Reported During the Period for Substantiated Reprisal Cases Closed in Prior Reporting Periods

The following are remedial and corrective actions reported to the DoD OIG by DoD Components for substantiated reprisal cases that were closed in prior reporting periods.

- An Army first lieutenant threatened to take actions against an Army specialist and other command soldiers if they complained to the IG or other agencies. The first lieutenant barred the specialist from reenlisting prior to the specialist making a protected communication. The bar to reenlistment was lifted and the specialist had the opportunity to reenlist prior to the expiration of enlistment. The first lieutenant medically retired.
- A Navy lieutenant junior grade issued a Navy seaman an unfavorable evaluation report and counseling record after discovering the seaman had filed a sexual assault report against another sailor. The lieutenant junior grade received a nonpunitive letter of caution.
- A Marine Corps lieutenant colonel issued multiple negative counseling entries, directed a punitive competency review board, and issued an adverse evaluation to a Marine Corps sergeant after the sergeant filed an equal opportunity complaint about an unsafe work environment, discrimination, hostile work environment, and continual harassment. The negative counseling entries and adverse evaluation were removed from the sergeant's record, and the sergeant was promoted to staff sergeant. The lieutenant colonel received verbal and written counseling and an adverse evaluation.
- A Marine Corps first lieutenant lowered a subordinate staff sergeant's fitness report in reprisal for the staff sergeant complaining to the commander about unfair treatment. The first lieutenant received a nonpunitive letter of caution.
- An Air Force Reserve colonel removed an Air Force Reserve master sergeant from a position of responsibility and initiated a curtailment to the master sergeant's Active Guard Reserve tour in reprisal for the master sergeant mailing a protected communication to the safety office about shooting range violations. The Air Force Reserve Command legal office disapproved the curtailment at the time of the request. The colonel received a written reprimand.
- An Air Force lieutenant colonel and technical sergeant removed an Air Force staff sergeant's rater to mark down an enlisted performance report in reprisal for the staff sergeant making protected communications about leadership failures during an IG focus group. The lieutenant colonel received a written reprimand and the technical sergeant received verbal counseling.
- An Active Guard Reserve Army major threatened to influence the issuance of an unfavorable officer evaluation report and the withholding of an end of tour award for a subordinate Active Guard Reserve Army captain in reprisal for the captain filing a toxic leadership and gender and racial discrimination complaint against the major. The major received a written reprimand.
- Two GS-14 employees and an Army master sergeant threatened and, subsequently, removed an Army specialist from the specialist's assigned position in reprisal for making protected communications to the chain of command and the IG about standards violations. The specialist separated from the Army prior to the completion of the investigation. Each GS-14 employee received 10 days suspension without pay. The command declined to take action against the master sergeant.
- An Air Force master sergeant influenced an Air Force lieutenant colonel to remove a subordinate master sergeant from a position of responsibility in reprisal for the subordinate master sergeant reporting a hostile working environment to the Equal Opportunity representative. The subordinate master sergeant retired from the Air Force prior to completion of the investigation. The lieutenant colonel received a letter of counseling. The master sergeant was removed from the supervisory assignment.

Substantiated Reprisal Cases Closed in Prior Reporting Periods for which Corrective Action Was Not Taken

The following three cases were substantiated by the DoD OIG in previous reporting periods, but the DoD declined to take corrective action because DoD officials did not agree that the allegations were substantiated.

- The DoD OIG concluded that a Federal civilian supervisor at an Air Force base discharged a nonappropriated fund instrumentality employee in reprisal for the employee reporting violations of rules and regulations to the chain of command and an IG. The DoD OIG recommended that the employee be reinstated with compensation

(including back pay), employment benefits, and other terms and conditions of employment applicable to the employee in that position as if the reprisal had not been taken. The Director of the Office of the Chief Management Officer disagreed with the substantiation of the complaint and declined to take further action.

- The DoD OIG concluded that a DoD contractor, Leidos, did not renew a subcontractor's contract in reprisal for the subcontractor disclosing violations of the Defense Federal Acquisition Regulation to a contractor program manager and the deputy director of the DoD program responsible for the contract. The Under Secretary of Defense for Acquisition and Sustainment disagreed with the substantiation of the complaint and declined to take further action.
- The DoD OIG concluded that three management officials at a Marine Corps base issued a warning notice and terminated a nonappropriated fund employee in reprisal for the employee making protected disclosures to senior management officials regarding mismanagement and abuse of authority by one of the three management officials. The Acting Director of the Office of the Chief Management Officer disagreed with the substantiation of the complaint and declined to take further action.

Corrective and Remedial Actions Reported During the Period for Substantiated Restriction Cases Closed in Prior Reporting Periods

The following are corrective actions that Military Service components reported to the DoD OIG for substantiated restriction cases that were closed in prior reporting periods.

- An Army first lieutenant threatened to take actions against an Army specialist and other command soldiers if they complained to the IG or other agencies. The first lieutenant barred the specialist from reenlisting prior to the specialist making a protected communication. The bar to reenlistment was lifted and the specialist had the opportunity to reenlist prior to the expiration of enlistment. The first lieutenant medically retired.
- An Army National Guard colonel attempted to restrict an Army National Guard chief warrant officer from lawfully communicating with the IG. The colonel directed the chief warrant officer to stop filing frivolous complaints about a hiring action unless the chief warrant officer could provide proof. The colonel received a General Officer Memorandum of Reprimand.
- An Army National Guard colonel made restrictive comments to an Army National Guard lieutenant colonel after the lieutenant colonel filed an IG complaint against a general officer. After the general selected the lieutenant colonel for resident Air War College, the colonel suggested the lieutenant colonel consider "pulling" his IG complaint against the general. Several days later, the colonel asked the lieutenant colonel, "Did you do what I asked you to do?" The colonel's comments were an attempt to discourage or restrict the lieutenant colonel from preparing or making protected communications to an IG. The colonel received a General Officer Memorandum of Reprimand.
- An Air Force technical sergeant told a subordinate senior airman not to go to a scheduled appointment with the IG "period." The technical sergeant testified that the intent of continued questioning of the senior airman about the purpose of the IG appointment was an attempt to resolve the issue at the lowest level of command. The technical sergeant assumed the appointment was to discuss alleged sexually harassing comments made to the subordinate senior airman by a subordinate sergeant that had previously been addressed by the IG and members of the chain of command. The technical sergeant received verbal counseling.
- Two GS-14 employees attempted to restrict an Army specialist from making protected communications to the chain of command and the IG about standards violations. The specialist separated from the Army prior to the completion of the investigation. Each GS-14 employee received 10 days suspension without pay.
- An Army colonel made comments during several unit staff meetings that an Army major believed were intended to discourage or restrict subordinates from freely communicating concerns and complaints to the IG. Several witnesses corroborated that the colonel stated that filing certain complaints directly with the IG without first using the chain of command was not compatible with core military values. The colonel made other comments to the effect that personnel should use the chain of command to resolve problems and concerns about command matters,

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and the IG should be used primarily for “fraud, waste, and financial complaints.” The colonel was removed from his position and retired.

- An Air National Guard lieutenant colonel made comments at a unit training assembly that gave unit members the impression that the IG would not be able to resolve their problems. The report of investigation noted that the unit chaplain revealed that members reported that they feared bullying and that, if they said anything, it would be suppressed. This created an adverse effect

and restricted the unit members from contacting the IG. The lieutenant colonel received a letter of admonishment.

- An Air Force lieutenant colonel and an Air Force master sergeant made restrictive statements to noncommissioned officers during an airman-to-IG session. The statements were intended to dissuade the noncommissioned officers from contacting the IG. The lieutenant colonel received a written reprimand. The master sergeant received verbal counseling.

Tables 2.8 and 2.9 show the number and type of corrective actions reported for reprisal and restriction allegations substantiated against subjects since October 1, 2012. Of the 323 decisions reported, 71 involve declinations to take action, and 252 resulted in corrective actions taken against the subject.

Table 2.8 Corrective Actions Reported for Reprisal and Restriction Allegations Substantiated Against Subjects in FY 2013 – FY 2019

Reprisal and Restriction Allegations Substantiated in FY 2013 to FY 2019 (2nd Half)						
Allegation	Total	Declined to Take Action	Employee Fired or Terminated	Letter of Counseling	Other	Reduced Rank or Grade
Military Reprisal	197	47	0	30	14	2
NAFI Reprisal	11	6	1	0	4	0
Defense Contractor Reprisal	7	3	0	0	4	0
Civilian Reprisal	14	6	0	1	0	0
Defense Intelligence (PPD-19) Reprisal	13	1	1	3	1	0
Subtotal FY13 to FY19 (2nd Half)	242	63	2	34	23	2
Military Restriction	81	8	3	11	3	0
Total FY13 to FY19 (2nd Half)	323	71	5	45	26	2

Table 2.9 Corrective Actions Reported for Reprisal and Restriction Allegations Substantiated Against Subjects in FY 2013 – FY 2019 (cont'd)

Reprisal and Restriction Allegations Substantiated in FY 2013 to FY 2019 (2nd Half) cont'd					
Allegation	Removed From Assignment	Retired	Suspended Without Pay	Verbal Counseling	Written Reprimand
Military Reprisal	15	5	3	22	59
NAFI Reprisal	0	0	0	0	0
Defense Contractor Reprisal	0	0	0	0	0
Civilian Reprisal	1	2	0	1	3
Defense Intelligence (PPD-19) Reprisal	0	3	1	1	2
Subtotal FY13 to FY19 (2nd Half)	16	10	4	24	64
Military Restriction	4	2	0	21	29
Total FY13 to FY19 (2nd Half)	20	12	4	45	93

Note: A single complaint may involve multiple subjects, and each subject may receive multiple corrective actions.

Tables 2.10 and 2.11 show the number and type of remedies reported for reprisal complaints substantiated since October 1, 2012. Of the 66 remedial decisions reported, 14 complaints involved management declining to take action or the military complainant opting not to petition a board for the correction of military records. Fifty-two complaints resulted in remedies implemented to make the complainant whole.

Table 2.10 Remedies Reported for Reprisal Complaints Substantiated in FY 2013 – FY 2019

Remedies for Complainants in Substantiated Reprisal Cases in FY 2013 – FY 2019 (2nd Half)						
Allegation	Total	Back Pay	Correct Evaluation	Declined to Take Action	Expunge Evaluation	Reinstate
Military Reprisal	31	1	1	0	12	2
NAFI Reprisal	5	1	0	0	0	0
Defense Contractor Reprisal	8	0	0	0	0	0
Civilian Reprisal	16	0	1	2	3	0
Defense Intelligence (PPD-19) Reprisal	6	1	1	1	0	0
Total FY 13 to FY 19 (2nd Half)	66	3	3	3	15	2

Table 2.11 Reprisal Complaints Remedies for Substantiated Cases in FY 2013 to FY 2019 (2nd Half) (cont'd)

Remedies for Complainants in Substantiated Reprisal Cases in FY 2013 to FY 2019 (2nd Half) cont'd						
Allegation	Grant Award	Other	Promote	Restore Security Clearance	Grant Reassignment	Department Disagreed with Conclusion
Military Reprisal	1	11	3	0	0	0
NAFI Reprisal	0	4	0	0	0	0
Defense Contractor Reprisal	0	2	0	0	0	6
Civilian Reprisal	2	2	0	1	0	5
Defense Intelligence (PPD-19) Reprisal	0	2	0	0	1	0
Total FY13 to FY19 (2nd Half)	3	21	3	1	1	11

Note: Multiple remedies may be reported for a single complainant.

Whistleblower Reprisal Investigations Closed as Not Substantiated Involving Subjects in the Grade or Rank of Colonel (O-6) and Above, and Federal Employees in Grades GS-15 and Above

The following are all DoD whistleblower reprisal investigations closed as not substantiated involving subjects in the grade or rank of colonel (O-6) and above, and Federal employees in grades GS-15 and above.

- A GS-15 employee working for an Assistant to the Secretary of Defense alleged that an SES member placed the GS-15 on an involuntary 120-day detail, initiated an inquiry against the complainant, and proposed a 5-day suspension. In addition, the GS-15 alleged that the SES member, along with another SES member, failed to issue the complainant's performance appraisal in a timely manner. The complainant made several protected disclosures to each SES regarding the alleged use of subordinates for personal services by one of them.
- A Defense Intelligence Community GG-12 employee alleged that an SES member, an Army lieutenant colonel, and two GG-14 employees ostracized the GG-12 by ceasing communications with him, excluding him from meetings and events, marginalizing him, and denying him training and job opportunities. The GG-12 alleged that these actions were in reprisal for reporting to management officials about the politicization and alteration of intelligence products.
- An Air Force Reserve technical sergeant alleged that an Air Force Reserve colonel removed the technical sergeant from a flying mission in reprisal for reporting an unrestricted sexual assault to the Sexual Assault Response Coordinator and for filing an IG complaint regarding breach of confidentiality.
- An Air National Guard major alleged that an Air National Guard colonel approved an adverse officer performance report in reprisal for reporting two separate sexual assault complaints.

Whistleblower Restriction Investigations Closed as Not Substantiated Involving Subjects in the Grade or Rank of Colonel (O-6) and Above, and Federal Employees in Grades GS-15 and Above

There was one whistleblower restriction investigation closed as not substantiated involving a subject in the grade or rank of colonel (O-6) and above, or a Federal employee in Grades GS-15 and above during the reporting period.

- An Air Force Reserve technical sergeant alleged that an Air Force Reserve colonel's comments during several commander's calls restricted the technical sergeant from communicating with an IG.

Investigations of Senior Officials

The DoD OIG's Investigations of Senior Officials (ISO) Directorate investigates allegations of misconduct against the most senior DoD officers (three-star general and flag officers and above), DoD political appointees, senior officials in the Joint or Defense Intelligence Community, and members of the Senior Executive Service (SES), as well as allegations not suitable for assignment to Military Services or Defense agency IGs.

ISO also conducts oversight reviews of Service and Defense agency IG investigations of misconduct involving active duty, retired, Reserve, or National Guard military officers in the rank of one-star general or flag officer and above; officers selected for promotion to the grade of one-star general or flag officer whose names are on a promotion board report forwarded to the Military Department Secretary; members of the SES; senior civilian officials in the grade of SES in the Joint or Defense Intelligence Community, including the DoD; and DoD political appointees.

As noted above, WRI also investigates allegations of reprisal involving senior officials and oversees DoD Component investigations of these allegations.

As of September 30, 2019, the DoD OIG had 204 open senior official cases. From April 1, 2019, through September 30, 2019, the DoD OIG received 496 complaints of senior official misconduct and closed 499 cases. Of the 499 cases closed, 429 were closed during the initial intake review process. Intake reviews consist of a review of the complaint and any information or documents provided by the complainant. Many intake reviews require limited investigative work to clarify the complaint to determine whether it warrants a formal and more extensive investigation. Depending on the facts and circumstances, investigative work conducted during the intake review process could include obtaining documents, e-mails, other evidence, or interviewing a known complainant or other witnesses who might have relevant information.

Of the 499 cases closed, 70 investigations were closed—5 investigations were conducted by the DoD OIG and 65 were conducted by Component OIGs with oversight review by the DoD OIG. In 32 of the investigations closed, allegations of misconduct were substantiated.

Table 2.12 Senior Official Complaints Closed April 1, 2019 – September 30, 2019

Service or Agency in which the Allegations Occurred	DoD OIG Workload		Cases Closed from April 1, 2019 – September 30, 2019				Cases Remaining Open as of September 30, 2019			
	Cases Open on April 1, 2019	Complaints Received Since April 1, 2019	Closed at DoD OIG after Intake Review	DoD OIG Investigations	DoD OIG Oversight Review of Component IG Investigations	Substantiated Investigations ¹ (Substantiation Rate ²)	DoD OIG Intake	DoD OIG Investigations	DoD OIG Oversight Review of Component IG Investigations	Component IG Investigations
Air Force	28	52	52	0	13	9 (69%)	5	0	1	8
Army	61	182	167	0	24	7 (29%)	17	0	2	33
Marine Corps	7	30	22	1	3	2 (50%)	5	0	0	6
Navy	31	65	41	1	6	3 (43%)	27	1	1	19
COCOM/ Defense Agency/ Other	77	167	147	3	19	11 (50%)	29	6	6	35
Total	204	496	429	5	65	32 (46%)	83	7	10	101

1. These include both DoD OIG and Component OIG Investigations.

2. The substantiation rate is a percentage which consists of the Substantiated Investigations divided by the total number of DoD OIG Investigations and DoD OIG Oversight Reviews of Component OIG Investigations.

Senior Official Name Checks

When senior officials are pending confirmation by the Senate, or are considered for promotion, awards (including Presidential Rank awards), assignments, and retirements, DoD officials must submit name check requests to the DoD OIG to determine whether the DoD OIG has any reportable information. The DoD OIG processed a total of 13,162 names during this reporting period.

Substantiated or Significant Senior Official Cases Closed by the DoD OIG

There were four substantiated or significant senior official cases closed by the DoD OIG during the second half of FY 2019.

- A Marine brigadier general allegedly violated applicable standards for exemplary conduct, leadership, and treatment of subordinate personnel when he disparaged, bullied, and humiliated subordinates; devalued women; and created a negative work environment that led to a general distrust of his impartiality and leadership. The DoD OIG determined that, on seven occasions, the brigadier general's comments and conduct

demeaned, bullied, and humiliated his subordinates. The Assistant Commandant of the Marine Corps initiated action to remove the brigadier general from the promotion list, determined that the Marine Corps would not re-nominate the brigadier general for promotion, verbally counseled him, and issued him a nonpunitive letter of caution.

- The former Assistant to the Secretary of Defense for Public Affairs (ATSD[PA]) allegedly misused subordinates for personal services and improperly accepted gifts from subordinates. The DoD OIG determined that the ATSD(PA) violated the Joint Ethics Regulation by directing subordinates, during and after duty hours, to make personal travel arrangements; obtain lunch and snacks; schedule personal makeup appointments; order personal stationary; and drive the ATSD(PA) to and from her residence to work using a subordinate's privately owned vehicle. On one occasion, the ATSD(PA) accepted a gift of apparel from another subordinate. The DoD OIG determined that another allegation that the ATSD(PA) failed to treat subordinates with respect did not occur as alleged. The ATSD(PA) resigned from Federal service on December 31, 2018, during the investigation.

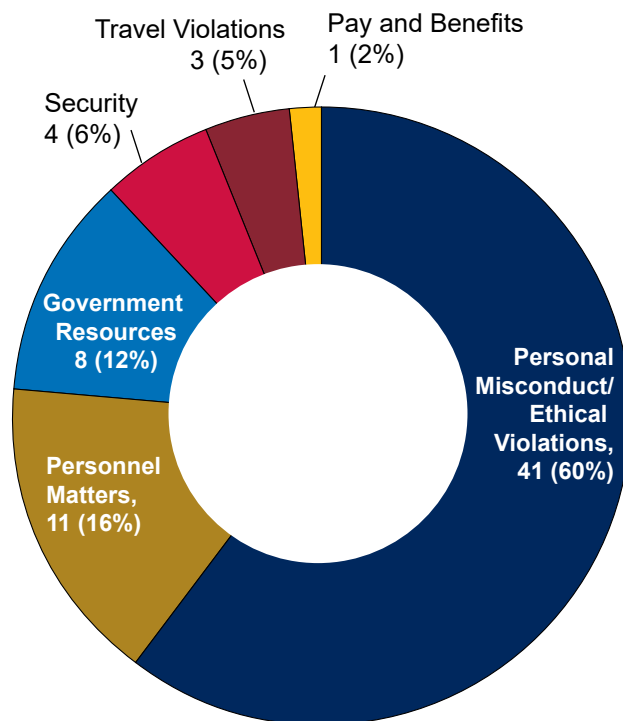
- A Navy admiral allegedly used personal e-mail for official DoD communications and continued a relationship with a Navy commander that may have been inappropriate with respect to the Navy commander's outside employment. The DoD OIG determined that the admiral used his personal e-mail account to conduct official DoD communications, in violation of DoD policies. The DoD OIG also concluded that the admiral's relationship with the Navy commander was not inappropriate with respect to the Navy commander's outside employment. However, the DoD OIG agreed with the Chief of Naval Operations and the Secretary of the Navy's concerns about the admiral's judgment in continuing to solicit and accept the Navy commander's public affairs guidance after the commander's removal from the Chief of Naval Operations staff for inappropriate behavior. The Secretary of the Navy verbally counseled the admiral regarding his conduct and accepted the admiral's request to retire. The Navy also withdrew the admiral's nomination to be the Chief of Naval Operations.
- The former Acting Secretary of Defense allegedly took actions to promote his former employer, and disparage its competitors, in violation of his ethical obligations. The DoD OIG sought to determine what the Acting Secretary of Defense said about his former employer or its competitors; whether he made any of the alleged comments; whether he participated in decisions on products from his former employer; and whether any of his actions or comments violated his ethics agreements or his ethical obligations. The DoD OIG did not substantiate any of the allegations and determined that the Acting Secretary of Defense fully complied with his ethics agreements and his ethical obligations regarding his former employer and its competitors.

Examples of Substantiated or Significant Senior Official Cases Closed by Military Service OIGs and Defense Agency OIGs

- A promotable Air Force colonel wrongfully used official time and received pay and benefits without authority, and wrongfully used and received official Government travel resources for unauthorized purposes and for his own personal gain. This occurred when he attended a civilian master's degree program at Harvard University while in an official duty status as an Active Guard Reserve Officer. The promotable colonel received a written reprimand.
- An Air Force brigadier general: (1) failed to treat subordinates with dignity and respect in private conversations and public meetings; (2) falsely claimed aircrew duty pay to earn \$250 flight incentive pay; (3) improperly authorized a non-spouse civilian to participate in a spouse orientation flight; and (4) improperly accepted a gift from a DoD contractor. The brigadier general received a letter of counseling.
- An SES member misused his public office for his friend's private gain and gave preferential treatment when he paid his friend's contracting firm \$5,000 in FY 2015 to teach a writing class; \$8,750 in FY 2016 to teach another class; and \$4,000 in FY 2017 to teach a leadership class without competitively soliciting the services. The SES member received a letter of reprimand.
- An SES member engaged in an inappropriate relationship when he had a close, personal, and sexual relationship with a GS-13 in his supervisory chain. He lied to his supervisors about the inappropriate relationship, failed to report his relationship, and engaged in harassment with the GS-13. He additionally misused Government property when he had sex in his Government office and conference room. The SES member retired.
- An Army National Guard brigadier general misused Government resources when he visited pornographic websites, specifically "Porn Hub," from his Government cell phone. Corrective action is pending.

- An Air Force brigadier general: (1) went on temporary duty travel for other than official purposes; (2) failed to take leave for time spent on personal business while on official travel; (3) improperly procured commercial transportation and improperly prepaid for rental car fuel; (4) committed waste associated with official travel; (5) misused a Government vehicle by directing a subordinate to use a Government vehicle for a ride to the airport; (6) wrongfully accepted a loan from a cadet by requesting the cadet charge the brigadier general's official travel expenses on the cadet's Government credit card; and (7) failed to maintain a healthy command climate by lying and acting with self-serving motives. Corrective action is pending.
- An Army lieutenant general committed plagiarism while attending the Army War College as a lieutenant colonel. The U.S. Army War College Academic Review Board amended the lieutenant general's records to reflect a failure to complete graduation requirements and revoked his Master of Strategic Studies degree and Army War College diploma.
- An Army National Guard major general engaged in an inappropriate relationship with a subordinate contractor employee. The major general retired.
- An SES member: (1) committed nepotism by hiring relatives; (2) provided misleading information and certifications to other Executive Branch senior members; (3) made false, incomplete, or misleading statements to investigators; (4) improperly disclosed sensitive personnel information to individuals; (5) used his public office for personal gain; (6) made inappropriate derogatory and disrespectful comments concerning his superiors and a peer; (7) made inappropriate disparaging remarks concerning his subordinates; and (8) engaged in an inappropriate sexual relationship with a subordinate. The SES member retired.
- A retired Army National Guard brigadier general committed bribery and conspiracy to commit bribery. The brigadier general was debarred from contracting with the Government for 3 years and received 2 years' probation.
- An Army brigadier general engaged in misconduct, including absence from duty, sexual harassment, intoxication during duty hours, drunk and disorderly conduct, misuse of subordinates' time, and creating a hostile work environment. Corrective action is pending.
- A Defense Intelligence Community senior level member was unable to pass a screening polygraph examination. An investigation into allegations that arose during his polygraph examination determined that he mishandled classified information, provided financial support to a foreign national, and failed to obtain authorization for his outside employment in a timely manner. The member retired.
- A Defense Intelligence Community SES member retained classified information at his personal residence without authorization. The member resigned.
- A Navy rear admiral engaged in an adulterous relationship with a civilian employee; both were married at the time of the allegation. The rear admiral's conduct was directly prejudicial to good order and discipline since the relationship was known by members of the command, and this knowledge eroded trust in the office. The rear admiral was moved to a different position.
- An SES member engaged in a pattern of discourteous behavior toward Air Force employees by routinely aggravating the relationships between command personnel. The SES member also engaged in disrespectful behavior toward other senior leadership members by openly sharing his disagreement and opinion about them in the presence of subordinates. For instance, the SES member made statements that he "will get even" with one senior leader and sang "the wicked witch is dead" after another senior leader departed the command. The SES member failed to appropriately account for a subordinate's assault against an Air Force employee in the subordinate's Officer Performance Report. The SES member also misused his public office for private gain when he requested that a subordinate create and print 200 to 300 Christmas letters using Government resources. Corrective action is pending.

Figure 2.19 Types of Substantiated Misconduct



Note: Multiple allegations may be reported for a single case.

Corrective Actions for Senior Official Cases Reported in Prior Semiannual Reports

The following are corrective actions reported during the reporting period for cases closed in prior reporting periods. The following cases were closed by Military Service OIGs and Defense agency OIGs with oversight by the DoD OIG.

- An Air Force SES member failed to treat his subordinates with dignity and respect by publicly berating and verbally abusing an employee. The member screamed at the employee, threw papers and a pen across a desk, and aggressively jumped from his chair toward the employee. The SES member received a written reprimand.
- An Army brigadier general failed to render two noncommissioned officer evaluation reports for a soldier within required timelines. This failure caused the soldier to be selected for non-retention by the Qualitative Retention Board and precluded him from serving in the U.S. Army Reserve. It also caused the soldier to lose several benefits to which the soldier would have been entitled if he was retained and continued to serve in a National Guard unit. The brigadier general received a letter of counseling.
- A married SES member engaged in an inappropriate and unprofessional relationship with a subordinate. The married member and the subordinate, who was also married, engaged in sexual intercourse during official travel and in the member's office during the duty day. Additionally, after they began their sexual relationship, the member approved two favorable personnel actions benefitting the subordinate instead of recusing himself from those personnel actions, as required by agency standards. The SES member retired.
- A Navy SES member wasted Government resources by using official travel for primarily personal reasons. Specifically, she took official travel to Hawaii for two family vacations there. She also conducted minimal or no official work during other official travel to New Orleans, Louisiana; New York City, New York; Okinawa, Japan; Key West, Florida; Rota, Spain; Iwakuni, Japan; and Saratoga Springs, New York. Additionally, the SES member failed to treat her staff members with respect and fostered a poor work environment. The SES member retired from Federal service during the course of the investigation.

Quality Assurance Review

During the reporting period, the DoD OIG's AI component completed a quality assurance review of the Marine Corps IG Hotline and a quality assessment of Marine Corps IG operations, policies, and procedures for the senior official and whistleblower reprisal investigations units.

Administrative Investigations Outreach and Training

During this period, AI conducted more than 755 hours of external outreach engagements involving 1,089 personnel. Outreach events included the Annual Administrative Investigations Training Symposium, the Air Force Worldwide Symposium, a National Guard Bureau panel discussion, and Basic Whistleblower Reprisal Investigations Courses.

AI also conducted more than 4,515 hours of internal training for OIG employees during the reporting period on topics such as Report Writing, Cognitive Interviewing, Excelling as a Supervisor or Manager, Adaptive Leadership, Contracting Officer's Representatives, CIGIE IG Authorities, Proofreading and Editing, Time Management, Decision Making and Problem Solving, Analytics Boot Camp, and Empathy-Based Listening.

AI Training Symposium

On May 22, 2019, AI sponsored an Administrative Investigations Symposium. More than 260 personnel from the DoD OIG, the Service components, other Defense and Federal agencies, and the Defense Intelligence Community OIGs attended the event. Featured topics included Digital Evidence, Use of Social Media in Investigations, Investigator Work-Life Balance, the DoD OIG Certified Investigator Program, Triaging Complaints, Whistleblower Protection, and a Write it Right seminar.

AI Pilots DoD OIG Certified IG Investigator Program

In June 2019, AI began a pilot DoD OIG Certified IG Investigator Program. The program's goals include ensuring consistent investigative practices throughout DoD OIG components, providing a competency-based path for administrative investigator training, and better preparing investigators to complete more timely and better quality investigative products. Twenty-four investigators from the DoD OIG, Service components,

and other Defense agencies participated in the pilot. AI plans to release the results from the pilot program in December 2019.

Hotline Worldwide Outreach and Observance of National Whistleblower Appreciation Day

On July 30, 2019, the DoD OIG hosted the 7th annual Hotline Worldwide Outreach at the Mark Center in Alexandria, Virginia. The purpose of the Hotline Worldwide Outreach was to provide relevant information, share best practices, and discuss challenges facing the hotline community. More than 130 hotline professionals from Federal, state, and local hotlines attended virtually or in person. The event keynote speaker was Michael Missal, the Inspector General for the Department of Veterans Affairs. Featured topics included discussions about hotline best practices and areas for improvement and a briefing on the importance of data analytics. In addition, the DoD OIG and other Federal OIGs provided input to the development of CIGIE's first Capstone Report on whistleblowers, which was released on National Whistleblower Appreciation Day.

Basic Whistleblower Reprisal Investigations Course

AI held nine Basic Whistleblower Reprisal Investigations courses for DoD Service components, Defense agencies, and other Federal agency IG representatives. AI conducted four courses at the Mark Center in Alexandria, Virginia, and five mobile training team courses at U.S. Special Operations Command in Tampa, Florida; Joint Force Headquarters Arkansas in North Little Rock, Arkansas; U.S. Army Pacific Command at Fort Shafter, Hawaii; U.S. Air Forces Europe in Ramstein, Germany; and I Corps at Joint Base Lewis-McChord, Washington. The Basic Whistleblower Reprisal Investigations courses discussed the history and content of whistleblower statutes; how to conduct a thorough complaint intake, gather evidence, interview, and write reports; and procedures for closing a case.

Hotline Investigator Course

AI conducted the Hotline Investigator Training Course on May 21, 2019, attended by 49 hotline professionals from 31 Federal, state, and local hotlines. The course covered the complaint process and the DoD Hotline's mission and responsibilities, and best practices used to coordinate case referrals. During group exercises, participants screened mock complaints and applied DoD Hotline standards to determine the best course of action for case referrals.

LEAD INSPECTOR GENERAL

The DoD OIG's Overseas Contingency Operations component supports the DoD OIG's Lead IG responsibilities and oversight coordination related to designated overseas contingency operations. The Lead IG coordinates with the senior representatives from the Department of State (DoS) OIG, the U.S. Agency for International Development (USAID) OIG, and other OIGs to fulfill responsibilities to coordinate oversight, develop interagency strategic oversight plans, and produce quarterly reports.

According to the FY 2013 National Defense Authorization Act, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Chair must designate a Lead IG no later than 30 days after the commencement or designation of the military operation as an overseas contingency operation that exceeds 60 days. The Lead IG must be designated from among the IGs for the DoD, the DoS, and USAID. The OIGs for these agencies are responsible for staffing and supporting the Lead IG, ensuring that comprehensive oversight is conducted, and reporting is provided over all aspects of the contingency operation.

There are currently six designated overseas contingency operations: Operation Inherent Resolve (OIR), Operation Freedom's Sentinel (OFS), Operation Pacific Eagle–Philippines (OPE-P), and three classified overseas contingency operations related to counterterrorism.

OIR is dedicated to countering the terrorist threat posed by the Islamic State of Iraq and Syria (ISIS) in Iraq, Syria, the region, and the broader international community. The U.S. counter-ISIS strategy includes support to military operations associated with OIR, as well as diplomacy, governance, security programs and activities, and humanitarian assistance. The Secretary of Defense announced the initiation of OIR on October 17, 2014, and on December 17, 2014, the CIGIE Chair designated the DoD IG as the Lead IG for this operation.

OFS has two complementary missions: (1) the U.S. counterterrorism mission against al Qaeda, the ISIS-Khorasan, and their affiliates in Afghanistan, and (2) the North Atlantic Treaty Organization-led Resolute Support mission (“Resolute Support”) to train, advise, and assist Afghan security forces. Resolute Support’s mission objective is to help the Afghan National Army and Police forces become self-sustaining and capable of maintaining security in Afghanistan under responsible Afghan ministries. The Secretary of Defense

announced the initiation of OFS on December 28, 2014, and on April 1, 2015, the CIGIE Chair designated the DoD IG as the Lead IG for this operation.

OPE-P supports the Philippine government and military in their efforts to isolate, degrade, and defeat affiliates of ISIS and other terrorist organizations in the Philippines. The Secretary of Defense announced the initiation of OPE-P on September 1, 2017, and on November 16, 2017, the CIGIE Chair designated the DoD IG as the Lead IG for this operation.

On May 29, 2018, the CIGIE Chair designated the DoD IG as the Lead IG for three additional overseas contingency operations. Two are in Africa and one is in the Middle East. These three overseas contingency operations, which are classified, seek to degrade al Qaeda and ISIS-affiliated terrorists in specific sub-regions of these areas.

Quarterly Reporting

The three Lead IG agencies publish quarterly reports that discuss each operation and current, ongoing, and future oversight work conducted by the Lead IG and its partner agencies. The quarterly reports to Congress for each operation and related oversight activities can be accessed online at: <https://www.dodig.mil/Reports/Lead-Inspector-General-Reports/>

During this reporting period, the three Lead IG agencies published unclassified quarterly reports and accompanying classified appendixes on three overseas contingency operations—OIR, OFS, and OPE-P. In addition, the Lead IG agencies prepared classified reports on the three classified overseas contingency operations related to counterterrorism, which are provided to relevant agencies and congressional committees. The unclassified reports on the status of these overseas contingency operations, and related major developments, are summarized below.

Operation Inherent Resolve

During the period, the Lead IG agencies reported that ISIS had lost control of its last piece of territory in Syria, transitioned into an insurgency in Syria, intensified its insurgency in Iraq, and remained a threat in both countries. The U.S. military partially withdrew forces from Syria, which decreased the support available for Syrian partner forces to respond to the ISIS resurgence. Violence, lawlessness, and lack of economic and employment opportunities in Iraq and Syria continued to prevent internally displaced persons and refugees from returning home, and hindered the work of humanitarian organizations trying to provide assistance.

Operation Freedom's Sentinel

During the period, the Lead IG agencies reported that Ambassador Zalmay Khalilzad, the U.S. Special Representative for Afghanistan Reconciliation, held talks with the Taliban to discuss the framework of a peace agreement. However, no agreement was finalized. Fighting continued in Afghanistan as the negotiations proceeded. The Taliban continued attacks on civilians, government installations, and Afghan security forces. U.S. military leaders said that ongoing military operations in Afghanistan are designed to support diplomatic efforts and to keep the Taliban at the negotiating table. U.S. Forces–Afghanistan reported that the Afghan National Defense and Security Forces had taken steps to reduce the number of static checkpoints—the source of the majority of Afghan security forces casualties in Afghanistan. According to U.S. Forces–Afghanistan, the 2nd Security Force Assistance Brigade began its advising mission in Afghanistan, with an emphasis on improving the logistics capacity of the Afghan National Defense and Security Forces.

Operation Pacific Eagle–Philippines

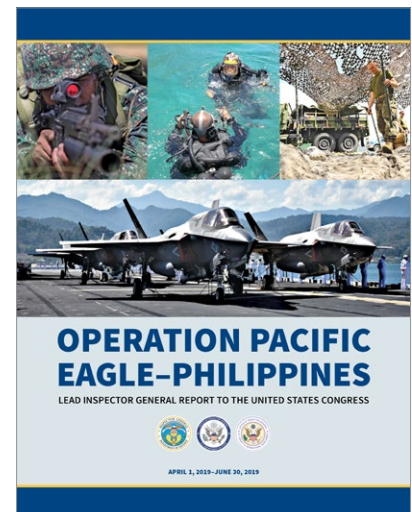
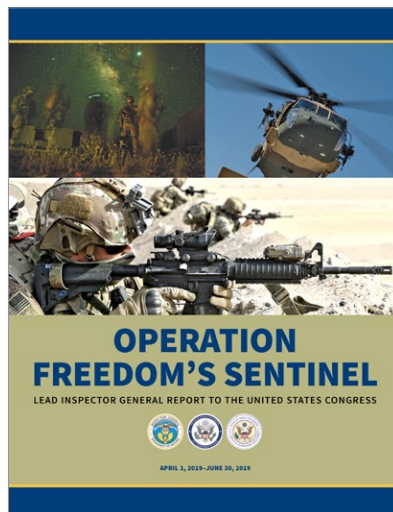
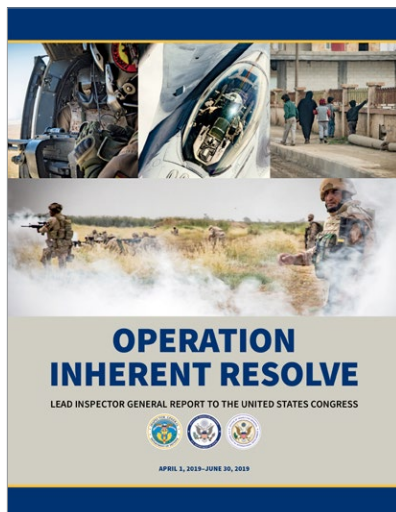
During the period, the Lead IG agencies reported that ISIS-affiliated activity in the Philippines continued, along with U.S. and Philippine efforts to counter these violent extremists. Attacks included suicide bombers who targeted a Roman Catholic cathedral on the southern island of Jolo and a Philippine military base. The attack on the military base was the first confirmed suicide bombing by a Filipino, which raises concerns that Philippine militants are adopting not just the ISIS “brand” but also its ideology and tactics. Reconstruction efforts in Marawi City made

little progress during the period, leaving approximately 66,000 people still displaced since their homes were destroyed in the 2017 siege by ISIS affiliates.

Oversight Planning and Coordination

The Lead IG agencies coordinate their oversight through the quarterly Overseas Contingency Operations Joint Planning Group (formerly the Southwest Asia Joint Planning Group). This quarterly meeting informs planning activities and coordinates projects among oversight entities. It serves as a primary venue to coordinate audits, inspections, and evaluations for OIR, OFS, OPE-P, and three classified overseas contingency operations. The group is also a forum for information sharing and coordination of the broader whole-of-government oversight community, including the Military Service IGs and Service audit agencies, the Government Accountability Office, the Special Inspector General for Afghanistan Reconstruction, and OIGs from the Departments of Justice, Treasury, and Homeland Security. The Deputy IG for Overseas Contingency Operations is the Chair of the Overseas Contingency Operations Joint Planning Group.

The three Lead IG agencies—DoD, DoS, and USAID—develop and carry out joint strategic plans for comprehensive oversight of each contingency operation. Through this coordination, the agencies develop an annual compendium of all ongoing and planned oversight projects called the Comprehensive Oversight Plan for Overseas Contingency Operations. The Comprehensive Oversight Plan, discussed below, contains the Joint Strategic Oversight Plans for OIR, OFS, OPE-P, and the three classified overseas contingency operations.



In addition to these formal planning processes, the Lead IG agencies have established supplemental systems to coordinate their planning activities in theater and to prevent duplication of efforts in gathering information for their congressionally mandated quarterly reports. Lead IG agencies also conduct investigations into allegations of fraud, waste, and abuse. They coordinate these investigative efforts through the International Contract Corruption Task Force and the Fraud and Corruption Investigative Working Group.

Comprehensive Oversight Plan for Overseas Contingency Operations

Pursuant to section 8L of the Inspector General Act, the Lead IG develops and implements a joint strategic plan to guide comprehensive oversight of programs and operations for each operation. This effort includes reviewing and analyzing completed oversight, management, and other relevant reports to identify systemic problems, trends, lessons learned, and best practices to inform future oversight projects. The Lead IG issued the FY 2020 Comprehensive Oversight Plan for Overseas Contingency Operations (COP-OCO) to Congress in October 2019. This plan includes a classified appendix to discuss oversight related to the three classified operations.

The FY2020 COP-OCO describes specific projects that the Lead IG agencies and the Overseas Contingency Operations Joint Planning Group expect to conduct during FY 2020. This joint planning process provides whole-of-government oversight of contingency operations, and represents an unprecedented interagency model. The overall goal of this

process is to ensure comprehensive oversight of U.S. Government activities related to overseas contingency operations. This is the 5th annual joint strategic oversight plan from the Lead Inspector General for Overseas Contingency Operations. It includes 264 oversight projects informed by past oversight work and management challenges identified by the departments concerned.

Lead IG Oversight Work

The three Lead IG agencies also conduct individual audits, evaluations, and assessments. As of the end of this reporting period, the OIGs of the DoD, the DoS, and USAID were conducting 29 OIR, 29 OFS, and 6 OPE-P audits, assessments, and evaluations.

During the 6-month semiannual reporting period, the three Lead IG agencies published 26 reports on completed oversight projects.

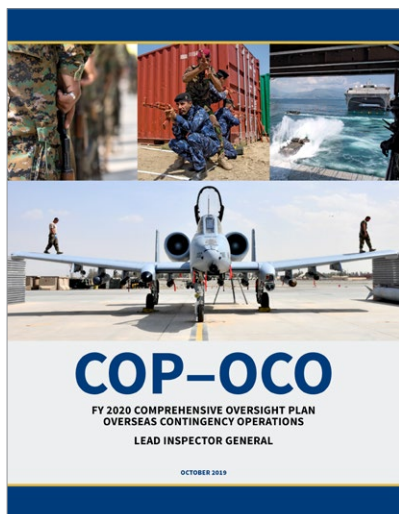
The following summaries are examples of Lead IG oversight work conducted by the DoD OIG during the reporting period for OIR, OFS, and OPE-P. The summaries below are also included in the Audit and Evaluation sections of this report.

Operation Inherent Resolve

Audit of Air Force Accountability of Government Property and Oversight of Contractual Maintenance Requirements in the Contract Augmentation Program IV in Southwest Asia

The DoD OIG determined whether the Air Force accounted for Government-furnished property (GFP), and provided oversight of contractual maintenance requirements in the Air Force Contract Augmentation Program (AFCAP) IV in Southwest Asia. This program provides logistic and sustainment support to deployed forces, using contractors to provide Government customers with civil engineering, base construction, and logistic operations, including dining facility and food services, vehicle maintenance and management operations, and professional engineering services. GFP included mobile power generators, forklifts, light carts, and street sweepers.

The DoD OIG determined that the Air Force did not account for GFP under four AFCAP IV task orders in Kuwait, Qatar, and the United Arab Emirates. AFCAP IV procuring contracting officers (PCOs) did not follow DoD and Air Force requirements to maintain GFP lists in contracts; include required data elements in GFP lists; or provide GFP lists to the accountable property officers. As a result of the Air Force's lack



of accountability and oversight of GFP items provided to the contractors, the Air Force did not know the value of GFP provided to contractors, had no oversight of the property, and could not hold the contractors accountable for how they managed GFP, including property damage and losses.

In addition, the Air Force did not consistently include the value of GFP listed in the contracts and included only the value of GFP for the Government property items provided to the Qatar base support contractors, one of the four task orders that the DoD OIG reviewed. Therefore, based on the value of the GFP items included in the base support task order, the Air Force understated its FY 2018 asset balances on the balance sheet by at least \$5 million. Additionally, the Air Force did not verify that AFCAP IV base support or dining facility contractors performed contracted services for routine maintenance and repairs on Government property. Without oversight of contractually required maintenance services, the Air Force and the contractors did not have assurance that the base support contractors in Qatar maintained at least \$20.6 million of Government property as required. Because preventive maintenance is essential for sustaining equipment through its useful life, the lack of oversight of AFCAP IV contractual maintenance requirements could impair Air Force operations in Southwest Asia, including services for dining facilities, power generation, and airfield lighting.

Among other recommendations, the DoD OIG recommended that the Chief of the Air Force Installations and Contracting Agency's 722nd Enterprise Sourcing Squadron Contracting Division:

- establish GFP accountability training for PCOs;
- require PCOs to coordinate with the accountable property officers and AFCAP IV contractors to jointly verify the GFP provided in each task order and modify the contracts to reflect an accurate list of GFP;
- update the Air Force Installations and Contracting Agency's delegation procedures to ensure that PCOs assign property administration duties to deployed administrative contracting officers and contracting officer's representatives; and
- direct the PCOs to coordinate with the requiring activity in order to update the Air Force Installations and Contracting Agency's AFCAP IV quality assurance surveillance plans to include detailed property administration and GFP oversight procedures.

In addition, the DoD OIG recommended that the Principal Director of the Defense Pricing and Contracting Division in the Office of the Under Secretary of Defense for Acquisition and Sustainment make existing GFP training resources mandatory for all contracting personnel and coordinate with the Services to implement GFP training courses for contingency contracting personnel. Management agreed with the recommendations.

Report No. DODIG-2019-103

Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait

The DoD OIG determined whether DoD contracts in Kuwait complied with Federal and DoD requirements regarding combating trafficking in persons (CTIP), and whether DoD commands provided oversight of CTIP requirements.

The DoD OIG determined that U.S. Central Command (USCENTCOM), U.S. Air Forces Central Command, the Army and Air Force Exchange Service, and Army Contracting Command–Rock Island did not consistently enforce DoD and command regulations or provide oversight to U.S. contractors regarding combatting trafficking in persons in Kuwait. For example, DoD contracting organizations did not have a process for determining Kuwaiti labor law requirements and did not conduct oversight of contractors' implementation of the Federal Acquisition Regulation (FAR) clause regarding CTIP. Army and Air Force contracting officers did not confirm that contracts included the required FAR CTIP clauses or monitor, document, and report contractor CTIP compliance. As a result, USCENTCOM is at increased risk of not detecting or correcting and underreporting labor trafficking in persons on U.S. military facilities.

Among other recommendations, the DoD OIG recommended that the USCENTCOM Commander enforce Central Command Regulation (CCR) 570-4, "Combating Trafficking in Persons," October 27, 2016, which implements DoD Instruction 2200.01, by establishing procedures and assign responsibilities for the identification and oversight of CTIP in the USCENTCOM area of responsibility. Additionally, the DoD OIG recommended that:

- senior officials from U.S. Air Forces Central Command and Army Contracting Command–Rock Island ensure that contracting officers include the FAR CTIP clause in all contracts, ensure that quality assurance surveillance plans are prepared, and monitor contractor performance regarding trafficking in persons;

- the Army and Air Force Exchange Service Chief Executive Officer update the Army and Air Force Exchange Service CTIP policy to provide guidance on monitoring contractor compliance with the FAR CTIP clause; and
- senior officials from U.S. Air Forces Central Command and Army Contracting Command–Rock Island and the Chief Executive Officer of the Army and Air Force Exchange Service obtain definitive guidance on Kuwaiti labor laws that apply to DoD contracts.

Management from USCENTCOM disagreed with the recommendation, stating that DoD Instruction 2200.01 and CCR 570-4 may conflict with Federal intelligence collection regulations and preclude USCENTCOM enforcement of CCR 570-4. However, USCENTCOM also stated that it would update and enforce CCR 570-4 in response to an updated DoD Instruction on CTIP.

The Army and Air Force Exchange Service and Army Contracting Command–Rock Island agreed with the recommendation to designate a single element in Kuwait responsible for CTIP compliance. However, U.S. Air Forces Central Command did not agree with the recommendation. Therefore, the DoD OIG requested further comments on this recommendation.

U.S. Air Forces Central Command, Army Contracting Command–Rock Island, and the Army and Air Force Exchange Service agreed with the recommendations.

Report No. DODIG-2019-088

Audit of the Identification and Training of DoD's Operational Contract Support Workforce

The DoD OIG determined whether DoD Components incorporated operational contract support training into workforce development for military and DoD civilian personnel. Operational contract support is the process of obtaining supplies, services, and construction from commercial sources to support military operations. When properly planned, operational contract support can provide services that either cannot be performed by military forces or can be performed more efficiently through contract solutions.

The DoD OIG determined that DoD Components did not consistently integrate operational contract support training into workforce development. For example, the Army developed a training course for non-acquisition personnel, but this training did not adequately prepare personnel to perform operational contract support in theater at the combatant command level. In addition,

the Navy developed training requirements for its operational contract support personnel, but it did not identify which personnel were required to receive the training. The Air Force and the Marine Corps also did not incorporate operational support training into their workforce development policy. Without properly trained personnel to meet the operational contract support needs of combatant commanders, the DoD risks poor management of contracted capabilities in contingency operations.

The DoD OIG recommended that the Under Secretary of Defense for Personnel and Readiness conduct a Functional Competency Model assessment for operational contract support personnel. The DoD OIG also recommended that the Under Secretary of Defense for Acquisition and Sustainment establish training requirements for operational contract support positions. Management agreed with the recommendations.

Report No. DODIG-2019-079

Evaluation of the Oversight of Intelligence Interrogation and Techniques

The DoD OIG determined whether the oversight of intelligence interrogation approaches and techniques used by the Office of the Under Secretary of Defense for Intelligence (OUSD(I)), U.S. Southern Command, USCENTCOM, and U.S. Special Operations Command adhered to applicable DoD policies and regulations.

The DoD OIG determined that the OUSD(I) had developed and coordinated DoD policy and reviewed, approved, and ensured coordination of DoD Component intelligence interrogation policies, directives, and doctrine. However, the DoD OIG found inconsistencies in OUSD(I)'s oversight of the implementation of DoD policy regarding combatant command intelligence interrogation approaches and techniques. This occurred because OUSD(I) officials focused on policy reviews rather than developing procedures for oversight of intelligence interrogations. As a result, OUSD(I) cannot ensure that the combatant commands' intelligence interrogation programs are employing interrogation approaches and techniques consistent with the applicable policies and regulations.

The DoD OIG recommended that the OUSD(I) develop formal oversight procedures for combatant command intelligence interrogation and develop a schedule for implementing intelligence interrogation oversight. Management agreed with the recommendation.

Report No. DODIG-2019-077

Operation Freedom's Sentinel

Audit of the Planning for and Implementation of the Afghan Personnel and Pay System

The DoD OIG determined whether the DoD's planning for and implementation of the Afghan Personnel and Pay System (APPS) would result in a system that could accurately track and pay Afghan forces.

The DoD OIG determined that the Combined Security Transition Command–Afghanistan (CSTC-A) did not validate the accuracy of the personnel records for Ministry of Defense and Ministry of Interior personnel added to APPS and did not verify whether the contractor developed the system in accordance with contract requirements. As a result, CSTC-A paid \$26.2 million, as of December 2018, to the APPS software development contractor for a system that could not communicate directly with Afghan systems, required the same manually intensive human resource and payroll processes that the system was designed to streamline, and did not accomplish the stated objective of reducing the risk of inaccurate personnel records or fraudulent payments through the use of automated controls. In addition, as of April 2019, the Ministries were not using APPS to generate payroll data, even though CSTC-A officials stated that they would fund salaries based on APPS-generated payroll data when the system was designated fully operational for the Ministry of Defense in July 2018 and the Ministry of Interior in November 2018. Furthermore, because APPS did not have an interface with the Afghan biometric system and required manual input of the biometric identification number, there was no link between the two systems to validate the authenticity of the biometric number recorded in APPS. Therefore, the DoD did not have assurance that APPS personnel records were biometrically linked, and the DoD remained at risk of funding payroll for fraudulent personnel records.

The DoD OIG recommended that the CSTC-A Commander require the APPS Project Management Office to develop and implement:

- procedures to audit the accuracy of biometric identification numbers and personnel data for APPS records to ensure personnel records have an authentic biometric identification number and are biometrically linked; and corrective action plans that include root cause analysis of, corrective actions, and timelines for: (1) implementing the remaining APPS capabilities, (2) streamlining the data validation efforts, (3) increasing oversight and controls of the process for creating personnel

records, (4) retiring the previous Afghan human resource system, and (5) executing the required interfaces with Afghan biometric and financial systems.

The DoD OIG also recommended that the CSTC-A Commander, in coordination with the Government of the Islamic Republic of Afghanistan, develop and implement a plan with benchmarks and timelines to transition APPS to Afghan control. Additionally, the DoD OIG recommended that the Army Contracting Command–Afghanistan Commander, in coordination with the APPS Project Management Office, develop a plan to identify all contract requirements not met on the software development contract and remedy contractor non-performance. Management agreed with the recommendations.

Report No. DODIG-2019-115

Evaluation of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip Afghan Tactical Air Coordinators, Air Liaison Officers, and Afghan Air Targeting Officers

The DoD OIG determined whether U.S. and Coalition efforts to train, advise, assist, and equip Afghan tactical air coordinators, air liaison officers, and Afghan air targeting officers met U.S. and Coalition objectives in support of developing Afghan air-to-ground integration.

The DoD OIG determined that U.S. and Coalition trainers did not train Afghan tactical air coordinators on coordinating airdrop operations; did not develop the required detailed training curriculum for air liaison officers; and did not track the operational effectiveness of the deployed Afghan tactical air coordinators and Afghan air targeting officers. The lack of training for Afghan tactical air coordinators and Afghan air liaison officers increased the risk for unsuccessful air-to-ground operations, civilian casualties, and failure to meet operational objectives.

The DoD OIG recommended that U.S. commands conducting this training make a determination regarding inclusion of airdrop training; develop and implement a detailed training curriculum for the air liaison officers; and establish procedures and processes to track the operational effectiveness of the deployed Afghan tactical air coordinators, air liaison officers, and Afghan air targeting officers.

Management agreed with the recommendations but did not fully address all specifics of one recommendation; therefore, the DoD OIG asked for an additional comments.

Report No. DODIG-2019-110

Evaluation of Theater Linguist Support for OFS

The DoD OIG determined whether U.S. Central Command and U.S. Army Intelligence Security Command have developed and implemented processes for satisfying, U.S. Forces–Afghanistan Commander and OFS contract linguist requirements. The report findings and recommendations are classified.

Report No. DODIG-2019-098

Audit of the Army's Oversight of National Afghan Trucking Services 3.0 Contracts

The DoD OIG determined whether the Army provided adequate oversight of the National Afghan Trucking Services 3.0 (NAT 3.0) contracts. The National Afghan Trucking program seeks to provide U.S. and Coalition forces with secure and reliable means of distributing various materials, equipment, and fuel. The Army awarded three firm-fixed-price contracts to three Afghan trucking companies with a maximum contract value of \$93 million.

The DoD OIG determined that the Army did not have assurance that the NAT 3.0 contractors' services, valued at \$41.3 million as of December 2018, complied with contract requirements. The Army did not fully monitor contractor costs or provide continuous oversight of contractor performance for the NAT 3.0 contracts. Specifically, the contracting officer's representatives did not develop a review process to ensure that all costs associated with the transportation movement requests were accurate before invoice approval. In addition, contracting officer's representatives did not have the specialized experience to conduct the contract reviews. Furthermore, the contracting officer's representatives did not complete monthly surveillance checklists or status reports from March through September 2018. The administrative contracting officer accepted only one form of surveillance instead of the required surveillance checklist and status report.

The DoD OIG recommended that the Army Contracting Command–Afghanistan Commander:

- instruct the contracting officer's representatives and administrative contracting officer to review and update the quality assurance surveillance plan, which should include approved oversight guidance for reviewing transportation movement requests;
- develop a program and requirements to train NAT 3.0 contracting officer's representatives or designate a qualified official to perform invoice reviews to verify that costs associated with contractor performance are accurate; and

- review the May and June 2018 invoices to determine Afghan Trucking Services (NAT 3.0) contracts.

Management agreed with the recommendations.

Report No. DODIG-2019-069

Operation Pacific Eagle–Philippines

Audit of Training Ranges Supporting Aviation Units in the U.S. Indo-Pacific Command

The DoD OIG determined whether available training ranges and airspace had the capability and capacity to provide the necessary readiness for U.S. Indo-Pacific Command (USINDOPACOM) aviation units. Specifically, the DoD OIG assessed ranges located in Japan, South Korea, Hawaii, Alaska, Nevada, and Arizona, focusing on rotary-wing (helicopter), fixed-wing (airplane), and unmanned aircraft systems that have offensive air support. The audit focused on the ability of these ranges to provide realistic training conditions, targets, and threats, and their capacity to accommodate the number and types of aircraft and training missions that need to be flown.

The DoD OIG determined that the training ranges and airspace did not have the capability or capacity to support aviation readiness for units assigned to USINDOPACOM. The DoD OIG identified several reasons the training ranges and airspace capability and capacity limitations occurred. First, the training range land, airspace, and impact areas were designed to meet outdated mission needs. For example, most military training ranges were established in rural areas more than 75 years ago when the United States was preparing for World War II. Second, training ranges in Japan and South Korea have limited availability because the ranges are shared with host nation forces. Third, funds available for modernizing range capabilities were prioritized for operations in Southwest Asia and limited by congressional continuing resolutions. Fourth, protection of endangered species, safety considerations, and inclement weather limited range activities. Finally, the Army and Air Force lacked a clear command structure to jointly operate and manage the Joint Pacific Alaska Range Complex. As a result, the aviation units in the USINDOPACOM area of responsibility could not adequately train as they would fight, which the National Defense Strategy states is essential for success in accomplishing theater campaign and operation plan objectives.

The DoD OIG recommended that the Under Secretaries of Defense for Personnel and Readiness and for Acquisition and Sustainment review the individual

Services' range plans to address the National Defense Authorization Act requirement; develop and implement a plan to field and sustain DoD-wide solutions to address training gaps; and develop and implement plans to synchronize Army and Air Force range management and use in Alaska for joint training events, individual and collective level training, and future F-35 training needs to ensure readiness and the ability to accomplish operation plans. Management agreed with the recommendations.

Report No. DODIG-2019-081

Ongoing Work

The following are examples of ongoing audits and evaluations being conducted by the DoD OIG and other Lead IG agencies regarding OIR, OFS, and OPE-P.

OIR

- The DoD OIG is evaluating whether Combined Joint Task Force–OIR effectively planned and executed military information support operations to counter ISIS in Iraq and Syria.
- The DoD OIG is evaluating civilian casualty evaluation and reporting procedures to determine whether there are accurate accounts of potential civilian casualties resulting from OIR airstrikes.
- USAID OIG is conducting an audit to assess USAID's management of its transition strategy for humanitarian assistance in Iraq and oversight of its humanitarian assistance and stabilization activities.

OFS

- The DoD OIG is evaluating U.S. Forces–Afghanistan procedures for counterintelligence screening, vetting, and biometric processes for force protection in Afghanistan.
- The DoS OIG is conducting an audit to determine whether the DoS used established procedures, guidance, and best practices in its approach to adjust the size and composition of Missions Afghanistan and Iraq, and has aligned resources invested at these Missions with U.S. priorities.

OPE-P

- The DoD OIG is evaluating U.S. Indo-Pacific Command to determine whether security controls for preventing foreign access to Intelligence, Surveillance, and Reconnaissance asset supply chains are effective.

- The DoD OIG is conducting an audit to determine whether the Defense Health Agency and the Military Services are providing effective training to mobile medical teams prior to deploying them to the U.S. Indo-Pacific Command and U.S. Africa Command areas of responsibility to improve trauma care.
- The DoS OIG is auditing antiterrorism assistance programs in the Philippines to determine whether the DoS has developed specific, measurable, and outcome-oriented objectives for the programs; whether the DoS has established program sustainment goals; and how well the DoS is effectively monitoring and evaluating program participants' progress toward attaining program goals.

Lead IG Investigations

The investigative components of the Lead IG agencies are members of the Fraud and Corruption Investigative Working Group, which promotes and coordinates the detection, investigation, and prevention of fraud and corruption related to OIR and OFS. The Lead IG agencies use forward-deployed investigators in Kuwait, Qatar, Iraq, Saudi Arabia, United Arab Emirates, and Afghanistan, as well as in Germany and Washington, D.C., to conduct these investigations.

From April 1, 2019, to September 30, 2019, Lead IG agency investigations resulted in 1 criminal charge, 2 convictions, 11 contractor debarments, 4 administrative actions, 2 personnel actions, and savings or recoveries of over \$485,894.

The Lead IG investigative agencies opened 50 new cases, closed 51 cases, and are conducting 133 OIR-related, 71 OFS-related, 3 OPE-P-related, and 6 Other OCO-related investigations (total of 213 investigations). The investigations involve allegations of procurement, grant, and other program fraud; corruption involving U.S. Government officials; theft and diversion of Government funds or equipment; and other offenses, including trafficking in persons.

Additionally, during this reporting period, the Fraud and Corruption Investigative Working Group conducted 136 fraud briefings with 1,384 attendees.

Contractor Debarred Following Investigation into Kickback Scheme

During the period, CJTF-OIR officials debarred a procurement team leader for contractor SOS International at Camp Taji, Iraq, following

allegations of improper contract actions in exchange for kickbacks. In April, Headquarters, CJTF-OIR at Camp Union III in Baghdad, Iraq, barred the team leader from entering all installations or places under the control or jurisdiction of CJTF-OIR. The action was the result of a November 2018 DCIS and Army Criminal Investigation Command (CID) investigation into allegations that the team leader received the kickbacks in exchange for awarding U.S. Government contracts and received procurement sensitive information. The contracts were for miscellaneous purchase order requests for a Base Operations and Support contract awarded to SOS International to support Camp Taji, Iraq.

Seven Contractors Debarred Following Separate Investigations Into False Claims and Fraud Allegations

During the period, the Army debarred three companies and four people from doing business with the U.S. Government after two separate investigations into allegations of receiving improper or fraudulent payments.

In the first investigation, conducted by DCIS and Army CID, on May 9, 2019, Highland Alhujaz Co, LTD, and Highland Al Hujaz Co, LTD, were debarred from contracting with the Executive Branch of the U.S. Government until May 6, 2023, for allegedly submitting false claims for payment to the U.S. Army Corps of Engineers. The alleged false claims were for work on a construction project at Camp Hero in Southern Afghanistan. After a review of the facts of the case, the Department of Justice declined Federal criminal prosecution.

In the second investigation, Matachi Green Logistics Services and four people were debarred from contracting with the Executive Branch of the U.S. Government until May 2024. DCIS, Army CID, and the Special Inspector General for Afghanistan Reconstruction initiated the investigation after receiving allegations of a conspiracy to defraud the Bagram Airfield contracting office between June 2018 and September 2018. The investigation revealed that these individuals and Matachi Green Logistics Services allegedly fraudulently submitted \$144,000 in bills for payment on the deliveries of air conditioning units to Bagram Airfield, but no contracts or orders had been issued. The Department of Justice declined Federal criminal prosecution.

Contractor Pays Restitution for Overbilling on Manpower Hours

In November 2018, Army CID and DCIS initiated a joint investigation into Six3 Intelligence Solutions, LLC, based on allegations that employees were inappropriately charging excess labor hours on a contract for services at Bagram Airfield in Afghanistan. Following an internal audit of employee timecards, Six3 Intelligence Solutions' parent company, Consolidated Analysis Center, Inc. (or CACI International, Inc.), reimbursed \$28,868 to the U.S. Government for overbilling labor hours.

Lead IG Hotline Activities

Each Lead IG agency has a dedicated hotline to receive complaints and contacts specific to its agency. The DoD Hotline provides a confidential, reliable means for individuals to report violations of law, rule, or regulation; mismanagement; gross waste of funds; and abuse of authority for independent review. DoD Hotline representatives process the complaints they receive and refer these complaints to the appropriate entity in accordance with their respective protocols. Any hotline complaint that merits referral is sent to the responsible organization for investigation or informational purposes.

A DoD Hotline investigator coordinates contacts received from among the Lead IG agencies and others, as appropriate. During the reporting period, the investigator opened 131 cases in support of OIR and 101 cases in support of OFS. (There was no Hotline activity for OPE-P during the reporting period.) These cases were referred within the DoD OIG, to the Lead IG agencies, or to other investigative organizations for review and, as appropriate, investigation. The majority of the cases opened during the reporting period were related to procurement and contract administration, criminal allegations, personal misconduct, personnel matters, Government resources, safety, trafficking in persons, reprisal, and security.



3. ENABLING MISSION AREAS



CONGRESSIONAL TESTIMONY AND BRIEFINGS

The DoD OIG participates in congressional hearings and briefings, and responds to letters, phone calls, and e-mails from congressional committees, individual Members of Congress, and congressional staff.



On May 15, 2019, Glenn A. Fine, Principal Deputy Inspector General Performing the Duties of the Inspector General, testifies before the House Committee on Oversight and Reform at its hearing, "DoD Inspector General Report on Excess Profits by TransDigm Group, Inc."
Source: The DoD OIG.



Theresa S. Hull, Assistant Inspector General for Audit for Acquisition, Contracting, and Sustainment, testifies before the House Committee on Oversight and Reform at its hearing, "DoD Inspector General Report on Excess Profits by TransDigm Group, Inc."
Source: The DoD OIG.

Hearing

On May 15, 2019, Principal Deputy Inspector General Glenn A. Fine and Theresa S. Hull, Assistant Inspector General for Audit for Acquisition, Contracting, and Sustainment, testified before the House Committee on Oversight and Reform at its hearing, "DoD Inspector General Report on Excess Profits by TransDigm Group, Inc." During the hearing, Mr. Fine and Ms. Hull discussed the DoD OIG's long-standing concerns about sole-source procurements, and provided details from a February 2019 DoD OIG audit report on the prices that TransDigm charged the DoD for spare parts for aircraft and airframes. During the audit, the DoD OIG determined that TransDigm earned profits of over 15 percent on 46 of the 47 parts the DoD OIG reviewed, with profit margins ranging from 17 percent to more than 4,000 percent. In addition, the DoD OIG found that TransDigm refused to share cost data when requested by DoD contracting officers, and that the contracting officers' inability to compel TransDigm to provide such data under the current legal framework contributed to the DoD significantly overpaying for spare parts.

These audit findings, along with previous DoD OIG work related to spare parts pricing, demonstrated the need to address the high prices that contractors like TransDigm are able to charge the DoD. Mr. Fine and Ms. Hull also testified about the recommendations the DoD OIG made to address these issues. Among other recommendations, the DoD OIG recommended that the DoD seek voluntary refunds from TransDigm for the \$16.1 million in excess profits that the DoD OIG identified during the audit, and that the DoD update and enforce guidance for DoD contracting officers to track and report incidents when a contractor that provides sole-source parts refuses to provide cost data. Shortly after the hearing, TransDigm agreed to voluntarily refund \$16.1 million to the DoD. In addition, Congress requested that the DoD OIG conduct a second, more detailed review of TransDigm's pricing strategies. In July 2019, the DoD OIG announced its project, "Audit of TransDigm Group, Inc.'s Business Model and Its Affect on DoD Spare Parts Pricing," which is ongoing.

The joint written statement for Mr. Fine and Ms. Hull's hearing testimony is available at:

<https://www.dodig.mil/Reports/Testimony/Article/1848354/glenn-a-fine-principal-deputy-inspector-general-performing-the-duties-of-the-in/>



The U.S. Capitol

Meetings With Congressional Members and Staff

During the reporting period, the DoD OIG conducted more than 90 meetings and telephone calls with congressional staff and Members of Congress. Topics of discussion involved pending legislation and DoD OIG oversight efforts, including:

- briefings to several congressional committees on the mission, functions, and role of the DoD OIG's Administrative Investigations component, including a briefing on the steps the DoD OIG has taken to reduce processing times for whistleblower reprisal and senior leader misconduct investigations;
- a meeting with staff of the House Armed Services Committee to discuss the scope of the evaluation of the U.S. Air Force's certification of the SpaceX Falcon launch vehicle family;
- briefings to staffers of several congressional committees of jurisdiction on Report No. DODIG-2019-074, "Evaluation of Targeting Operations and Civilian Casualties in Operation Inherent Resolve," April 17, 2019;
- briefings to the House Committee on Oversight and Reform and the Senate Finance Committee related to F-35 audits (Report No. DODIG-2019-094, "Audit of F-35 Ready-For-Issue Spare Parts and Sustainment Performance Incentive Fees," June 13, 2019, and Report No. DODIG-2019-062, "Audit of Management of Government-Owned Property Supporting the F-35 Program," March 13, 2019);
- a meeting with the staff of Representative Chris Smith (R-NJ) to discuss his concerns about an alleged DoD nexus to Lyme disease; and
- a briefing to the staff of Representative Jackie Speier (D-CA) on Report No. DODIG-2019-075, "Evaluation of Military Services' Law Enforcement Responses to Domestic Violence Incidents," April 19, 2019.

Congressional Requests

The DoD OIG's Office of Legislative Affairs and Communications (OLAC) serves as the point of contact in the DoD OIG for communications with Congress. During the reporting period, OLAC received more than 100 congressional inquiries, and reported on many audits, evaluations, and investigations in response to congressional interest and legislative mandates. In addition, OLAC regularly informs congressional staff about DoD OIG reports and DoD OIG work, and produces a monthly newsletter summarizing the reports and investigations released by the DoD OIG in the previous month and reports that are anticipated to be released in the coming month. The newsletters are available at:

<http://www.dodig.mil/Reports/Newsletter>

Council of the Inspectors General on Integrity and Efficiency



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

The CIGIE was established as an independent entity within the Executive Branch by the “The Inspector General Reform Act of 2008.” Its purpose is to address integrity, economy, and effectiveness issues that

transcend individual Government agencies, and to increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the Offices of Inspectors General.

Defense Council on Integrity and Efficiency

The Defense Council on Integrity and Efficiency (DCIE) is chaired by the DoD Inspector General and meets on a periodic basis to ensure coordination and cooperation among the DoD oversight community, including the DoD OIG, the Defense agencies, and the internal audit, inspection, and investigative organizations of the Military Departments. The DCIE has six standing committees: Audit, Administrative Investigations, Criminal Investigations, Information Technology, Inspections and Evaluations, and the Defense Intelligence and Special Programs Oversight Committee.

During the reporting period, the DCIE committees focused on open recommendations at the highest levels within the DoD, discussed recommendations that the DoD should prioritize during the next year, discussed challenges in standing up a new IG office with the Defense Health Agency, participated in joint training events and presentations from DoD cybersecurity experts, coordinated on potential revisions to criminal investigative policies, de-conflicted ongoing and planned projects within the Government Accountability Office and the DoD oversight community, and coordinated both joint and complimentary evaluations and audits in areas of common interest.

4. SERVICES



MILITARY SERVICE AUDIT AND INVESTIGATIVE AGENCIES

The Military Services' audit and investigative agencies are key components of the DoD oversight community. These agencies conduct audits and investigations of activities, programs, functions, and criminal activity solely within their respective Military Service.

Included in this section are submissions from the Services summarizing significant audit reports issued by the U.S. Army Audit Agency (USAAA), the Naval Audit Service (NAVAUDSVC), and the Air Force Audit Agency (AFAA). Appendix B provides a full list of audit reports issued by the DoD OIG and the Service audit agencies.

This section also includes submissions by the military criminal investigative organizations (MCIOs) describing the results of significant investigations performed by the MCIOs that resulted in criminal, civil, and administrative actions. The MCIOs are the Army Criminal Investigation Command (Army CID), the Naval Criminal Investigative Service (NCIS), and the Air Force Office of Special Investigations (AFOSI).

ARMY

U.S. Army Audit Agency

To accomplish its mission, the USAAA relies on a workforce of highly trained professional auditors, many with advanced degrees and professional certifications. The USAAA's staff consists of approximately 515 employees and provides audit support to all aspects of Army operations.

The USAAA's goal is to be a highly sought after and integral part of the Army by providing timely and valued services that focus on the evolving needs of Army leadership. To ensure that its audits are relevant to the needs of the Army, the USAAA aligns its audit coverage with the Army's highest priorities and high-risk areas as determined by its enterprise-level risk assessment and input from Army senior leaders.

During the second half of FY 2019, the USAAA published 62 reports, made over 183 recommendations, and identified about \$140.6 million in potential monetary benefits. A few of the USAAA's significant reports are described in the following summaries.

Independent Auditor's Report on the Examination of the Logistics Modernization Program

At the request of the Deputy Chief of Staff, G-4, the USAAA validated the Army's assertion that the Logistics Modernization Program (LMP) met DoD requirements for certification as an accountable property system of record in accordance with DoD Instruction 5000.64. To be a certified accountable property system of record, a system must be able to perform a number of property management and financial functions. Each Military Department is responsible for self-certifying that its property accountability systems meet DoD criteria using the Accountable Property System of Record Equipment Requirements Checklist from the Office of the Under Secretary of Defense for Acquisition and Sustainment.

The USAAA determined that the LMP did not meet all 20 applicable DoD certification requirements to be an accountable property system of record. The USAAA disagreed with the Army's assertion that the system met three requirements related to establishing asset property records, managing and accounting for Government-furnished property, and performing item unique identification registry functions. In addition, the USAAA identified a recapitalization cost variance of almost \$257,000 between the LMP and the value the system transmitted to the Army Enterprise Systems Integration Program for one sample item. As a result, the Army does not have assurance that these assets are properly managed and accounted for, or that the General Fund Enterprise Business System accurately captures full asset values and depreciation expenses.

The USAAA recommended that the Program Executive Officer for Enterprise Information Systems implement system changes to enable the LMP to transfer recapitalization costs to the Army Enterprise Systems Integration Program after maintenance projects close to make sure that the General Fund Enterprise Business System captures full asset values and to remap the Wide Area Workflow system interface to establish equipment records based on accurate acceptance dates. The USAAA also recommended that the Program Executive Officer for Enterprise Information Systems implement a "Total Asset Visibility at Contractor" system change and determine the cause of unsuccessful life-cycle event transactions to the item unique identification registry to provide accountability

of Government-furnished property and unique item identifier assets. The Deputy Chief of Staff, G-4, provided the official Army position and agreed with the attestation report.

Report No. A-2019-0101-BOZ

2017 California Wildfires—Northern Missions

The USAAA determined whether the U.S. Army Corps of Engineer Sacramento (Northern Mission) District's quality assurance and payment processes provided reasonable assurance that risks were sufficiently mitigated for debris and ash removal contracts awarded in response to the 2017 wildfires in Northern California. After the President declared the 2017 wildfires in Northern California a major disaster, the U.S. Federal Emergency Management Agency provided the U.S. Army Corps of Engineers (USACE) more than \$1 billion for cleanup.

The USAAA determined that the Sacramento District did not have a sufficient quality assurance process to monitor contractors to ensure that they accomplished the debris and ash removal mission according to the terms of the contract. In addition, the payment process was not sufficient to ensure that contractor invoices were valid before making payments. The district used three different invoice validation processes, each with its own shortcomings. These conditions occurred because the District did not have an effective way to independently verify work the contractor performed or to use that information to reconcile contractor invoices against what actually occurred. As a result, the District could not provide assurance that the contractors completed work for each parcel as required and paid 30 contractor invoices, valued at \$421.5 million, for debris removal services without assurance invoiced amounts represented services received.

The USAAA recommended that USACE develop a comprehensive plan for future private property debris removal operations to ensure that quality assurance personnel adequately monitor all parcels; establish a payment process for future private property debris removal missions that requires independent verification of contractor work, including debris removal at work sites and delivery at landfills, before authorizing payments; and conduct a secondary review of all 30 invoices associated with the \$421.5 million paid to the contractors. The Assistant Secretary of the Army for Civil Works provided the official Army position and generally agreed with the recommendations.

Report Number: A-2019-0098-FIZ

Installation Landfill Management

The USAAA determined whether Army personnel at installation landfills effectively managed and accurately accounted for landfills. The USAAA visited active and closed landfills at eight Army installations.

The USAAA determined that the eight installations managed landfills in accordance with Federal and state laws governing environmental protection. However, accounting for landfills was not adequate. The installations did not maintain sufficient oversight of landfill program costs, bill non-Army tenants for all reimbursable costs, or properly account for landfills in the Army's real property system. Specifically, cost information was decentralized, making it difficult to identify all landfill program costs. In addition, four installations with active landfills provided reimbursable support but did not bill for the full costs, and six installations did not report complete and accurate landfill data in the Army's accountable systems, which affects the Army's ability to generate sustainment requirements. As a result, the installations did not know the total costs to operate landfills, which affected the calculation of reimbursable expenses from non-Army tenants. At least one installation could collect an additional \$1 million in reimbursable revenue for FYs 2019 to 2024. Furthermore, the Army did not know how many landfills it owned, impacting its ability to identify additional sustainment requirements totaling \$650,000 in FY 2017 at four installations.

The USAAA recommended that the Assistant Chief of Staff for Installation Management issue interim guidance, and update regulations and direct land-holding commands to assign responsibility at the installation level for cross-functional coordination and local oversight of the full costs of landfill management, require activity resource managers to use full-cost data when setting reimbursable rates, and define the different types of landfills using the Environmental Protection Agency's definitions as a guide. The Assistant Chief of Staff for Installation Management provided the official Army position and generally agreed with the recommendations with comment and \$400,000 in estimated savings for FYs 2019 to 2024.

Report No. A-2019-0062-IEE

Followup Audit on the Use of Emergency Supplemental Funding: Hurricane Katrina

The USAAA determined whether USACE implemented two recommendations from Report No. A-2017-0053-IEE, “Use of Emergency Supplemental Funding: Hurricane Katrina,” April 24, 2017, and, if so, whether the corrective actions mitigated the conditions identified and the reported monetary benefits were realized. The two recommendations were to:

- initiate reprogramming actions to use the \$10.1 million in unobligated funds in USACE’s master accounts for seven Army management structure codes related to five of the Hurricane Katrina public laws, and
- conduct a comprehensive review and correct the public law field for records in the Corps of Engineers Financial Management System.

The USAAA determined that USACE generally took appropriate actions to implement both recommendations. USACE reprogrammed and used about \$8.8 million of the unobligated funds for eligible non-Hurricane Katrina projects and had plans for the other \$1.3 million. USACE also corrected the public law field within the Corps of Engineers Financial Management System by auto-populating public law data for all records starting with FY 2016 funding. These corrective actions enabled USACE to fund eligible projects and plans. Additionally, USACE actions to correct the public law field Corps of Engineers Financial Management System will help prevent future inaccuracies in financial statements. Therefore, the USAAA did not make any recommendations.

Report No. A-2019-0096-FIZ

Army’s Management of the Individual Ready Reserve

The USAAA determined whether the Army managed the Individual Ready Reserve (IRR) to meet the Army mobilization mission. The IRR consists of soldiers the Army previously trained who are available for mobilization in support of the National Security Strategy. Based on mission needs, the Army may mobilize a portion, or all, of the IRR population to meet a contingency or national emergency. Typically,

the Army transfers soldiers into the IRR to fulfill their military service obligation if the separation authority deems they have potential for future, useful service upon their separation.

The USAAA determined that Army organizations did not manage the IRR to meet the Army’s mobilization mission. The USAAA identified issues with determining who should be in the IRR, which soldiers the U.S. Army Human Resources Command should muster, and how the Army would readily execute an IRR manning plan for a mobilization. Specifically, 16,370 of 172,033 (about 10 percent) soldiers who transferred to the IRR in the last 5 years would be at high risk for not deploying if involuntarily mobilized; 43,752 of 51,871 (about 84 percent) soldiers did not successfully complete their FY 2018 muster; and 36,992 of 46,723 (about 79 percent) soldiers who were sent muster notifications in FY 2018 would require significant retraining if mobilized. These issues occurred because the Office of the Deputy Chief of Staff, G-1, and Human Resources Command did not have sufficient processes to ensure that they managed the IRR program effectively. Specifically, there was no clear guidance for determining whether a Soldier was fit for future, useful service in terms of being a mobilization asset. In addition, there were no mechanisms to enforce IRR soldier requirements or processes to track reasons why IRR Soldiers did not muster; controls to account for an IRR soldier’s current training proficiency or skill level; or processes to minimize the training mobilized IRR Soldiers received before deploying.

The USAAA recommended that the Deputy Chief of Staff, G-1, update Army regulations to clarify the intent of the IRR and incorporate language to help assess soldiers’ future mobilization potential, and develop processes to identify why IRR soldiers did not muster. The USAAA also recommended that the Assistant Secretary of the Army for Manpower and Reserve Affairs develop enforcement mechanisms to ensure that soldiers fulfill their IRR requirements. Additionally, the USAAA recommended that the Commander of U.S. Army Training and Doctrine Command develop a skills degradation model by military occupational specialty to account for IRR soldiers’ current training proficiency and improve IRR mobilization timeliness. Management agreed with the recommendations.

Report No. A-2019-0095-FIZ

Army National Guard Depot Maintenance Requirements

The USAAA audited the Army National Guard (ARNG) processes to develop depot maintenance requirements quantities and unit costs for FY 2019 and the FYs 2020-2024 Program Objective Memorandum (POM). The USAAA reviewed requirements for nine tactical wheeled vehicle depot overhaul programs to determine whether the requirements were properly calculated and sufficiently supported.

The USAAA determined that the ARNG properly calculated and sufficiently supported about 87 percent (about \$643.1 million) of depot requirements for the nine programs. The ARNG supported depot overhaul quantities for five programs (about 59 percent of quantities submitted). However, the ARNG could not support overhaul quantities for the remaining four programs (about 41 percent of quantities submitted) for the FYs 2020-2024 POM. This occurred because the ARNG did not have a standard methodology to calculate quantities and accurately calculate assets available for overhaul.

In addition, the ARNG could not support FY 2019 and FYs 2020-2024 POM unit costs. Specifically:

- FY 2019 unit costs for three of four programs did not match depot cost estimates;
- ARNG personnel lacked documentation to support unit costs submitted for two of nine programs the USAAA reviewed; and
- personnel did not update FYs 2020-2024 POM unit costs from prior POMs to reflect the most recent depot cost estimates for any of the nine programs.

These conditions occurred because the ARNG did not have internal controls in place that required responsible personnel to: (1) base unit costs in in Logistics Modernization Program on the most recent depot cost estimates, (2) maintain documentation to support unit costs submitted in POMs, or (3) review POM unit costs for accuracy and verify that personnel based them on the most recent depot cost estimates. As a result, the ARNG overstated FYs 2020-2024 POM requirements by about \$96.2 million.

The USAAA recommended that the ARNG develop standard operating procedures to improve determination processes for depot maintenance requirements, and implement management reviews to verify the accuracy of cost estimates and inflation factors used in calculations. The USAAA also

recommended that the Deputy Chief of Staff, G-4, update annual guidance for program requirements development to require commands to maintain supporting documentation for a minimum of 5 years. In addition, the USAAA also recommended that the ARNG reduce FYs 2020-2024 POM requirements. The ARNG took action to reduce requirements during the audit. The Deputy Chief of Staff, G-4, provided the official Army position and agreed with the recommendations.

Report No. A-2019-0110-AXZ

Communications Security Readiness in the Operating Force

At the request of U.S. Army Forces Command, the USAAA determined whether the Army's supervision of communication security (COMSEC) accounts mitigated risk to operational readiness. A COMSEC account is an administrative entity used to maintain accountability, custody, and control of COMSEC material. Separate staff principals at Headquarters, Department of the Army, and Army commands are responsible for COMSEC training, program oversight, and account management, respectively.

The USAAA determined that the Army's supervision of COMSEC accounts did not mitigate risk to ensure mission readiness. Without immediate attention to these matters, the Army will continue to fail audits and have reportable incidents at an unacceptable rate that could potentially lead to closed COMSEC accounts.

The USAAA recommended that the Deputy Chief of Staff, G-2, establish performance metrics for COMSEC and report performance ratings to COMSEC senior leaders and stakeholders; coordinate with the Chief Information Officer, G-6, to clearly identify the Army's COMSEC service authorities roles and responsibilities; and coordinate with the Chief Information Officer, G-6, and U.S. Army Training and Doctrine Command to include COMSEC awareness guidance in established pre-command course briefings. Furthermore, the USAAA recommended that the Commanding General of U.S. Army Forces Command track unit inspections and require command inspectors to attend the Command Inspector Certification Course. The Deputy Chief of Staff, G-2, provided the official Army position and agreed with the recommendations.

Report No. A-2019-0092-AXZ

Corrective Action Plans for Military Pay, Army National Guard

The USAAA determined whether FYs 2015 through 2017 corrective action plans (CAPs) related to military pay for the ARNG were sufficiently developed, implemented, tested, tracked, and reported. This effort was conducted in support of the Army's remediation efforts towards achieving auditable financial statements.

The USAAA determined that military pay CAPs issued for the ARNG were not consistently developed, implemented, tested, tracked, or reported in accordance with guidance. Of the 11 military pay CAPs issued for the ARNG for FYs 2015 through 2017, responsible personnel from the Financial Management and Comptroller—Financial Operations and ARNG—Resource Management Financial did not:

- confirm the root causes were correct before developing seven CAPs because guidance did not require it;
- maintain oversight to ensure that nine CAPs were implemented by their target dates due to limited assigned or dedicated personnel;
- verify that two CAPs were tested due to limited personnel; or
- report the progress of three CAPs accurately because personnel did not provide status updates for each CAP to ensure proper reporting.

Without correcting these issues, the Army will not substantially improve the accountability and effectiveness of its military pay programs and operations. This will also likely result in repeat notice of findings and recommendations and could impede the Army's ability to achieve an unmodified opinion on its financial statements.

The USAAA recommended that the Assistant Secretary of the Army for Financial Management and Comptroller update the CAP process, including to require all activities with notices of findings and recommendations to: (1) confirm the root causes are accurate for all CAPs based on the conditions cited in the notice findings and recommendations; (2) provide quarterly updates for each CAP; and (3) test and document that the activities resolved the control deficiency for each CAP. Management agreed with the recommendations and took corrective actions to implement them.

Report No. A-2018-0109-BOZ

U.S. Army Forestry Program

The Offices of the Assistant Secretary of the Army for Installations, Energy, and Environment and the Assistant Chief of Staff for Installation Management requested this audit. They asked the USAAA to determine whether established processes for the Army's forestry program provided installations the opportunity to achieve benefits from timber sales and whether installations appropriately used and disbursed sales revenues.

The USAAA determined that existing procedures allow the program to generate revenue from installation timber sales using contracts executed through USACE. The Army issued a policy memorandum in 2001 intended to give installations flexibility to conduct their own timber sales. However, the policy fell short of addressing USACE's designation as the Army's exclusive disposal agent and expanding contract authority to other contracting offices. The USAAA found that, from FYs 2015 to 2017, 27 installations, on average, reported timber sales valued at \$43.7 million. Most of the installations—about 85 to 93 percent—processed timber sales using USACE's contract services. The remaining installations incorrectly conducted in-house timber sales, but retained more revenue for the forestry program by not having to pay USACE's contracting service fees. Additionally, installations used timber sales revenue on allowable expenses but underpaid entitlements due to states. Additional installations may have conducted their own timber sales had Army policy granted limited real estate disposal authority outside of USACE. With limited authority, two installations the USAAA reviewed could retain about \$1.4 million over the in FYs 2019 through 2024. In addition, the underpayment and inaccurate reporting of entitlements due to states could be damaging to the Army's reputation as executive agent for the DoD Forestry Reserve Account.

The USAAA recommended that Headquarters, Department of the Army:

- update Army policy to permit contracting offices outside of USACE, including the U.S. Property and Fiscal Offices and U.S. Army Contracting Command, to have limited real estate contracting authority to conduct timber sales;

- establish guidance requiring Army commands to conduct reviews and have sufficient oversight controls to ensure installations conducting their own timber sales use only approved contracting activities or commands with real estate or limited real estate contracting authority for timber sales; and
- establish and document procedures for reporting post-closeout adjustments to ensure that state entitlements are calculated accurately.

The Assistant Secretary provided the official Army position and generally agreed with the recommendations and that there would be an undeterminable amount of monetary benefits once actions are implemented.

Report No. A-2019-0102-FIZ

Army's Governance of Acquisition Reform

The Office of the Secretary of the Army mandated that the USAAA determine the extent of the Army's compliance with acquisition reform initiatives (ARIs). The report was part of a series of efforts evaluating whether the Army has taken sufficient actions to implement ARIs to facilitate process improvements. The National Defense Authorization Act for FY 2016, enacted November 25, 2015, directed the Army to report on efforts to link and streamline its requirements, acquisition, and budget processes. The Secretary of the Army issued Army Directive 2017-22, "Implementation of Acquisition Reform Initiatives 1 and 2," September 12, 2017, which established nine (later changed to eight) ARIs.

The USAAA determined that the Army had not fully established the associated process frameworks needed to ensure it achieved intended strategic goals. Roles and responsibilities were fragmented across organizations, and there was not a proponent to lead and synchronize acquisition reform efforts. This occurred because the Army had not established a proponent or principal office to lead acquisition reform that could resolve issues, provide guidance, or ensure that the Army was on track to implement the intent of the reform initiative improvements. Without an effective framework, Congress and Army senior leadership may not have assurance that initiatives are fully executed across the enterprise or that verified assessment capabilities are in place to track acquisition process improvements.

The USAAA recommended that the Under Secretary of the Army designate the Assistant Secretary of the Army for Acquisition, Logistics, and Technology as the Army proponent for acquisition reform to monitor the synchronization and integration of acquisition reform. The Acting Secretary of the Army agreed with the USAAA's recommendation and directed the Assistant Secretary of the Army for Acquisition, Logistics, and Technology as the office of primary responsibility for acquisition reform, to assess, revise, and determine how to effectively implement ARIs.

Report No. A-2019-0114-AXZ

U.S. ARMY CRIMINAL INVESTIGATION COMMAND

Significant Investigative Cases

Private First Class Convicted of Distributing Child Pornography

Army CID initiated this investigation in August 2017 upon notification from AFOSI that, during a joint undercover Internet Crimes Against Children operation with AFOSI, Homeland Security Investigations, and the Assistant U.S. Attorney in the Northern District of Florida, Private First Class Stephen Britt was identified as having downloaded child pornography and enticed female juveniles to send him nude images. During a search of Private First Class Britt's barracks room, his digital media storage devices were seized and a forensic examination found images of child pornography.

On April 30, 2019, in a general court-martial at Kaiserslautern, Germany, Private First Class Britt was found guilty of enticing a child to commit a lewd act and distributing child pornography. He was sentenced to 20 months confinement, reduction in rank to E-1, forfeiture of all pay and allowances, and a bad conduct discharge, and was required to register as a sex offender.

Specialist Caught During Internet Crimes Against Children Operation

Army CID initiated this investigation in October 2017 upon notification from the Military Criminal Investigative Organization Liaison to the National Center for Missing and Exploited Children that a cyber tip reported that a Twitter account for Specialist Kyle Ashe uploaded images of suspected child pornography to Twitter. During an interview, Specialist Ashe admitted to viewing images on Twitter of a nude female who appeared to be younger than 16 years old. A forensic examination of Specialist Ashe's computer found images of child pornography stored in the unallocated memory space. Additionally, a review of Specialist Ashe's Twitter account identified that he distributed child pornography to other Twitter users.

On April 1, 2019, in a judge-alone general court-martial at Joint Base Lewis-McChord, Washington, Specialist Ashe was found guilty of receiving and distributing child pornography. Specialist Ashe was sentenced to 46 months confinement, reduction in rank to E-1, forfeiture of all pay and allowances, and a bad conduct discharge, and was required to register as a sex offender.

NAVY

Naval Audit Service

The mission of the NAVAUDSVC is to provide independent and objective audit services and products to assist Department of the Navy leadership in assessing risk to improve efficiency, accountability, and program effectiveness. Each year, the NAVAUDSVC develops an audit plan based on Navy-wide input. NAVAUDSVC work is designed to address significant Navy issue areas that merit additional oversight.

Navy's Voluntary Leave Transfer Program

The NAVAUDSVC determined whether the Navy's Voluntary Leave Transfer Program was executed in accordance with applicable laws and regulations and internal controls were in place and functioning effectively. Specifically, the NAVAUDSVC verified whether Navy commands returned unused donated leave to the donor at the end of the recipient's medical emergency, as required, at three commands reviewed: Naval Sea Systems Command (NAVSEA); U.S. Fleet Forces Command Headquarters; and Commander, Navy Installations Command.

The NAVAUDSVC determined that NAVSEA could improve the process of returning unused donated leave to the donors as required by guidance. The NAVAUDSVC determined that NAVSEA personnel did not return 11 percent of unused donated leave hours at the end of the medical emergency in 2015 through 2017. During the audit, NAVSEA took appropriate actions and returned most of the unused donated leave to the donors. According to NAVSEA personnel, the unused donated leave hours were not returned because NAVSEA did not properly monitor and initiate appropriate return actions. As a result, the donors lost their unused donated annual leave, which could have been donated to other leave recipients or used by the original donor. The NAVAUDSVC also determined that less than 1 percent of unused donated leave hours were not returned at U.S. Fleet Forces Command Headquarters, and that all unused donated leave hours were returned at Navy Installations Command.

The NAVAUDSVC recommended that NAVSEA periodically monitor the balance of unused donated leave hours and take appropriate actions to return the unused donated leave hours to the donors, in accordance with guidance. Management agreed with the recommendation.

Report No. N2019-0036

Sailors with Drug Incidents and the Security Clearance Process

The NAVAUDSVC determined whether the Navy took appropriate actions in response to drug-related incidents for sailors in accordance with Personnel Security Program guidance. Specifically, the NAVAUDSVC determined whether commands reported drug-related incidents to DoD Consolidated Adjudications Facility (CAF) and Navy Personnel Command-Enlisted Performance and Separations.

The NAVAUDSVC determined that commands did not report all drug-related incidents to the DoD CAF and Navy Personnel Command-Enlisted Performance and Separations (PERS-832), as required by Personnel Security Program guidance. Specifically, the NAVAUDSVC determined that commands did not report 80 percent of drug incidents to the DoD CAF, and did not report 83 percent of drug incidents to PERS-832, as required. This occurred because the commands did not complete checks to ensure that they reported positive drug incidents to the DoD CAF or PERS-832. Additionally, in some cases, sailors involved in drug incidents were

already being processed for administrative separation and the commands did not see the need for further action and, in other instances, the commands were unaware of the requirement to report the incident.

The NAVAUDSVC recommended that the Deputy Assistant Secretary of the Navy for Military Manpower and Personnel direct Navy commands to confirm and report positive drug test incidents that were not reported to the DoD CAF and PERS-832, and to establish internal controls for the reporting of confirmed positive drug incidents to the DoD CAF and PERS-832. Management agreed with the recommendations.

Report No. N2019-0042

United States Marine Corps Marine and Family Training Programs

The NAVAUDSVC determined whether: (1) selected Marine and Family (MF) training programs complied with training requirements, (2) any duplication of courses existed among selected MF training programs, and (3) course enrollment data was captured. While MF has a total of six branches that support training efforts, this audit focused primarily on the Family Readiness Branch.

The NAVAUDSVC determined that MF could improve the internal controls over its training programs. Specifically, the Family Readiness Branch did not ensure reliability of enrollment data or maintain sufficient supporting documentation for 46 percent of its courses in order to determine potential course duplication or compliance with training requirements. MF was only able to provide adequate supporting documentation for 58 percent of its training courses across the five other branches. The NAVAUDSVC did not identify any significant evidence of course duplication in the supporting documentation provided; however, the NAVAUDSVC could not make this determination for the courses for which documentation was not sufficient. These conditions occurred due to a lack of adequate guidance and internal controls to govern training programs and a lack of processes and procedures for capturing enrollment data. As a result, MF was not always able to substantiate the training courses it offered nor determine accuracy of course enrollment data.

The NAVAUDSVC recommended that the Commandant of the Marine Corps develop controls, guidance, and procedures for governing training programs, for the collection of supporting documentation to identify

duplicate courses and capture enrollment data, and to determine whether duplication exists among the remaining courses. Management agreed with the recommendations.

Report No. N2019-0043

Follow-up of Controls over Military Interdepartmental Purchase Requests (MIPRs) for Services and Product Acquisitions across Department of the Navy/Assistant for Administration Activities (DON/AA) and Field Offices

The NAVAUDSVC determined whether the Department of the Navy/Assistant for Administration Activities (DON/AA) took agreed-upon corrective actions for NAVAUDSVC Report No. N2016-0048, "Controls over Military Interdepartmental Purchase Requests (MIPRs) for Services and Product Acquisitions across Department of the Navy/Assistant for Administration Activities (DON/AA) and Field Offices," August 25, 2016. The NAVAUDSVC conducted the follow-up audit based on a request by senior Navy officials.

The NAVAUDSVC determined that the DON/AA implemented corrective actions intended to address the seven recommendations made in Report No. N2016-0048. However, although all seven recommendations were closed, the NAVAUDSVC found that further corrective action is required to fully implement four of those recommendations. Specifically, further corrective action is needed to provide oversight for the MIPR process, ensure the proper delegation of fiduciary authority, develop standardized policies and procedures that address the preparation of MIPR agreements, and conduct triannual reviews as required.

The Assistant Secretary of the Navy (Financial Management and Comptroller) issued policies and procedures governing the MIPR process. However, the DON/AA needs to create local standard operating procedures that implement those policies and procedures. In addition, the DON/AA issued formal triannual review guidance, but the NAVAUDSVC found that these reviews were not consistently performed, as required. The NAVAUDSVC also determined that the DON/AA needs to improve internal controls over assisted acquisitions in order to ensure that they are conducted in accordance with applicable guidance, and internal controls over the proper delegation of fiduciary authority to ensure that only authorized personnel sign MIPRs.

The NAVAUDSVC made recommendations to the DON/AA to address weaknesses and to enhance the management, execution, and oversight of the DON/AA's MIPR Program. Management agreed with the recommendations.

Report No. N2019-0031

Follow-up Audit for Controls over Service and Product Contracts across Department of the Navy/Assistant for Administration Activities (DON/AA) and Field Offices

The NAVAUDSVC determined whether the DON/AA took agreed-upon corrective actions for NAVAUDSVC Report No. N2016-0044, "Controls over Service and Product Contracts across Department of the Navy/Assistant for Administration Activities (DON/AA) and Field Offices," August 5, 2016. The NAVAUDSVC conducted the follow-up audit based on a request by senior Navy officials.

The NAVAUDSVC determined that the DON/AA implemented corrective actions intended to address the eight recommendations made in Report No. N2016-0044. However, although all eight recommendations were closed, the NAVAUDSVC found that further corrective action is required to fully implement two of those recommendations. Specifically, two recommendations addressed the need to monitor the commitment and expenditure of funds and ensure contracting officer's representatives were conducting sufficient surveillance and maintaining appropriate contractor performance documentation. In response to Recommendation 1, the DON/AA agreed to monitor the commitment and expenditure of funds through the triannual review process. In addition, the DON/AA issued formal triannual review guidance that became effective in April 2018. However, the NAVAUDSVC review of all dormant balances above DoD thresholds determined that these reviews were still not consistently performed in accordance with the DoD Financial Management Regulation. Specifically, the NAVAUDSVC found 76 dormant military interdepartmental purchase requests and contract balances, valued at approximately \$14 million, that did not have triannual reviews conducted. In addition, Naval Supply Systems Command issued Naval Supply Systems Instruction 4205.3F, which provides policy and guidance addressing the responsibilities of contracting officer's representatives. However, the NAVAUDSVC found that improvements could be made in the area of contracting officer's representative oversight of contract surveillance. Specifically, for the 12 contracts in the NAVAUDSVC sample, the NAVAUDSVC found that

the DON/AA requiring activities paid for services not received, paid for services not required, and accepted contract deliverables that did not meet the terms of the contract.

The NAVAUDSVC made recommendations to address these weaknesses and to enhance the management, execution, and oversight of the DON/AA's service and product contracts. Management agreed with the recommendations.

Report No. N2019-0046

NAVAL CRIMINAL INVESTIGATIVE SERVICE

Significant Investigative Cases

Petty Officer Second Class Convicted of Sexual Assault and Indecent Video Recording

NCIS initiated this investigation in April 2018 upon notification from the Naval Medical Center in Portsmouth, Virginia, of an alleged sexual assault of an active duty sailor. NCIS agents interviewed the victim, who stated that Petty Officer Second Class Samuel Drinkert had sexually assaulted her on two separate occasions and she thought he had placed something in her drink to render her unconscious. She stated that, on one occasion, she woke up to Petty Officer Second Class Drinkert raping her. After the assault, Petty Officer Second Class Drinkert wiped her with baby wipes and dressed her. This caused the victim to remember an instance in March 2018 when she recalled Petty Officer Second Class Drinkert wiping her with baby wipes. NCIS agents conducted witness interviews, served a search warrant on Petty Officer Second Class Drinkert's home, and seized his cellular telephone. A review of the cellular telephone found photographs of Petty Officer Second Class Drinkert performing sexual acts on the victim while she was unconscious. The bedding found in the photographs matched the bedding found in Petty Officer Second Class Drinkert's residence, and the geolocation of metadata in the images indicated that the photographs were taken at Petty Officer Second Class Drinkert's residence. Additionally, U.S. Army Criminal Investigation Laboratory analysis of the victim's sexual assault forensic examination kit found the presence of Petty Officer Second Class Drinkert's DNA on the

victim's body. An NCIS liaison with the Virginia Beach Police Department identified another female civilian victim whom Petty Officer Second Class Drinkert had sexually assaulted while she was intoxicated.

On June 4, 2019, in a general court-martial at Joint Expeditionary Base Little Creek-Fort Story, Virginia, Petty Officer Second Class Drinkert was found guilty of multiple counts of sexual assault and indecent video recording, sentenced to confinement of 15 years and a dishonorable discharge, and was required to register as a sex offender.

Petty Officer First Class Convicted of Rape of a Child and Other Sexual Acts

NCIS initiated this investigation in February 2019 upon notification from the U.S. Navy Criminal Investigation Division, Commander Fleet Activities, in Yokosuka, Japan, that Petty Officer First Class Adam Pyron performed sexual acts with a 6-year-old child and an 8-year-old child while he was spending the night with friends at their off-base residence. Petty Officer First Class Pyron also entered the bedroom of a 16-year-old child with his pants unbuckled and sat on her bed. NCIS agents interviewed the victims' parents, who said Petty Officer First Class Pyron was allowed to spend the night at their residence because of his level of intoxication. NCIS agents performed a search of the residence and seized physical and trace evidence. The three victims were forensically interviewed, and the 6-year-old and 8-year-old victims said Petty Officer First Class Pyron performed sexual acts with them. DNA samples were also collected from both victims. During an interview, Petty Officer First Class Pyron admitted to performing sexual acts with the victims and telling them not to say anything. Petty Officer First Class Pyron gave consent to search his cellular telephone, which identified messages to his wife stating that he was a "monster" and did something he did not think he "was capable of." After Petty Officer First Class Pyron had a sexual assault forensic examination, the U.S. Army Criminal Investigation Laboratory found one of the victim's DNA on swabs collected from Petty Officer First Class Pyron.

On July 18, 2019, in a general court-martial at Commander Fleet Activities in Yokosuka, Japan, Petty Officer First Class Pyron was found guilty of rape of a child, sexual acts on a child, and attempted rape and sexual assault of a child. Petty Officer First Class Pyron was sentenced to confinement of 39 years, reduction in rank to E-1, and a dishonorable discharge, and was required to register as a sex offender.

Navy Contract Official Sentenced for His Role in Bribery Scheme

NCIS initiated this joint investigation with DCIS and the Internal Revenue Service Criminal Investigations Division in May 2013 after an individual received a fraud awareness briefing from NCIS. The individual stated that Mr. Fernando Barroso, a senior procurement official for Naval Base Ventura County, California, may have been involved in a scheme to defraud the Navy. Mr. Barroso was the master scheduler for the Public Works Department and was the approving official for material purchases, service contractors, vendors, and payments to vendors. The investigation identified that Mr. Barroso conspired with Mr. Theodore Bauer, a Ventura County businessman who operated three companies that received Navy contracts. Mr. Barroso and Mr. Bauer entered into an arrangement in 2008 in which Mr. Barroso issued and approved work orders and purchase orders for Mr. Bauer's companies. Mr. Bauer submitted false invoices on behalf of his companies, and Mr. Barroso approved the invoices and payments to Mr. Bauer's companies even though work was not being performed. In exchange, Mr. Bauer gave Mr. Barroso 50 percent of the proceeds generated from this scheme, which totaled over \$1.2 million.

Before September 2011, Mr. Bauer paid Mr. Barroso over \$375,000 in cash. In September 2011, Mr. Barroso created a corporation, F. Barroso & Sons, and Mr. Bauer paid the kickbacks by issuing checks payable to the corporation. In December 2013, Mr. Barroso purchased a majority stake in a maintenance company, and Mr. Bauer paid kickbacks by issuing checks to that company. Mr. Bauer paid Mr. Barroso \$846,100 in checks.

On March 7, 2019, in the Central District of California, Mr. Barroso pleaded guilty to conspiracy to defraud the United States, to submitting false claims, and to committing bribery and subscribing to a false Federal income tax return. On July 15, 2019, in the Central District of California, Mr. Barroso was sentenced to 70 months of imprisonment, supervised release for 2 years, and a special assessment of \$200, and was ordered to pay \$1.1 million in restitution jointly with Mr. Bauer.

On November 5, 2018, in the Central District of California, Mr. Bauer pleaded guilty to conspiracy to commit bribery. On July 22, 2019, in the Central District of California, Mr. Bauer was sentenced to 18 months of imprisonment, 2 years of supervised release, and a special assessment of \$100, and was ordered to pay \$846,150 in restitution jointly with Mr. Barroso.

AIR FORCE

Air Force Audit Agency

The AFAA mission is to provide timely, relevant, and quality audit services enabling Air Force leadership to make informed decisions. These services focus on independent, objective, and quality audits that include reviewing and promoting the economy, effectiveness, and efficiency of operations; assessing and improving Air Force fiduciary stewardship and the accuracy of financial reporting; and evaluating programs and activities to assist management with achieving intended results. The AFAA is committed to the Air Force core values: Integrity First, Service Before Self, and Excellence in All We Do. In support of Air Force decision makers and customers at all levels, the AFAA conducts both centrally directed (Air Force-wide) and installation-level audits. To execute its mission, the AFAA has 635 personnel authorized at nearly 50 worldwide locations.

During FY 2019, the AFAA continued to focus audit planning efforts on top Air Force priorities. The FY 2019 AFAA Audit Plan provided prioritized audit topics aligned to Secretary of the Air Force and senior leader goals and priorities, major command concerns, and Air Force operational priorities. Throughout the year, the AFAA provided Air Force leadership continual updates and assessments on the enterprise portfolio perspective by communicating the status of open audit report recommendations, identifying conditions with Air Force enterprise impact, and highlighting ongoing issues requiring senior leader attention.

The Air Force Financial Statement audits are a continued focus for Air Force senior leaders, as well as the AFAA. During FY 2019, the AFAA completed 16 audit and non-audit service engagements in support of Financial Improvement and Audit Remediation efforts. For the upcoming fiscal year, the AFAA plans to complete at least 16 additional engagements to assist the Air Force in making progress to achieve an unmodified opinion on the Air Force Financial Statements for its General Fund and Working Capital Fund.

The AFAA continues to serve as the audit liaison and followup focal point for the Air Force, providing oversight on all Government Accountability Office, DoD OIG, and AFAA audit report recommendations. By partnering with Air Force and DoD OIG officials, the AFAA facilitated closure of 72 DoD OIG audit recommendations during the semiannual reporting

period. These continued efforts established the Air Force as the leader among DoD Components with 70 percent of DoD OIG open recommendations closed since 2017.

From April 1, 2019, through September 30, 2019, the AFAA published 41 Air Force-level audit reports with 151 recommendations and \$215 million in audit-estimated potential monetary benefits. Of these 41 reports, 4 identified potential material weakness issues for Air Force senior leader consideration. Furthermore, installation-level audit teams published 259 audit reports with 1,113 recommendations and an additional \$20 million in audit-estimated potential monetary benefits to installation commanders. The following paragraphs highlight a few of the most significant AFAA Air Force-level audit reports issued during the period.

Landfills

The AFAA determined whether corrective actions taken in response to recommendations identified in Report No. F2014-0009-O20000, "Landfill Management," September 15, 2014, eliminated the previously identified conditions and yielded the \$26 million potential monetary benefit. The Air Force Civil Engineer Center oversees Air Force landfill operations by providing guidance and technical expertise. During FY 2018, the Air Force spent more than \$9 million to sustain 361 active and closed landfills.

The AFAA determined that corrective actions taken in response to the previous audit did not eliminate the previously identified conditions. Specifically, Air Force personnel corrected 227 of 369 (62 percent) identified landfill accounting errors identified in the prior report, leaving 142 (38 percent) corrections pending. Based on the corrections made, \$17 million of the original \$26 million (65 percent) in potential monetary benefits were (or will be) realized during FYs 2014 through 2019. Furthermore, while the current audit found personnel accounted for active landfills and operated active and closed landfills in compliance with Federal and state requirements, personnel at three of six locations did not account for 17 of 89 (19 percent) closed landfills. The AFAA determined that this repeat condition occurred because the Integrated Solid Waste Management Playbook did not specifically require recording landfills in "no further action" status as "closed" in the real property accountable records. Accurately accounting for closed landfills protects

environmental and human health, ensures compliance with DoD Financial Improvement and Audit Readiness requirements, and correctly allocates sustainment funding.

The AFAA recommended that the Air Force Civil Engineer Center Director clarify guidance in the Integrated Solid Waste Management Playbook to require recording landfills in “no further action” status as “closed” in the Real Property Records. Management agreed with the recommendation.

Report No. F2019-0009-O40000

Relocatable Facilities Management

The AFAA evaluated whether Air Force personnel authorized, used, and reported relocatable facilities in accordance with guidance. Relocatable facilities are structures designed and constructed to be readily erected, moved, disassembled, stored, and reused. These structures are intended to fill short-term requirements (typically less than 5 years). Long-term use (beyond 5 years) must be approved by the major command senior civil engineer or the Air Force Installation and Mission Support Center. As of October 2018, the Air Force was using 313 relocatable facilities valued at \$3.67 billion.

The AFAA determined that Air Force personnel at three installations correctly reported 16 of 17 (94 percent) relocatable facilities, but did not authorize or use relocatable facilities in accordance with guidance. This occurred due to a lack of installation-level process controls, insufficient guidance, and the need for an accountable system for proper oversight. Proper authorization, correct reporting, and appropriate relocatable facility use are vital to accurately account for and safeguard assets, develop long-term facility use requirements, and maintain relocatable facilities in their proper working condition.

The AFAA recommended that the Deputy Chief of Staff for Logistics, Engineering, and Force Protection establish and document policy and procedures for oversight. In addition, the AFAA recommended that the Director of the Air Force Civil Engineer Center establish procedures and an accountable system for oversight of relocatable facilities. Management agreed to take appropriate corrective actions on the recommendations.

Report No. F2019-0004-O30000

Nonappropriated Funds Facility Construction Projects

The AFAA determined whether Air Force personnel planned, approved, and reported nonappropriated fund (NAF) facility construction projects in accordance with guidance. The Air Force NAF facilities program provides morale and welfare facilities not authorized for construction with congressionally appropriated funds. These projects require funding approval from the Vice Chief of Staff of the Air Force and congressional project approval prior to construction. As of October 11, 2018, the Air Force had 13 active NAF construction projects valued at over \$267 million.

The AFAA determined that Air Force personnel planned, approved, and reported all seven NAF construction projects reviewed in accordance with guidance. Specifically, personnel used correct funding sources; performed internal needs validation studies, project validation assessments, and financial analyses; and completed certificates of compliance. Additionally, Air Force personnel approved projects based on NAF facility panel recommendations and properly reported project status to Congress. As a result, the Air Force was able to prioritize facility needs, maximize limited funds, and execute high-priority projects, thereby improving the morale and welfare of Air Force personnel and their families.

The AFAA did not identify discrepancies requiring corrective action and, therefore, did not make recommendations in this report.

Report No. F2019-0002-O20000

Base-Level Due-In from Maintenance Assets

The AFAA determined whether base-level logistics personnel controlled and returned due-in from maintenance (DIFM) assets in a timely manner and correctly coded transactions. The Air Force tracks the issue and turn-in of repair cycle assets used in aircraft, engines, and other major end item repairs. A DIFM detail occurs when maintenance personnel request a replacement asset from supply without turning in an exchange asset. The supply system tracks each DIFM detail until maintenance and supply complete the replacement part exchange. As of February 2018, the Air Force had 29,774 DIFM transactions valued at over \$2.4 billion.

Although personnel controlled DIFM assets, the AFAA determined that personnel did not return assets for 349 of 726 (48 percent) sampled transactions, valued at over \$40.8 million, in a timely manner and did not correctly code 234 of 726 (32 percent) sampled transactions, valued at over \$17 million. These conditions occurred because Air Force logistics personnel did not comply with required return timeframes. In addition, logistics managers assigned the Decentralized Materiel Support function to base-level maintenance organizations. Thus, supply personnel reported directly to maintenance management, and maintenance managers did not have the supply expertise needed to provide adequate oversight or know how returning assets late affected the supply chain. Furthermore, personnel did not comply with established guidance for how to code DIFM transactions properly, and maintenance and logistics readiness did not provide oversight to ensure that codes were correctly applied. Timely asset turn-in saves Air Force resources and replenishes the supply chain with serviceable assets so wholesale item managers can properly forecast buy and repair requirements. Additionally, accurately coding DIFM transactions is necessary to track asset repair status and prevent unnecessary delays during the repair cycle.

The AFAA recommended that the Deputy Chief of Staff for Logistics, Engineering, and Force Protection require the Director of Logistics to establish procedures to include DIFM status code reviews in base-level quality assurance programs for maintenance and logistics readiness. Management agreed to take appropriate corrective actions on the recommendations.

Report No. F2019-0005-L40000

Spare Parts at Other Services

The AFAA determined whether Air Force personnel accounted for spare parts located at other Services. The Air Force uses other Services' depots to repair spare parts as outlined in Depot Maintenance Interservice Support Agreements. Air Force personnel record spare parts quantities in the Stock Control System, which feeds the Air Force financial statements. As of November 2017, the Air Force had at least 9,839 spare parts, valued at over \$377 million, located at other Services' depots.

The AFAA determined that Air Force officials did not accurately record 2,030 of 2,585 (79 percent) spare parts, valued at \$105 million. This occurred because Air Force Materiel Command guidance did not require

logistics personnel to use the Defense Logistics Agency Distribution and associated systems for storage, shipment, and distribution of all Depot Maintenance Interservice Support Agreement spare parts. Furthermore, logistics and financial personnel did not require periodic reconciliations to validate logistics quantities against financial values. As a result, Air Force personnel may not have accurately reported over 9,055 spare parts in the accountable property system of record, potentially misstating Air Force financial statements by as much as \$420 million.

The AFAA recommended that the Commander of the Air Force Materiel Command require logistics personnel to account for all spare parts located at other Services in the accountable property system of record. Furthermore, the AFAA recommended that Air Force Materiel Command financial management personnel and Air Force Sustainment Center logistics personnel establish adequate oversight procedures to reconcile financial values with logistics quantities periodically. Because these recommendations addressed corrective actions needed to improve the effectiveness of controls over spare part accountability, the AFAA identified these recommendations as potential material weaknesses to the Secretary of the Air Force and the DoD OIG. Management agreed with the audit results and the need to take appropriate corrective actions.

Report No. F2019-0006-L40000

Contract Incentive Management

The AFAA determined whether Air Force personnel structured and monitored contract incentives to achieve desired outcomes. The Air Force uses incentives as a contracting tool to motivate contractor performance. Contractors earn fees or profit based on achieving specific acquisition objectives. Between FYs 2013 and 2017, the Air Force performed over 10,000 incentive contract actions with obligations valued at over \$134 billion.

The AFAA determined that Air Force personnel did not structure 33 of 58 (57 percent) contracts with incentives to achieve desired outcomes and did not monitor 10 of 58 (17 percent) contracts with incentives. These conditions occurred because personnel did not comply with guidance, establish standard processes, accomplish available training, or perform contract oversight. As a result, Air Force personnel awarded \$97 million in incentive fees without ensuring that the contract structure was cost-effective and

advantageous to the Air Force. Additionally, the Air Force did not achieve 13 of 111 (12 percent) desired cost, schedule, and performance outcomes. Ensuring that cost incentives achieve outcomes within the range of incentive effectiveness enables the Air Force to measure outcome success and helps prevent additional cost risk to the Government.

The AFAA recommended that the Assistant Secretary of the Air Force for Acquisition, Technology, and Logistics require personnel to scrutinize planning documents, accomplish training, document contract performance, and validate performance outcomes prior to incentive payment approval. Management agreed to take appropriate corrective actions on the recommendations.

Report No. F2019-0004-L30000

AIR FORCE OFFICE OF SPECIAL INVESTIGATIONS

Significant Investigative Cases

Airman Found Guilty of Sexual Acts on a Child

AFOSI initiated this investigation in June 2018 upon notification from the Murphysboro Police Department in Murphysboro, Illinois, that Airman First Class David Tellor sexually assaulted his stepsister for approximately 3 years, beginning when the victim was 11 years old and Airman First Class Tellor was 16 years old. The sexual assaults continued after Airman First Class Tellor enlisted in the Air Force. The victim was interviewed by a child forensic interviewer, and she recounted that Airman First Class Tellor raped her by holding her down. Airman First Class Tellor then threatened to rape her again if she told anyone. When he returned home on leave around December 2017 and the victim was 14 years old, he raped her in her bedroom. During a consent-based monitoring of a telephone conversation, AFOSI agents heard Airman First Class Tellor admit to his mother that he had sexual intercourse with his stepsister multiple times before enlisting in the Air Force. During an interview, Airman First Class Tellor admitted to engaging in sexual intercourse with his stepsister before and while enlisted in the Air Force. He claimed the intercourse was consensual.

On May 1, 2019, in a general court-martial at Mountain Home Air Force Base, Idaho, Airman First Class Tellor was found guilty of committing a sexual act upon a child and sentenced to confinement of 7 years, forfeiture of all pay and allowances, reduction in rank to E-1, and a dishonorable discharge, and was required to register as a sex offender.

Airman Convicted of Sexual Assault of Airman

AFOSI initiated this investigation in May 2018 upon notification from the 86th Security Forces Squadron on Ramstein Air Base, Germany, that an active duty airman reported a sexual assault. Medical personnel performed a sexual assault forensic examination on the airman, and security forces personnel secured his dormitory room as a crime scene. During an interview, the victim said that he attended a party the previous night and became highly intoxicated. His last memory that night was of being escorted by two individuals to his dormitory room. The following afternoon, the victim woke up in his bed with facial injuries and he was wearing different underwear. Additionally, he noticed \$20 and his PlayStation console were missing from his dormitory room. AFOSI reviewed surveillance video, which showed the victim being carried to his room. Shortly after, the video showed Airman First Class Jordan Hickman entering the victim's room and exiting several minutes later. Upon exiting, Airman First Class Hickman was carrying something under his arm.

Interviews of the individuals who helped the victim to his room disclosed the victim was highly intoxicated, did not know where his room was, and was unable to walk or stand on his own. They left his dormitory door ajar so they could check on him throughout the evening to ensure his safety. During an interview, Airman First Class Hickman said he helped carry the victim to his room and went back to check on him about an hour later. After waking the victim up, Airman First Class Hickman asked the victim if he wanted to have sexual intercourse. Airman First Class Hickman said the victim agreed to have sexual intercourse, so he engaged in sexual intercourse with the victim. He also said the victim gave him the PlayStation console. Upon search authorization, AFOSI agents collected Airman First Class Hickman's DNA. Forensic analysis of the evidence confirmed sexual penetration.

On June 20, 2019, in a judge-alone general court-martial at Ramstein Air Base, Germany, Airman First Class Hickman was found guilty of committing a sexual act on someone who was incapable of consenting and of stealing the PlayStation console. Airman First Class Hickman was sentenced to 3 years confinement, reduction in rank to E-1, forfeiture of all pay and allowances, and a dishonorable discharge, and was required to register as a sex offender.

Qui Tam Lawsuit Results in \$4.2 million Settlement

AFOSI initiated this joint investigation with DCIS, the Defense Contract Audit Agency, and the U.S. Attorney's Office for the Western District of Oklahoma in June 2015 upon notification of a qui tam lawsuit alleging that Pacific Architecture and Engineering (PAE)

knowingly submitted false claims to the Air Force under the contract for employee wage rates above the applicable wage caps. The lawsuit included allegations that PAE would not have received award fees under the contract if PAE had disclosed billing the United States for wages that exceeded the wage caps. AFOSI agents interviewed Air Force contracting representatives, who said that the Air Force would not pay wages exceeding the pay caps set in the Collective Bargaining Agreement with PAE, and Air Force personnel were not aware that PAE charged the Air Force for pay increases in excess of what was in the Collective Bargaining Agreement.

On June 20, 2019, in the Western District of Oklahoma, PAE entered into a settlement agreement in which it agreed to pay a civil settlement of \$4.2 million, of which \$2.2 million is restitution.

5. APPENDIXES



REPORTING REQUIREMENTS

The Inspector General Act of 1978, as amended, states that each Inspector General shall no later than April 30 and October 31 of each year prepare semiannual reports summarizing the activities of the office during the immediately preceding 6-month periods ending March 31 and September 30. The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages. The Inspector General Empowerment Act of 2016, Public Law 114-317, Section 4(c), amended Section 5(a) of the IG Act to require additional reporting requirements.

REFERENCES	REQUIREMENTS	PAGE
Section 4(a)(2)	"review existing and proposed legislation and regulations...make recommendations..."	84-85
Section 5(a)(1)	"description of significant problems, abuses, and deficiencies..."	8-82
Section 5(a)(2)	"description of recommendations for corrective action...with respect to significant problems, abuses, and deficiencies..."	8-82
Section 5(a)(3)	"identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed..."	122-155
Section 5(a)(4)	"a summary of matters referred to prosecutive authorities and the prosecution and convictions which have resulted."	40-47
Section 5(a)(5)	"a summary of each report made to the [Secretary of Defense] under section 6(b)(2)..." "instances where information requested was refused or not provided."	N/A
Section 5(a)(6)	"a listing, subdivided according to subject matter, of each audit report, inspection report, and evaluation report issued" showing dollar value of questioned costs and recommendations that funds be put to better use.	117
Section 5(a)(7)	"a summary of each particularly significant report..."	8-82
Section 5(a)(8)	"statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the total dollar value of questioned costs..."	117
Section 5(a)(9)	"statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management..."	118
Section 5(a)(10)	"a summary of each audit report, inspection report, and evaluation report issued before the commencement of the reporting period — (A) for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report; (B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and (C) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations."	122-155
Section 5(a)(11)	"a description and explanation of the reasons for any significant revised management decision..."	N/A
Section 5(a)(12)	"information concerning any significant management decision with which the Inspector General is in disagreement..."	N/A
Section 5(a)(13)	"information described under section 804(b) of the Federal Financial Management Improvement Act of 1996..." (instances and reasons when an agency has not met target dates established in a remediation plan)	N/A
Section 5(a)(14)	"an appendix containing the results of any peer review conducted by another Office of Inspector General during the reporting period..."	171
Section 5(a)(15)	"a list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete..."	171
Section 5(a)(16)	"a list of any peer reviews conducted by [DoD OIG] of another Office of Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review...that remain outstanding or have not been fully implemented..."	171

REFERENCES	REQUIREMENTS	PAGE
Section 5(a)(17)	“statistical tables showing— (A) the total number of investigative reports issued during the reporting period; (B) the total number of persons referred to the DOJ for criminal prosecution during the reporting period; (C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and (D) the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities...”	172
Section 5(a)(18)	“a description of the metrics used for developing the data for the statistical tables under paragraph (17)...”	172
Section 5(a)(19)	“a report on each investigation conducted by the Office involving a senior Government employee where allegations of misconduct were substantiated, including a detailed description of – (A) the facts and circumstances of the investigation; and (B) the status of the disposition of the matter, including – (i) if the matter was referred to the DOJ, the date of the referral; and (ii) if the DOJ declined the referral, the date of the declination...” [Senior Government Employee – GS-15 or O-6] and above]	48-172
Section 5(a)(20)	“a detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation, and what, if any, consequences the establishment imposed to hold the official accountable...”	54-67
Section 5(a)(21)	“a detailed description of any attempt by the establishment to interfere with the independence of the Office, including— (A) with budget constraints designed to limit capabilities of the Office; and (B) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action; and...”	N/A
Section 5(a)(22)	“detailed description of the particular circumstances of each— inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public.”	N/A
Section 5(b)(2)	“statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of disallowed costs...”	118
Section 5(b)(3)	“statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision...”	118
Section 5(b)(4)	“a statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year...”	122-155
Section 5 note	“an annex on final completed contract audit reports...containing significant audit findings...”	156-170
Section 8(f)(1)	“(A) information concerning the number and types of contract audits...” “(B) information concerning any Department of Defense audit agency that...received a failed opinion from an external peer review or is overdue for an external peer review...”	120-171

AUDIT, INSPECTION, EVALUATION, AND INVESTIGATION REPORTS ISSUED

DoD OIG

<http://www.dodig.mil/reports.html/>

Naval Audit Service

www.secnav.navy.mil/navaudsvc/Pages/default.aspx

Army Audit Agency

www.army.mil/aaa

Air Force Audit Agency

www.affaa.af.mil

	DoD OIG	Military Departments	Total
Implementing DoD Reform Initiatives	2	5	7
Countering China, Russia, Iran, and North Korea	1	0	1
Countering Global Terrorism	5	0	5
Financial Management	11	28	39
Improving Cyber Security and Cyber Capabilities	6	6	12
Enduring Ethical Conduct	9	8	17
Enhancing Space-Based Operations, Missile Detection, and Response, and Nuclear Deterrence	1	0	1
Improving Readiness Throughout the DoD	7	34	41
Acquisition and Contract Management	12	21	33
Providing Comprehensive and Cost-Effective Health Care	5	4	9
Other	0	19	19
Total	59	125	184

Implementing DoD Reform Initiatives

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-083	Evaluation of Operations and Management of Arlington and Soldiers' and Airmen's Home National Military Cemeteries	5/20/2019
DoD OIG	DODIG-2019-084	Evaluation of the Operations and Management of Military Cemeteries	5/20/2019
USAAA	A-2019-0080-BOZ	Audit of the Army's Special Compensation for Assistance with Activities of Daily Living Program	6/18/2019
USAAA	A-2019-0115-BOZ	Independent Auditor's Attestation Review of the FY 19 Army Managers' Internal Control Program	9/19/2019
AFAA	F2019-0002-O20000	Nonappropriated Fund Facility Construction Projects	4/12/2019
AFAA	F2019-0007-O40000	Air Force Review Boards Agency	4/12/2019
AFAA	F2019-0007-L20000	F-15 Foreign Military Sales Program Management	7/3/2019

Countering China, Russia, Iran, and North Korea

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-077	Evaluation of the Oversight of Intelligence Interrogation Approaches and Techniques	4/15/2019

Countering Global Terrorism

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-074	Evaluation of Targeting Operations and Civilian Casualties in Operation Inherent Resolve	4/17/2019
DoD OIG	DODIG-2019-098	Evaluation of Theater Linguist Support for Operation Freedom's Sentinel	6/21/2019
DoD OIG	DODIG-2019-110	Evaluation of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip Afghan Tactical Air Coordinators, Air Liaison Officers, and Afghan Air Targeting Officers	8/8/2019
DoD OIG	DODIG-2019-111	Evaluation of USAFRICOM's and SOCAFRICA's Processes for Determining and Fulfilling Intelligence Requirements for Counterterrorism	8/13/2019
DoD OIG	DODIG-2019-115	Audit of the Planning for and Implementation of the Afghan Personnel and Pay System	8/15/2019

Financial Management

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-085	Audit of the Defense Security Cooperation Agency—Security Assistance Accounts	5/8/2019
DoD OIG	DODIG-2019-087	Audit of the DoD's FY 2018 Compliance With the Improper Payments Elimination and Recovery Act Requirements	5/15/2019
DoD OIG	DODIG-2019-102	System Review Report of the United States Special Operations Command, Office of the Inspector General, Audit Division	6/26/2019
DoD OIG	DODIG-2019-113	Audit of the Air Force Nonappropriated Fund Government Purchase Card Program	8/16/2019
DoD OIG	DODIG-2019-118	Transmittal of the Independent Service Auditor's Report on the Defense Automatic Addressing System for the Period October 1, 2018, Through June 30, 2019	8/30/2019
DoD OIG	DODIG-2019-119	Transmittal of the Independent Service Auditor's Report on the Wide Area Workflow e-Business Suite for the Period October 1, 2018, Through June 30, 2019	8/30/2019
DoD OIG	DODIG-2019-120	Transmittal of the Independent Service Auditor's Report on the Defense Agencies Initiative System for the Period October 1, 2018, Through June 30, 2019	8/30/2019
DoD OIG	DODIG-2019-122	Audit of Controls at Military Installations for Schools Participating in the DoD Tuition Assistance Program	9/10/2019
DoD OIG	DODIG-2019-123	Transmittal of the Independent Service Auditor's Report on the Service Owned Inventory in DLA Custody for the period October 1, 2018 Through June 30, 2019	9/6/2019
DoD OIG	DODIG-2019-124	Transmittal of Independent Service Auditor's Report on the General Fund Business Enterprise System for the Period October 1, 2018, Through June 30, 2019	9/27/2019
DoD OIG	DODIG-2019-126	Independent Auditor's Report on the Agreed-Upon Procedures for Reviewing the FY 2019 Civilian Payroll Withholding Data and Enrollment Information	9/26/2019
USAAA	A-2019-0062-IEE	Audit of Installation Landfill	4/26/2019
USAAA	A-2019-0070-FMX	Audit of Army National Guard Civilian Technician Incentives	5/21/2019
USAAA	A-2019-0077-ALS	Audit of Property Accountability at the Military District of Washington	5/29/2019
USAAA	A-2019-0088-FIZ	Audit of Compensation from Medical Patent License Agreements	7/29/2019
USAAA	A-2019-0089-BOZ	Audit of Funds Validation and Obligation Processes	7/29/2019
USAAA	A-2019-0090-AXZ	Audit of Managing Base Commercial Equipment	8/6/2019
USAAA	A-2019-0096-FIZ	Followup Audit on the Use of Supplemental Funding: Hurricane Katrina Funding	8/16/2019
USAAA	A-2019-0100-BOZ	Followup Audit of Internal Use Software	9/24/2019
USAAA	A-2019-0103-BOZ	Audit of Pacific Utility and Logistics Support Enabler—U.S. Army Pacific	9/9/2019
USAAA	A-2019-0109-BOZ	Audit of Corrective Action Plans for Military Pay, Army National Guard	9/23/2019
USAAA	A-2019-0116-BOZ	Audit of Military Retirement Trust Fund	9/24/2019
USAAA	A-2019-0117-FIZ	Audit of Travel Cost Reporting Controls at 108th Training Command	9/25/2019
USAAA	A-2019-0118-FIZ	Time-Sensitive Report: Duplicate Funding Requests—Audit of Decontamination of National Guard Armories	9/30/2019
NAVAUDSVC	N2019-0033	Civilian Mariner Salary Cash Disbursements at Military Sealift Command	5/14/2019

Agency	Report Number	Report Title	Date
NAVAUDSVC	N2019-0034	Allocation of Depot Maintenance Workload Between Public and Private Sectors at United States Fleet Forces Command	6/6/2019
NAVAUDSVC	N2019-0035	Allocation of Depot Maintenance Workload Between Public and Private Sectors at Naval Air Systems Command	6/26/2019
NAVAUDSVC	N2019-0037	Chief of Naval Personnel Defense Travel System Vouchers	7/2/2019
NAVAUDSVC	N2019-0038	Allocation of Depot Maintenance Workload Between Public and Private Sectors at Naval Supply Systems Command	7/17/2019
NAVAUDSVC	N2019-0039	Allocation of Depot Maintenance Workload Between Public and Private Sectors at United States Marine Corps	7/26/2019
NAVAUDSVC	N2019-0040	Naval Audit Service Input for the Fiscal Year 2019 Statement of Assurance	8/8/2019
NAVAUDSVC	N2019-0041	Agreed-Upon Procedures for Existence and Completeness of Navy Vessels	8/23/2019
NAVAUDSVC	N2019-0044	Independent Auditor's Report on the Agreed-Upon Procedures for the Mission Dependency Index	8/27/2019
NAVAUDSVC	N2019-0050	Allocation of Depot Maintenance Workload Between Public and Private Sectors at within the Department of the Navy - Summary Report	9/30/2019
AFAA	F2019-0009-O40000	Landfills	5/14/2019
AFAA	F2019-0006-L20000	F-35 Foreign Military Sales Training	6/11/2019
AFAA	F2019-0006-L10000	Funds Execution: General Funds	9/9/2019
AFAA	F2019-0007-L40000	Air Force Working Capital Fund Business Overhead Cost Recovery Surcharge	9/13/2019
AFAA	F2019-0008-L20000	F-35 Cooperative Training	9/13/2019

Improving Cyber Security and Cyber Capabilities

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-072	Audit of Consolidated Afloat Networks and Enterprise Services Security Safeguards	4/8/2019
DoD OIG	DODIG-2019-089	Audit of the DoD's Implementation of the Joint Regional Security Stacks	6/4/2019
DoD OIG	DODIG-2019-105	Audit of Protection of DoD Controlled Unclassified Information on Contractor-Owned Networks and Systems	7/23/2019
DoD OIG	DODIG-2019-106	Audit of the DoD's Management of the Cyberssecurity Risks for Government Purchase Card Purchases of Commercial Off-the-Shelf Items	7/26/2019
DoD OIG	DODIG-2019-107	Evaluation of Combatant Commands' Insider Threat Programs	7/29/2019
DoD OIG	DODIG-2019-116	Audit of Contingency Planning for DoD Information Systems	8/21/2019
USAAA	A-2019-0092-AXZ	Audit of Communications Security in the Operating Force	8/6/2019
USAAA	A-2019-0120-AXZ	Audit of Inheritance Within the Risk Management Framework—Inheriting Security Controls within the Risk Management Framework	9/30/2019
NAVAUDSVC	N2019-029	Followup on Information Security Within the U.S. Marine Corps	4/2/2019
AFAA	F2019-0006-O10000	Cyber Asset Remanence Security	6/7/2019
AFAA	F2019-0032-RA0000	Communications Security Assets	7/9/2019
AFAA	F2019-0007-O10000	Risk Management Framework Tests and Assessments	8/13/2019

Ensuring Ethical Conduct

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-075	Evaluation of Military Services' Law Enforcement Responses to Domestic Violence Incidents	4/19/2019
DoD OIG	DODIG-2019-076	Evaluation of Missile Defense Agency, Pentagon Force Protection Agency, Defense Commissary Agency use of their authorities to conduct Counterintelligence Inquiries	4/16/2019
DoD OIG	DODIG-2019-082	Report of Investigation: Mr. Patrick M. Shanahan Acting Secretary of Defense	4/25/2019
DoD OIG	DODIG-2019-088	Evaluation of DoD Efforts to Combat Trafficking in Persons in Kuwait	6/11/2019
DoD OIG	DODIG-2019-092	Report of Investigation: Brigadier General Norman Cooling U.S. Marine Corps	5/24/2019
DoD OIG	DODIG-2019-101	Report of Investigation Ms. Dana W. White and Mr. Charles Summers, JR. Senior Executive Service Office of the Assistant to the Secretary of Defense for Public Affairs	7/16/2019
DoD OIG	DODIG-2019-104	Reprisal Investigation Willowheart, Limited Liability Company Fort Bragg, North Carolina	7/22/2019
DoD OIG	DODIG-2019-117	Report of Investigation William F. Moran Admiral United States Navy	8/26/2019
DoD OIG	DODIG-2019-125	Evaluation of the DoD's Handling of Incidents of Sexual Assault Against (or Involving) Cadets at the United States Air Force Academy	9/30/2019
USAAA	A-2019-0083-BOZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Suspected Time Card Fraud at Department of Emergency Services (Fort Gordon)	6/17/2019
USAAA	A-2019-0087-BOZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Suspected Larceny of Government Funds and Fraud—Redstone Arsenal	7/15/2019
USAAA	A-2019-0104-FIZ	Audit of Compliance with 180-Consecutive-Day Travel Policy—Reserve Component	9/18/2019
USAAA	A-2019-0105-FIZ	Audit of Compliance with 180-Consecutive-Day Travel Policy—Reserve Component General Officers	9/12/2019
NAVAUDSVC	N2019-0042	Sailors with Drug Incidents and the Security Clearance Process	8/26/2019
AFAA	F2019-0006-O40000	First Responder Sexual Assault Prevention and Response Training	4/3/2019
AFAA	F2019-0011-O40000	Employment of Retired Members of the Armed Forces	6/10/2019
AFAA	F2019-0012-O40000	Criminal History Data Reporting	7/25/2019

Enhancing Space-Based Operations, Missile Detection and Response, and Nuclear Deterrence

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-093	Evaluation of U.S. European Command's Nuclear Command and Control	6/10/2019

Improving Readiness Throughout the DoD

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-071	Evaluation of DoD Component Responsibilities for Counterintelligence Support for the Protection of Defense Critical Infrastructure	4/5/2019
DoD OIG	DODIG-2019-078	Evaluation of the Air Force's Implementation of DoD OIG Recommendations Concerning Modifications of the Integrated Tactical Warning and Attack Assessment Mobile Ground System	4/18/2019
DoD OIG	DODIG-2019-081	Audit of Training Ranges Supporting Aviation Units in the U.S. Indo-Pacific Command	4/17/2019
DoD OIG	DODIG-2019-086	Audit of the DoD's Preparation for Natural Disasters	5/16/2019
DoD OIG	DODIG-2019-090	Follow-up Evaluation of Corrective Actions Taken in Response to a Prior Evaluation of Foreign Officer Involvement at the United States Special Operations Command	6/4/2019
DoD OIG	DODIG-2019-096	Audit of the Training of the Army's Regionally Aligned Forces in the U.S. Africa Command	6/18/2019
DoD OIG	DODIG-2019-099	Audit of Distribution of Preferred Munitions in Support of the Republic of Korea	6/24/2019
USAAA	A-2019-0060-FMR	Audit of Data Integrity for Training Aids, Devices, Simulators, and Simulations, Phase I	4/5/2019

Agency	Report Number	Report Title	Date
USAAA	A-2019-0061-FMP	Audit of Ammunition Facilities Management—Guam	4/12/2019
USAAA	A-2019-0063-ALS	Audit of Property Accountability at the 11th Armored Cavalry Regiment Supply Support Activity, Fort Irwin, California	4/16/2019
USAAA	A-2019-0065-IEX	Audit of Active Duty for Operational Support in Europe, U.S. Army Europe	5/7/2019
USAAA	A-2019-0066-IEO	Audit of Access Control Systems	4/24/2019
USAAA	A-2019-0067-IEO	Followup Audit of Uncleared Contractors Credentialing and Installation Access Controls	5/1/2019
USAAA	A-2019-0072-MTT	Audit of Field Artillery Training Ammunition Management	5/2/2019
USAAA	A-2019-0073-ALS	Audit of the Army's Excess Equipment Redistribution Strategy	5/9/2019
USAAA	A-2019-0074-MTH	Audit of Soldier Retention Records	5/8/2019
USAAA	A-2019-0076-ALA	Audit of Unmanned Aircraft Systems Flying Hour Program	5/20/2019
USAAA	A-2019-0079-MTM	Audit of Combat Support Hospitals	6/6/2019
USAAA	A-2019-0082-AXZ	Audit of Maintenance Expenditure Limits	6/26/2019
USAAA	A-2019-0085-BOZ	Audit of Force Protection, Korea	7/17/2019
USAAA	A-2019-0094-AXZ	Audit of European Deterrence Initiative—Army Prepositioned Stock Requirements Sourcing	8/20/2019
USAAA	A-2019-0095-FIZ	Audit of the Army's Management of Individual Ready Reserve	8/19/2019
USAAA	A-2019-0099-FIZ	Audit of Class VIII Medical Supply and Equipment Readiness—Army National Guard	8/27/2019
USAAA	A-2019-0101-BOZ	Independent Auditor's Report on the Examination of the Logistics Modernization Program	9/4/2019
USAAA	A-2019-0107-AXZ	Audit of Funding and Accountability of Property Supporting Operation Observant Compass, U.S. Army Africa/Southern European Task Force	9/19/2019
USAAA	A-2019-0108-AXZ	Audit of Firefighter Support in Europe—Equipment	9/19/2019
USAAA	A-2019-0110-AXZ	Audit of Army National Guard Depot Maintenance Requirements	9/25/2019
NAVAUDSVC	N2019-0045	Summary of Navy Industrial Base Infrastructure	8/28/2019
NAVAUDSVC	N2019-0048	Condition of Navy Research, Development, Test and Evaluation Facilities	9/13/2019
NAVAUDSVC	N2019-0049	Contractor Base Access at Commander, Navy Region Japan	9/18/2019
AFAA	F2019-0008-A00900	Security Clearance Inventory	4/12/2019
AFAA	F2019-0008-O40000	Casualty Affairs Program	4/30/2019
AFAA	F2019-0005-L40000	Base Level Due-In from Maintenance Assets	5/20/2019
AFAA	F2019-0010-A00900	Aircrew Security Clearances	6/3/2019
AFAA	F2019-0005-O30000	Graduate Aircrew Production Requirements	6/7/2019
AFAA	F2019-0010-O40000	Excepted Service Hiring	6/10/2019
AFAA	F2019-0006-O30000	Airfield Operations Management Upgrade Training	6/11/2019
AFAA	F2019-0006-L40000	Spares at Other Services	6/12/2019
AFAA	F2019-0007-O30000	Department of the Air Force Civilian Police	7/1/2019
AFAA	F2019-0003-L30000	On-Board Oxygen Generation Systems	7/12/2019
AFAA	F2019-0003-O20000	Flight Data Collection and Analyses	9/19/2019

Acquisition and Contract Management

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-069	Audit of the Army's Oversight of National Afghan Trucking Services 3.0 Contracts	4/1/2019
DoD OIG	DODIG-2019-079	Audit of Identification and Training of DoD's Operational Contract Support Workforce	4/16/2019
DoD OIG	DODIG-2019-080	Audit of the B61-12 Tail Kit Assembly Program	4/19/2019
DoD OIG	DODIG-2019-094	Audit of F-35 Ready-For-Issue Spare Parts and Sustainment Performance Incentive Fees	6/13/2019
DoD OIG	DODIG-2019-095	Follow-up Evaluation of the Corrective Actions Taken in Response to a Prior DoD OIG Classified Report	6/14/2019

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-097	Follow-up to DODIG-2018-068 "Evaluation of Oversight of Privileged Users Within the Army's Intelligence Component"	6/19/2019
DoD OIG	DODIG-2019-100	Follow-up Evaluation of Corrective Actions Taken in Response to a Prior DoD OIG Audit of the F-35 Lightning II Autonomic Logistics Information System	6/24/2019
DoD OIG	DODIG-2019-103	Audit of Air Force Accountability of Government Property and Oversight of Contractual Maintenance Requirements in the Contact Augmentation Program IV in Southwest Asia	7/18/2019
DoD OIG	DODIG-2019-114	Audit of the Army Integrated Air and Missile Defense Program	8/19/2019
DoD OIG	DODIG-2019-121	Followup Audit of the Defense Logistics Agency's Management of Excess Items in Long-Term Storage	9/6/2019
DoD OIG	DODIG-2019-127	Audit of Access Controls in the Defense Logistics Agency's Commercial and Government Entity Code Program	9/30/2019
DoD OIG	DODIG-2019-128	Audit of U.S. Army Corps of Engineers Oversight of Contracts for Repair and Restoration of the Electric Power Grid in Puerto Rico	9/30/2019
USAAA	A-2019-0059-ALA	Audit of Cost Analyses in Support of Program Objective Memorandum Planning--Integrated Air and Missile Defense	4/11/2019
USAAA	A-2019-0069-FMX	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Potential Contract Kickbacks	4/29/2019
USAAA	A-2019-0075-FMX	Audit of Civilian Incentive Programs, U.S. Army Contracting Command	5/14/2019
USAAA	A-2019-0078-FIZ	Audit of Municipal Services Agreements	6/11/2019
USAAA	A-2019-0081-ALA	Audit of the Army's Efforts to Implement Cost Estimation Reform Initiative, Acquisition Reform Initiative #7	6/27/2019
USAAA	A-2019-0093-BOZ	Audit of Contract Selection Type	8/14/2019
USAAA	A-2019-0097-AXZ	Audit of the Army's Efforts to Implement the Capabilities Requirements Reform Initiative, Acquisition Reform Initiative #1	8/13/2019
USAAA	A-2019-0098-FIZ	Audit of California Wildfires—Northern Mission	8/21/2019
USAAA	A-2019-0102-FIZ	Audit of U.S. Army Forestry Program	9/24/2019
USAAA	A-2019-0112-FIZ	Audit of Audit of Municipal Services Agreements—Privatized Army Lodging	9/23/2019
USAAA	A-2019-0113-BOZ	Audit of U.S. Army Installation Management Command Contracts, U.S. Army Garrison Yongsan, Korea	9/19/2019
USAAA	A-2019-0114-AXZ	Audit of the Army's Governance of Acquisition Reform	9/24/2019
NAVAUDSVC	N2019-0031	Followup Audit for Controls Over Military Interdepartmental Purchase Requests for Service and Product Acquisitions Across Department of the Navy Assistant for Administration Activities and Field Offices	4/16/2019
NAVAUDSVC	N2019-0046	Followup Audit for Controls over Service and Product Contracts Across Department of the Navy/Assistant for Administration Activities and Field Office	8/28/2019
NAVAUDSVC	N2019-0047	Followup of Controls over Government Commercial Purchase Card Program for Service and Product Acquisitions across Department of the Navy/Assistant for Administration Activities Field Offices	9/3/2019
AFAA	F2019-0004-O30000	Relocatable Facilities Management	6/7/2019
AFAA	F2019-0011-A00900	Simulation and Analysis Facility Contract	6/20/2019
AFAA	F2019-0002-L30000	Patents and Other Intellectual Property	6/25/2019
AFAA	F2019-0004-L30000	Contract Incentive Management	7/12/2019
AFAA	F2019-0005-L30000	Flexible Information Assurance Acquisition Tool Contract Management	7/18/2019
AFAA	F2019-0003-R00000	Contractor Performance Assessment Reporting System	8/28/2019

Providing Comprehensive and Cost-Effective Health Care

Agency	Report Number	Report Title	Date
DoD OIG	DODIG-2019-073	Audit of Payments to the DoD for Medical Services Provided to Department of Veterans Affairs Beneficiaries at Selected Army Medical Centers	4/8/2019
DoD OIG	DODIG-2019-091	Evaluation of the DoD's Management of Opioid Use Disorder for Military Health System-Beneficiaries	6/10/2019
DoD OIG	DODIG-2019-108	Audit of the DoD's Management of the Third Party Collection Program for Medical Claims	9/16/2019
DoD OIG	DODIG-2019-109	Audit of Defense Logistics Agency Troop Support Negotiation of Prices for the Pharmaceutical Prime Vendor—Global Program	8/9/2019
DoD OIG	DODIG-2019-112	Audit of TRICARE Payments for Health Care Services and Equipment That Were Paid Without Maximum Allowable Reimbursement Rates	8/20/2019
USAAA	A-2019-0091-FIZ	Audit of Reserve Sustainment Facilities for Medical Equipment	8/5/2019
USAAA	A-2019-0106-FIZ	Audit of Installation Medical Support Services	9/23/2019
AFAA	F2019-0013-O40000	Misconduct Mental Health Screening and Compliance Reporting	7/25/2019
AFAA	F2019-0014-O40000	Health Professionals Bonus and Loan Programs	8/13/2019

Other

Agency	Report Number	Report Title	Date
USAAA	A-2019-0064-IEH	Audit of Housing Referral Services in Europe	5/9/2019
USAAA	A-2019-0068-ALS	Independent Auditor's Report on the Examination of the Army Historical Collection Accountability System	4/29/2019
USAAA	A-2019-0071-FMX	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Time Charges and Awards, Fort Benning Hospital	4/30/2019
USAAA	A-2019-0084-BOZ	Independent Auditor's Report on the AUP Attestation of the FY17 Fund Transfer Between ASA(ALT) and U.S. Army Center of Military History	6/27/2019
USAAA	A-2019-0086-BOZ	Nonaudit Service: Government Purchase Card Transactions, Fort Bragg	7/10/2019
USAAA	A-2019-0111-BOZ	Independent Auditor's Report on the Agreed-Upon Procedures Attestation of Fort Bragg Directorate of Public Works Purchases	9/11/2019
USAAA	A-2019-0119-FIZ	Audit of Army Compatible Use Buffer Program	9/30/2019
NAVAUDSVC	N2019-0030	U. S. Marine Corps (Budget Submitting Office 27) Major Headquarters Activities Reduction Plan	4/11/2019
NAVAUDSVC	N2019-0032	Implementation of Naval Computer and Telecommunications Station Far East Continuity of Operations Planning Capability	5/7/2019
NAVAUDSVC	N2019-0036	Navy's Voluntary Leave Transfer Program at Selected Commands	6/28/2019
NAVAUDSVC	N2019-0043	United States Marine Corps Marine and Family Training Programs	8/27/2019
AFAA	F2019-0009-A00900	Classified Report	4/26/2019
AFAA	F2019-0005-O10000	Classified Report	5/7/2019
AFAA	F2019-0012-A00900	Classified Report	7/9/2019
AFAA	F2019-0013-A00900	Classified Report	7/18/2019
AFAA	F2019-0014-A00900	Classified Report	7/30/2019
AFAA	F2019-0008-O30000	Classified Report	8/13/2019
AFAA	F2019-0015-A00900	Classified Report	9/23/2019
AFAA	F2019-0016-A00900	Special Action Program Justification Review	9/25/2019

Partially fulfills the requirement of the Inspector General Act of 1978, as amended, 5 U.S.C. Appendix, § 5(a)(6).

REPORTS WITH QUESTIONED COSTS AND FUNDS RECOMMENDED TO BE PUT TO BETTER USE

Reports Issued	Date	Questioned Costs	Unsupported Costs	Funds Put to Better Use
DODIG-2019-069 Audit of the Army's Oversight of National Afghan Trucking Services 3.0 Contract	4/1/2019	\$41,300,000	\$1,300,000	
DODIG-2019-073 Audit of Payments to the DoD for Medical Services Provided to Department of Veterans Affairs Beneficiaries at Selected Army Medical Centers	4/8/2019			\$9,400,000
DODIG-2019-085 Audit of the Defense Security Cooperation Agency—Security Assistance Accounts	5/8/2019			\$745,500,000
DODIG-2019-094 Audit of F-35 Ready-For-Issue Spare Parts and Sustainment Performance Incentive Fees	6/13/2019			\$303,000,000
DODIG-2019-103 Audit of the Air Force Accountability of Government Property and Oversight of Contractual Maintenance Requirements in the Contract Augmentation Program IV in Southwest Asia	7/18/2019	PMBs are anticipated by cannot quantified or estimated		
DODIG-2019-108 Audit of the DoD's Management of the Third Party Collection Program for Medical Claims	9/16/2019			\$70,714,306
DODIG-2019-109 Audit of Defense Logistics Agency Troop Support Negotiation of Prices for the Pharmaceutical Prime Vendor—Global Program	8/9/2019	\$137,100,000		
DODIG-2019-112 Audit of TRICARE Payments for Health Care Services and Equipment That Were Paid Without Maximum Allowable Reimbursement Rates	8/20/2019			\$19,500,000
DODIG-2019-113 Audit of the Air Force Nonappropriated Fund Government Purchase Card Program	8/16/2019	\$23,300,000	\$23,300,000	
DODIG-2019-115 Audit of the Planning for and Implementaion of the Afghan Personnel and Pay System	8/15/2019	\$15,165,572		
DODIG-2019-121 Followup Audit of the Defense Logistics Agency's Management of Excess Items in Long-Term Storage	9/6/2019			\$1,764,136
DODIG-2019-127 Audit of Access Controls in the Defense Logistics Agency's Commercial and Government Entity Code Program	9/30/2019	PMBs are anticipated by cannot quantified or estimated		
DODIG-2019-128 Audit of U.S. Army Corps of Engineers Oversight of Contracts for Repair and Restoration of Electric Power Grid in Puerto Rico	9/30/2019	\$50,100,000	\$50,100,000	
Total		\$266,965,572	\$74,700,000	\$1,149,878,442

Partially fulfills the requirement of the Inspector General Act of 1978, as amended, 5 U.S.C. Appendix, § 5(a)(6).

FOLLOWUP ACTIVITIES

Decision status of DoD OIG issued audit, inspection, and evaluation reports and dollar value of recommendations that funds be put to better use.

Status	Number	Funds Put to Better Use (in thousands)
A. For which no management decision had been made by the beginning of the reporting period.	7	\$0
B. Which were issued during the reporting period.	59	\$1,416,844 ¹
Subtotals (A+B)	66	\$1,416,844
C. For which a management decision was made during the reporting period. (i) dollar value of recommendations that were agreed to by management. - based on proposed management action - based on proposed legislative action (ii) dollar value of recommendations that were not agreed to by management.	66	\$1,416,844 ^{2,3}
D. For which no management decision has been made by the end of the reporting period.	0	0
Reports for which no management decision was made within 6 months of issue (as of September 30, 2019).	0	0

1. The DoD OIG issued audit reports during the period involving \$267 million in “questioned costs.”
2. On these audit reports management has agreed to take the recommended actions, but the amount of agreed monetary benefits cannot be determined until those actions are completed.
3. Includes \$267 million in “questioned costs.”

Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, §§ 5(a)(8),(9) and (10).

STATUS OF ACTION ON CENTRAL INTERNAL AUDITS AS OF SEPTEMBER 30, 2019

Status	Number	Funds Put to Better Use (in thousands)
DoD OIG		
Action in Progress - Beginning of Period	317	\$0
Action Initiated - During Period	61	\$1,416,844 ¹
Action Completed - During Period	60	\$48,490 ²
Action in Progress - End of Period	318	\$0 ³
Military Departments		
Action in Progress - Beginning of Period	498 ⁴	\$6,089,379
Action Initiated - During Period	158	\$215,412
Action Completed - During Period	239	\$92,587
Action in Progress - End of Period	417	\$5,182,152

1. The DoD OIG opened audit reports during the period involving \$267 million in “questioned costs.”
2. Included are recouped “questioned costs” of \$182 thousand.
3. On certain reports with audit estimated monetary benefits of \$5.1 billion, the DoD OIG agreed that the resulting monetary benefits can only be estimated after completion of management action, which is ongoing.
4. Incorporates retroactive adjustments.

Partially fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, §§ 5(b)(2), and (3).

CONTRACT AUDIT REPORTS ISSUED¹

April 1, 2019 through September 30, 2019

Type of Audit ²	Reports Issued	Dollars Examined (in millions)	Questioned Costs ³ (in millions)	Funds Put to Better Use (in millions)
Incurring Costs, Ops Audits, Special Audits	1,378	\$211,365.0	\$1,561.6	\$— ⁴
Forward Pricing Proposals	376	\$58,382.8	—	\$3,917.7 ⁵
Cost Accounting Standards	130	\$17.0	\$13.6	—
Defective Pricing	11	(Note 6)	\$88.6	—
Total	1,895	\$269,764.8	\$1,663.8	\$3,917.7

1. This schedule represents Defense Contract Audit Agency (DCAA) contract audit reports issued during the six months ended September 30, 2019. This schedule includes any audits that DCAA performed on a reimbursable basis for other government agencies and the associated statistics may also be reported in other OIGs' Semiannual Reports to Congress. Both "Questioned Costs" and "Funds Put to Better Use" represent potential cost savings. DCAA provided the data we have reported in the schedule. However, we have not verified the accuracy of the data. Accordingly, the data is subject to change. The total number of assignments completed during the six months ending September 30, 2019, was 5,575. The number of audit reports issued is less than the number of completed assignments because some assignments are part of a larger audit or because the scope of the work performed does not constitute an audit or attestation engagement under generally accepted government auditing standards.
2. This schedule represents audits performed by DCAA summarized into four principal categories, which are defined as:
 - Incurring Costs – Audits of direct and indirect costs charged to Government contracts to determine that the costs are reasonable, allocable, and allowable as prescribed by the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, and provisions of the contract. Also included under incurred cost audits are Operations Audits, which evaluate a contractor's operations and management practices to identify opportunities for increased efficiency and economy; and Special Audits, which include audits of terminations and claims.
 - Forward Pricing Proposals – Audits of estimated future costs of proposed contract prices, proposed contract change orders, costs for redeterminable fixed-price contracts, and costs incurred but not yet covered by definitized contracts.
 - Cost Accounting Standards – A review of a contractor's cost impact statement required due to changes to disclosed practices, failure to consistently follow a disclosed or established cost accounting practice, or noncompliance with a Cost Accounting Standard.
 - Defective Pricing – A review to determine whether contracts are based on current, complete and accurate cost or pricing data (the Truth in Negotiations Act).
3. Questioned costs represent costs that DCAA has questioned because they do not comply with rules, regulations, laws, or contractual terms.
4. Represents recommendations associated with Operations Audits where DCAA has expressed an opinion that funds could be used more effectively if contractor management took action to implement cost reduction recommendations.
5. Represents potential cost reductions that may be realized during contract negotiations.
6. Defective pricing dollars examined are not reported because the original value was included in the audits associated with the original forward pricing proposals.

Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, § 8(f)(1).

STATUS OF ACTION ON POST-AWARD CONTRACT AUDITS¹

	Number of Reports	Costs Questioned ⁷ (in millions)	Costs Sustained ⁸ (in millions)
Open Reports			
Within Guidelines ²	295	\$1,188.2	N/A ⁸
Overage, greater than 6 months ³	806	\$5,152.4	N/A
Overage, greater than 12 months ⁴	564	\$4,402.9	N/A
Under Criminal Investigation ⁵	54	\$177.5	N/A
In Litigation ⁶	228	\$1,532.2	N/A
Total Open Reports	1,947	\$12,453.2	N/A
Dispositioned (Closed) Reports	396	\$1,223.1	\$464.0 (37.9%) ⁹
All Reports	2,343	\$13,676.3	N/A

1. We are reporting on the status of significant post-award contract audits in accordance with DoD Instruction 7640.02, "Policy for Follow-up on Contract Audit Reports," April 15, 2015. The data in the table represents the status of Defense Contract Audit Agency post-award reports, including reports on incurred costs, defective pricing, equitable adjustments, accounting and related internal control systems, and Cost Accounting Standard noncompliances. The DoD Components provided the data. We have not verified the accuracy of the provided data.
2. Contracting officers assigned to take action on these reports met the resolution and disposition time frames established by OMB Circular A-50, "Audit Follow-up," and DoD Instruction 7640.02. OMB Circular A-50 and DoD Instruction 7640.02 require that contracting officers resolve audit reports within 6 months. Generally, contracting officers resolve an audit when they determine a course of action that they document in accordance with agency policy. DoD Instruction 7640.02 also requires that a contracting officer disposition an audit report within 12 months. Generally, contracting officers disposition a report when they negotiate a settlement with the contractor, or they issue a final decision pursuant to the Disputes Clause.
3. Contracting officers have not resolved these overage reports within the 6-month resolution requirement.
4. Contracting officers have not dispositioned these overage reports within the 12-month disposition requirement.
5. Of the 1,947 open reports, 54 are under criminal investigation and 228 are in litigation.
6. Costs Questioned represents the amount of audit exception, potential cost avoidance, or recommended price adjustment in the audit report.
7. Costs Sustained represents the questioned costs, potential cost avoidance, or recommended price adjustment sustained by contracting officers. Contracting officers report Cost Sustained when they disposition a report.
8. Not applicable.
9. For the 6-month period ended September 30, 2019, contracting officers sustained \$464.0 million (37.9 percent) of the \$1,223.1 million questioned in the dispositioned reports. The 37.9 percent sustention rate represents an increase from the 25.8 percent rate reported for the period ended March 31, 2019.

Fulfills requirement of DoD Instruction 7640.02, Enclosure 2, Section (1)(d).

STATUS OF REPORTS WITH ACTION PENDING AS OF SEPTEMBER 30, 2019

Report: D-2006-077, DoD Personnel Security Clearance Process at Requesting Activities, 4/19/2006

Description of Action: Update DoD Personnel Security Clearance Program policies to include information on investigative responsibilities, security clearance systems, submission processes, levels of security clearances, and training requirements.

Reason Action Not Completed: Awaiting the issuance of revised Army related guidance, Army Regulation 380-67.

Principal Action Office: Army

Report: D-2009-062, Internal Controls Over DoD Cash and Other Monetary Assets, 3/25/2009

Description of Action: Develop policy to ensure the U.S. Treasury account symbols are used only as intended and revise the DoD Financial Management Regulation to reflect implementation of the related changes.

Reason Action Not Completed: Awaiting the revision of DoD guidance to reflect the implementation of the new U.S. Treasury accounts symbols.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: D-2010-026, Joint Civilian Orientation Conference Program, 12/9/2009

Description of Action: Update DoD Instruction 5410.19 to clarify how to administer and manage the Joint Civilian Orientation Conference program.

Reason Action Not Completed: Extensive time required to coordinate revision of DoD Instruction 5410.19.

Principal Action Office: Assistant Secretary of Defense for Public Affairs

Report: D-2011-060, Marine Corps Inventory of Small Arms Was Generally Accurate but Improvements Are Needed for Related Guidance and Training, 4/22/2011

Description of Action: Update the small arms accountability guidance in Marine Corps Order 5530.14A.

Reason Action Not Completed: Delayed while awaiting the release of DoD Directive 5210.56, "Arming and the Use of Force," DoD Instruction 5200.08, "Security of DoD Installations and Resources," and DoD Instruction 5200.08-R "Physical Security Program." These DoD policy documents provide DoD-level physical security policy to the Services and influence the entire content of Marine Corps Order 5530.14A.

Principal Action Office: Marine Corps

Report: DODIG-2012-017, U.S. Naval Academy Officials Did Not Adhere to Contracting and Gift Policies, 11/7/2011

Description of Action: Record all in-kind gifts into the Naval History and Heritage Command inventory system and require the U.S. Naval Academy Museum Director to use the software system.

Reason Action Not Completed: The U.S. Naval Academy Museum does not have access to the Department of Navy Heritage Asset Management System because a cloud-based server was lost due to a major hardware failure. Chief Information Officer and Space and Naval Warfare Systems Command technicians and the contractor are in the process of installing and reconfiguring the system software to ensure the application is available to all system users.

Principal Action Office: Navy

Report: DODIG-2012-041, Evaluation of DoD Contracts Regarding Combating Trafficking in Persons: U.S. European Command and U.S. Africa Command, 1/17/2012

Description of Action: Modify deficient contracts to include appropriate Federal Acquisition Regulation Combating Trafficking in Persons clauses.

Reason Action Not Completed: Extensive time required to coordinate and implement corrective actions.

Principal Action Office: Army

Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix, § 5(b)(4). For this reporting period, there were disallowed costs of \$443 million on reports over 12 months old with final action pending.

Report: DODIG-2012-082, DoD Can Improve Its Accounting for Residual Value From the Sale of U.S. Facilities in Europe, 5/4/2012

Description of Action: Revise DoD Instruction 4165.69 to require that future residual value settlement negotiations analyze and document how the residual value settlement amount was determined.

Reason Action Not Completed: Delayed efforts to revise DoD Instruction 4165.69 due to legislative changes.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2012-107, Defense Finance and Accounting Service Needs to Improve the Process for Reconciling the Other Defense Organizations' Fund Balance With Treasury, 7/9/2012

Description of Action: Develop a systems infrastructure that will allow retrieval of detailed transactions that support open appropriations; reconciliations between transactions supporting the amounts on the Cash Management Report and Other Defense Organizations' (ODO) accounting systems; and monthly transaction-level reconciliations for the ODOs.

Reason Action Not Completed: Department 97 Reconciliation and Reporting Tool Increment 3 is under development and will add six new reconciliations, funding/receipt/suspense data, and be hosted on a Defense Information Systems Agency Secure Internet Protocol Router platform to support sensitive activities' data. Implementation date is dependent on when Defense Information Systems Agency can provide the platform and the appropriate accreditation can be acquired.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2012-110, Better Oversight Needed for the National Guard's Weapons of Mass Destruction Civil Support Teams, 7/2/2012

Description of Action: Develop a written oversight plan in coordination with personnel from each Joint Force Headquarters-State that verifies compliance with mission reporting requirements and provides feedback to Weapons of Mass Destruction Civil Support Teams on omissions and errors.

Reason Action Not Completed: Chief National Guard Bureau manual that governs the management of Weapons of Mass Destruction Civil Support Teams continues to be staffed.

Principal Action Office: National Guard Bureau

Report: DODIG-2012-117, DoD Needs to Improve Controls Over Economy Act Orders with U.S. Agency for International Development, 8/14/2012

Description of Action: Ensure that the Defense Federal Acquisition Regulation Supplement properly references the DoD Financial Management Regulation as the appropriate policy mechanism for financing Economy Act orders with non-DoD agencies. Update the Procedures, Guidance, and Information to include a section on how to properly monitor interagency acquisitions.

Reason Action Not Completed: Updates to Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information is ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2012-122, DoD Should Procure Compliant Physical Access Control Systems to Reduce the Risk of Unauthorized Access, 8/29/2012

Description of Action: Revise Chief of Naval Operations Instruction 5530.14E to require installation security personnel to be involved during the site surveys.

Reason Action Not Completed: Corrective actions are ongoing to revise Chief of Naval Operations Instruction 5530.14E.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Navy

Report: DODIG-2012-135, Mi-17 Overhauls Had Significant Cost Overruns and Schedule Delays, 9/27/2012

Description of Action: Withhold payments on additional costs associated with two contractors' requests for equitable adjustments until all costs have been determined to be reasonable, allowable, and allocable, and the Head of the Contracting Activity has reviewed the requisite analyses.

Reason Action Not Completed: Analyses to determine whether costs are reasonable, allowable, and allocable, and the requisite analyses to be reviewed by the Head of the Contracting Activity is still ongoing.

Principal Action Office: Army

Report: DODIG-2013-005, Performance Framework and Better Management of Resources Needed for the Ministry of Defense Advisors Program, 10/23/2012

Description of Action: Develop a performance management framework to cover Ministry of Defense Advisors' program office responsibilities, including advisor recruiting, training, and deployment performance indicators to assess progress and measure program results.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Security Cooperation Agency

Report: DODIG-2013-031, Audit of the F-35 Lightning II Autonomic Logistics Information Systems (ALIS), 12/10/2012

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: F-35 Joint Program Office

Report: DODIG-2013-035, Better Reporting and Certification Processes Can Improve Red Teams' Effectiveness, 12/21/2012

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2013-050, Recovering Organizational Clothing and Individual Equipment From Civilians and Contractor Employees Remains a Challenge, 2/22/2013

Description of Action: Complete the records review and perform final adjudication of unreturned organizational clothing and individual equipment issued to civilians and contractors.

Reason Action Not Completed: DoD OIG has not received evidence that demonstrates the implementation of corrective actions.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2013-070, Defense Agencies Initiative Did Not Contain Some Required Data Needed to Produce Reliable Financial Statements, 4/19/2013

Description of Action: Revise DoD Financial Management Regulation guidance to require costs of programs reported in the Statement of Net Cost to be accounted for by program costs and not by appropriation, enabling the use of the Program Indicator Code attribute.

Reason Action Not Completed: Extensive time required to revise and coordinate policy guidance.

Principal Action Office: Under Secretary of Defense Comptroller/Chief Financial Officer

Report: DODIG-2013-072, Data Loss Prevention Strategy Needed for the Case Adjudication Tracking System, 4/24/2013

Description of Action: Develop a plan and funding to move the disaster recovery site outside of the National Capital Region.

Reason Action Not Completed: Defense Manpower Data Center is working with the National Background Investigation System and Defense Information System Agency to setup the permanent continuity of operations infrastructure at the Defense Information System Agency Defense Enterprise Computing Center.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2013-078, TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce, 5/1/2013

Description of Action: Perform a comprehensive review of Tricare Management Activity's compliance with the recommendation to develop a time-phased plan for all acquisition workforce personnel who did not attain position required certifications within allowed timeframes to obtain certifications, and as appropriate, initiate administrative action to remove them from acquisition-related positions.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2013-082, Hotline Allegation Regarding the Failure to Take Action on Material Management and Accounting System (MMAS) Audit Findings, 5/29/2013

Description of Action: Reevaluate the determination that the costs of complying with Standard 2 outweigh the benefits, and document adequate rationale for any disagreements with the auditor in accordance with DoD Instruction 7640.02. Reassess the appropriateness of the March 15, 2013, agreement with the contractor on the master production schedule accuracy calculation.

Reason Action Not Completed: Two recommendations are in the resolution process.

Principal Action Office: Navy

Report: DODIG-2013-085, Cryptographic Modernization of Critical Nuclear Command, Control, and Communications Systems, 5/29/2013

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: National Security Agency

Report: DODIG-2013-097, Improvements Needed in the Oversight of the Medical-Support Services and Award-Fee Process Under the Camp As Sayliyah, Qatar, Base Operation Support Services Contract, 6/26/2013

Description of Action: Revise Army Regulation 40-68, "Clinical Quality Management," to align the regulation with supervision requirements set forth in Federal Acquisition Regulation 37.4.

Reason Action Not Completed: Extensive time required to coordinate and issue revised guidance.

Principal Action Office: Army

Report: DODIG-2013-100, Contract Administration of the Subsistence Prime Vendor Contract for Afghanistan Improved, but Additional Actions are Needed, 7/2/2013

Description of Action: Initiate corrective actions to recover premium transportation fees and provide a refund to the Army after litigation is completed.

Reason Action Not Completed: An Armed Services Board of Contract Appeals case remains in litigation.

Principal Action Office: Defense Logistics Agency

Report: DODIG-2013-102, Improved Oversight of Communications Capabilities Preparedness Needed for Domestic Emergencies, 7/1/2013

Description of Action: Establish oversight procedures, including performance metrics, to verify that National Guard units report the readiness status of personnel and equipment for the Joint Incident Site Communications Capability system in a timely manner.

Reason Action Not Completed: Awaiting supporting documentation to verify distribution of updated standard operating procedures to the 54 states, territories, and Washington, D.C.

Principal Action Office: National Guard Bureau

Report: DODIG-2013-112, Assessment of DoD Long-Term Intelligence Analysis Capabilities, 8/5/2013

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence

Report: DODIG-2013-119, Better Procedures and Oversight Needed to Accurately Identify and Prioritize Task Critical Assets, 8/16/2013

Description of Action: Develop or update policies and procedures to include all Defense Critical Infrastructure Program requirements and critical asset identification process steps in DoD Instruction 3020.45.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Assistant Secretary of Defense for Homeland Defense and Global Security

Report: DODIG-2013-123, Army Needs To Improve Mi-17 Overhaul Management and Contract Administration, 8/30/2013

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Extensive time required to implement corrective actions.

Principal Action Office: Army

Report: DODIG-2013-130, Army Needs to Improve Controls and Audit Trails for the General Fund Enterprise Business System Acquire-to-Retire Business Process, 9/13/2013

Description of Action: Review all real property data in the General Fund Enterprise Business System to ensure the system contains the correct data going forward and track the costs associated with this effort and other data cleansing efforts so they can be calculated as part of the cost of the General Fund Enterprise Business System implementation or as part of the Army's audit readiness efforts.

Reason Action Not Completed: Real property assets that failed specific business rules that were subject to a specific action needs to be provided and validated. The Installation Management community is still validating and correcting the nine plant replacement value data elements. Final costs that were reported in the General Fund Enterprise Business System as depreciation expense is yet to be provided.

Principal Action Office: Army

Report: DODIG-2014-001, MV-22 Squadrons Could Improve Reporting of Mission Capability Rates and Readiness, 10/23/2013

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2014-019, Assessment of Continental United States Based Nuclear Response Task Force Programs, 12/3/2013

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Northern Command

Report: DODIG-2014-038, Air Force Life Cycle Management Center Could Not Identify Actual Cost of F119 Engine Spare Parts Purchased From Pratt and Whitney, 2/10/2014

Description of Action: Develop a process to identify and document actual spare part costs for 2010 and each subsequent year for use in determining fair and reasonable prices.

Reason Action Not Completed: Actions to implement the Defense Property Accountability System with the contractor's Special Access Program system (System, Applications & Products in Data Processing) that the Air Force will use to capture actual historical cost/price information are ongoing.

Principal Action Office: Air Force

Report: DODIG-2014-049, DoD Considered Small Business Innovation Research Intellectual Property Protections in Phase III Contracts, but Program Improvements Are Needed, 3/27/2014

Description of Action: Address inconsistencies between the Defense Federal Acquisition Regulation Supplement and the Small Business Administration Policy Directive regarding intellectual property; and address proposed revisions to the Defense Federal Acquisition Regulation Supplement clauses to clarify and better implement the initiation and extension of the protection period as provided in the Small Business Administration Small Business Innovation Research Policy Directive.

Reason Action Not Completed: Small Business Administration is developing a policy directive on intellectual property protections and published a Notice of Proposed Amendments in the Federal Register. Once comments are adjudicated, a rule is published in the Federal Register, and the policy directive is finalized, the DoD will make any necessary changes to the DoD Federal Acquisition Regulation Supplement.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2014-055, Investigation of a Hotline Allegation of a Questionable Intelligence Activity Concerning the Joint Improvised Explosive Device Defeat Organization Counter-Improvised Explosive Device Operations/Intelligence Integration Center, 4/4/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Defense Threat Reduction Agency

Report: DODIG-2014-060, An Assessment of Contractor Personnel Security Clearance Processes in the Four Defense Intelligence Agencies, 4/14/2014

Description of Action: Develop and issue an overarching policy governing operation of the System of Record for Personnel Security Clearances, including identification of the categories of investigations to be titled and indexed, and the retention criteria.

Reason Action Not Completed: DoD OIG awaits a status report on actions taken to finalize the overarching policy that addresses the agreed-upon recommendations.

Principal Action Office: Under Secretary of Defense for Intelligence, OSD General Counsel, Defense Intelligence Agency

Report: DODIG-2014-066, Logistics Modernization Program System Not Configured to Support Statement of Budgetary Resources, 5/5/2014

Description of Action: Develop procedures for distributing Defense Working Capital Fund budget authority to the budget offices for recording in the Enterprise Resource Planning systems that support the Defense Working Capital Fund.

Reason Action Not Completed: The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, is in the process of implementing procedures within the DoD Enterprise Funds Distribution system to track Fund Center recipients (budget offices) of funding of Comptroller allotments and record the U.S. Standard General Ledger behind the budgetary related business event. The Office of the Under Secretary of Defense (Comptroller) is also implementing an interface within the Enterprise Funds Distribution system to communicate budget balances to reporting and accounting systems. Target completion date is October 2019.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Army

Report: DODIG-2014-083, Insufficient Infrastructure Support to the Fixed Submarine Broadcast System, 6/23/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: DODIG-2014-090, Improvements Needed in the General Fund Enterprise Business System Budget-to-Report Business Process, 7/2/2014

Description of Action: Verify that the General Fund Enterprise Business System posting logic documentation is accurate and complete, and use it to validate General Fund Enterprise Business System general ledger account postings.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2014-093, Inspection of the Armed Forces Retirement Home, 7/23/2014

Description of Action: Under the authority given to the Secretary of Defense in section 411(d)(3), title 24, United States Code, issue a directive type memorandum for immediate action (followed by a revision of DoD Instruction 1000.28, "Armed Forces Retirement Home," February 1, 2010) to codify the results.

Reason Action Not Completed: Revision of DoD Instruction 1000.28 is in the process of being finalized and published.

Principal Action Office: DoD Chief Management Officer

Report: DODIG-2014-096, Improvements Needed in Contract Administration of Mi-17 Cockpit Modification Task Order, 7/28/2014

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2014-100, Assessment of DoD Wounded Warrior Matters: Selection and Training of Warrior Transition Unit and Wounded Warrior Battalion Leaders and Cadre, 8/22/2014

Description of Action: Provide the action plan on future Wounded Warrior Regiment staffing and manning requirements.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Marine Corps

Report: DODIG-2014-101, Delinquent Medical Service Accounts at Brooke Army Medical Center Need Additional Management Oversight, 8/13/2014

Description of Action: Send dispute letters to Texas Medicaid and Healthcare Partnership for all claims denied for missing the 95-day filing requirement; provide U.S. Army Medical Command all the Medicaid-eligible claims denied by Texas Medicaid Health Partnership for missing the 95-day filing requirement to identify the value and impact of those claims to Brooke Army Medical Center; and meet with Department of Health and Human Services to discuss difficulties Brooke Army Medical Center has encountered with denied claims and reimbursement levels from the Texas Medicaid and Healthcare Partnership.

Reason Action Not Completed: DoD OIG is assessing U.S. Army Medical Command corrective actions.

Principal Action Office: Army

Report: DODIG-2014-102, Government of the Islamic Republic of Afghanistan Needs to Provide Better Accountability and Transparency Over Direct Contributions, 8/29/2014

Description of Action: Require the Government of the Islamic Republic of Afghanistan Ministries of Defense and Interior to automate their payroll processes and eliminate manual edits after payroll documents have been approved.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: U.S. Central Command

Report: DODIG-2014-118, Improvements Needed in Contract Award of Mi-17 Cockpit Modification Task Order, 9/19/2014

Description of Action: Review all locally issued policies for consistency, currency, accuracy, elimination and streamlining. Also recoup payments made to contractor for Mi-17 manuals not accepted or delivered to the Government.

Reason Action Not Completed: Awaiting results of review on locally issued policies and corrective actions taken or updated guidance issued. Final legal decision on whether the \$216,345 identified as potential monetary benefits will be recouped from the contractor has not been determined.

Principal Action Office: Army

Report: DODIG-2014-121, Military Housing Inspections - Japan, 9/30/2014

Description of Action: Issue Department of Defense guidance to resolve inconsistencies among the Military Services for assessing, remediating, and preventing mold and; assessing and mitigating radon.

Reason Action Not Completed: Extensive amount of time required to properly coordinate and publish DoD guidance.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2015-001, Assessment of the Department of Defense Prisoner of War/Missing in Action Accounting Community, 10/17/2014

Description of Action: Under Secretary of Defense for Personnel and Readiness will establish DoD-wide policy regarding the disinterment of unknowns from past conflicts.

Reason Action Not Completed: DoD OIG awaits the final issuance of the updated Mortuary Affairs policy.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-002, Assessment of DoD-Provided Healthcare for Members of the United States Armed Forces Reserve Components, 10/8/2014

Description of Action: Develop Defense Health Affairs line-of-duty forms to provide procedural instructions to implement controls outlined in DoD Instruction 1241.01. Update DoD Instruction 1200.15 to include revisions regarding members meeting individual medical readiness requirements when transferring from an Active Component to the Selected Reserve.

Reason Action Not Completed: Publication of Defense Health Agency procedural instruction has been impacted by section 702 of the FY 2017 National Defense Authorization Act, which resulted in changes to responsibilities and authorities of the Defense Health Agency and the Military Department Surgeons General, and required further updates to Department Health Agency guidance. Publication of the Department Health Agency-Procedural Instruction and issuance of new line-of-duty forms is anticipated in FY 2020.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-004, Assessment of DoD Long-Term Intelligence Analysis Capabilities Phase II, 10/10/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence, Defense Intelligence Agency

Report: DODIG-2015-006, Policy Changes Needed at Defense Contract Management Agency to Ensure Forward Pricing Rates Result in Fair and Reasonable Contract Pricing, 10/9/2014

Description of Action: Provide training to the administrative contracting officer community on the use of cost analysis to determine fair and reasonable forward pricing rate recommendations and forward pricing rate agreement rates. Also, provide training on the Federal Acquisition Regulation requirement to tailor the request for audit services.

Reason Action Not Completed: Corrective actions are ongoing as training is being offered and awaiting submittal of training records to support implementation.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2015-010, Defense Logistics Agency Did Not Fully Implement the Business Enterprise Architecture Procure-to-Pay Business Process in the Enterprise Business System, 10/28/2014

Description of Action: Conduct a comprehensive business process re-engineering assessment of the Defense Logistics Agency's Procure-to-Pay phases affected by the Enterprise Business System and EProcurement.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: DoD Chief Management Officer

Report: DODIG-2015-011, Evaluation of the Defense Criminal Investigative Organizations' Defense Incident-Based Reporting System Reporting and Reporting Accuracy, 10/29/2014

Description of Action: Ensure Defense Incident-Based Reporting System data submitters provide accurate and complete data submissions within 15 workdays after the end of each month, and that error corrections are completed within 30 days of Defense Manpower Data Center notifications and are tracked to completion as required by DoD Manual 7730.47-M, volume 1.

Reason Action Not Completed: Deployment of the Naval Justice Information System (NJIS) has been delayed due to data migration issues between Consolidated Law Enforcement Operations Center (CLEOC) and NJIS. Defense Criminal Investigative Service is working on the ability to input required Defense Incident-Based Reporting data into the Case Reporting Information Management System.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Navy, and Defense Criminal Investigative Service

Report: DODIG-2015-013, Military Housing Inspections - Republic of Korea, 10/28/2014

Description of Action: Issue DoD guidance to resolve inconsistencies among the Military Services for assessing, remediating, and preventing mold, and; assessing and mitigating radon.

Reason Action Not Completed: Extensive amount of time required to properly coordinate and publish DoD guidance.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2015-016, Department of Defense Suicide Event Report (DoDSER) Data Quality Assessment, 11/14/2014

Description of Action: Revise DoD and Service guidance to provide policy and procedures for data collection, and for submission and reporting of suicide events data.

Reason Action Not Completed: DoD Instruction 6490.16, "Defense Suicide Prevention Program," published in November 2017, does not address requiring suicide event boards or multidisciplinary approach to obtain data for Department of Defense Suicide Event Report submissions. Corrective actions are ongoing due to the Military Departments developing or updating their own departmental guidance.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Assistant Secretary of Defense for Health Affairs, Army, Navy, Marine Corps

Report: DODIG-2015-031, The Services Need To Improve Accuracy When Initially Assigning Demilitarization Codes, 11/7/2014

Description of Action: Revise DoD demilitarization program guidance. Require the Services to revise their respective demilitarization program guidance and establish a process to ensure compliance with demilitarization training requirements; identify and correct training deficiencies for both the Defense Demilitarization Program Course and annual refresher training; and establish controls to assign accurate demilitarization codes.

Reason Action Not Completed: DoD Manual 4160.28, volume 1, "Defense Demilitarization: Program Administration" does not contain required elements that fully address the recommendation. Corrective actions are ongoing due to the Services developing or updating their own departmental guidance.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2015-040, Defense Health Agency Did Not Have Adequate Controls in the North Region to Detect Improper Payments for Claims Submitted by Skilled Nursing Facilities, 11/25/2014

Description of Action: Conduct comprehensive medical reviews of skilled nursing facility claims to ensure the claims are documented, billed, and paid appropriately.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2015-045, DoD Cloud Computing Strategy Needs Implementation Plan and Detailed Waiver Process, 12/4/2014

Description of Action: Develop a waiver process providing detailed guidance on how to obtain a Global Information Grid waiver for cloud computing in the DoD.

Reason Action Not Completed: DoD Instruction 8010.01, "DoD Information Network Transport," published in September 2018, does not provide guidance on obtaining a Global Information Grid waiver for cloud computing in the DoD.

Principal Action Office: DoD Chief Information Officer

Report: DODIG-2015-046, Navy Commands Need to Improve Logical and Physical Controls Protecting SIPRNET Access Points, 12/10/2014

Description of Action: Update Department of the Navy policy to implement at least the minimum requirements for performing a risk assessment as required by DoD Manual 5200.01, Volume 3.

Reason Action Not Completed: Update of Secretary of the Navy Manual 5510.36 is still ongoing.

Principal Action Office: Navy

Report: DODIG-2015-048, Personnel and Support Needed for Joint Cyber Center Operations at Combatant Commands, 12/9/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff, U.S. Strategic Command, U.S. Cyber Command

Report: DODIG-2015-052, Air Force Life Cycle Management Center's Management of F119 Engine Spare Parts Needs Improvement, 12/19/2014

Description of Action: F-22/F119 Program Office will develop a plan with Defense Contract Management Agency to formally accept all Government-owned property when contract performance ends, and ensure this plan clarifies current Defense Contract Management Agency acceptance responsibilities.

Reason Action Not Completed: Extensive time required to implement corrective actions.

Principal Action Office: Air Force

Report: DODIG-2015-053, Naval Supply Systems Command Needs to Improve Cost Effectiveness of Purchases for the Phalanx Close-In Weapon System, 12/19/2014

Description of Action: Provide the results of the Defense Contract Audit Agency followup audit on the Material Management and Accounting Systems, and the variation in quantity analysis for years four and five of the Close-In Weapon Systems Performance Based Logistics 3 contract.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2015-056, Opportunities to Improve the Elimination of Intragovernmental Transactions in DoD Financial Statements, 12/22/2014

Description of Action: The Business Integration Office will create a full cost estimate for full implementation of the Invoice Processing Platform (now G-Invoicing) across the DoD. Also, the DoD Comptroller/Chief Financial Officer DoD, will revise DoD Financial Management Regulation, volume 6B, chapter 13, to mandate the use of G-Invoicing for Buy/Sell transactions.

Reason Action Not Completed: The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, and the Defense Finance and Accounting Service are revising the DoD Financial Management Regulation. In addition, the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, is revising DoD Instruction 4000.19 in collaboration with the acquisition community.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2015-057, Title is Classified. 12/19/2014

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2015-062, DoD Needs Dam Safety Inspection Policy to Enable the Services to Detect Conditions That Could Lead to Dam Failure, 12/31/2014

Description of Action: Establish DoD dam safety inspection policy that is in accordance with the Federal Guidelines for Dam Safety, which define inspection frequency, scope, and inspector qualifications and outline the need to develop and maintain inspection support documentation.

Reason Action Not Completed: DoD OIG is coordinating with DoD and Air Force officials as they finalize their respective corrective actions to ensure they meet the intent and conclude with the closure of their respective DoD OIG recommendations.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Air Force

Report: DODIG-2015-064, Assessment of Intelligence Support to In-Transit Force Protection, 1/2/2015

Description of Action: Update the 2003 Memorandum of Understanding to reflect DoD policy and requirements with the Force Protection Detachment program and the Embassy's Country Team environment. Also, ensure that the Joint Counterintelligence Training Academy completes and fields the Force Protection Detachment computer-based training course.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Intelligence, Defense Intelligence Agency

Report: DODIG-2015-070, Evaluation of Alternative Compensatory Control Measures Program, 1/28/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2015-072, Improvements Needed for Navy's Triannual Review, 1/22/2015

Description of Action: Develop standard queries for the budget submitting offices to ensure completeness of data extracted for triannual reviews. Develop and implement Navy triannual review standard procedures, based on Marine Corps best practices, to compile a universe of obligations for the budget submitting offices to use in performing the triannual review. Conduct comprehensive reviews, including reconciliations, of the triannual review results and follow up on inconsistencies.

Reason Action Not Completed: Navy Office of Budget officials continue to work with Navy system owners to find an automated solution to develop data sets from multiple Navy accounting systems and alleviate the manual data call method currently in use.

Principal Action Office: Navy

Report: DODIG-2015-078, Evaluation of the Defense Criminal Investigative Organizations' Compliance with the Lautenberg Amendment Requirements and Implementing Guidance, 2/6/2015

Description of Action: Revise DoD Instruction 6400.06 and Navy guidance to develop policy to ensure employees who have a qualifying conviction comply with Federal law to dispose of privately owned firearms and ammunition and to certify compliance annually.

Reason Action Not Completed: The re-issuance of DoD Instruction 6400.06 is expected in FY 2020.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-081, Evaluation of Department of Defense Compliance with Criminal History Data Reporting Requirements, 2/12/2015

Description of Action: Submit the missing 304 fingerprints and 334 final disposition reports to the Federal Bureau of Investigation for inclusion in the Integrated Automated Fingerprint Identification System.

Reason Action Not Completed: Actions are ongoing toward finalizing efforts to obtain and submit the remaining missing fingerprints and final disposition reports to the Federal Bureau of Investigation for inclusion in the Integrated Automated Fingerprint Identification System/Next Generation Identification database.

Principal Action Office: Navy

Report: DODIG-2015-090, Evaluation of Aircraft Ejection Seat Safety When Using Advanced Helmet Sensors, 3/9/2015

Description of Action: Ensure consistent documentation of aircraft ejection data to increase the data available for ejections with helmet mounted devices and/or night vision goggles to improve the safety risk analysis. Also, review and update Joint Service Specification Guide 2010-11 to reflect changes in policy and technology that have occurred in the last 16 years.

Reason Action Not Completed: Corrective actions are expected to be completed by first quarter FY 2020.

Principal Action Office: Navy, Air Force

Report: DODIG-2015-092, F-35 Lightning II Program Quality Assurance and Corrective Action Evaluation, 3/11/2015

Description of Action: Conduct periodic Critical Safety Item Program evaluations of Lockheed Martin and its suppliers to ensure compliance with public law and the Joint Service Critical Safety Item Instruction.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: F-35 Joint Program Office

Report: DODIG-2015-102, Additional Actions Needed to Effectively Reconcile Navy's Fund Balance With Treasury Account, 4/3/2015

Description of Action: Develop a reconciliation process that is based on detail-level transaction data from the Department of the Navy's general ledger systems. Design and implement controls within the end-to-end Fund Balance With Treasury business process for resolving amounts reported on the "Statement of Differences-Disbursements."

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2015-107, Challenges Exist for Asset Accountability and Maintenance and Sustainment of Vehicles Within the Afghan National Security Forces, 4/17/2015

Description of Action: Perform a reconciliation to ensure vehicle information is accurate and complete and assess the accuracy of property transfer records.

Reason Action Not Completed: Actions are ongoing to reconcile information in the Operational Verification of Reliable Logistics Oversight Database against information in the Security Cooperation Information Portal to ensure vehicle information is accurate and complete. Actions are also ongoing to verify the accuracy of property transfer records pending the Security Assistance Office's completion of its reconciliation process.

Principal Action Office: U.S. Central Command

Report: DODIG-2015-111, F-35 Engine Quality Assurance Inspection, 4/27/2015

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: F-35 Joint Program Office

Report: DODIG-2015-114, Navy Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance, 5/1/2015

Description of Action: Policy memorandum is being drafted that will require Naval Sea Systems Command business units to complete Contractor Performance Assessment Reports within 120 days of the end of the contract performance period. It will also require Naval Sea Systems Command offices responsible for any contract requiring Contractor Performance Assessment Reports to ensure the contract is properly registered in Contractor Performance Assessment Reports. Additionally, it will require first-line managers above the contracting officer's representative to review the Contractor Performance Assessment Reports prior to sending them to the contractor for review, and that all contracting officer's representatives complete Contractor Performance Assessment Reports training.

Reason Action Not Completed: Policy memorandum continues to be staffed.

Principal Action Office: Navy

Report: DODIG-2015-117, U.S. Cyber Command and Military Services Need to Reassess Processes for Fielding Cyber Mission Force Teams, 4/30/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Marine Corps

Report: DODIG-2015-122, Naval Air Systems Command Needs to Improve Management of Waiver Requests, 5/15/2015

Description of Action: Update Secretary of the Navy Instruction 5000.2E and Secretary of the Navy Manual M-5000.2 to emphasize that program managers must request waivers whenever they do not meet any of the 20 criteria the Navy guidance requires programs to meet to certify readiness for initial operational test and evaluation.

Reason Action Not Completed: Review of the new policy language is being conducted by key stakeholders within the Navy Test and Evaluation community.

Principal Action Office: Navy

Report: DODIG-2015-128, Army Needs to Improve Processes Over Government-Furnished Material Inventory Actions, 5/21/2015

Description of Action: Develop a business process and the Logistics Modernization Program posting logic to identify and track Army Working Capital Fund inventory provided to contractors as Government-furnished material within the Logistics Modernization Program system.

Reason Action Not Completed: There is a delay caused by upgrading the system and posting logic.

Principal Action Office: Army

Report: DODIG-2015-134, Assessment of the U.S. Theater Nuclear Planning Process, 6/18/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2015-137, Improvements Needed on DoD Procurements from Robertson Fuel Systems, 6/25/2015

Description of Action: Require contracting officers to obtain the necessary documentation to support the commerciality of any product from Robertson Fuel Systems, as defined by Federal Acquisition Regulation Subpart 2.101. If adequate support is not obtained, deem the item noncommercial and obtain certified cost or pricing data in accordance with Federal Acquisition Regulation Part 15 or obtain a waiver when appropriate.

Reason Action Not Completed: Corrective actions are still ongoing.

Principal Action Office: Navy

Report: DODIG-2015-142, Navy's Contract/Vendor Pay Process Was Not Auditable, 7/1/2015

Description of Action: Update the Department of the Navy's system business processes to ensure transactions are processed in compliance with the Statement of Federal Financial Accounting Standards 1.

Reason Action Not Completed: DoD OIG is coordinating with Navy officials to determine the current status of efforts toward gathering cost estimates to fund and schedule the necessary system changes.

Principal Action Office: Navy

Report: DODIG-2015-143, Patriot Express Program Could Be More Cost-Effective for Overseas Permanent Change of Station and Temporary Duty Travel, 7/6/2015

Description of Action: Implement controls in the Defense Travel System regarding checking Patriot Express availability and implement controls in the Defense Travel System to automatically route all travel orders for travel outside of the continental United States to transportation office personnel to check Patriot Express availability.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2015-148, Rights of Conscience Protections for Armed Forces Service Members and Their Chaplains, 7/22/2015

Description of Action: Ensure that programs of instruction for commissioned and noncommissioned officers include the updated guidance regarding religious accommodations contained in DoD Instruction 1300.17.

Reason Action Not Completed: Coordination to update Secretary of the Navy Instruction to include the updated guidance regarding religious accommodations contained in DoD Instruction 1300.17 is ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2015-150, Theater Blood Application Was Not Effectively Developed and Implemented, 7/17/2015

Description of Action: Ensure policies and procedures for medical information systems are documented, reviewed, and updated as necessary; develop a long-term sustainment strategy and discontinue investing additional money in the development of the Theater Blood Application until the application's sustainability is determined; develop policies and procedures for Theater Blood Application training requirements; and establish and implement a training program, followed by refresher training.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2015-151, Followup Audit: DoD Military Treatment Facilities Continue to Miss Opportunities to Collect on Third Party Outpatient Claims, 7/24/2015

Description of Action: Conduct an analysis to determine the sufficient time needed to conduct adequate follow up; ensure that military treatment facilities refer outstanding third party claims to the appropriate legal office; establish a quality assurance program and new protocols or procedures; and coordinate with the Services and the third party insurance providers to establish an agreement to accept their claims for 90-day prescription disbursements due.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2015-159, Followup Audit: More Improvements Needed for the Development of Wounded Warrior Battalion-East Marines' Recovery Plans, 8/7/2015

Description of Action: Initiate a performance review of the Wounded Warrior Regiment contracting officers for the Recovery Care Coordinator contract to determine whether administrative actions are warranted. Conduct a thorough review of the contracting file to determine whether any further courses of action are warranted.

Reason Action Not Completed: Pending submission of the contracting file review to determine whether any administrative actions are warranted.

Principal Action Office: Marine Corps

Report: DODIG-2015-161, Naval Personnel Can Improve Compliance With the Berry Amendment and Buy American Act, 8/12/2015

Description of Action: Review potential Antideficiency Act violations and, if a violation occurred, determine which officials are responsible and recommend corrective actions.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2015-162, Continental United States Military Housing Inspections - National Capital Region, 8/13/2015

Description of Action: Conduct an effective root cause analysis and implement a corrective action plan for all identified electrical, fire protection, environmental health, and safety deficiencies. Also, execute a plan for performing ongoing inspection and maintenance of all housing units to attain compliance with applicable electrical and fire protection codes and standards.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army, Navy

Report: DODIG-2015-168, Air Force Commands Need to Improve Logical and Physical Security Safeguards That Protect SIPRNET Access Points, 9/10/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2015-172, Naval Sea Systems Command Needs to Improve Management of Waiver and Deferral Requests, 9/14/2015

Description of Action: Revise Secretary of the Navy Instruction 5000.2E, "Department of the Navy Implementation and Operation of the Defense Acquisition System and the Joint Capabilities Integration and Development System," September 1, 2011, after the Vice Chairman, Joint Chiefs of Staff, revises the Joint Capabilities Integration and Development System Manual in response to Recommendation 1.

Reason Action Not Completed: DoD management has taken action to address the recommendations and provided supporting documentation to the DoD OIG that is currently under review.

Principal Action Office: Joint Chiefs of Staff, Navy

Report: DODIG-2015-177, Assessment of DoD/USCENTCOM and Coalition Plans/Efforts to Train, Advise, and Assist the Iraqi Army to Defeat the Islamic State of Iraq and the Levant, 9/30/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: U.S. Central Command

Report: DODIG-2015-181, Continental United States Military Housing Inspections-Southeast, 9/24/2015

Description of Action: Update policy to ensure that the Army publications properly and consistently address radon assessment and mitigation requirements. Conduct an effective root cause analysis and perform corrective actions for all fire protection deficiencies identified.

Reason Action Not Completed: OIG followup review to verify the implementation of corrective actions is ongoing.

Principal Action Office: Office of the Under Secretary of Defense for Acquisition and Sustainment, Army, Navy

Report: DODIG-2016-002, DoD Needs a Comprehensive Approach to Address Workplace Violence, 10/15/2015

Description of Action: Revise the Defense Federal Acquisition Regulation Supplement to address interim and final contractor requirements for the prevention of workplace violence. Revise policies and procedures and integrate existing programs to develop a comprehensive DoD-wide approach to address prevention and response to workplace violence.

Reason Action Not Completed: Awaiting updates to the Defense Federal Acquisition Regulation Supplement case and to issue updated policy addressing workplace violence.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2016-004, Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders, 10/28/2015

Description of Action: Develop procedures that require experienced contracting officer's representatives be identified before contractor work begins; trained before deployment; and provided adequate guidance to perform their duties. Issue guidance that requires all procurement contracting officers to create a quality assurance surveillance plan specific for each Logistics Civil Augmentation Program-issued task order.

Reason Action Not Completed: Army Execution Order 222-16 designated the Deputy Assistant Secretary of the Army for Procurement as the only authority for contracting policy. As a result, Headquarters, Army Contracting Command will elevate the update of the Expeditionary Contracting Command policy memorandum 12-8 to the ODASA(P) for resolution.

Principal Action Office: Army

Report: DODIG-2016-019, Small Business Contracting at Marine Corps Systems Command Needs Improvement, 11/10/2015

Description of Action: Establish guidance for contracting officers for reviewing, approving, and administering subcontracting plans, and verifying contractors submit the required subcontracting reports to the Electronic Subcontracting

Reporting System.

Reason Action Not Completed: Revision of standard operating procedures for small business subcontracting is ongoing.

Principal Action Office: Marine Corps

Report: DODIG-2016-024, U.S. Africa Command Needs to Improve Planning and Coordination for the Protection and Evacuation of U.S. Embassies and U.S. Citizens, 11/23/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, U.S. Africa Command

Report: DODIG-2016-026, Combat Mission Teams and Cyber Protection Teams Lacked Adequate Capabilities and Facilities to Perform Missions, 11/24/2015

Description of Action: Develop a doctrine, organization, training, materiel, leadership and education, personnel, facilities, and policy framework that address strategies to build, grow, and sustain the Cyber Mission Force. Formalize an agreement to focus capability development on functional and mission areas consistent with results of the mission alignment board.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy, Marine Corps, U.S. Cyber Command

Report: DODIG-2016-032, DoD's Range Capabilities to Conduct Cyber Exercises, 12/18/2015

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2016-035, External Peer Review Report on the National Guard Bureau Internal Review Office, 12/18/2015

Description of Action: Clarify National Guard Bureau Internal Review quality control policies and procedures, and prepare a plan for monitoring and summarizing the quality of the work performed at the National Guard Bureau Internal Review Office.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: National Guard Bureau

Report: DODIG-2016-054, Navy Controls for Invoice, Receipt, Acceptance, and Property Transfer System Need Improvement, 2/25/2016

Description of Action: Review the Invoice, Receipt, Acceptance, and Property Transfer system to verify that the Defense Logistics Agency's automated control for inactive users is working properly, and ensure separated employees user accounts were automatically disabled.

Reason Action Not Completed: Interface issues occurred between Invoice, Receipt, Acceptance, and Property Transfer and the Defense Enrollment Eligibility Reporting System that prevented automatic de-activation of accounts for departing personnel. The DoD OIG awaits evidence that demonstrate that interface issues have been resolved, and the automated control for inactive users is working properly and ensuring separated employees' user accounts were automatically disabled.

Principal Action Office: Navy

Report: DODIG-2016-061, U.S. Army Military Surface Deployment and Distribution Command Needs to Improve its Oversight of Labor Detention Charges at Military Ocean Terminal Sunny Point, 3/16/2016

Description of Action: Recoup charges for time charged as safety briefings erroneously charged as labor detention time. Review time records for ongoing Stevedore & Related Terminal Service contracts to identify labor detention charges subject to recoupment, and take action to recoup these costs.

Reason Action Not Completed: U.S. Transportation Command issued a debt notification letter to the vendor requesting repayment of the total overpayment amounts and is in the process of seeking payment from the contractor.

Principal Action Office: U.S. Transportation Command

Report: DODIG-2016-064, Other Defense Organizations and Defense Finance and Accounting Service Controls Over High-Risk Transactions Were Not Effective, 3/28/2016

Description of Action: The DoD Deputy Chief Financial Officer and Deputy Chief Management Officer, through the Financial Improvement Audit Readiness Governance Board, will review the strategy's implementation plan to track progress and assist with addressing implementation challenges. Also, develop a supplemental memorandum of understanding to further define specific roles and responsibilities, audit response, internal controls, performance metrics, and quality assurance plans.

Reason Action Not Completed: Corrective actions are still ongoing.

Principal Action Office: Under Secretary of Defense Comptroller/Chief Financial Officer, Assistant Secretary of Defense for Health Affairs, Defense Security Cooperation Agency

Report: DODIG-2016-066, Improvements Could Be Made in Reconciling Other Defense Organizations Civilian Pay to the General Ledger, 3/25/2016

Description of Action: Develop a formal plan to reconcile civilian pay records or review reconciliations for the remaining 14 Other Defense Organizations (ODOs). Revise existing standard operating procedures to clearly describe the civilian pay reconciliation process. Also, centralize the ODOs civilian pay reconciliation process, and coordinate with the Financial Improvement Audit Readiness Directorate to ensure there is an accurate assessment of the audit readiness of the ODO General Fund financial statements.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2016-072, DoD Needs to Improve Screening and Access Controls for General Public Tenants Leasing Housing on Military Installations, 4/1/2016

Description of Action: Issue or update guidance specifying the queries required to access the National Crime Information Center and the Interstate Identification Index files and conduct background checks in accordance with Service regulations.

Reason Action Not Completed: Updated guidance is in draft and in the process of being published.

Principal Action Office: Air Force

Report: DODIG-2016-079, Delinquent Medical Service Accounts at Landstuhl Regional

Medical Center Need Additional Management Oversight, 4/28/2016

Description of Action: Review, research, and pursue collection on the delinquent medical service accounts that remain open.

Reason Action Not Completed: DoD management has taken action to address the recommendation and provided supporting documentation to the DoD OIG that is currently under review.

Principal Action Office: Army

Report: DODIG-2016-080, Army's Management of Gray Eagle Spare Parts Needs Improvement, 4/29/2016

Description of Action: Use existing Defense Logistics Agency inventory, when possible, before purchasing spare parts from the contractor.

Reason Action Not Completed: Long-term corrective actions are ongoing. The DoD OIG has not received evidence that demonstrates the Army's use of existing Defense Logistics Agency inventory before purchasing parts from the contractor.

Principal Action Office: Army

Report: DODIG-2016-081, Evaluation of U.S. Intelligence and Information Sharing with Coalition Partners in Support of Operation Inherent Resolve, 4/25/2016

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Policy, Under Secretary of Defense for Intelligence

Report: DODIG-2016-086, DoD Met Most Requirements of the Improper Payments Elimination and Recovery Act in FY 2015, but Improper Payment Estimates Were Unreliable, 5/3/2016

Description of Action: Coordinate with all reporting activities to determine the source of all disbursed obligations and whether they are subject to improper payment reporting requirements.

Reason Action Not Completed: Corrective actions are still ongoing to determine the source of all disbursed obligations not reviewed for improper payments and whether they are subject to improper payment reporting requirements.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2016-087, Air Force Civil Engineer Center Management of Energy Savings Performance Contracts Needs Improvement, 5/4/2016

Description of Action: Validate Joint Base Charleston energy savings performance contract savings achieved for performance years 2 through 8 as statutorily mandated, and recommend the contracting officer take appropriate contractual action, such as recovering unrealized guaranteed energy savings or buying out the remaining portion of the contract.

Reason Action Not Completed: DoD OIG has not received evidence that demonstrates the Air Force review and validation of the yearly contractor claimed energy savings stated in the annual measurement and verification reports.

Principal Action Office: Air Force

Report: DODIG-2016-091, Evaluation of the Accuracy of Data in the DoD Contract Audit Follow-Up System, 5/13/2016

Description of Action: Revise agency procedures and internal controls to include the “Qualifications or Unresolved Cost” data field in the Defense Contract Audit Agency monthly report list of reportable audits, and to help ensure that contracting officers complete their required actions on all Defense Contract Audit Agency findings before they record the audit report as “dispositioned” in the Contract Audit Follow-up System.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Contract Audit Agency

Report: DODIG-2016-094, Audit of the DoD Healthcare Management System Modernization Program, 5/31/2016

Description of Action: Perform a schedule analysis to determine the DoD Healthcare Management System Modernization Program’s ability to meet the December 2016 National Defense Authorization Act deadline for initial operational capability. Monitor the DoD Healthcare Management System Modernization program risks and report to Congress quarterly on the progress of the program.

Reason Action Not Completed: The Program Executive Officer for Defense Healthcare Management Systems has not provided sufficient documentation to support their statement that the DoD Healthcare Management System Modernization program achieved the initial operational capability deadline, and that the Program Executive Officer is providing quarterly briefings to Congress on the progress of the DoD Healthcare Management System Modernization program.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2016-098, Evaluation of Foreign Officer Involvement at the United States Special Operations Command, 6/15/2016

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2016-099, U.S. Special Operations Command Controls Over the Requirements Development Process for Military Construction Projects Need Improvement, 6/17/2016

Description of Action: Revise U.S. Special Operations Command Directive 415-1 to require Components to maintain documentation to fully support scope calculations and cost estimates for military construction requirements.

Reason Action Not Completed: Coordination to update U.S. Special Operations Command Directive 415.1 is ongoing.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2016-103, Improvements Needed in Managing Army Suspense Accounts, 6/27/2016

Description of Action: Determine and obtain approval to establish special and deposit fund accounts that will replace account 3875.002 and revise the DoD Financial Management Regulation to reflect the changes in how the special fund and deposit fund accounts are to be used.

Reason Action Not Completed: Legislative proposal to establish the special and deposit fund accounts and update the DoD Financial Manual Regulation are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2016-104, Improvements Needed in Managing Department of the Navy Suspense Accounts, 6/30/2016

Description of Action: Draft legislative proposal will be submitted to ensure revenue activities related to the Department of the Navy recycling, agricultural leasing, forestry, and trademark program transactions are properly recorded and presented in appropriate Treasury accounts.

Reason Action Not Completed: Corrective actions are ongoing to draft a directive memorandum and establish a strategy to properly execute programs within Operation and Maintenance appropriations.

Principal Action Office: Navy

Report: DODIG-2016-107, Advanced Arresting Gear Program Exceeded Cost and Schedule Baselines, 7/5/2016

Description of Action: Perform cost-benefit analyses to determine whether the Advanced Arresting Gear is an affordable solution for Navy aircraft carriers before deciding to go forward with the system on future aircraft carriers.

Reason Action Not Completed: Navy has not provided the approved Acquisition Decision Memorandum to verify implementation of recommendation.

Principal Action Office: Navy

Report: DODIG-2016-108, Army Needs Greater Emphasis on Inventory Valuation, 7/12/2016

Description of Action: Establish policies and procedures focused on computing inventory valuation at moving average cost (MAC), including monitoring MAC values for National Item Identification Numbers at plants and making supported corrections of MAC values.

Reason Action Not Completed: DoD management has taken action to address the recommendation and provided supporting documentation to the DoD OIG that is currently under review.

Principal Action Office: Army

Report: DODIG-2016-112, Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance, 7/25/2016

Description of Action: Develop and implement organization-wide procedures that identify specific timeframes and steps for Contractor Performance Assessment Reporting System officials to perform to ensure they prepare performance assessment reports within 120 days, and include the 60-day contractor comment period.

Reason Action Not Completed: DoD OIG has not received Army evidence that the organization-wide procedures identify specific timeframes for completing and providing the performance assessment reports to the contractor.

Principal Action Office: Army

Report: DODIG-2016-114, Actions Needed to Improve Reporting of Marine Corps, Navy, and Air Force Operating Materials and Supplies, 7/26/2016, 7/26/2016

Description of Action: Perform quarterly reconciliation, and develop and issue policies and procedures to require the Army and other Services to specify and define the codes the Army and other Services use to indicate ownership of Operating Materials and Supplies-Ammunition. Disclose in the financial statements that assets categorized as Excess, Obsolete, and Unserviceable Operating Material and Supplies were valued at zero dollars based on the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD. Interim policy until appropriate Statements of Federal Financial Accounting Standards No. 3 compliant guidance is issued.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Army; Air Force

Report: DODIG-2016-116, Navy Needs to Establish Effective Metrics to Achieve Desired Outcomes for SPY-1 Radar Sustainment, 8/1/2016

Description of Action: Consult and establish an agreement with Advanced Traceability and Control and the operational commands when reevaluating the SPY-1 radar's product support strategy and designing the performance metrics included in future performance-based logistics contracts.

Reason Action Not Completed: Corrective actions are ongoing. Awaiting award of Navy contract to determine whether the recommendation has been addressed.

Principal Action Office: Navy

Report: DODIG-2016-120, Joint Improvised-Threat Defeat Agency Needs to Improve Assessment and Documentation of Counter-Improvised Explosive Device Initiatives, 8/9/2016

Description of Action: Conduct a review to ensure the Checkpoint database includes supporting documentation for each initiative at each management decision point.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2016-125, Evaluation of the DoD Nuclear Enterprise Governance, 9/19/2016

Description of Action: Codify the Nuclear Deterrent Enterprise Review Group in DoD Directive 5105.79, "DoD Senior Governance Councils." Update and reissue the Joint Nuclear Operations Doctrine. Document and track nuclear enterprise deficiencies or recommendations identified in Federal Advisory Committee, Government Accountability Office, DoD OIG reports, or reports produced by other task forces.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Cost Assessment and Program Evaluation

Report: DODIG-2016-126, Improvements Needed In Managing the Other Defense Organizations' Suspense Accounts, 8/25/2016

Description of Action: Revise the DoD Financial Management Regulation so that it is consistent with the Treasury Financial Manual and Office of Management and Budget guidance, and it instructs agencies on how to properly account for revenue-generating, Thrift Savings Plan, and tax transactions.

Reason Action Not Completed: Extensive revisions to the DoD Financial Management Regulation are required.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Defense Finance and Accounting Service

Report: DODIG-2016-129, The National Security Agency Should Take Additional Steps to Effectively Implement Its Privileged Access-Related Secure-the-Net Initiatives, 8/29/2016

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: National Security Agency

Report: DODIG-2016-130, The Navy Needs More Comprehensive Guidance for Evaluating and Supporting Cost-Effectiveness of Large-Scale Renewable Energy Projects, 8/25/2016

Description of Action: Develop guidance to include the Navy's best practices for assessing the cost-effectiveness of large-scale renewable energy projects financed through third parties in the U.S. Pacific Command area of responsibility and develop a timeline and establish parameters for the post hoc review of existing large-scale renewable energy projects.

Reason Action Not Completed: Awaiting revision to DoD Instruction 4170.11 along with timeline and parameters for the post hoc review of existing large-scale renewable energy projects to assess compliance with policies.

Principal Action Office: Navy

Report: DODIG-2016-133, Evaluation of Integrated Tactical Warning/Attack Assessment Ground-Based Radars, 9/8/2016

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2016-139, Military Housing Inspection-Camp Buehring, Kuwait, 9/30/2016

Description of Action: Create and execute a plan for ongoing inspection and maintenance of all U.S. military-occupied facilities at Camp Buehring, Kuwait, and other locations where the Area Support Group Kuwait Commander provides base operations support and inspections to ensure that inspections and maintenance of these locations complies with applicable electrical codes. Revise the contract performance work statement to ensure that the contract requires the contractor to maintain the electrical and fire protection systems to the National Electrical Code and Unified Facilities Criteria 3-601-02.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2017-002, Consolidation Needed for Procurements of DoD H-60 Helicopter Spare Parts, 10/12/2016

Description of Action: Perform a cost-benefit analysis to determine whether the procurement responsibility for all H-60 spare parts, including those procured under performance-based logistics and contractor logistics support contracts, should be transferred to the Defense Logistics Agency, as originally required by Base Realignment and Closure Act 2005 Recommendation 176.

Reason Action Not Completed: Awaiting finalized cost benefit analysis study results.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2017-004, Summary Report-Inspections of DoD Facilities and Military Housing and Audits of Base Operations and Support Services Contracts, 10/14/2016

Description of Action: Perform comprehensive, independent inspections of installations to verify compliance with all applicable health and safety requirements. Also, establish a joint-Service working group that meets periodically to identify improvements in facility inspection and maintenance programs.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army, Air Force

Report: DODIG-2017-014, Acquisition of the Navy Surface Mine Countermeasure Unmanned Undersea Vehicle (Knifefish) Needs Improvement, 11/8/2016

Description of Action: Develop capability requirements in the Knifefish capability production document relating to communication interface and launch and recovery operations between the Knifefish system and the Littoral Combat Ship, unless the Knifefish is no longer required.

Reason Action Not Completed: Capability production document is being developed.

Principal Action Office: Navy

Report: DODIG-2017-015, Application Level General Controls for the Defense Cash Accountability System Need Improvement, 11/10/2016

Description of Action: Develop and implement procedures that require information system security officers to comply with certification requirements at an organizational level consistent with those established in DoD Manual 8570.01-M, "Information Assurance Workforce Improvement Program." Develop and implement procedures to validate that only authorized changes, including all configuration items, are approved and moved to the Defense Cash Accountability System production environment. Demonstrate that supervisors, information owners and Business Enterprise Information Services representatives, and center administrators have been trained to ensure that requested access levels to perform sensitive activities are appropriate before approving System Authorization Access Requests.

Reason Action Not Completed: Followup Report No. DODIG-2018-136, "Followup Audit: Application Level General Controls for the Defense Cash Accountability System," July 10, 2018, determined that the Defense Finance and Accounting Service implemented corrective actions for 18 of 20 recommendations issued under DODIG-2017-015. Corrective actions are still ongoing for the remaining 2 recommendations.

Principal Action Office: Defense Finance and Accounting Service

Report: DODIG-2017-019, Improvements Needed in Managing Air Force Suspense Accounts, 11/10/2016

Description of Action: Revise the DoD Financial Management Regulation to account for the revenue-generating programs, Uniformed Services Thrift Savings Plan contributions, and payroll tax withholdings.

Reason Action Not Completed: Defense Finance and Accounting Service resubmitted a legislative proposal requesting special fund accounts for revenue-generating programs and discussions are ongoing with the Office of the Secretary of Defense and the Services. The impacted chapters of the DoD Financial Management Regulation are the responsibility of the Office of the Under Secretary of Defense/Chief Financial Officer, DoD, therefore, once solutions are identified, the Defense Finance and Accounting Service will work with the Office of the Under Secretary of Defense/Chief Financial Officer to update the DoD Financial Management Regulation. Target completion date is November 30, 2019.

Principal Action Office: Defense Finance and Accounting Service

Report: DODIG-2017-030, U.S. Special Operations Command Needs to Improve Management of Sensitive Equipment, 12/12/2016

Description of Action: Update U.S. Special Operations Command (USSOCOM) guidance to include specific procedures for establishing sensitive equipment accountability. Also, conduct a 100-percent inventory of sensitive equipment to establish a sensitive equipment baseline and reconcile inventory discrepancies.

Reason Action Not Completed: Revision of USSOCOM Directive 700-2, “Special Operations Major Force Program-11 Material Management,” and USSOCOM Directive 700-33, “Supply Chain Reports and Metrics,” is still ongoing. USSOCOM continues working to implement the Defense Property Accountability System warehouse module to account for all wholesale level inventory. USSOCOM has initiated planning for the implementation of the 100-percent baseline inventory to ensure only those inventory items that are physically on hand are captured and input into the Inventory Accountable Property System of Record in the Defense Property Accountability System.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2017-033, Assessment of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip the Kurdish Security Forces in Iraq, 12/14/2016

Description of Action: Review distribution procedures to ensure all equipment items, including Iraq Train and Equip Fund-purchased and Coalition-donated items, are tracked and monitored through the supply chain to ensure accountability throughout the distribution process.

Reason Action Not Completed: DoD management has taken action to address the recommendation and provided supporting documentation to the DoD OIG that is currently under review.

Principal Action Office: U.S. Central Command

Report: DODIG-2017-038, Assessment of Warriors in Transition Program Oversight, 12/31/2016

Description of Action: Revise DoD Instruction 1300.24, “Recovery Coordination Program” to delineate the Office of Warrior Care Policy’s role in providing Recovery Coordination Program oversight reports to effectively monitor program performance and promote accountability.

Reason Action Not Completed: The Office of the Deputy Assistant Secretary of Defense for Health Services Policy and Oversight continues to work on updating DoD Instruction 1300.24.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2017-041, Combined Security Transition Command Afghanistan Improved Controls Over U.S.-Funded Ministry of Defense Fuel Contracts, but Further Improvements are Needed, 1/11/2017

Description of Action: Conduct physical inspections of fuel deliveries and coordinate with local Afghanistan National Defense Security Forces fuel officers to train them in inspection and fuel testing techniques.

Reason Action Not Completed: Combined Security Transition Command-Afghanistan (CSTC-A) is gathering documentation to support their audit division’s assessment of the CSTC-A’s General Staff, Chief of Logistics, and General Staff, Inspector General processes of consumption report collection and verification, as well as provide the DoD OIG with a copy of the CSTC-A audit division’s final report.

Principal Action Office: U.S. Central Command

Report: DODIG-2017-043, Management of Excess Material in the Navy’s Real-Time Reutilization Asset Management Facilities Needs Improvement, 1/23/2017

Description of Action: Update Naval Supply Systems Command Publication 485 to require users requisitioning material to use the Navy Enterprise Resource Planning system before using the alternative methods, which should ensure the Navy maximizes use of excess consumable material available in the Real-Time Reutilization Asset Management facilities.

Reason Action Not Completed: The Naval Supply Systems Command Commander is awaiting full implementation of the updated Naval Supply Systems Command Publication 485, volume 1.

Principal Action Office: Navy

Report: DODIG-2017-045, Medical Service Accounts at U.S. Army Medical Command Need Additional Management Oversight, 1/27/2017

Description of Action: Review uncollectible medical service accounts to ensure all collection efforts have been exhausted.

Reason Action Not Completed: U.S. Army Medical Command continues working with the Assistant Secretary of the Army (Financial Management and Comptroller) to obtain Secretary of the Army approval to terminate medical service accounts deemed uncollectible.

Principal Action Office: Army

Report: DODIG-2017-049, Unclassified Report of Investigation on Allegations Relating to U.S. Central Command Intelligence Products, 1/31/2017

Description of Action: Update Joint Publication 2-0 to bring it into compliance with the 2015 version of Intelligence Community Directive 203. The Expressions of Uncertainties in Appendix A and Figure A-1 should match Intelligence Community Directive 203's expressions of likelihood or probability (Para D.6.e.(2)(a)).

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2017-055, Evaluation of Defense Contract Management Agency Contracting Officer Actions on Defense Contract Audit Agency Incurred Cost Audit Reports, 2/9/2017

Description of Action: Improve controls for ensuring the completeness and accuracy of negotiation documents in accordance with Federal Acquisition Regulation 42.705-1(b)(5), DoD Instruction 7640.02, and Defense Contract Management Agency Instruction 125. Improve the management review of contracting officer actions to better ensure contracting officers assess penalties for expressly unallowable costs or document a waiver of penalties that complies with Federal Acquisition Regulation 42.709-5.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2017-056, U.S. European Command Needs to Improve Oversight of the Golden Sentry Program, 2/17/2017

Description of Action: Update the security checklists to include instructions on how Security Cooperation Organization Golden Sentry program managers should verify that the recipient country complied with the security checklist requirements, and update the Defense Institute of Security Cooperation Studies' Security Cooperation Management Overseas training course to address the use of security checklists.

Reason Action Not Completed: Pending completion of the End-Use Monitoring policy guidance in the Security Assistance Management Manual to provide the Security Cooperation Organization additional guidance regarding the use of the security checklists. In addition, the Defense Security Cooperation Agency plans to draft and publish through the Security Cooperation Information Portal detailed instructions for Security Cooperation Organization regarding when, where, and how the checklists should be used; who should use the checklists; and how that person should verify the recipient country complied with the security checklists requirements. Additionally, pending update of the Defense Institute of Security Cooperation Studies' Security Cooperation Management Overseas training course to address the use of security checklists.

Principal Action Office: Defense Security Cooperation Agency

Report: DODIG-2017-057, Army Officials Need to Improve the Management of Relocatable Buildings, 2/16/2017

Description of Action: Revise Army Regulation 420-1 to align the Army's definition of relocatable buildings to the definition in DoD Instruction 4165.5, which would eliminate the requirement for the analysis pertaining to the disassembly, repackaging, and nonrecoverable costs of relocatable buildings. Develop additional policy for circumstances in which requirements would dictate that relocatable buildings are appropriate instead of modular facilities or other minor construction. Convert six non-relocatable buildings identified in the DoD OIG final report from relocatable to real property at Joint Base Lewis-McChord, Washington.

Reason Action Not Completed: Corrective actions are ongoing to update Army Regulation 420-1 to align the Army's definition of relocatable buildings. Reclassification of the six relocatable buildings as real property will be performed once the Army issues the updated relocatable policy.

Principal Action Office: Army

Report: DODIG-2017-060, Defense Commissary Agency Purchases of Fresh Produce in Guam, 2/28/2017

Description of Action: Reevaluate transportation options to address the price increase of bagged salads at the Guam commissaries. Also revise Defense Commissary Agency Directive 40-4 to require the documentation of quality reviews on fresh produce in the Pacific.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Commissary Agency

Report: DODIG-2017-061, Evaluation of the National Security Agency Counterterrorism Tasking Process Involving Second Party Partners, 3/1/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: National Security Agency

Report: DODIG-2017-063, Surface Electronic Warfare Improvement Program, 3/13/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Navy

Report: DODIG-2017-065, The Army Needs to Improve Processes for Single-Award, Indefinite-Delivery Indefinite-Quantity Contracts, 3/14/2017

Description of Action: Issue internal guidance addressing the preparation, review, and submission of Determinations and Findings documents for single-award, indefinite-delivery indefinite-quantity contracts. Also, direct contracting officials to prepare and submit for approval a Determination and Findings document for contract W91CRB-15-D-0022.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2017-067, Navy Inaccurately Reported Costs for Operation Freedom's Sentinel in the Cost of War Reports, 3/16/2017

Description of Action: Develop and implement standard operating procedures that cover end-to-end Cost of War reporting processes. These standard operating procedures should include, at a minimum, procedures for the receipt, review, and reporting of obligations and disbursements for Operation Freedom's Sentinel to ensure costs are accurately reflected in the Cost of War reports.

Reason Action Not Completed: Corrective actions are still ongoing.

Principal Action Office: Navy

Report: DODIG-2017-069, Ineffective Fund Balance With Treasury Reconciliation Process for Army General Fund, 3/23/2017

Description of Action: Army and Defense Finance and Accounting Service Indianapolis personnel will work with Office of the Under Secretary of Defense/Chief Financial Officer personnel to review the number of days required to perform the Army General Fund Balance With Treasury reconciliation and update the DoD Financial Management Regulation.

Reason Action Not Completed: Update to the DoD Financial Management Regulation is targeted for first quarter FY 2020.

Principal Action Office: Army, Defense Finance and Accounting Service

Report: DODIG-2017-070, Evaluation of the National Airborne Operations Center Mission Sustainment and Modernization, 3/23/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2017-074, Assessment of U.S. and Coalition Plans and Efforts to Train, Advise, Assist, and Equip the Iraqi Counterterrorism Service and the Iraqi Special Operations Forces, 4/19/2017

Description of Action: Develop a plan for improving the refit process for the Iraqi Counterterrorism Service. Identify all training requirements to support live fire of the AT-4, M-72, and SPG-9 weapons by Academia trainees and develop the training programs of instruction to support these requirements.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: U.S. Central Command

Report: DODIG-2017-075, The Army Needs to More Effectively Prepare for Production of the Common Infrared Countermeasure System, 4/26/2017

Description of Action: Revise the capability development document for the Common Infrared Countermeasure system to clarify that the requirements developer and the acquisition milestone decision authority must have concurrence from the Joint Requirements Oversight Council, as validation authority, before lowering threshold (minimum) values of any primary system requirement.

Reason Action Not Completed: Changes to the capability development document for the Common Infrared Countermeasure system are still under revision.

Principal Action Office: Joint Chiefs of Staff, Army

Report: DODIG-2017-076, The Missile Defense Agency Can Improve Supply Chain Security for the Ground-Based Midcourse Defense System, 4/27/2017

Description of Action: Missile Defense Agency is developing internal procedures and establishing contract requirements to improve the accuracy of the critical components list to manage risks to the Ground-based Midcourse Defense System throughout its life cycle and require identification of all critical logic-bearing hardware components and critical software and firmware.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Missile Defense Agency

Report: DODIG-2017-078, The DoD Did Not Comply With the Improper Payment Elimination and Recovery Act in FY 2016, 5/8/2017

Description of Action: Coordinate with the DoD Improper Payments Elimination and Recovery Act reporting components to verify that all payments are assessed for the risk of improper payments or are reporting estimated improper payments, and to report consistent, accurate, complete, and statistically valid improper payment estimates in compliance with all Improper Payments Elimination and Recovery Act and Office of Management and Budget requirements.

Reason Action Not Completed: DoD OIG is conducting a followup audit on DoD compliance with the Improper Payments and Recovery Act requirements.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2017-085, Protection of Electronic Patient Health Information at Army

Military Treatment Facilities, 7/6/2017

Description of Action: Develop a baseline of Army-specific systems that process, store, and transmit Patient Health Information. Implement appropriate configuration changes to enforce the use of Common Access Cards to access all Army-specific systems containing patient health information or obtain a waiver that exempts the systems from using Common Access Cards. Develop and maintain standard operating procedures for granting access, assigning and elevating privileges, and deactivating user access.

Reason Action Not Completed: Corrective actions still ongoing.

Principal Action Office: Army

Report: DODIG-2017-087, U.S.-Controlled and-Occupied Military Facilities Inspection-Camp Lemonnier, Djibouti, 6/2/2017

Description of Action: Conduct a root cause analysis and implement a corrective action plan for all electrical deficiencies identified in this report. Ensure that all facility operations and maintenance comply with Unified Facilities Criteria and National Fire Protection Association standards. Provide the DoD OIG a copy of the analysis and corrective action plan within 90 days of the issuance of this report.

Reason Action Not Completed: Corrective actions are ongoing to correct all electrical deficiencies identified in the DoD OIG report.

Principal Action Office: Navy

Report: DODIG-2017-090, The Army Needs to Improve Controls Over Chemical Surety Materials, 6/7/2017

Description of Action: Revise DoD Instruction 5210.65 to define acceptable inventory practices and to provide guidance on appropriate segregation of duties.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2017-092, Audit of the Defense Contract Audit Agency Field Detachment, 6/14/2017

Description of Action: Conduct a risk assessment on the missing Defense Contract Audit Agency security incident information and work with the Defense Contract Audit Agency Security Officer to prioritize security vulnerabilities for remediation and establish timelines for completion. Develop and implement a formalized automated process to request, initiate, approve, debrief, and maintain personnel special access program accesses. Perform an annual assessment of field detachment staffing and facility requirements for audit oversight of classified and special access programs operations based on established criteria.

Reason Action Not Completed: Long-term corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Defense Contract Audit Agency

Report: DODIG-2017-093, Control Systems Supporting Tier I Task Critical Assets Lacked Basic Cybersecurity Controls, 6/15/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2017-094, Audit of Air Force Munitions Requirements and Storage Facilities in the Republic of Korea, 6/26/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2017-095, U.S. Army's Management of the Heavy Lift VII Commercial Transportation Contract Requirements in the Middle East, 6/26/2017

Description of Action: Implement a systemic process for collecting Heavy Lift asset usage and establish a consistent schedule for analyzing usage information in order to use quantitative and qualitative factors when forecasting requirement quantities on future task orders. Update the requirement review process standard operating procedures to ensure requirements packages that are submitted to the review boards include all information that is necessary for the validation authority to make an informed decision.

Reason Action Not Completed: Army corrective actions are still ongoing toward implementing a new transportation system of record to forecast requirements.

Principal Action Office: U.S. Central Command, Army

Report: DODIG-2017-099, Evaluation of Department of Defense Efforts to Build Counterterrorism and Stability Operations Capacity of Foreign Military Forces with Section 1206/2282 Funding, 7/21/2017

Description of Action: Designate a lead manager and management office with the responsibility to coordinate, synchronize, and integrate relevant activities, with sufficient operating authority over DoD implementing components, to ensure effective management control in program execution. Issue updated instructions to support effective program implementation, execution, and management oversight. Ensure that DoD Components responsible for implementing 10 U.S.C. § 2282 comply with DoD security cooperation directives and procedures for documenting and retaining records pursuant to that authority.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Policy, Defense Security Cooperation Agency

Report: DODIG-2017-103, Under-Vehicle Force Protection Requirement for the Army Paladin Integrated Management Program, 7/21/2017

Description of Action: Redesign the Paladin ammunition stowage and floor mats to protect soldiers on combat missions that require increased under-vehicle protection.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2017-104, Followup on DoD OIG Report No. DODIG-2015-013, "Military Housing Inspections - Republic of Korea," October 28, 2014, 7/20/2017

Description of Action: Conduct an effective root cause analysis and perform corrective actions for 646 deficiencies identified; ensure that the deficiencies do not exist in other housing units; ensure inspection, maintenance, and repair programs are in compliance with applicable codes and standards for fire protection systems, electrical systems, and environmental health and safety; ensure sufficient qualified resources are assigned and available to inspect and verify that all housing buildings and units are in compliance with fire protection, electrical, and environmental health and safety requirements; and ensure that housing management policies are implemented and procedures are followed.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Air Force

Report: DODIG-2017-105, Evaluation of U.S. and Coalition Efforts to Enable the Afghan Ministry of Defense to Develop Its Oversight and Internal Control Capability, 8/4/2017

Description of Action: Update the Ministerial Internal Control Program advisory training to ensure that U.S. and Coalition advisors for the Ministry of Defense, Afghan National Army Corps, and subordinate commands can train, advise, and assist in the development and implementation of the Ministerial Internal Control Program.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: U.S. Central Command

Report: DODIG-2017-106, Evaluation of the Air Force and Navy Explosive Ordnance Disposal Capabilities to Respond to a Nuclear Weapon Accident or Incident, 7/28/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Joint Chiefs of Staff, Navy, Air Force

Report: DODIG-2017-107, Followup Audit: U.S. Naval Academy Museum Management of

Heritage Assets, 8/7/2017

Description of Action: Complete a baseline inventory of all U.S. Naval Academy Museum assets and document the inventory results. Also, provide progress updates to the U.S. Naval Academy Superintendent on completion of the baseline inventory. Prepare and complete a transfer agreement for any artifacts that were physically transferred to the Smithsonian Museum. If the artifacts are not permanently transferred, then these artifacts should be recorded as loaned items in the U.S. Naval Academy Museum inventory.

Reason Action Not Completed: Full reconciliation of Found-in-Collection artifacts will not be completed until the baseline inventory is complete. Estimated completion date is third quarter FY 2020.

Principal Action Office: Navy

Report: DODIG-2017-108, United States Transportation Command Triannual Reviews, 8/9/2017

Description of Action: Develop and implement procedures to execute triannual reviews in accordance with DoD Financial Management Regulation, volume 3, chapter 8. The processes and procedures requirements at a minimum should include detailed review requirements to ensure that each commitment, obligation, accounts payable, unfilled customer order, and accounts receivable is properly recorded in the general ledger, and ensure reports are prepared for submission in the DoD standard format and contain the valid, accurate, and complete status of each fund balance. Additionally, the processes and procedures should identify staff positions responsible for executing proper triannual reviews.

Reason Action Not Completed: Corrective actions are ongoing to develop and implement processes and procedures to execute triannual reviews as recommended.

Principal Action Office: U.S. Transportation Command

Report: DODIG-2017-113, Defense Information Systems Agency's Expired Communication

Service Authorizations, 8/25/2017

Description of Action: Defense Information Systems Agency Director, in coordination with the Director of the Procurement Services Directorate, Defense Information Technology Contracting Office, develop and maintain a system to enable Defense Information Systems Agency personnel and customers to track the status of communication services authorizations, to include automatic alerts to the customer at specific intervals prior to communication service authorization expiration which requires a customer response to discontinue or re-award the service.

Reason Action Not Completed: Corrective actions are ongoing to implement the Communication Service Authorization Management Module.

Principal Action Office: Defense Information Systems Agency

Report: DODIG-2017-114, Documentation to Support Costs for Army Working Capital Fund

Inventory Valuation, 8/24/2017

Description of Action: Develop a process to maintain credit values given for returns for credit and unserviceable credit transactions.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army

Report: DODIG-2017-117, Joint Requirements Oversight Council Procurement Quantity Validation Process for Major Defense Acquisition Programs, 9/6/2017

Description of Action: Require subordinate boards to obtain input and reviews from advisers and stakeholders to assess and review procurement quantity.

Reason Action Not Completed: Actions are ongoing to update the Joint Requirements Oversight Council Administrative Guide to require subordinate boards to obtain input and reviews from advisers and stakeholders to assess and review procurement quantity.

Principal Action Office: Joint Chiefs of Staff

Report: DODIG-2017-121, U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements, 9/21/2017

Description of Action: Review the current implementation and execution of the Acquisition and Cross-Servicing Agreement program and update DoD Directive 2010.9, "Acquisition and Cross-Servicing Agreements," November 24, 2003. Develop a training program for the implementation of the Acquisition and Cross-Servicing Agreement program and execution of Acquisition and Cross-Servicing Agreement authorities.

Reason Action Not Completed: Pending final approval of a congressionally mandated organizational restructuring plan.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2017-123, The Troops-to-Teachers Program, 9/28/2017

Description of Action: Develop and implement policies to define Troops-to-Teachers program requirements for participant eligibility, and implement, manage, and oversee the Troops-to-Teachers grant program to ensure the planned way forward complies with regulations. Develop procedures for reviewing participant applications that align with newly developed Troops-to-Teachers policy and provide training for all Government and contract employees working with the Troops-to-Teachers program after new policy and procedures are created.

Reason Action Not Completed: Long-term corrective actions are on schedule. The Office of the Assistant Secretary of Defense for Readiness, Force Education and Training, Voluntary Education has begun drafting a DoD Instruction to establish policy, assign responsibilities, and prescribe procedures for determining participant eligibility, and to implement, manage, and oversee grants for the Troops-to-Teachers program in accordance with 10 U.S.C. 1154. The new instruction is targeted to be completed by September 2019. In the meantime, the Office of the Under Secretary of Defense for Personnel and Readiness plans to issue an interim guidance for implementing the Troops-to-Teachers program.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2017-125, Naval Facilities Engineering Command Southwest and Marine Corps Base Camp Pendleton Officials' Use of Utility Energy Service Contracts, 9/28/2017

Description of Action: Direct the Installation Energy Manager of the Marine Corps Base Camp Pendleton Energy Office to develop and implement a process to track realized energy savings for Utility Energy Services Contracts.

Reason Action Not Completed: Corrective actions are ongoing to adopt contracting procedures and energy project guidance that specifically recommends the use of performance assurance plans to guarantee achievement of the annual estimated savings for Utility Energy Services Contracts.

Principal Action Office: Marine Corps

Report: DODIG-2018-018, Implementation of the DoD Leahy Law Regarding Allegations of Child Sexual Abuse by Members of the Afghan National Defense and Security Forces, 11/16/2017

Description of Action: Establish the specific process by which DoD Leahy Law credible information determinations are made and implement a records management policy for all alleged gross violations of human rights in Afghanistan.

Reason Action Not Completed: Corrective actions are ongoing to issue a clarification memorandum on the application of the DoD Leahy Law in Afghanistan that includes the checklist for the gross violation of human rights credibility determination process.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2018-020, DoD Compliance With the Digital Accountability and Transparency Act of 2014, 11/8/2017

Description of Action: Develop Digital Accountability and Transparency Act processes, procedures, and internal controls to ensure compliance with Office of Management and Budget and Department of the Treasury Government-wide data elements.

Reason Action Not Completed: The DoD continues to work with the Office of Management and Budget and the Department of the Treasury to document federal-wide acceptable methods for determining the data used for certain data elements that have been identified for potential security concerns.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2018-021, U.S. Army Corps of Engineers Compliance With the Digital Accountability and Transparency Act of 2014, 11/8/2017

Description of Action: Develop Digital Accountability and Transparency Act processes and procedures for ensuring the U.S. Army Corps of Engineers financial data are collected, validated, reconciled, and reported in accordance with Office of Management and Budget Memorandum No. M-17-04.

Reason Action Not Completed: U.S. Army Corps of Engineers continues to work with the Office of Management and Budget to standardize the reporting of program activity codes and program activity titles. This process will include requesting that the Office of Management and Budget provide clarification regarding OMB Memorandum No. M-17-04, relative to the authoritative source to validate program activity codes and titles for specific fiscal year transactions.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD

Report: DODIG-2018-025, Defense Hotline Allegations on the Surface Electronic Warfare Improvement Program Block 3 Costs, 11/9/2017

Description of Action: Establish an approved Engineering and Manufacturing Development phase cost baseline estimate to consistently measure and control costs for Surface Electronic Warfare Improvement Program Block 3 and verify that Northrop Grumman adequately meets the established Engineering and Manufacturing Development phase baseline estimate to minimize existing or future problems.

Reason Action Not Completed: Coordination and approval of the Engineering and Manufacturing Development phase baseline is ongoing.

Principal Action Office: Navy

Report: DODIG-2018-028, External Peer Review on the Defense Contract Audit Agency System Review Report, 11/17/2017

Description of Action: Assess the Defense Contract Audit Agency's (DCAA) quality control procedures for providing reasonable assurance that auditors obtain sufficient and appropriate evidence in support of reported conclusions. The DCAA should assess and improve their procedures for performing independent reference reviews to ensure adequate coverage of completed audits. Consider requiring a minimum number of additional independent reference reviews

that field audit offices must perform, and monitoring field audit offices to ensure compliance with the requirements.

Reason Action Not Completed: DCAA has not provided evidence that support the development of internal policy on independent reference reviews policy and that each of their field audit office has a documented plan in place that expands the use of independent reference reviews, and that the plan is being properly monitored for compliance.

Principal Action Office: Defense Contract Audit Agency

Report: DODIG-2018-029, Follow-up Audit: Basic Expeditionary Airfield Resources Support and Repair Spare Kits, 11/16/2017

Description of Action: Revise Air Force Instruction 25-101 to add a process to reconcile Basic Expeditionary Airfield Resources and repair spare part kit inventories with requirements.

Reason Action Not Completed: Air Force Guidance Memorandum 2019-01 to Air Force Instruction 25-101 did not include the process for reconciling Basic Expeditionary Airfield Resources support and repair spare kit-on-hand inventories with requirements.

Principal Action Office: Air Force

Report: DODIG-2018-035, Evaluation of Fingerprint Card and Final Disposition Report Submissions by Military Service Law Enforcement Organizations, 12/4/2017

Description of Action: Submit automated data regarding felony convictions, including drug offenders and convicted domestic violence offenders; actively reviewing data; submitting final disposition reports; and assisting affected Army commands to identify and address resourcing needs for submission of automated fingerprint cards through LiveScan technology. Develop a "Fingerprint Verification Plan" to correct previous fingerprint submission deficiencies and to prevent future submission failures. Also, review all Air Force Office of Special Investigations criminal investigative databases and files to ensure all fingerprint cards and final disposition reports for anyone investigated for, or convicted of, qualifying offenses at least to 1998 have been reported to the Federal Bureau of Investigation Criminal Justice Information Services in compliance with Department of Defense and Federal Bureau of Investigation requirements.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Army, Air Force, Navy, Marine Corps, and DoD Office of Inspector General

Report: DODIG-2018-036, DoD's Response to the Patient Safety Elements in the 2014 Military Health System Review, 12/14/2017

Description of Action: Determine the actionable root causes for the staffing survey results being below national average in the "Hospital Survey on Patient Safety Culture" and take appropriate actions to improve those factors that pose a risk to patient safety.

Reason Action Not Completed: Corrective actions are ongoing to finalize a Patient Safety Program's plan to identify Military Health System-wide (direct care system) actionable causal factors underlying the low staffing dimension scores and to design, implement, and evaluate improvement strategies.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Assistant Secretary of Defense for Health Affairs, Army, Air Force

Report: DODIG-2018-038, Joint Air-to-Ground Missile Program, 12/7/2017

Description of Action: Evaluate the costs to achieve full Joint Air-to-Ground Missile capability and determine whether the Joint Air-to-Ground Missile incremental strategy provides the most affordable alternative to meet the self-guided missile capability gap.

Reason Action Not Completed: As resources become available to develop additional Joint Air-to-Ground Missile capabilities, the Navy will evaluate the current acquisition strategy to determine whether an incremental approach is the most affordable alternative to address the capability gaps and the overall program costs to achieve full Joint Air-to-Ground Missile capabilities.

Principal Action Office: Navy

Report: DODIG-2018-041, The Defense Finance and Accounting Service Financial Reporting Process for Other Defense Organizations' General Funds, 12/15/2017

Description of Action: Manage the development of a universe of Other Defense Organizations' General Fund transactions through a Universe of Transaction database, and develop a process narrative and process map that describes the detailed processes for the Other Defense Organizations' General Fund compilation process. Also, categorize the system-generated journal vouchers in accordance with DoD Financial Management Regulation, volume 6A, chapter 2, section 020208, "Journal Voucher Preparation," August 2011.

Reason Action Not Completed: Resolution of agreed-upon corrective actions to implement report recommendation remains ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Defense Finance and Accounting Service

Report: DODIG-2018-042, Evaluation of Army Recovered Chemical Warfare Materiel Response Actions, 12/14/2017

Description of Action: Issue policy to replace the Army Interim Guidance and direct the Commander of the U.S. Army Corps of Engineers to update Engineering Pamphlet 75-1-3 to comply with Army Regulation 25-30.

Reason Action Not Completed: Awaiting issuance of DoD Manual 5101.17 and Army Corps of Engineers update to Engineering Pamphlet 75-1-3.

Principal Action Office: Army

Report: DODIG-2018-043, The National Security Agency Enterprise, 12/19/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: National Security Agency

Report: DODIG-2018-049, U.S. Military-Occupied Facilities Evaluation - Al Udeid Air Base, Qatar, 12/21/2017

Description of Action: Conduct a root cause analysis and implement a corrective action plan for all close air support ramp fuel hydrant system deficiencies identified in this report. Ensure that all current and future facility operations and maintenance comply with Unified Facilities Criteria and National Fire Protection Association standards. Prepare a corrective action plans for multiple identified deficiencies,

Reason Action Not Completed: Corrective action is ongoing to address identified deficiencies.

Principal Action Office: Air Force

Report: DODIG-2018-050, Naval Facilities Engineering Command Administration of Selected Energy Savings Performance Contracts, 12/19/2017

Description of Action: Require oversight of the energy savings performance contracts by developing quality assurance surveillance plans tailored to the specific energy conservation measures in the energy savings performance contracts, and monitor energy savings performance contract programs to ensure consistent award and administration throughout the DoD.

Reason Action Not Completed: The Office of the Deputy Assistant Secretary of Defense for Energy is finalizing its Oversight of Third-Party Financed Energy Projects guidance, which will direct DoD Components to strengthen post-award oversight of third party-financed energy projects, particularly measurement and verification and performance assurance programs and processes.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2018-052, The Army Demilitarization Program, 12/19/2017

Description of Action: Office of the Assistant Secretary of the Army (Financial Management and Comptroller) work with the Army Materiel Command and Joint Munitions Command to review the current disposal estimation methodology, make improvements as needed, and disclose a supported estimate in the yearend FY 2018 financial statements and related notes.

Reason Action Not Completed: Pending development of procedures to annually determine a reasonable and supportable estimate for the cost to dispose of the demilitarization stockpile and report the associated liability in the Army General Fund Financial Statements and related notes.

Principal Action Office: Army

Report: DODIG-2018-057, The [Redacted] Financial Statement Compilation Adjustments and Information Technology Corrective Action Plan Validation Process, 1/27/2017

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Classified

Report: DODIG-2018-058, Progress of U.S. and Coalition Efforts to Train, Advise, and Assist the Afghan Air Force, 1/4/2018

Description of Action: Identify requirements and modify aircraft Contractor Logistic Support contracts as appropriate to increase emphasis on building the Afghan aircraft maintenance capability, increasing the Afghan responsibility for daily aircraft maintenance, and identifying the transition criteria for Afghan-led maintenance within the Afghan Air Force.

Reason Action Not Completed: Implementation of transition criteria for both the Afghanistan Air Force-led maintenance and related contract modifications are ongoing.

Principal Action Office: U.S. Central Command

Report: DODIG-2018-061, Report of Investigation: Defense POW/MIA Accounting Agency Interactions With Family Members of Corporal Joseph Hargrove, U.S. Marine Corps, 1/22/2018

Description of Action: Fully implement a case management system that will enable end-to-end tracking of a case from research to mission to accession and lab work and improve internal and external communications. Develop a policy for medical and dental records, which includes guidance for when to obtain those records for each unaccounted-for Service member or document the unavailability of those records. Ensure all Defense Prisoner of War/Missing in Action Accounting Agency personnel working on cases have access to all relevant information and reports, and implement a process to require employees to coordinate and share case information throughout the organization.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2018-063, Navy and Marine Corps Management of Relocatable Buildings, 1/29/2018

Description of Action: Update DoD Instruction 4165.56, "Relocatable Buildings," to include details and illustrated examples on how to properly classify relocatable buildings based on the definition and interim facility requirement.

Reason Action Not Completed: Actions are ongoing to update DoD Instruction 4165.56.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy, Marine Corps

Report: DODIG-2018-067, The DoD's Response to the Quality of Care Elements in the 2014 Military Health System Review, 2/8/2018

Description of Action: Notify the DoD OIG when the Military Health System has implemented all the Military Health System Review Action Plans regarding quality of care.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Assistant Secretary of Defense for Health Affairs

Report: DODIG-2018-068, Evaluation of Oversight of Privileged Users Within the Military Services Intelligence Community, 1/30/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Army

Report: DODIG-2018-069, Navy's Single-Award Indefinite-Delivery Indefinite-Quantity Contracts, 2/1/2018

Description of Action: Provide updated instructions to the workforce, through training or updated guidance, on any areas requiring clarification to ensure the application of Federal and DoD requirements. The updated instructions should clearly define what information must be in the determination and findings document to ensure that the standalone document fully supports a single-award determination, and the processes used to report a determination and findings document to Congress and Defense Procurement and Acquisition Policy.

Reason Action Not Completed: Corrective actions are ongoing to update the DoD Federal Acquisition Regulation and create a Navy-Marine Corps Acquisition Regulations Supplement annex detailing Navy procedures to report a determination and findings document.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Navy

Report: DODIG-2018-070, Summary Report of DoD Compliance With the Berry Amendment and the Buy American Act, 2/6/2018

Description of Action: Update guidance to re-emphasize guidance on the requirement to incorporate and enforce the Berry Amendment and the Buy American Act provisions and clauses in applicable solicitations and contracts; on the Defense Financial Acquisition Regulation Supplement requirements regarding exceptions to the Berry Amendment; and that the various electronic contract writing systems used by the Military Services and Defense Logistics Agency should incorporate the requirements of the Berry Amendment and the Buy American Act, such as including clauses and posting award and exceptions notices, into their electronic systems.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2018-072, Defense Commissary Agency's Purchases of Fresh Produce for Japan and South Korea, 2/12/2018

Description of Action: Conduct a business case analysis or detailed market research on the current Pacific fresh produce purchase process to identify potential opportunities to lower fresh produce prices and to improve produce quality for customers.

Reason Action Not Completed: Awaiting receipt of business case analysis or detailed market research on the current Pacific fresh produce purchase process.

Principal Action Office: Defense Commissary Agency

Report: DODIG-2018-074, The U.S. Navy's Oversight and Administration of the Base Support Contracts in Bahrain, 2/13/2018

Description of Action: Update delegation procedures to ensure the procuring contracting officer explicitly assigns all contract administration functions immediately after award; train contracting officer's representatives on contract file contents; and institute proactive procedures to ensure the contractor's compliance with Combatting Trafficking in Persons requirements.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2018-076, Chemical Demilitarization-Assembled Chemical Weapons Alternatives Program, 2/22/2018

Description of Action: DoD plans to prepare an independent cost estimate for the revised Assembled Chemical Weapons Alternatives Program with an anticipated October 2019 issuance date.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Cost Assessment and Program Evaluation, Army

Report: DODIG-2018-077, Financial Management and Contract Award and Administration for the Armed Forces Retirement Home, 2/21/2018

Description of Action: Develop and implement an acquisition strategy to reduce the likelihood of future problems with the nursing contracts. Determine whether the Armed Forces Retirement Home needs to change how it schedules Government nurses.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: DoD Chief Management Officer

Report: DODIG-2018-078, Defense Commissary Agency Oversight of Fresh Produce Contracts in Japan and South Korea, 2/22/2018

Description of Action: Develop policies and procedures defining roles and responsibilities regarding contract quality assurance and surveillance on the Japan and South Korea produce contracts. The policies and procedures should provide guidance on how Defense Commissary Agency personnel should oversee and verify the surveys, and calculate and verify contract fill rates before the information is used for contract performance evaluation.

Reason Action Not Completed: Defense Commissary Agency has not provided evidence to support that they have developed defined policies and procedures that provide guidance on how Defense Commissary Agency personnel should oversee and conduct the market basket surveys, as well as calculating and verifying contract fill rates.

Principal Action Office: Defense Commissary Agency

Report: DODIG-2018-079, Followup Audit: Transfer of Service Treatment Records to the Department of Veterans Affairs, 2/22/2018

Description of Action: Develop a plan and timeline to ensure the Military Departments implement DoD Form 3024. Once DoD Form 3024 has been implemented, determine whether the Periodic Health Assessment and Individual Medical Readiness programs are adequate to satisfy service members' Service Treatment Record annual review requirement. Conduct periodic checks of Service Treatment Records transferred to the Department of Veterans Affairs in order to ensure compliance with the timeliness and completeness requirements in DoD Instruction 6040.45. The periodic checks should include Service Treatment Records of separated personnel from every Military Department.

Reason Action Not Completed: Pending verification of DoD Form 3024 implementation and awaiting evidence of periodic checks conducted of Service Treatment Records to ensure completeness.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2018-081, The Army's Tactical Explosive Detection Dog Disposition Process from 2011 to 2014, 3/1/2018

Description of Action: Update DoD Directive 5200.31E, "DoD Military Working Dog Program," August 10, 2011, to incorporate clarifying guidance on oversight authorities in cases where nontraditional military working dog services are required. Revise Army Regulation 190-12, "Military Working Dogs," March 11, 2013, to ensure it complies with the National Defense Authorization Act FY 2016, 10 U.S.C. 2583, and Air Force Instruction 31-126, "DoD Military Working Dog Program," January 17, 2019. Also, revise Army Regulation 190-12 to implement and direct the establishment and use of individual modules within the DoD Working Dog Management System for all future Army-funded Military Working Dog programs, including nontraditional capabilities.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness, Army

Report: DODIG-2018-086, Small Business Subcontracting at Two Army Contracting Command Locations, 3/19/2018

Description of Action: Revise Army Federal Acquisition Regulation Supplement Subpart 5119.7 and issue a policy alert to notify contracting officials of the revision to Army Federal Acquisition Regulation Supplement Subpart 5119.7.

Reason Action Not Completed: Corrective actions are ongoing to revise the Army Federal Acquisition Regulation Supplement and to issue a policy alert to notify all contracting officials and small business professionals of the revision.

Principal Action Office: Army

Report: DODIG-2018-089, Contracting Strategy for F-22 Modernization, 3/21/2018

Description of Action: F-22 Program Office continues to document lessons learned with F-35 and the enterprise such as assembling various pertinent documentation and awaiting completion of the first award fee evaluation period and the documentation for the award fee evaluation and the Fee Determining Official's final determination. The Program Office has held and continues to hold discussions with multiple weapons platforms (including multiple discussions on F-35 alone) and subsystem programs on its contracting approach to agile software development.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2018-090, Summary Report on U.S. Direct Funding Provided to Afghanistan, 3/21/2018

Description of Action: Determine the most effective way to manage and oversee the administration and expenditure of U.S. direct funding to the Afghan Ministry of Defense and Ministry of Interior.

Reason Action Not Completed: Actions are still ongoing to identify and implement a more effective approach.

Principal Action Office: Under Secretary of Defense for Policy

Report: DODIG-2018-092, DoD Emergency Management Programs in the U.S. Africa Command, 3/28/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Air Force, Navy, U.S. Africa Command

Report: DODIG-2018-093, DoD Voting Assistance Programs for Calendar Year 2017, 3/30/2018

Description of Action: Clarify or revise DoD Instruction 1000.04 to ensure that all elements of the Uniformed and Overseas Citizens Absentee Voting Act population, including all eligible civilian U.S. citizens residing outside the United States, are included in all provisions of DoD Instruction 1000.04 "Federal Voting Assistance Program (FVAP)."

Reason Action Not Completed: Corrective actions to modify DoD Instruction 1000.04 are ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2018-094, Logical and Physical Access Controls at Missile Defense Agency Contractor Locations, 3/29/2018

Description of Action: Include penalty clauses in awarded contracts to levy monetary sanctions on contractors that fail to implement physical and logical security controls for protecting classified and unclassified ballistic missile defense system technical information. Provide oversight to ensure that contractors comply with the National Institute of Standards and Technology requirements for protecting controlled unclassified information throughout the lifecycle of the contract, and take corrective actions against contractors that failed to meet the National Institute of Standards and Technology and DoD requirements for protecting classified and unclassified ballistic missile defense system technical information.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Missile Defense Agency

Report: DODIG-2018-095, Defense Human Resources Activity Reimbursable Agreements, 3/27/2018

Description of Action: Implement procedures to maintain a centralized database containing reimbursable agreements and related funding documents for reimbursable agreements that went into effect before FY 2017. Develop and implement a plan to identify and correct all misstated account balances converted from the Defense Business Management System.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2018-096, Followup Audit: The Defense Enrollment Eligibility Reporting System Security Posture, 3/30/2018

Description of Action: Update the Defense Enrollment Eligibility Reporting System server anti-virus software in accordance with National Institute of Standards and Technology Special Publication 800-53 requirements. Establish a centralized procedure for out-processing terminated personnel. Identify and appoint trusted agents responsible for revoking access for out-processing terminated personnel. Identify and disable all unused ports supporting the Defense Enrollment Eligibility Reporting System servers and establish a standardized schedule for ports and protocol scans.

Reason Action Not Completed: Pending verification of automated anti-virus updates implemented by Defense Manpower Data Center personnel.

Principal Action Office: Under Secretary of Defense for Personnel and Readiness

Report: DODIG-2018-097, U.S. European Command Efforts to Integrate Cyberspace Operations Into Contingency Plans, 3/30/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff, Under Secretary of Defense for Intelligence, Under Secretary of Defense for Policy, U.S. Cyber Command

Report: DODIG-2018-099, Army Internal Controls Over Foreign Currency Accounts and Payments, 3/29/2018

Description of Action: Update the Army accounting systems once the Under Secretary of Defense (Comptroller), Office of the Deputy Chief Financial Officer, DoD issues DoD standard general ledger transactions and guidance for recording foreign currency exchange rate gains and losses as required by DoD Regulation 7000.14-R, "DoD Financial Management Regulation," volume 6a, chapter 7. Develop and implement procedures to maintain alternate certifying officials for each payment system to ensure continuity of payment operations at the Finance Offices. Implement controls to ensure the Italy Finance Office maintains proper separation of duties between personnel responsible for payroll system maintenance and personnel in the Local National Payroll Office and Accounting Office. Implement controls to ensure senior management is directly involved in oversight of the payroll process.

Reason Action Not Completed: Pending verification of the updated accounting system to record foreign currency exchange rate gains and losses.

Principal Action Office: Army

Report: DODIG-2018-100, U.S. Special Operations Command's Management of Excess Equipment, 3/29/2018

Description of Action: Update U.S. Special Operations Command guidance to include detailed procedures for reporting and updating Special Operations-Peculiar equipment authorizations and allocations in the U.S. Special Operations Command Table of Equipment Distribution and Allowance.

Reason Action Not Completed: Corrective actions to modify and implement new policies and procedures are ongoing.

Principal Action Office: U.S. Special Operations Command

Report: DODIG-2018-101, DoD Reporting of Charge Card Misuse to Office of Management and Budget, 4/3/2018

Description of Action: Develop quality assurance procedures to evaluate whether the purchase card information received from the Military Services and Defense agencies is accurate and complete. Also, conduct monthly statistically valid samples of reviewed transactions to determine whether accurate conclusions were made on the validity of the transactions and its compliance with applicable criteria.

Reason Action Not Completed: Corrective actions are ongoing to implement quality control procedures and update guidance that identifies the government purchase card data to be provided, and the method of collection and calculation.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment

Report: DODIG-2018-106, Controls Over the Guam Base Operations Support Services Contract, 4/16/2018

Description of Action: Review Naval Facilities Engineering Command Marianas' contract oversight procedures to identify lessons learned that will be applied to ongoing and future Base Operations and Support Services contracts.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2018-107, Expeditionary Fast Transport Capabilities, 4/25/2018

Description of Action: Assist the Program Executive Office Ships with reviews to identify if the deficiencies on delivered Expeditionary Fast Transport vessels were corrected. If the deficiencies were not corrected, implement a plan to correct the deficiencies on delivered Expeditionary Fast Transports, where appropriate.

Reason Action Not Completed: Waiting for the Military Sealift Command to provide documentation to show reviews were conducted and appropriate corrections were implemented in the delivered fleet.

Principal Action Office: Navy

Report: DODIG-2018-109, Protection of Patient Health Information at Navy and Air Force Military Treatment Facilities, 5/2/2018

Description of Action: Implement appropriate configuration changes to enforce the use of a Common Access Card to access all systems that process, store, and transmit patient health information or obtain a waiver that exempts the systems from using Common Access Cards. Configure passwords for all systems that process, store, and transmit patient health information to meet DoD length and complexity requirements. Also, develop a plan of action and milestones and take appropriate steps to mitigate known network vulnerabilities in a timely manner, and develop and maintain standard operating procedures for granting access, assigning and elevating privileges, and deactivating user access.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Air Force, Navy

Report: DODIG-2018-110, Defense Contract Management Agency's Information Technology Contracts, 4/25/2018

Description of Action: Develop internal controls to ensure contracting officials develop Performance Work Statements for service acquisitions that include performance requirements in terms of defined deliverables, contractor performance objectives and standards, and a quality assurance plan. Develop internal controls to ensure contracting officials develop acquisition plans.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2018-113, Army and Marine Corps Joint Light Tactical Vehicle, 5/2/2018

Description of Action: Report is For Official Use Only.

Reason Action Not Completed: Report is For Official Use Only.

Principal Action Office: Army

Report: DODIG-2018-115, DoD FY 2017 Compliance With the Improper Payments Elimination and Recovery Act Requirements, 5/9/2018

Description of Action: Coordinate with reporting Components to implement procedures to ensure that all improper payment testing is completed on time and that estimates are based on 12 months of data as required by Office of Management and Budget Circular No. A-123.

Reason Action Not Completed: Waiting for documentation from the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, to verify procedures were implemented that ensured the Components completed their 12 months of improper payment training and submitted the results on time to the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, for the Agency Financial Report.

Principal Action Office: Under Secretary of Defense Comptroller/Chief Financial Officer, Army

Report: DODIG-2018-117, Department of the Navy Qualified Recycling Programs, 5/10/2018

Description of Action: Develop guidance on the Navy's qualified recycling program to provide oversight and instructions regarding assessments, financial reviews, and compliance. The Navy Financial Operations guidance will include procedures for timely deposit and end-to-end data reconciliations ensuring revenue and expense are properly recorded and reported in the financial statements. The guidance will also address the compliance of segregation of duties and placement of mitigating controls, annual reviews of business plans, and proper check endorsement and receipt of non-cash vendor payment procedures.

Reason Action Not Completed: Waiting for the status on actions taken to develop guidance for overseeing the qualified recycling program and that the guidance has been implemented.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2018-119, DoD Oversight of Logistics Civil Augmentation Program in Afghanistan Invoice Review and Payment, 5/11/2018

Description of Action: Develop a cost control evaluation guide to monitor the contractor's performance and cost-control procedures. Also, on December 27, 2017, the Defense Contract Management Agency Divisional Administrative Contracting Officer requested the Defense Contract Audit Agency to perform an accounting system audit. Based on the audit findings, Army Contracting Command–Rhode Island will coordinate with the Defense Contract Audit Agency to ensure transparent supporting documentation is provided with each submitted voucher.

Reason Action Not Completed: Waiting to receive evidence that the Defense Contract Audit Agency has completed an accounting system audit or that the Army has coordinated with the Defense Contract Audit Agency to require transparent billing detail from the contractor.

Principal Action Office: Army

Report: DODIG-2018-120, The Treasury Index 97 Cash Management Report, 5/23/2018

Description of Action: Develop a comprehensive Treasury Index 97 Fund Balance With Treasury account reconciliation process that incorporates the entire Fund Balance With Treasury universe of transactions (funding, collections, disbursements, and transfers of funds) in accordance with the DoD Financial

Management Regulation. Require DoD disbursing stations to report transaction-level data to the Department of the Treasury on a daily basis. Also, improve the Cash Management Report process to produce one consolidated Cash Management Report that reports all the Other Defense Organizations financial activity.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Navy; Defense Finance and Accounting Service

Report: DODIG-2018-121, Air Force's F-15 Eagle Passive/Active Warning and Survivability System, 5/21/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force

Report: DODIG-2018-122, U.S. Strategic Command Facility Construction Project, 5/31/2018

Description of Action: Conduct a comprehensive after-action review following the completion of the transition of all missions and personnel to the U.S. Strategic Command replacement facility. Enter lessons learned identified in the U.S. Strategic Command after-action review in the Military Missions Lessons Learned tool. Also, issue a memorandum directing contracting personnel to comply with Federal Acquisition Regulation subpart 42.15 for the U.S. Strategic Command Facility Construction Project.

Reason Action Not Completed: Completion of the military construction portion of the project is anticipated to be FY 2020.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army, Air Force, U.S. Strategic Command

Report: DODIG-2018-123, U.S. Special Operations Command Reporting of General Equipment on Its Financial Statements, 6/4/2018

Description of Action: Develop guidance governing the accounting and reporting of all Property, Plant, and Equipment that includes General Equipment. Provide a standardized approach for the reporting of General Equipment and the transfer of General Equipment between DoD Components. Also, provide accurate and complete data elements to the U.S. Special Operations Command for the reporting of its General Equipment and Accumulated Depreciation account balances.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD; Army; Navy; Air Force; Marine Corps; U.S. Special Operations Command

Report: DODIG-2018-125, The Fort Bliss Hospital Replacement Military Construction Project, 6/6/2018

Description of Action: Issue guidance to improve technical expertise and discipline for medical infrastructure projects and improve understanding of performance specifications and extensions of design and performance metrics for projecting a project at risk. Also, issue interim guidance for Engineering Regulation 415-1-17, "Construction Contractor Performance Evaluations," January 24, 2012, within 90 days in accordance with the Federal Acquisition Regulation subpart 42.15 requirements.

Reason Action Not Completed: Waiting for updated policy and training guidance that improves technical expertise and discipline for medical infrastructure projects, understanding of performance specifications and extensions of design, and performance metrics for projecting a project at risk. Additionally, interim guidance for Engineering Regulation 415-1-17 has not been received.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Army

Report: DODIG-2018-129, Department of the Navy Civilian Pay Budget Process, 6/20/2018

Description of Action: Establish and implement controls for the civilian pay budget process to ensure that budget officials document the calculations and assumptions used to support each Program Budget Information System adjustment made to civilian pay requirements.

Reason Action Not Completed: Corrective actions are ongoing to include requirements for budget officials to fully document the calculations and assumptions used to support their budget adjustments in the Department of the Navy's FY 2020 President's Budget guidance.

Principal Action Office: Navy, Marine Corps

Report: DODIG-2018-130, Procurement Quantities of the AH-64E Apache New Build and Remanufacture Helicopter Programs, 6/25/2018

Description of Action: Prepare and retain supporting documentation for decisions to approve the Army Acquisition Objective in accordance with DoD Instruction 5015.2. Review and determine whether the Operational Readiness Float

and Repair Cycle Float calculation in Army Regulation 750-1 should be updated.

Reason Action Not Completed: Corrective actions are ongoing to issue guidance on retaining supporting documentation and using simplified demand-based formulas to determine the number of AH-64Es necessary for the Operational Readiness Float and Repair Cycle Float.

Principal Action Office: Army

Report: DODIG-2018-132, Management of Army Equipment in Kuwait and Qatar, 6/29/2018

Description of Action: Update Technical Manual 38-470 to address specific guidance regarding changes to maintenance cycles when Army Prepositioned Stock equipment is moved from a controlled humidity to a non-controlled humidity environment or vice versa. Update Army Regulation 710-1, 710-2, 735-5, and Army Pamphlet 710-2-2 to clarify that the Army Prepositioned Stock Accountable Officer is the Stock Record Officer responsible for 100 percent accountability of Army Prepositioned Stock equipment.

Reason Action Not Completed: Corrective actions ongoing.

Principal Action Office: Army

Report: DODIG-2018-134, Evaluation of the DoD Hotline Complaint Regarding Defense Contract Management Agency Baltimore's Actions on Audit Findings Reported by Defense Contract Audit Agency, 7/9/2018

Description of Action: Provide training to all Defense Contract Management Agency contracting officials and managers involved in taking action on Defense Contract Audit Agency audit reports.

Reason Action Not Completed: Waiting to receive evidence that all contracting personnel have completed the training.

Principal Action Office: Defense Contract Management Agency

Report: DODIG-2018-136, Followup Audit: Application Level General Controls for the Defense Cash Accountability System, 7/10/2018

Description of Action: Refine, implement, and verify the procedures for reviewing exception reports identify all exceptions that require follow up or corrective actions.

Reason Action Not Completed: Waiting to receive evidence that the Defense Finance and Accounting Service has reformatted the exception report and revised procedures to consistently capture exceptions that require follow up or corrective actions.

Principal Action Office: Defense Finance and Accounting Service

Report: DODIG-2018-137, Command Cyber Readiness Inspections at Air Force Squadrons, 7/11/2018

Description of Action: The Air Force is developing guidance to describe and standardize the teamwork, roles, and responsibilities needed for cyber inspection readiness and compliance in its Department that includes the mitigation of vulnerabilities identified during command cyber readiness inspections. The U.S. Cyber Command is updating guidance for the Command Cyber Readiness Inspection Program to transition to Command Cyber Readiness Inspections 2.0 to clearly establish roles and responsibilities for oversight of cyber readiness inspections.

Reason Action Not Completed: The Air Force and U.S. Cyber Command continue to work on coordinating, drafting, and revising policy that establishes roles and responsibilities for oversight of cyber readiness inspections and includes timelines for mitigating vulnerabilities identified during routine vulnerability management inspections and command cyber readiness inspections in accordance with established U.S. Cyber Command timeframes and DoD Instruction 8510.01.

Principal Action Office: Air Force, U.S. Cyber Command

Report: DODIG-2018-140, Acquisition of the Navy's Mine Countermeasures Mission Package, 7/25/2018

Description of Action: Correct performance deficiencies identified in prior testing of the Airborne Laser Mine Detection System, Airborne Mine Neutralization System, and Coastal Battlefield Reconnaissance Analysis Block I systems and demonstrate progress towards achieving its full portfolio of mission operations, while mitigating the risk of costly retrofits.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: Navy

Report: DODIG-2018-141, United States Marine Corps Aviation Squadron Aircraft Readiness Reporting, 8/8/2018

Description of Action: Revise Marine Corps Order 3000.13A to include a clear definition of present state, and clarify how the number of mission-capable aircraft should be reported in the mission essential task assessment and how a mission essential task should be properly reported as resourced. Implement training on reporting readiness in accordance with the revised Marine Corps Order 3000.13A for reporting units and organizations. Also, implement procedures to ensure that intermediate commands verify the completeness and accuracy of their subordinate units' readiness reports.

Reason Action Not Completed: Corrective actions are ongoing to revise Marine Corps Order 3000.13A.

Principal Action Office: Marine Corps

Report: DODIG-2018-142, U.S. Africa Command and U.S. European Command Integration of Operational Contract Support, 8/9/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff, U.S. European Command, U.S. Africa Command

Report: DODIG-2018-143, Air Force Space Command Supply Chain Risk Management of

Strategic Capabilities, 8/14/2018

Description of Action: Conduct a detailed review of the supply chain risk management for the Air Force Satellite Control Network, Family of Advanced Beyond Line-of-Sight Terminals, and Global Positioning System programs, and all other programs deemed critical to the Air Force Space Command, to ensure compliance with DoD Instruction 5200.44, "Protection of Mission Critical Functions to Achieve Trusted Systems and Networks (TSN)," November 5, 2012 (Incorporating Change 2, Effective July 27, 2017). If deficiencies are identified, Air Force Space Command officials must develop a plan of action with milestones to correct the deficiencies.

Reason Action Not Completed: Waiting to receive evidence that the Air Force Space Command has completed a supply chain risk management review in accordance with DoD supply chain risk management policy, and that a plan of action exists to correct deficiencies that are identified.

Principal Action Office: Air Force

Report: DODIG-2018-144, Evaluation of Intelligence Support to Protect U.S. Nuclear Weapons in Europe, 8/10/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Acquisition and Sustainment, Air Force

Report: DODIG-2018-145, Air Force C-5 Squadrons' Capability to Meet U.S. Transportation Command Mission Requirements, 8/13/2018

Description of Action: Request the Air Force Manpower Analysis Agency to create a C-5 logistics composite model to identify aircraft maintenance authorization ratios that better align with current C-5 maintenance needs for use in determining future authorization levels.

Reason Action Not Completed: Corrective actions are ongoing to complete a review that focuses on proper future maintenance authorization ratios.

Principal Action Office: Air Force

Report: DODIG-2018-151, Military Sealift Command's Maintenance of Prepositioning Ships, 9/24/2018

Description of Action: Update the technical drawings and manuals for the Military Sealift Command prepositioning fleet. Revise Military Sealift Command policies so that all system users are provided initial and annual refresher training on the proper use of the Shipboard Automated Maintenance Management system. Training should include the use of the different modules and of the feedback log. Also, review and modify all contracts to require formal Shipboard Automated Maintenance Management system training for all users, as well as clarify vague requirements and align contract language with Military Sealift Command procedures.

Reason Action Not Completed: Extensive time required to implement corrective actions.

Principal Action Office: Navy

Report: DODIG-2018-152, Management of Prepositioned Stock in U.S. European Command, 9/17/2018

Description of Action: Update Army Technical Manual 38-470 to include requirements that specify who is responsible for maintaining controlled humidity levels and performing inspections for the controlled humidity facilities.

Reason Action Not Completed: Update to the Army Technical Manual 38-470 is still ongoing

Principal Action Office: Army, Marine Corps

Report: DODIG-2018-153, Armed Forces Retirement Home Support Functions, 9/24/2018

Description of Action: Develop a comprehensive Continuity Operations Plan in accordance with National Security Presidential Directive 51/Homeland Security Presidential Directive 20. Revise policy and documentation to fully align with National Institute of Standards and Technology Special Publication 800-53, revision 4.

Reason Action Not Completed: Corrective actions ongoing.

Principal Action Office: DoD Chief Management Officer

Report: DODIG-2018-157, Followup on DoD OIG Report No. DODIG-2013-099, "Compliance with Electrical and Fire Protection Standards of U.S. Controlled and Occupied Facilities in Afghanistan," July 18, 2013 at Kandahar Airfield, 9/28/2018

Description of Action: Ensure that Qualified Fire Protection Engineers are available in the U.S. Forces-Afghanistan area of responsibility to perform oversight of fire protections systems, as required by Unified Facilities Criteria 3-600-01. Also, develop a fire protection plan unique to Kandahar Airfield, as required by U.S. Central Command Regulation 415-1.

Reason Action Not Completed: Corrective actions are ongoing.

Principal Action Office: U.S. Central Command

Report: DODIG-2018-159, Evaluation of the Integrated Tactical Warning and Attack Assessment System, 9/26/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Joint Chiefs of Staff, U.S. Strategic Command

Report: DODIG-2018-160, Evaluation of the Space-Based Segment of the U.S. Nuclear Detonation Detection System, 9/28/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Air Force, Cost Assessment and Program Evaluation

Report: DODIG-2018-162, Evaluation of the Airborne Intelligence, Surveillance, and Reconnaissance Processing, Exploitation, and Dissemination Process in Support of Operation Inherent Resolve, 9/27/2018

Description of Action: Report is classified.

Reason Action Not Completed: Report is classified.

Principal Action Office: Under Secretary of Defense for Intelligence

SECTION 845 ANNEX AUDIT REPORTS WITH SIGNIFICANT FINDINGS

DoD OIG

Audit Report No. DODIG-2019-069	Date: April 1, 2019
Subject: Audit of the Army's Oversight of National Afghan Trucking Services 3.0 Contracts	
Report: \$41.3 million in Questioned Cost (\$1.3 million in Unsupported Costs)	
The Army did not fully monitor contractor costs or provide continuous oversight of contractor performance for the National Afghan Trucking Services 3.0 contracts. As a result, the Army does not have assurance that the National Afghan Trucking Services 3.0 contractors' services, valued at \$41.3 million as of December 2018, complied with contract requirements for the delivery of supplies and assets. Additionally, the Army waived \$1.3 million in deductions for contractors missing required delivery dates from June through August 2018 without verifying that the contractors requested a security escort by the mission start date and were eligible to have the deduction waived.	

Audit Report No. DODIG-2019-094	Date: June 13, 2019
Subject: Audit of F-35 Ready-For-Issue Spare Parts and Sustainment Performance Incentive Fees	
Report: \$303 million in Funds Put to Better Use	
The DoD OIG determined that the DoD did not receive Ready-For-Issue (RFI) F-35 spare parts in accordance with contract requirements and paid performance incentive fees on the sustainment contracts based on inflated and unverified F-35A aircraft availability hours. As a result, the DoD received non-RFI spare parts and spent up to \$303 million in DoD labor costs since 2015, and it will continue to pay up to \$55 million annually for non-RFI spare parts until the non-RFI spare parts issue is resolved.	

Audit Report No. DODIG-2019-128	Date: September 30, 2019
Subject: Audit of U.S. Army Corps of Engineers Oversight of Contracts for Repair and Restoration of the Electric Power Grid in Puerto Rico	
Report: \$50.1 million in Questioned and Unsupported Costs	
The DoD OIG determined that U.S. Army Corps of Engineers (USACE) Huntsville did not adequately monitor contractor labor hours worked or accurately review invoices to ensure contractor invoices corresponded to actual work performed on its two power grid repair and restoration contracts. As a result, USACE Huntsville did not know whether contractor labor costs paid on 11 invoices, valued at \$258.9 million, were allowable in accordance with the terms of the contracts. Based on the testing of a sample of labor costs, the DoD OIG identified at least \$20.9 million paid by USACE that was unsupported and potentially unallowable. Additionally, USACE Jacksonville did not adequately monitor contractor labor hours worked or accurately review invoices to ensure contractor invoices corresponded to actual work performed on a third power grid repair and restoration contract. As a result, USACE Jacksonville did not know whether contractor labor costs paid on seven invoices, valued at \$61.3 million, were allowable in accordance with Federal regulations or terms of the contract. Based on the testing of labor costs, the DoD OIG identified at least \$29.2 million paid by USACE that was unsupported and potentially unallowable.	

Fulfills requirements of the National Defense Authorization Act of FY 2008, section 845.

DCAA

Audit Report No. 09851-2016A10100006	Date: April 2, 2019
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2016	
Prepared For: Defense Contract Management Agency	
Report: \$19.9 Million Questioned Costs	
The audit of FY 2016 incurred cost proposal resulted in a total of \$19.9 million in questioned costs. Significant questioned costs of \$14.1 million were identified in claimed subcontract costs pursuant to Federal Acquisition Regulation (FAR) 31.201-2, Determining Allowability, and FAR 31.201-4, Determining Allocability. Additional questioned costs were identified in claimed direct maintenance and indirect consultant costs.	

Audit Report No. 03381-2018M17200001	Date: April 5, 2019
Subject: Independent Audit Report on Claimed Amounts in Contract Disputes Act Claim	
Prepared For: Naval Facilities Engineering Command	
Report: \$17.8 Million Questioned Costs	
The audit of the contractor's claim identified a total of \$17.8 million in total unallowable costs. Significant questioned costs of \$15.4 million were identified in claimed subcontractor cost. The subcontractor costs were questioned in their entirety and determined to be unallowable. Other lesser questioned costs included external containment costs, overhead costs, and post remobilization costs.	

Audit Report No. 01571-2014L10100001	Date: April 25, 2019
Subject: Independent Audit Report on Proposed Amounts on Selected Unsettled Flexibly Priced Contracts for FY 2014	
Prepared For: National Institute of Health	
Report: \$16.4 Million Questioned Costs	
The examination of the contractor's incurred costs disclosed a total of \$16.4 million in questioned costs. The breakdown of questioned costs included \$13.7 million in direct costs and \$2.7 million in indirect costs. Significant questioned costs of \$13.7 million were identified in claimed purchase card expenses. These costs were found to be noncompliant with FAR 31.201-2, Determining Allowability, because the contractor did not maintain adequate records to justify the costs as allowable and allocable to the contract. Other questioned costs were identified in claimed employee incentive costs.	

Audit Report No. 01511-2016C10100004	Date: May 21, 2019
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2016 (8 months)	
Prepared For: Defense Contract Management Agency	
Report: \$24.6 Million Questioned Costs	
The FY 2016 incurred cost audit identified a total of \$24.6 million in questioned costs. Significant questioned costs of \$22.6 million were identified in indirect Information Technology costs. These costs were questioned in accordance with FAR 201.4, Determining Allocability. Other costs that were questioned included direct labor costs and overhead.	

Audit Report No. 01511-2016C10100002 & 01511-2017C10100001	Date: May 22, 2019
Subject: Independent Audit Report on Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2016 and FY 2017	
Prepared For: Defense Contract Management Agency	
Report: \$14.9 Million Questioned Costs	
The FY 2016 and FY 2017 incurred cost proposal audit resulted in a total of \$14.9 million in questioned costs. Significant questioned costs were not identified in any one cost category. However, costs were questioned in relation to labor costs, state and local taxes, and legal fees. These costs were questioned in accordance with various FAR requirements including FAR 31.205-27, Organization Costs; FAR 31.201-5, Credits; and FAR 31.201-3, Determining Reasonableness.	

Audit Report No. 09851-2016A10100005	Date: May 23, 2019
Subject: Independent Assist Audit Report for Direct Costs Amounts on Classified Unsettled Flexibly Priced Contracts for FY 2016	
Prepared For: Classified Customer	
Report: \$31.7 Million Questioned Costs	
The FY 2016 audit identified a total of \$31.7 million in questioned costs. Significant questioned costs of \$27.6 million were identified in relation to Time & Material (T&M) subcontract costs. The T&M subcontract costs questioned appeared to be duplicative in nature and as such were identified and questioned. Other costs that were questioned included T&M labor revenue.	

Audit Report No. 09821-2016A10100012 & 09821-2017A10100012	Date: May 23, 2019
Subject: Independent Audit Report on Corporate Home Office's Proposed Amounts on Unsettled Flexibly Priced Contracts for FY 2016 and FY 2017	
Prepared For: Defense Contract Management Agency	
Report: \$24.2 Million Questioned Costs	
The audit of FY 2016 and FY 2017 incurred cost proposals resulted in a total of \$24.2 million in questioned costs. Significant questioned costs of \$22.3 million were identified in relation to bonuses that were questioned in accordance with FAR 31.205-6, Compensation for Personal Services, and FAR 31.201-2, Determining Allowability. Other costs questioned included unreasonable severance and tuition reimbursement costs.	

RESULTS OF PEER REVIEWS

Peer Review of the United States Special Operations Command, Office of the Inspector General, Audit Division

The DoD OIG reviewed the system of quality control for the United States Special Operations Command, Office of the Inspector General (USSOCOM OIG), Audit Division in effect for the period ending December 31, 2018. The USSOCOM OIG Audit Division received a rating of pass. The system review report contained no recommendations.

Peer Review of Department of Defense Office of the Inspector General by U.S. Department of Housing and Urban Development Office of Inspector General

The U.S. Department of Housing and Urban Development OIG conducted an external peer review of DoD OIG audit operations and issued a final report on September 27, 2018. The DoD OIG received a peer review rating of pass. The system review report contained no recommendations.

INVESTIGATIVE REPORTS ISSUED

IG Empowerment Act of 2016 Additional Semiannual Report to Congress SAR Reporting Requirements

17. Statistical Table		
17A	the total number of investigative reports issued during the reporting period	238
17B	the total number of investigations referred to the Department of Justice for criminal prosecution during the reporting period	78
17C	the total number of investigations referred to State and local prosecuting authorities for criminal prosecution during the reporting period	1
17D	the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities	136

18. Description of the metrics used for developing the data for the statistical tables under paragraph (17)	
17A	In accordance with DCIS policy (SAM Ch. 28.18.a), each investigation is concluded with a “Report of Investigation” (ROI). Hence, this metric is actually the count of the investigations closed during the reporting period. This includes Regular Investigations only with Case Close Dates between 4/1/2019 through 9/30/2019. There are instances when DCIS does not author the ROI, in such events, a Case Termination should be used (also in accordance with written DCIS policy). This metric does NOT include other types of reports authored by DCIS to include Information Reports, Case Initiation Reports, Case Summary Updates, Interview Form 1s, Significant Incident Reports, etc.
17B	DCIS tracks referrals to DOJ at the investigation level and not the suspect/person/entity level. The number reported is the total number of investigations referred to the Department of Justice for criminal prosecution during the reporting period. There were 78 investigations referred to DOJ for criminal prosecution. These investigations involved 217 suspects, (85) businesses and (132) individuals.
17C	DCIS tracks referrals for prosecution at the investigation level and not the suspect/person/entity level. The number reported is the total number of investigations referred to State and Local prosecuting authorities for criminal prosecution during the reporting period. There was 1 investigation referred to State/Local prosecuting authorities for criminal prosecution. These investigations involved 1 suspect(s), (0) businesses and (1) individuals.
17D	Includes any Federal Indictment, Federal Information, State/Local Charge, Foreign Charge, Article 32 UCMJ, or Federal Pre-Trial Diversion occurring between 4/1/2019 through 9/30/2019. This excludes any sealed charges. Only validated charges are included. Precluding Adjudicative Referral may have occurred in current SAR period or in previous period. This differs from Criminal Charges as reported in SAR Highlights section because the SAR Highlights includes a 6 month “look back” period to include previously unreported criminal charges (charges occurring between 10/1/2018 and 03/31/19 but were not previously reported).

Partially fulfills requirements of the Inspector General Act of 1978, as amended, 5. U.S.C., Appendix, §§ 5(17), (18), (19).

ACRONYMS

ADR	Alternative Dispute Resolution
AFAA	Air Force Audit Agency
AFCAP	Air Force Contract Augmentation Program
AFOSI	Air Force Office of Special Investigations
AI	Administrative Investigations
APPS	Afghan Personnel and Pay System
ARI	Acquisition Reform Initiatives
Army CID	Army Criminal Investigation Command
ARNG	U.S. Army National Guard
ATSD(PA)	Assistant to the Secretary of Defense for Public Affairs
CAF	Consolidated Adjudications Facility
CAGE	Commercial and Government Entity
CAP	Corrective Action Plan
CCR	Central Command Regulation
C-Folders	Collaboration Folders
CI	Counterintelligence
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CIO	Chief Information Officer
COCOM	Combatant Command
COMSEC	Communication Security
COP-OCO	Comprehensive Oversight Plan for Overseas Contingency Operations
COR	Contracting Officer's Representative
CTIP	Combating Trafficking In Persons
COTS	Commercial Off-the-Shelf
CJTF-OIR	Combined Joint Task Force–Operation Inherent Resolve
COR	Contracting Officer's Representative
CSTC-A	Combined Security Transition Command–Afghanistan
CUI	DoD-Controlled Unclassified Information
DCIE	Defense Council on Integrity and Efficiency
DCIS	Defense Criminal Investigative Service
DDoS	Distributed Denial of Service
DFAS	Defense Finance and Accounting Service
DHA	Defense Health Agency
DIBBS	DLA Internet Bid Board System
DIFM	Due-In From Maintenance
DISLA	Defense Infrastructure Sector Lead Agents
DLA	Defense Logistics Agency
DoDIN	DoD Information Network
DOJ	Department of Justice

DON/AA	Department of the Navy/Assistant for Administration Activities
DOS	Department of State
DSAD	Defense Sexual Assault Incident Database
DSCA	Defense Security Cooperation Agency
EEL	Electronic Equipment Logbook
FAP	Family Advocacy Program
FAR	Federal Acquisition Regulation
FBI	Federal Bureau of Investigation
FMR	Financial Management Regulation
GFP	Government-Furnished Property
GPC	Government Purchase Card
IAMD	Integrated Air and Missile Defense
IG	Inspector General
IPERA	Improper Payments Elimination and Recovery Act
IRR	Individual Ready Reserve
IRS	Internal Revenue Service
ISCP	Information System Contingency Plans
ISIS	Islamic State of Iraq and Syria
ISO	Investigations of Senior Officials
JCP	Joint Certification Program
JIE	Joint Information Environment
JRSS	Joint Regional Security Stacks
JWICS	Joint Worldwide Intelligence Communications System
LMP	Logistics Modernization Program
LTS	Long-Term Storage
MCIO	Military Criminal Investigative Organization
MF	Marine and Family
MIPR	Military Interdepartmental Purchase Request
NAF	Nonappropriated Funds
NAT 3.0	National Afghan Trucking Services 3.0
NAVAUDSVC	Naval Audit Service
NAVSEA	Naval Sea Systems Command
NCIS	Naval Criminal Investigative Service
NSS	National Security Systems
OCO	Overseas Contingency Operations
OFS	Operation Freedom's Sentinel
OIG	Office of Inspector General
OIR	Operation Inherent Resolve
OLAC	Office of Legislative Affairs and Communications
OPE-P	Operation Pacific Eagle–Philippines
OSD(I)	Office of the Under Secretary of Defense for Intelligence

PCO	Procuring Contracting Officers
PERS	Personnel Command-Enlisted Performance and Separations
POM	Program Objective Memorandum
RAF	Regionally Aligned Forces
RFI	Ready-for-Issue
SAA	Security Assistance Accounts
SACC	Substance Abuse Counseling Center
SAPR	Sexual Assault Prevention and Response
SARC	Sexual Assault Response Coordinator

SES	Senior Executive Service
USAAA	U.S. Army Audit Agency
USACE	U.S. Army Corps of Engineers
USAFA	U.S. Air Force Academy
USAFRICOM	U.S. Africa Command
USAID	U.S. Agency for International Development
USCENTCOM	U.S. Central Command
USINDOPACOM	U.S. Indo-Pacific Command
USSOCOM	U.S. Special Operations Command
VA	Department of Veterans Affairs

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