

March 2008

# DEFENSE MANAGEMENT

## More Transparency Needed over the Financial and Human Capital Operations of the Joint Improvised Explosive Device Defeat Organization



# Report Documentation Page

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Highlights of [GAO-08-342](#), a report to congressional committees

## Why GAO Did This Study

Improvised explosive devices (IED) have been and continue to be a significant threat to U.S. forces. The Department of Defense (DOD) expanded efforts to defeat IEDs with the establishment of the Joint Improvised Explosive Device Defeat Organization (JIEDDO) in January 2006. GAO was asked to review JIEDDO's management and operations. For this second report in its series, GAO determined (1) the extent to which JIEDDO's management processes provide adequate assurances that its financial information is accurate and provides transparency over its operations and (2) the extent to which JIEDDO identifies, records, tracks, and reports numbers of all personnel, including contractors.

GAO analyzed data for the first half of fiscal year 2007, which included 47 funding transactions totaling \$1.34 billion for 24 initiatives to address these objectives.

## What GAO Recommends

To help ensure that JIEDDO provides adequate transparency over its resource use and addresses specific internal control weaknesses, GAO recommends that JIEDDO develop an effective internal control system and establish a means to identify, track, and report all personnel, including its contractor support. DOD agreed with the thrust of all of the GAO recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-342](#). For more information, contact William M. Solis at (202) 512-8365 or [solisw@gao.gov](mailto:solisw@gao.gov).

## DEFENSE MANAGEMENT

### More Transparency Needed over the Financial and Human Capital Operations of the Joint Improvised Explosive Device Defeat Organization

#### What GAO Found

JIEDDO's financial management processes do not provide adequate assurances that its financial information is accurate, and as a result, JIEDDO is unable to provide full transparency over the cost of its operations. While JIEDDO has improved its financial management processes, it has not yet reached a point where those processes contain an effective system of internal control. According to federal standards, internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives of an organization and help it to achieve desired results through effective stewardship of its resources. GAO identified four internal control weaknesses that affect JIEDDO's financial management processes. First, JIEDDO has not comprehensively documented its administrative policies and operating manuals, which affects the consistency of how its financial management personnel perform their duties. Second, JIEDDO does not have adequate funds authorization controls to ensure that transactions are properly authorized before funds are committed. In reviewing funding transactions totaling \$795 million, 18 of 24 initiatives were not properly authorized in accordance with internal control standards. As a result, funds may be used without proper scrutiny and without a mechanism to detect, correct, or address this control failure. Third, JIEDDO does not have controls to ensure that transactions are properly categorized. For example, of the \$1.34 billion in fiscal year 2007 commitments reviewed, JIEDDO inaccurately categorized at least 83 percent of these dollars under one category that should have been applied to others. This could distort information used in assessing trends and prioritizing funds. Fourth, JIEDDO does not have an adequate internal process to monitor and review the efficacy of its internal controls. In the absence of an adequate system of internal control, the agency may not achieve all of its objectives and its use of resources may not be consistent with DOD priorities. Furthermore, decision makers may be basing their decisions on inaccurate financial data and reports. At the end of this review, JIEDDO managers said that they had corrected these weaknesses; however, because these actions occurred after audit completion, GAO could not determine their effectiveness.

JIEDDO does not fully identify, track, and report all government and contractor personnel as provided for in DOD Directive 1100.4. Identifying all government and contractor personnel is important to JIEDDO's management and oversight responsibilities and contributes to its ability to effectively plan for its future workforce needs. While JIEDDO has a system in place for routinely tracking and reporting numbers of personnel JIEDDO regards as staff, this system is limited because it does not track all government and contractor personnel performing work for JIEDDO. However, since its creation in February 2006, JIEDDO has relied heavily on contractor support to accomplish its mission, which is not fully reflected in JIEDDO's system. When the Senate Appropriations Committee directed that JIEDDO provide a comprehensive accounting of all of its personnel, including contractors, by May 2007, JIEDDO had to rely on an ad hoc process to develop the report, which resulted in several inaccuracies and inconsistencies.

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## Abbreviations

COIC	Counter-IED Operations Integration Center
DFARS	Defense Federal Acquisition Regulation Supplement
DOD	Department of Defense
FMFIA	Federal Managers' Financial Integrity Act of 1982
IED	improvised explosive device
JCAAMP	Joint Improvised Explosive Device Defeat Capability Approval and Acquisition Management Process
JIEDDO	Joint Improvised Explosive Device Defeat Organization
MIPR	Military Interdepartmental Purchase Request
OMB	Office of Management and Budget
PGI	Procedures, Guidance, and Information

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United States Government Accountability Office  
Washington, DC 20548

March 6, 2008

### Congressional Committees

When major combat operations for Operation Iraqi Freedom ceased in May 2003, U.S. and coalition forces transitioned to stabilization operations. Since that time, U.S. forces have come under frequent and deadly attacks from insurgents using such weapons as improvised explosive devices (IED), mortars, and rocket launchers. IEDs also have been a significant threat to U.S. forces operating in Afghanistan. The Congressional Research Service recently reported that IEDs have caused 60 percent of all American combat casualties both killed and wounded in Iraq and 50 percent of casualties in Afghanistan.<sup>1</sup> The Department of Defense (DOD) has described IEDs as the number one weapon of strategic influence in the Iraq war and consequently has dedicated a high level of resources toward countering the impact of IEDs and their use by enemy forces.

In response to the threat posed by IEDs, DOD and Congress have provided resources to fund efforts to defeat IEDs. From fiscal year 2004 through the end of fiscal year 2007, \$11.25 billion has been provided to various DOD organizations to address the IED threat. For example, in June 2005, the Deputy Secretary of Defense established the Joint IED Task Force to lead DOD's efforts in fighting the IED threat with the intent to establish a holistic approach to defeating IEDs, streamline the processes for supporting the warfighter's efforts to counter IEDs, and build a dedicated staff with an IED-defeat knowledge base. In January 2006, the Deputy Secretary of Defense established the Joint Improvised Explosive Device Defeat Organization (JIEDDO) to expand the task force's scope by establishing a permanent organizational structure to execute the IED defeat mission. In fiscal year 2007, Congress appropriated about \$4.35 billion for JIEDDO, and JIEDDO expects to continue to receive additional funding through subsequent supplemental appropriations to complete its fiscal year projects and begin new projects.

Insurgents have adapted to U.S. countermeasures thus requiring JIEDDO to continue to evaluate and analyze efforts to defeat them. Given long-term

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<sup>1</sup>Congressional Research Service, *Improvised Explosive Devices (IEDs) in Iraq and Afghanistan: Effects and Countermeasures* (Washington, D.C.: Aug. 28, 2007).

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fiscal challenges, congressional committees have expressed concerns regarding JIEDDO's rapid growth in structure, scope, and funding, and the extent to which DOD manages its resources to efficiently and effectively defeat IEDs. In a series of reviews in response to direction in Senate Report 109-292,<sup>2</sup> we first reported in March 2007 on several issues related to JIEDDO's management and operations, including JIEDDO's lack of a strategic plan and the resulting effects on the development of its financial and human capital management programs.<sup>3</sup> We made several recommendations to the Secretary of Defense to improve the management of JIEDDO operations, stressing the development of JIEDDO's detailed strategic plan. In this second review, we determined to what extent (1) JIEDDO's financial management processes provide adequate assurances that its financial information is accurate and provides transparency over its operations and (2) JIEDDO identifies, records, tracks, and reports numbers of all personnel, including contractors. We are also conducting a third review that examines JIEDDO's processes for coordinating counter-IED intelligence support across DOD, which we will report on separately.

To address our objectives, we met with JIEDDO officials to gain a general understanding of JIEDDO's management of financial resources and personnel. To assess JIEDDO's financial management processes, controls, and data, we analyzed 47 funding actions totaling \$1.34 billion for 24 of the 301 initiatives JIEDDO had approved at the time we collected our data. Nineteen of the 24 initiatives were those with the highest fund commitments in JIEDDO's defeat-the-device and attack-the-network initiatives based on the financial transaction data we collected. The 5 additional initiatives were those receiving Deputy Secretary of Defense approval after our initial data collection date. We also identified required approval controls over use of funds, reviewed these selected transactions for adherence to these controls, and assessed whether the data recorded in the accounting and managerial systems accurately reflected JIEDDO's activities. However, we did not perform a comprehensive assessment of all of JIEDDO's internal controls. To assess JIEDDO's efforts to identify, record, track, and report numbers of all personnel, including contractors, we collected and reviewed JIEDDO staff reports and selectively compared

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<sup>2</sup>S. Rep. No. 109-292 at 239-40 (2006).

<sup>3</sup>GAO, *Defense Management: A Strategic Plan Is Needed to Guide the Joint Improvised Explosive Device Organization's Efforts to Effectively Accomplish Its Mission*, GAO-07-377C (Washington D.C.: Mar. 28, 2007).

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the associated data with corroborating sources to determine whether the reported figures were comprehensive and accurate. We conducted this performance audit from April 2007 to December 2007 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I provides additional details on our scope and methodology.

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## Results in Brief

JIEDDO's financial management processes do not provide adequate assurances that its financial information is accurate, and as a result, JIEDDO is unable to provide full transparency over the cost of its operations. While JIEDDO has made progress in improving its financial management processes, it has not yet reached a point where those processes contain an effective system of internal control. Such a system is required by federal laws and regulations and enables organizations to provide accurate financial information for both internal and external decision makers. According to federal standards, internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives of an organization and help it to achieve desired results through effective stewardship of public resources. We found that JIEDDO has four internal control weaknesses. First, JIEDDO has not comprehensively documented its administrative policies and operating manuals, which affects the consistency of how its financial management personnel perform their duties. As a result, we found inconsistent financial management control processes among staff and managers. Second, JIEDDO does not have adequate funds authorization controls to ensure that transactions are properly authorized before funds are committed. Thus, JIEDDO made funding commitments prior to obtaining required approvals, which underscores the possibility that funds are used without the proper scrutiny of authorizing agents and without a mechanism in place to detect, correct, or address this control failure. For example, funding transactions—totaling \$795 million—for 18 of 24 initiatives we reviewed were not properly authorized in accordance with internal control standards. Third, JIEDDO does not have controls to ensure that transactions are properly categorized. For example, of the \$1.34 billion in fiscal year 2007 commitments we reviewed, JIEDDO inaccurately categorized at least 83 percent of these dollars under one category that should have been applied to others. This could distort information provided in JIEDDO's financial reports and affects its ability to accurately

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determine trends in the use of funds in conjunction with its priorities. Fourth, JIEDDO does not have an adequate internal process to monitor and review the efficacy of its internal controls. For example, JIEDDO's process used to assess its internal controls for its May 2007 annual statement of assurance, submitted to DOD as required by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), resulted in several inaccurate statements that were used as the basis for an unqualified statement that JIEDDO's internal control system met federal standards. In the absence of an adequate system of internal control, the agency may not achieve all of its objectives, and its use of resources may not be consistent with DOD priorities. Furthermore, decision makers may be basing their decisions on inaccurate financial data and reports. JIEDDO officials stated that their efforts to develop an effective financial management program have been significantly challenged by turnover in key financial positions and difficulties hiring adequate numbers of qualified staff. They also said that JIEDDO has recently taken several actions to address and correct these weaknesses. However, because these changes have recently occurred and have not yet been fully implemented, we have not been able to evaluate their effectiveness in improving JIEDDO's internal control system. Therefore, we are recommending that JIEDDO develop and document a comprehensive system of internal control for its financial management processes that fully complies with federal internal control standards, and routinely monitor its effectiveness using internal audit staff. We are also recommending that JIEDDO report to Congress on the status of its efforts to implement a comprehensive system of internal control.

JIEDDO does not fully identify, track, and report all personnel, including contractors, as described by DOD Directive 1100.4. This directive provides that each DOD organization shall designate an individual with the authority to maintain a manpower data system that accounts for all manpower resources—including military, civilian, and contractor.<sup>4</sup> Furthermore, such an accounting helps internal and external decision makers conduct effective oversight of personnel. While JIEDDO has a system in place for tracking and reporting numbers of personnel, this system does not track all government and contractor personnel performing work for JIEDDO. For example, JIEDDO does not track field service representatives, who are contractors providing support for deployed counter-IED systems. From this limited system, JIEDDO

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<sup>4</sup>DOD Directive 1100.4, "Guidance for Manpower Management," para. 4.4.10 (Feb. 12, 2005).

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routinely accounted for personnel filling about 418 authorized positions. In Senate Report 110-37, the Senate Appropriations Committee directed JIEDDO to provide a comprehensive report of all of its personnel, including all contractors, by May 2007.<sup>5</sup> Because JIEDDO does not have a comprehensive process to track all personnel, it relied on an ad hoc process to develop the report. The results identified a total of 1,466 personnel working for JIEDDO. However, we were not assured of the accuracy of those figures in the congressional report given the lack of guidance or evidence of a process that would help to ensure reasonable accuracy in identifying and reporting all categories of government and contractor personnel. When we reviewed the report, we discovered inaccuracies in the data that led us to conclude that at about 114 personnel had been omitted from the report. In addition, we also noted that as it collected data for the report, JIEDDO applied inconsistent criteria. For example, JIEDDO reported some field service representatives as individuals and others as full-time equivalents, which could account for more than one individual. Although JIEDDO officials said that they do not consider all contractors as staff, since its creation in February 2006, JIEDDO has relied heavily on contractor support to accomplish its mission. For example, JIEDDO has employed contractors to perform such tasks as evaluating initiative proposals from outside contractors and operating unmanned aerial vehicles. DOD Directive 1100.4 states that it is DOD policy that manpower requirements be established at the minimum levels necessary to accomplish mission and performance objectives. It follows that a manpower data system that accurately accounts for all personnel, including contractors, enables manpower management that promotes efficient and effective use of manpower resources. Furthermore, such accounting helps congressional decision makers and JIEDDO management conduct effective oversight of personnel. Therefore, we are recommending that JIEDDO establish a method or system to comprehensively identify, track, and report on a routine basis all personnel, including all levels of contractor support.

In written comments on a draft of this report, DOD concurred with our findings and the thrust of our six recommendations. With respect to our fifth recommendation as originally stated in our draft report, which was to report on JIEDDO's efforts to implement internal control improvements as part of JIEDDO's recurring quarterly congressional reports, DOD instead proposed a report that provides this information to the Armed Services

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<sup>5</sup>S. Rep. No. 110-37 at 26-27 (2007).

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and Appropriations Committees 1 year after the issuance of our report, which satisfies the intent of our recommendation. Consequently, we modified our original recommendation to reflect this change. DOD also provided additional information on several activities it has undertaken to date. DOD's written comments are reprinted in appendix II.

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## Background

JIEDDO was created by the Deputy Secretary of Defense in January 2006 and is responsible for leading, advocating, and coordinating all DOD efforts to defeat IEDs. Prior DOD efforts to defeat IEDs included various process teams and task forces. For example, DOD established the Joint IED Defeat Task Force in June 2005 for which the Army provided primary administrative support. This task force replaced the Army IED Task Force, the Joint IED Task Force, and the Under Secretary of Defense, Force Protection Working Group. To focus all of DOD's efforts and minimize duplication, DOD published new IED policy in February 2006 through DOD Directive 2000.19E, which changed the name of the Joint IED Defeat Task Force to JIEDDO and established it as a joint entity and jointly manned organization within DOD, reporting to the Deputy Secretary of Defense. The directive states that JIEDDO shall "focus (lead, advocate, and coordinate) all Department of Defense actions in support of the Combatant Commanders' and their respective Joint Task Forces' efforts to defeat Improvised Explosive Devices as weapons of strategic influence." The organization is directed to identify, assess, and fund initiatives that provide specific counter-IED solutions, and is granted the authority to approve joint IED defeat initiatives valued up to \$25 million and make recommendations to the Deputy Secretary of Defense for initiatives valued over \$25 million. Under the directive, the Army remains the organization's executive agent and is responsible for providing primary administrative support to JIEDDO.

JIEDDO's primary role is to provide funding to the military services and DOD agencies to rapidly develop and field counter-IED solutions. Prior to fiscal year 2007, JIEDDO did this by working with the DOD Comptroller to transfer its appropriated funds into a standard DOD appropriation account, such as one for procurement or one for research, development, testing, and evaluation. JIEDDO would then send these transferred funds to the military service that is designated to sponsor the initiatives using a

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Military Interdepartmental Purchase Request (MIPR).<sup>6</sup> Beginning in fiscal year 2007, Congress provided JIEDDO with its own separate direct appropriation, but it still must transfer funds to the military services using a duly authorized and signed MIPR, which the Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 208.7004 (Procedures, Guidance, and Information (PGI) 208.7004) states is the acquiring department's authority for acquiring the goods or services on the requiring department's behalf.<sup>7</sup> DFARS PGI 208.7004 also states that the acquiring department, or military service, is then authorized to create obligations against the funding without further referral to the requiring department—JIEDDO—and that the military service has no responsibility to determine the validity of an approved MIPR. Therefore, after JIEDDO provides funding authority to the military service and the designated program manager for a specific initiative, the service program manager, not JIEDDO, is responsible for managing the initiatives for which JIEDDO has provided funds.

JIEDDO's efforts to counter the use of IEDs and subsequent funding for those efforts are organized according to three primary lines of operation: (1) attack the network that enables the use of IEDs, (2) defeat the IED itself once emplaced, and (3) train the military forces in counter-IED techniques. JIEDDO assigns all funds used to one of these lines of operation—or to a fourth line of operation called staff and infrastructure for miscellaneous expenditures not directly related to the three lines of operation. When JIEDDO undertakes any effort requiring funds, it assigns the funds for the effort to one of the lines of operations. JIEDDO further breaks down its expenditures into more detailed subsets, which it designates as initiatives, assigning a name and a unique number to track expenditures related to each initiative. JIEDDO manages and reports on all funds expended by line of operation and by initiative.

Office of Management and Budget (OMB) Circular A-123 specifies that federal agencies have a fundamental responsibility to develop and maintain effective internal control that ensures the prevention or detection of significant weaknesses—that is, weaknesses that could adversely affect

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<sup>6</sup>DOD uses MIPRs as the primary documents to order goods or services from other DOD components. MIPRs are prepared on DD Form 448, "Military Interdepartmental Purchase Request," and include a description of the supplies or services requested, unit price, total price, period of performance, and fund citation.

<sup>7</sup>In this case, the acquiring department would be one of the military services and the requiring department would be JIEDDO.

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the agency's ability to meet its objectives.<sup>8</sup> According to OMB, the importance of management controls is addressed in many statutes and executive documents. A memorandum from the OMB Director to the heads of the executive departments accompanying OMB Circular A-123 as an attachment requires agencies and individual federal managers to take systematic and proactive measures to develop and implement appropriate, cost-effective internal controls for results-oriented management. FMFIA establishes the overall requirements with regard to internal control. Accordingly, an agency head must establish controls that reasonably ensure that (1) obligations and costs are in compliance with applicable law; (2) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (3) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.<sup>9</sup> Specific internal control standards underlying the internal controls concept in the federal government are promulgated by GAO and are referred to as the Green Book.<sup>10</sup>

In March 2007, the Senate Appropriations Committee directed JIEDDO to identify and track all civilian, military, and contractor personnel in the organization.<sup>11</sup> In addition, DOD Directive 1100.4, "Guidance for Manpower Management," provides that DOD components shall designate an individual with the authority to establish and maintain a manpower data system that accounts for all manpower resources, to include active military, DOD civilian, reserve component, contract, and host-nation support.<sup>12</sup> The Senate Appropriations Committee, in its report on emergency supplemental appropriations, expressed concern over JIEDDO's exponential personnel growth and ability to track this growth.<sup>13</sup> The report stated that the committee has limited visibility into current

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<sup>8</sup>OMB Circular A-123, *Management's Responsibility for Internal Control*, Section I (2004).

<sup>9</sup>31 U.S.C. § 3512 (2007).

<sup>10</sup>GAO, *Internal Control: Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

<sup>11</sup>S. Rep. No. 110-37 at 26-27 (2007).

<sup>12</sup>DOD Directive 1100.4, "Guidance for Manpower Management," para. 4.4.10.1 (Feb. 12, 2005).

<sup>13</sup>S. Rep. No. 110-37 at 26-27 (2007).

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staffing and future staffing requirements and is concerned that JIEDDO is not accounting for certain contractor support properly. As a result of these concerns, the committee directed JIEDDO to provide a report to the congressional defense committees on current staffing levels and future staffing requirements, broken down by function, contractor, civilian, military, and detailed from other agencies, and should include all contractor support that is provided through various contracts. The committee further directed JIEDDO to update this report whenever JIEDDO personnel authorizations change. In response to the committee's direction, JIEDDO officials developed the JIEDDO Manning Description in May 2007 identifying and accounting for civilian, military, and contractor personnel working for JIEDDO.

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## JIEDDO Has Taken Steps to Improve Financial Management Processes but Lacks Effective Internal Controls to Provide Assurances That Its Financial Data Are Accurate and Provide Transparency over Its Operations

JIEDDO has made progress in improving its financial management processes but has not yet reached a point where its processes contain a system of internal control that ensures the accuracy of its financial data related to resources it has used in its operations. According to federal standards, internal control comprises the plans, methods, and procedures used to meet missions, goals, and objectives of an organization and help it to achieve desired results through effective stewardship of public resources.<sup>14</sup> In addition, our prior work has stated the importance of organizations addressing internal control weaknesses.<sup>15</sup> Otherwise, organizations may not achieve their objectives or may not use their resources to best advantage in achieving their objectives. Before beginning fiscal year 2007 operations, JIEDDO took several steps to improve its processes for managing and controlling its financial resources, and JIEDDO has been proactive in responding to financial management issues we raised during this audit by pursuing additional financial management process improvements. Nonetheless, JIEDDO is lacking an effective system of internal control that will provide adequate assurances of financial data accuracy and operations transparency. Although JIEDDO

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<sup>14</sup>[GAO/AIMD-00-21.3.1](#).

<sup>15</sup>We have issued many reports that highlight the importance of addressing internal control weaknesses. For example, see GAO, *Premium Class Travel: Internal Control Weaknesses Governmentwide Led to Improper and Abusive Use of Premium Class Travel*, [GAO-07-1268](#) (Washington, D.C.: Sept. 28, 2007); *Financial Audit: Significant Internal Control Weaknesses Remain in the Preparation of the Consolidated Financial Statements of the U.S. Government*, [GAO-07-805](#) (Washington, D.C.: July 23, 2007); and *Veterans Affairs: Lack of Accountability and Control Weaknesses over IT Equipment at Selected VA Locations*, [GAO-07-1100T](#) (Washington, D.C.: July 24, 2007).

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added changes toward the end of our review that are expected to address internal control weaknesses, their implementation occurred too late for us to determine their effectiveness. Nonetheless, in the absence of an adequate system of internal controls, inaccurate financial data and reports may negatively affect the internal and external decision-making process.

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### JIEDDO Has Taken Steps to Improve Its Financial Management Processes

JIEDDO has taken several steps to improve its financial management processes. JIEDDO's actions are divided into (1) those taken in preparation for the beginning of fiscal year 2007 operations and (2) those taken to develop and continually improve on its operations.

JIEDDO's approach for fiscal year 2007 included three changes aimed at streamlining and reducing data processing and analysis. The first of these changes was that JIEDDO took direct control of accounting functions previously performed by Army activities in support of JIEDDO. This allowed JIEDDO to directly execute and oversee funds budgeted and made available to JIEDDO. Second, JIEDDO requested and received a separate appropriation exclusively for its efforts, without having to obtain approval for funds through other DOD funding streams. Third, JIEDDO developed a procedure for assigning distinct numbers to specific initiatives because some initiatives were referred to by more than one name. The assignment of numbers eliminated confusion over the name of the initiative and facilitated the automated transfer of data, which was not possible using only a descriptive name.

JIEDDO's more recent actions were taken as part of its efforts to fully establish its organizational framework as the organization evolves and to continually improve its processes. These actions include issuing an internal written instruction describing the roles and responsibilities of JIEDDO subdivisions in greater detail; developing internal controls imbedded in a new automated document management and storage system; and establishing a new internal control audit function to be staffed by three persons, reporting directly to the JIEDDO Director. While these actions could address JIEDDO's internal control weaknesses, they have not yet been fully implemented and occurred too late for us to determine their effectiveness.

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**JIEDDO Lacks Effective Internal Controls to Provide Assurances That Its Financial Data Are Accurate, and JIEDDO Is Unable to Provide Transparency over Its Operations**

JIEDDO does not have an effective internal control system in place to ensure that its financial data are accurate, and without such assurances, JIEDDO is unable to provide adequate transparency over the cost of its operations. The ability of JIEDDO to provide accurate financial information for internal and external decision makers depends on management accountability and an effective system of internal control. Consistent with federal standards, JIEDDO would need to adequately document its financial management processes and procedures, including related internal controls, and the internal control system would contain basic elements providing assurance that proper authorization is obtained before using funds and that once a transaction occurs it is accurately and promptly recorded. Furthermore, developing adequate oversight mechanisms within JIEDDO is a key factor in developing the conscientious control environment required by federal standards. However, although our review was not designed to identify all significant deficiencies in internal control, we identified four weak control areas at JIEDDO, which individually and collectively precluded adequate assurances of accuracy and usefulness of financial data produced by JIEDDO's financial management operations. JIEDDO does not have (1) comprehensive documentation of its internal controls, (2) adequate funds authorization controls, (3) sufficient controls to ensure accurate categorization of transactions, and (4) an adequate process to monitor and review its internal control program.

First, JIEDDO's internal control processes related to its financial management are not adequately documented as required by government internal control standards.<sup>16</sup> Specifically, JIEDDO has not developed management directives, administrative policies, or operating manuals that comprehensively describe how JIEDDO financial management personnel should perform their duties and the internal control activities designed to assure management that those duties are timely and accurately performed. As a result, we found inconsistent financial management control processes among JIEDDO staff and managers. For example, while DOD's JIEDDO directive divides approval authority for JIEDDO initiatives between the Deputy Secretary of Defense—initiatives valued at greater than \$25 million—and JIEDDO itself—initiatives valued up to \$25 million, DOD did not adequately define in its directive the terms initiative or value with respect to which initiatives measure over or below \$25 million. Not defining terms would affect interpretation for both those with approval

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<sup>16</sup> [GAO/AIMD-00-21.3.1](#).

authority and those making processing and authorization control decisions. As a result, when determining whether an initiative should be forwarded to the Deputy Secretary of Defense for approval—a key external authorization control—or whether the authority rests within JIEDDO itself because the value does not exceed \$25 million, various JIEDDO officials and contractors provided us with varying descriptions for value determination (see table 1 for a listing of varying descriptions). However, any of these approaches could significantly change an initiative’s value calculations and consequently affect JIEDDO’s approval control decision process. In November 2007, JIEDDO issued an instruction that included further guidance on how to determine what constitutes an initiative for the purposes of requiring approval by the Deputy Secretary of Defense.<sup>17</sup> However, this instruction has not yet been incorporated into financial management operating procedures to ensure that staff understand the definition and apply it consistently when processing transactions. According to JIEDDO officials, the instruction, while better documenting the initiative determination and approval processes, does not provide adequate detail to constitute sufficient standard operating procedures for the components of JIEDDO. JIEDDO officials added that they have planned to form internal teams in the upcoming months to develop the more detailed operating procedures JIEDDO components need to implement this instruction.

**Table 1: JIEDDO Descriptions of How to Calculate Initiative Value**

- Only costs<sup>a</sup> included on individual purchase request to a military service.
- Only costs associated with an individual activity or program office.
- Only costs to be incurred by JIEDDO within 1 fiscal year.
- Only costs to be incurred within the fiscal year, regardless of which organization funds the initiative.
- All costs to be incurred by JIEDDO over the life of the initiative, until termination or management transfer to one of the military services.
- All costs incurred over multiple years, regardless of which organization funds the initiative.

Source: GAO analysis of JIEDDO descriptions.

<sup>a</sup>Costs include goods and services to develop, purchase, field, maintain, and sustain the initiative.

<sup>17</sup>JIEDDO issued JIEDDO Instruction 5000.01 on November 9, 2007, to define and implement the rapid acquisition management responsibilities for counter-IED efforts contained in DOD Directive 2000.19E.

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Second, JIEDDO's internal control system does not have adequate funds authorization controls to ensure that transactions are properly authorized before committing funds, which is a fundamental control activity required by government internal control standards.<sup>18</sup> We reviewed 24 initiatives of which 18 had funding transactions totaling \$795 million that were not authorized in accordance with the process that JIEDDO officials said should take place in advance of the commitment of funds on initiatives valued at greater than \$25 million. JIEDDO officials stated that approval of the Deputy Secretary of Defense had to be obtained before funds could be committed on initiatives valued at greater than \$25 million. Fourteen of the 18 initiatives received the required Deputy Secretary of Defense authorization after JIEDDO financial management personnel committed funds by approving the MIPR to transfer funds from JIEDDO to the external program manager for the initiative. For example, JIEDDO spent about \$8 million in the first quarter of fiscal year 2007 for an initiative that it expected would, overall, require \$57 million for that fiscal year. Since that overall amount exceeded the \$25 million value determination that requires the approval of the Deputy Secretary of Defense, JIEDDO acted before obtaining required authorization. JIEDDO did obtain Deputy Secretary of Defense approval for this initiative, but it was approximately 3 months after JIEDDO had committed funds for this initiative. In another case, the financial management division initially refused to commit funds for one initiative exceeding \$25 million until JIEDDO management obtained approval from the Deputy Secretary of Defense. However, JIEDDO management's response was to request funds for only one quarter's expenses, thus reducing the amount to under \$25 million. According to documentation in the file, the financial management division then agreed to fund the amount and commit the funds, even though it was aware that total program costs exceeded \$25 million for the fiscal year. Subsequently, JIEDDO's legal advisor determined that the project was not an initiative because it was considered part of JIEDDO's infrastructure costs and thus did not require approval by the Deputy Secretary of Defense. Nevertheless, although JIEDDO eventually decided approval was not required, the process for approving funds for this project demonstrates a breakdown in the internal control structure necessary to ensure proper authorization before funds are spent, since JIEDDO officials avoided obtaining approval even though they thought prior approval was required. Additionally, it is not clear whether 4 of the 18 initiatives were authorized prior to commitment of funds because authorization letters were not

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<sup>18</sup> [GAO/AIMD-00-21.3.1](#).

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dated, making the time of authorization unverifiable. It is clear, however, that inconsistent with JIEDDO processes, officials within JIEDDO made several funding commitments prior to obtaining the approvals required by JIEDDO processes. This underscores that JIEDDO's system of internal control allowed funds to be committed without the scrutiny of authorizing agents. Furthermore, the system did not detect, correct, or address this control failure.

Third, JIEDDO internal controls do not ensure that its transactions are properly categorized, in spite of federal internal control standards requiring that accurate transaction recording be ensured by an entity's internal control system.<sup>19</sup> For example, JIEDDO used about \$216 million on an initiative titled "CREW — USMC - Program Management Support (Contractor Salaries, Travel & Infrastructure)," recording the expenditure as management and professional support services. However, the \$216 million actually funded the purchase of tangible equipment—IED jammers—and therefore should have been recorded as procurement of equipment instead. Overall, of the \$1.34 billion in fiscal year 2007 commitments we reviewed, JIEDDO inaccurately recorded at least 83 percent of the dollars committed—involving 15 of the 24 initiatives we reviewed—as management and professional support services, when other categorizations should have been applied by JIEDDO financial managers.

JIEDDO's system of internal control also does not ensure that all transactions are accurately recorded in the proper JIEDDO lines of operation, and this could distort reported expenditures on these lines of operation. A key part of JIEDDO's overall strategy to manage operations is to code various initiatives to reflect one of four JIEDDO lines of operation to track success in achieving the overall goal of increased effort to attack the IED network. According to officials, JIEDDO policy is to assign a single line-of-operation code to each initiative even when operations overlap, which may result in the reported funding for a given line of operation being inaccurate. For example, JIEDDO's initiative involving the testing of counter-IED devices (constituting \$92 million in fiscal year 2007 funds) was coded as an attack-the-network effort, when our analysis indicates that the initiative more accurately represents JIEDDO's defeat-the-device line of operation. When originally established, JIEDDO coded its testing efforts as staff and infrastructure, which reflects general overhead incurred by JIEDDO, and reported the initiative as such in its

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<sup>19</sup> [GAO/AIMD-00-21.3.1](#).

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second quarter congressional report. However, subsequently JIEDDO recoded the initiative and reported it as an attack-the-network initiative in its third quarter congressional report. We found four other instances of JIEDDO recoding initiatives in the attack-the-network line of operations that also affected the third quarter report. JIEDDO officials explained that the recoding was based on a JIEDDO decision to code or recode any nondirect overhead staff and infrastructure initiatives as attack-the-network initiatives. They did not have supporting documentation reflecting JIEDDO's decision to recode. Documented directions would serve to track the rationale for how this line of operation was coded and recoded. The blanket assignment of direct overhead costs to the attack-the-network line of operation, along with reassigning lines of operation after initial recording affects JIEDDO's ability to accurately determine trends in the use of funds in conjunction with its attack the network objective. Further, in the case of the testing operations, funding for attack the network is overstated because, according to JIEDDO officials, the majority of testing operations can be attributed to other lines of operation.

Fourth, JIEDDO's internal process to monitor and review the efficacy of its internal controls is inadequate. The first federal government internal control standard, relating to an entity's control environment, includes having oversight mechanisms present within the agency as a key factor in accomplishing a conscientious control environment.<sup>20</sup> However, JIEDDO appeared to lack adequate mechanisms to monitor and review its internal control program during the period of our audit. In a May 2007 internal control report that JIEDDO prepared for the annual DOD internal controls assurance statement, JIEDDO described its process for assessing its controls and, based on that assessment, stated that it was able to provide an unqualified statement of reasonable assurance that its system of internal controls met federal internal control objectives.<sup>21</sup> However, we found several inaccurate statements in the report that were used as the basis for this conclusion, raising questions about the adequacy of JIEDDO's process for assessing its internal control system and determining reasonable assurance. For example, the financial management section of the report cited four final audit reports from the

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<sup>20</sup> [GAO/AIMD-00-21.3.1](#).

<sup>21</sup> The statement is required by FMFIA to disclose material weaknesses identified through an evaluation to determine the effectiveness of an entity's internal controls for its overall program, administrative, and operational activities and describe the plans and schedules to correct identified weaknesses.

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Air Force Audit Agency, DOD Program Analysis and Evaluation, the DOD Inspector General, and GAO. According to JIEDDO, these reports said the organizations reviewed JIEDDO financial management for activity beginning in fiscal year 2004 and did not have findings or recommendations. However, two of the reports cited do not exist (those for the Air Force Audit Agency and DOD Program Analysis and Evaluation), and the DOD Inspector General report focused on assessing controls over the Army's purchases from other government activities, not on JIEDDO's internal control system. Further, that report concluded that the Army did not have adequate internal controls over purchases from governmental sources, which included one JIEDDO fiscal year 2006 expenditure, because the Army did not ensure that expenditures were properly initiated, prepared, executed, and monitored.<sup>22</sup> Lastly, the GAO report cited is the predecessor to this review, and it concluded that JIEDDO's lack of a strategic plan limits JIEDDO's ability to properly align its resource use and management to achieve JIEDDO-wide goals.<sup>23</sup> The report, however, did not provide any assessment of JIEDDO's internal control system.

Another question about the adequacy of JIEDDO's internal control assessment process and related assurance report concerns JIEDDO's statement that training of its staff has improved internal controls. However, some of the individuals who actually prepared feeder sections of the report had not received any training on internal controls or how to assess them. Further, some of these individuals are not familiar with the internal control standards and the structured internal control risk assessment. We did not assess JIEDDO's stated basis for reasonable assurance of its internal control standards in its entirety because of the inaccuracies found relating to resource management and training sections of the report and because JIEDDO's report did not identify the significant control weaknesses we found, such as JIEDDO's noncompliance with authorization controls and inaccurate classification of expenditures.

As evidenced by these four weaknesses, in the absence of an adequate system of internal control the objectives of the agency may not be fully achieved and its use of resources may not be fully consistent with DOD

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<sup>22</sup>Department of Defense Office of the Inspector General, *Department of the Army Purchases from Government sources*, Report No. D-2007-075 (Arlington, Va.: Mar. 22, 2007).

<sup>23</sup>GAO-07-377C.

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priorities. Furthermore, decision makers may be basing their decisions on inaccurate financial data and reports. JIEDDO officials stated that their efforts to develop an effective financial management program have been significantly challenged by turnover in key financial positions and difficulties hiring adequate numbers of staff. In discussing these internal control findings at the end of our fieldwork, JIEDDO managers said that they have taken several actions to address and correct these weaknesses, which we noted previously. JIEDDO believes that these actions have already improved the internal control weaknesses found; however, the changes are still in the early implementation stages, and as such, we have not been able to evaluate their effectiveness in improving JIEDDO's internal control system.

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## JIEDDO Does Not Comprehensively Identify, Track, and Report All Government and Contractor Personnel as Described by DOD

JIEDDO does not fully identify, track, and report all government and contractor personnel as provided for in DOD Directive 1100.4. Identifying all government and contractor personnel is important to JIEDDO's management and oversight responsibilities and contributes to its ability to effectively plan for its future workforce needs. DOD Directive 1100.4 states that it is DOD policy that manpower requirements be established at the minimum levels necessary to accomplish mission and performance objectives. It follows that a manpower data system that accurately accounts for all personnel, to include contractors, enables manpower management that promotes efficient and effective use of manpower resources. While JIEDDO employs various DOD policies to manage civilian and military personnel, these policies do not include accurately accounting for all of its personnel, as described in DOD Directive 1100.4. According to JIEDDO personnel officials, JIEDDO applies existing DOD policies to address administrative issues, such as performance, pay, and leave. JIEDDO also refers to the Federal Acquisition Regulation that includes personnel policy and procedures that are specific to the acquisition and management of services by contract. Additionally, JIEDDO issues policy letters as needed to clarify personnel management issues. For example, JIEDDO issued policy letter #16A that directed the division chiefs to be aware of the number of hours all employees, including contractor personnel, were working, and directed all employees to report all hours worked and obtain approval for their schedules from their supervisors. Nonetheless, these approaches do not identify, track, and report all military, civilian, and contractor personnel.

JIEDDO officials track civilian, military, and some contractor personnel on a daily basis to identify personnel currently staffed and determine positions remaining to be filled; however, this effort does not track all

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personnel performing work for JIEDDO. For example, JIEDDO does not include some or all of personnel in the following categories:

- contractors working as field service representatives,<sup>24</sup>
- contractors engaged as interagency liaisons,
- contractors providing law enforcement training,
- contractors involved in JIEDDO's interagency partnership team,
- civilians and contractors from JIEDDO's Joint Test Board,<sup>25</sup> and
- contractors maintaining infrastructure at the Counter-IED Operations Integration Center (COIC) facilities.

Personnel officials said that these data are collected to identify changes in JIEDDO's on-hand strength as personnel leave or are newly assigned and are not intended to be a comprehensive data collection. We reviewed JIEDDO's daily report from October 9, 2007, which shows that JIEDDO had 321, including civilian, military, and some contractor personnel, out of 418 authorized positions.

The Senate Appropriations Committee directed JIEDDO to provide a comprehensive report of all of its personnel by May 2007, and because JIEDDO does not have a comprehensive process to track all personnel, it relied on an ad hoc process to develop the report. The results identified a total of 1,466 personnel working for JIEDDO, as compared to the 321 personnel filling 418 positions routinely tracked by the organization in its daily snapshots. The figures in the report to Congress tripled the number of personnel overall and showed a ratio between contractor and government personnel of nearly 5 to 1 when compared with the figures in the daily snapshots.

We were not assured of the accuracy of those figures in the congressional report given the lack of guidance or evidence of a process that would indicate reasonable accuracy in identifying and reporting all categories of

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<sup>24</sup>Field service representatives are contractors who are responsible for providing a range of support (goods and services) needed while an equipment item or system is in use in the field versus in production or manufacture.

<sup>25</sup>The Joint Test Board is an organization within the Army and funded by JIEDDO that the Deputy Secretary of Defense directed be established. Its mission is to synchronize testing of communications and counter-IED and other systems, to ensure that they can operate and are compatible with other JIEDDO initiatives currently fielded in Iraq and Afghanistan. The board has been in operation since fiscal year 2006 with current fiscal year 2007 funding commitments of \$92 million.

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government and contractor personnel. JIEDDO officials also said that the organization lacked procedures for identifying and tracking all of its personnel. When we reviewed the report, we discovered inaccuracies and inconsistencies in the data that led us to conclude that about 114 personnel had been omitted from the report:

- 25 civilian positions and about 30 contractor personnel with the Joint Test Board, all funded by JIEDDO since JIEDDO funds all of the board's operations costs, including these positions, and
- 59 contractor personnel working as field service representatives who were not included for one initiative but were reported in JIEDDO's funding documentation.

In addition, we also found 67 personnel who were not reported in the body of the report but were reported in JIEDDO's summary schedule of personnel, and 9 additional authorized intern positions that were included in the report but were not included in JIEDDO's daily snapshots.

When accounting for personnel, different divisions may have applied inconsistent criteria as they collected data for the May 2007 congressional report because JIEDDO officials did not provide formal guidance to the divisions on how to report some personnel. For example, JIEDDO officials said that they could not tell whether the 474 field service representatives reported reflected actual individuals or full-time equivalents, which could represent more than one individual. At the conclusion of our review, JIEDDO officials were still unable to clarify this issue. In addition to the fact that the figure could be higher or lower, JIEDDO officials further explained that the reported field service figure of 474 was inaccurate because JIEDDO subsequently determined that the number for one initiative included in the data contained a significant error.

JIEDDO had no means to track and verify the accuracy of its figures presented in the May 2007 report because officials did not maintain adequate supporting documentation representing how they arrived at their figures. For example, when JIEDDO accounted for field service representatives, we asked JIEDDO officials for clarification on how they arrived at the number of contractors they reported. However, they could not explain adequately because they did not document the process and their recollections were admittedly incomplete. Without adequate supporting documentation, JIEDDO cannot provide assurance that the data it reports are accurate. Furthermore, with change of personnel, which is typical within JIEDDO, new personnel would have difficulty

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determining the accuracy of figures as well as what process to follow to prepare subsequent reports.

Although JIEDDO has not routinely tracked all of its contractors, it has relied heavily on contractor support to accomplish its mission since its creation in February 2006. According to JIEDDO officials, this reliance on contractors was attributed to the lengthy and complex civilian hiring process, the inability of the military services to fill all of the services' authorized positions, and the urgency of the organization's mission. Contractors have performed a broad range of labor and services for JIEDDO. Examples of functions contractors have performed include

- evaluating initiative proposals from outside contractors,
- piloting unmanned aerial vehicles,
- managing a division's efforts to develop useful metrics,
- conducting virtually all of the day-to-day management of the various functions at the COIC, and
- providing equipment maintenance and logistics support in theater for new initiatives.

In addition to playing significant roles in accomplishing JIEDDO's mission, contractors have also held critical positions within JIEDDO management and might have had a significant influence on its decision making. In the recent past, JIEDDO employed contractor personnel for positions the organization designated as inherently governmental. OMB defines an inherently governmental function as one involving the exercise of substantial discretion in applying government authority, making decisions for the government, or both.<sup>26</sup> JIEDDO personnel documentation showed that the organization had staffed contract personnel in positions of key governmental responsibility, and officials stated that the organization is in the process of resolving this practice. In July 2007, JIEDDO officials began transitioning government personnel—primarily temporary military staff—into these positions that until recently were held by contractors. According to JIEDDO officials, the organization is moving toward filling these positions with permanent government personnel.

JIEDDO officials said that they did not believe tracking all contractor personnel was necessary because they are not considered JIEDDO staff,

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<sup>26</sup>OMB Circular A-76 (Revised), *Performance of Commercial Activities*, Attachment A, sec. B.1.a (2003).

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and consequently, JIEDDO has not developed a comprehensive process to identify, track, and report all personnel in accordance with DOD policy. However, without a comprehensive process, JIEDDO is not in a position to readily provide accurate and reliable information to internal and external decision makers on its staffing levels. For example, when the Senate Appropriations Committee directed JIEDDO to identify and report on staffing levels of civilian, military, and contractor staff, JIEDDO officials used ad hoc data requests to divisions they receive information from in their daily reports and to activities that are not being captured by the current process in order to collect information on contractor personnel. Despite responding to the committee's direction for a May 2007 report and its direction to update this report to reflect future personnel changes, JIEDDO officials have not developed a policy requiring the collection of data accounting for all categories of personnel or provided guidance for doing this accurately.

Additionally, without a comprehensive process to track all government and contractor personnel, JIEDDO cannot be in a position to effectively plan for its future workforce needs. For example, according to a JIEDDO official, in the case of one initiative JIEDDO needed to compare unmanned aerial vehicle piloting alternatives, contracted versus in-house, and it was critical for JIEDDO to know the quantity of and functions of contractor staff employed under the existing contract. However, because JIEDDO's manpower management system does not routinely capture contractor staff information, it would have been difficult for JIEDDO to determine whether to continue the contract without finding an alternative source for this information. For this initiative, JIEDDO was able to obtain the information needed through detailed contract information that happened to be available. However, according to the JIEDDO official, these details are not always routinely available, depending on the type and terms of the contract.

Our prior work also highlights the importance of accounting for and providing effective oversight of contractors. A recent report concerning the management and oversight of contractor support for deployed forces addresses the issue of limited visibility over the number of contractors deployed with U.S. forces and potential problems with planning for security and logistics needs if the numbers of contractors are not known

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to military commanders in theater.<sup>27</sup> JIEDDO deploys contractor personnel in the theater to assist with counter-IED solutions. JIEDDO does not track the number of contractors it employs, and yet its May 2007 report indicates that the number can significantly affect how JIEDDO uses its resources and plans for future needs.

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## Conclusions

As IEDs continue to pose a significant threat to U.S. forces in Iraq and Afghanistan, defeating the threat continues to be a high defense priority. This likely will require a continued significant investment in resources, both financial and human capital. The volume of resources required, coupled with the scale and span of JIEDDO's mission to focus all DOD counter-IED efforts, creates a challenge to achieving efficient and best use of funding made available to JIEDDO. However, DOD and JIEDDO cannot adequately manage JIEDDO's financial and human capital resources if it does not have an effective system of internal control to provide reliable data and insight into how these resources are invested, and external parties cannot be assured that the information JIEDDO reports is reasonably accurate, complete, and transparent. Consequently, because of the absence of adequate internal controls and of a comprehensive efficient method for identifying, tracking, and reporting JIEDDO's human capital resources, JIEDDO's systems currently cannot efficiently provide the data and insight needed for internal management. Further, Congress is limited in its oversight of JIEDDO's current and future requirements, the organization's substantial use of contractors, and the organization's use of resources to support its mission because of the unreliable information JIEDDO has reported. JIEDDO officials are not fully aware of how their personnel resources are being spent, and cannot fully plan for future workforce needs if their baseline information on current funds use and workforce composition is inaccurate. Although JIEDDO has taken several actions to improve its internal control system, as we noted in this report, these actions have not yet been fully implemented. As such, it is important that JIEDDO evaluate its recent actions to ensure that they will address the control weaknesses we identified and provide for a system of internal control that fully meets federal standards. Improving JIEDDO's internal controls and the quality of its financial and personnel data is critical to assuring Congress and the public that JIEDDO is focusing all of its

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<sup>27</sup>GAO, *Military Operations: High-Level DOD Action Needed to Address Long-standing Problems with Management and Oversight of Contractors Supporting Deployed Forces*, [GAO-07-145](#) (Washington, D.C.: Dec. 18, 2006).

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resources and using them wisely to address the threat of IEDs to U.S. forces.

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## Recommendations for Executive Action

To comply with federal internal control standards as well as improve the quality of JIEDDO's financial management and the reliability of resulting financial data and reports, we are recommending that the Secretary of Defense direct the Director of JIEDDO to develop and document a comprehensive system of internal control for its financial management processes. Actions to develop and implement JIEDDO's system of internal control to address specific control weaknesses we identified should, at a minimum, include the following:

- Fully documenting all internal control processes and procedures related to its financial management through the development of management directives, administrative policies, standard operating procedures, or other documentation that describe how JIEDDO personnel should perform their duties.
- Establishing effective controls to ensure that transactions are properly authorized before funding is executed, related documentation supporting transactions is accurately dated, and exceptions are properly approved and documented.
- Establishing effective controls to ensure that all transactions are properly classified by lines of operation and other expenditure categories used by JIEDDO, and to promptly and properly correct misclassifications when identified.
- Developing an internal process, to include involvement of its internal audit staff, to routinely monitor and review the efficacy of JIEDDO's system of internal control and promptly correct any weaknesses identified.

We are also recommending that the Secretary of Defense direct the Director of JIEDDO to report to Congress on the status of its efforts to implement its comprehensive system of internal control 1 year from the date of this report.

To improve JIEDDO personnel or manpower management and provide Congress with the information it needs to perform its oversight duties effectively, we are recommending that the Secretary of Defense direct the Director of JIEDDO to establish and document a method or system to comprehensively identify, track, and report on a routine basis all government and contractor personnel.

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## Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD concurred with our findings and the thrust of our six recommendations. However, DOD did not concur with our fifth recommendation as originally stated in our draft report, which was to report on JIEDDO's efforts to implement internal control improvements as part of JIEDDO's recurring quarterly congressional reports. In its response, DOD proposed an alternative means for providing this information to the Armed Services and Appropriations Committees. DOD said that the focus of its quarterly report to Congress is to describe the IED threat and associated counter-IED efforts, and that adding the additional information we recommended would blur the focus of the report. DOD stated that instead, JIEDDO can produce and provide a report to the oversight committees 1 year after the issuance of our report as to the steps JIEDDO has taken to address and correct the weaknesses we identified. We believe that this approach satisfies the intent of our original recommendation and consequently we modified our recommendation to reflect this change.

In commenting on our four recommendations dealing with internal control and financial management, JIEDDO provided several details of the actions it plans or said it has already taken to address the recommendations. While we acknowledge that JIEDDO management recognizes the importance of addressing the weaknesses we identified in our report, we maintain that more needs to be done before the weaknesses are fully corrected. For example, regarding our recommendation to develop documented internal control processes and procedures that describe how JIEDDO personnel should perform their duties, JIEDDO responded that it has established and fully implemented an internal control system, identifying four specific efforts for illustration. However, the specific efforts listed do not fully support JIEDDO's statement that needed controls and operating procedures are fully developed. One of the efforts cited was JIEDDO's November 2007 Capability Approval and Acquisition Management Plan instruction. While we agree and reported that this instruction is an important step in developing documented processes, it does not contain operating procedures developed to the level we recommended because JIEDDO divisions had not developed and documented roles, responsibilities, and specific procedures for implementing the JIEDDO Capability Approval and Acquisition Management Plan. As of February 2008, JIEDDO was still developing and documenting these roles, responsibilities, and specific procedures for implementing the JIEDDO Capability Approval and Acquisition Management Plan. Consequently, the degree to which JIEDDO has implemented this recommendation is unclear and additional action on JIEDDO's part may be needed.

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In commenting on our sixth recommendation regarding establishing and documenting a method to comprehensively identify, track, and report government and contractor personnel, JIEDDO included extensive background information on its existing personnel processes and improvement efforts it is undertaking. However, more remains to be done in order to fully implement our recommendation. For example, while JIEDDO stated that it is in the process of accounting for contractors maintaining COIC facilities, JIEDDO did not identify any additional efforts to account for the remainder of contractor personnel cited in our report or any specific steps it plans to take to establish and document a method or system to comprehensively identify and track all personnel. Instead, JIEDDO explained that it does not track certain classes of personnel working in direct support of JIEDDO because these persons are already accounted for by other organizations in DOD. Consequently, JIEDDO's insight into its human capital is limited because it excludes tracking certain manpower funded by the JIEDDO appropriation, such as personnel directly working for the Joint IED Defeat Test Board, whose workload is performed exclusively in support of testing JIEDDO initiatives. We recognize JIEDDO's comments regarding the responsibility of the military, DOD, and other government agencies in providing oversight and reporting of their staff who may be assigned to work in support of the JIEDDO mission. However, we believe that as an organization, JIEDDO has an interest and a responsibility to identify, track, and report all civilian, military, and contractor personnel working in support of JIEDDO as a matter of good resource stewardship and sound human capital management. Any overlapping manpower management interests or responsibilities between JIEDDO and other organizations could still be recognized and reported with the appropriate caveats to users of the information. In its comments related to this recommendation, DOD also cited ongoing efforts that do not directly address our recommendation as well as several new efforts that were not established at the time of our review, and therefore we could not validate or consider them for purposes of this audit. DOD's comments and our specific responses to them are provided in appendix II.

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We are sending copies of this report to the appropriate congressional committees and the Secretary of Defense. We will also make copies available to others upon request. If you or your staff have any questions about this report, please contact me at (202) 512-8365 or [solisw@gao.gov](mailto:solisw@gao.gov). Contact points for our Offices of Congressional Relations and Public

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Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.

A handwritten signature in black ink, appearing to read 'W. Solis', with a long horizontal flourish extending to the right.

William M. Solis  
Director, Defense Capabilities and Management

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*List of Committees*

The Honorable Daniel K. Inouye  
Chairman  
The Honorable Ted Stevens  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable John P. Murtha  
Chairman  
The Honorable C. W. Bill Young  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

The Honorable Ike Skelton  
Chairman  
The Honorable Duncan L. Hunter  
Ranking Member  
Committee on Armed Services  
House of Representatives

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# Appendix I: Scope and Methodology

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To assess the Joint Improvised Explosive Device Defeat Organization's (JIEDDO) financial management processes, controls, and data, we collected data on the \$1.9 billion in funds available to JIEDDO for the first half of fiscal year 2007 and analyzed associated financial management and counter-improvised explosive device (IED) initiative data available for management and external reporting of JIEDDO's activities. We selected the initial fiscal year 2007 funding provided to JIEDDO because it was received after JIEDDO made significant changes in its resource management processes and therefore should reflect impacts and improvements resulting from those changes. We also identified required approval controls over use of funds, reviewed selected transactions for compliance with these controls, and assessed whether the data recorded in the accounting and managerial systems accurately reflected JIEDDO's activities. However, we did not perform a comprehensive assessment of all of JIEDDO's internal controls. We drew high-dollar initiatives during the scoping phase of the review to more efficiently assess the largest portion of JIEDDO's funds use in the relatively limited phase. Because the items initially selected included little in the way of attack the network initiatives, we added items from this line of operations to do control testing. We also reviewed large-dollar initiatives approved by the Deputy Secretary of Defense that had no recorded commitments at the time our initial data were collected for the first half of fiscal year 2007. Because we identified weaknesses in the completeness and accuracy of JIEDDO's documentation and controls, we did not review the full range of initiatives we had originally planned because it would have added no further value for purposes of addressing the objectives of this review. Our analysis included 47 funding actions totaling \$1.34 billion for 24 of the 301 initiatives JIEDDO had approved at the time we collected our data. We selected initiatives to review that reflected the JIEDDO defeat the device and attack the network activities as well as some approved most recently by the Deputy Secretary of Defense. The 24 initiatives we selected were divided into three subsets: 10 counter-IED initiatives JIEDDO identified as defeat the device initiatives with the highest fund commitments recorded as of the time we collected financial data, 9 of the 10<sup>1</sup> counter-IED initiatives JIEDDO identified as attack the network initiatives with the highest fund commitments recorded as of the time we collected financial data, and 5 additional initiatives that received Deputy Secretary of Defense approval after the date we collected our comprehensive funding data to

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<sup>1</sup>We excluded 1 of the top 10 attack the network initiatives because its sensitive nature and remote location made obtaining documentation difficult.

determine whether conditions had changed. We also met with officials from JIEDDO's Counter-IED Operational Integration Center, the Joint Center of Excellence, the Navy Center of Excellence, the Air Force Center of Excellence, the Technology and Requirements Integration Division, and the Joint IED Defeat Test Board to gather information corroborating and explaining the financial activity and documentation related to JIEDDO initiatives we tested.

To assess JIEDDO's efforts to identify, record, track, and report numbers of all personnel, including contractors, we met with officials from JIEDDO's Secretariat Division who are responsible for the organization's personnel management to discuss and obtain information on the numbers of JIEDDO personnel, the composition of personnel, and JIEDDO's processes for capturing this information. We collected information on the numbers of JIEDDO personnel from several personnel documents and reports from the Secretariat Division. We reviewed the information and selectively compared it with corroborating sources, such as interviews with JIEDDO officials and JIEDDO's financial documentation, to determine whether the reported figures were comprehensive and accurate. We also met with officials from JIEDDO's Counter-IED Operational Integration Center, the Joint Center of Excellence, the Navy Center of Excellence, the Air Force Center of Excellence, the Technology and Requirements Integration Division, and the Joint IED Defeat Test Board to gather information regarding the numbers of and composition of JIEDDO's personnel. In addition, we met with officials in the Office of the Secretary of Defense's Directorate for Organizational and Management Planning to discuss the origins of DOD Directive 2000.19E.

We assessed the reliability of JIEDDO's financial data we reviewed by (1) corroborating the data with supporting information and documentation from physical file records at JIEDDO headquarters and from initiative program offices to verify the accuracy of the data, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We found problems with the reliability of the data, which we discuss in the report and in part form the basis for our recommendations.

We conducted this performance audit from April 2007 to December 2007 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence

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obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Comments from the Department of Defense

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



JOINT IED DEFEAT ORGANIZATION  
5000 ARMY PENTAGON  
WASHINGTON DC 20310-5000

Mr. William M. Solis  
Director, Defense Capabilities and Management  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

FEB 14 2008

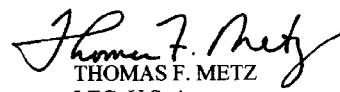
Dear Mr. Solis:

This is the Department of Defense (DoD) response to the GAO draft report, "DEFENSE MANAGEMENT: More Transparency Needed Over the Financial and Human Capital Operations of the Joint Improvised Explosive Device Defeat Organization," dated 21 December 2007 (GAO Code 351017).

JIEDDO would like to thank GAO for its due diligence and thoughtfulness in the preparation of this report. Overall, this report provides an accurate description of the weaknesses identified during the audit time frame with regard to JIEDDO's compliance with internal control standards.

JIEDDO has instituted several processes to strengthen our internal control standards and to ensure that financial transactions are properly approved and documented. Many of these processes were implemented during the audit time frame. Our response provides detailed descriptions of current processes and other planned improvements that will occur over the next several months. Projected completion dates are included in the response.

My point of contact for this matter is Ms. Lin Malec, Internal Review, 703-602-4807.

  
THOMAS F. METZ  
LTG, U.S. Army  
Director, JIEDDO

Attachment:  
As stated

GAO Draft Report - dated December 21, 2008  
GAO Code 351017 – GAO-08-342

**“DEFENSE MANAGEMENT: More Transparency Needed Over the Financial and  
Human Capital Operations of the Joint Improvised Explosive Device Defeat Organization”**

**DEPARTMENT OF DEFENSE COMMENTS  
TO THE RECOMMENDATIONS**

Recommendation 1. The GAO recommends that the Secretary of Defense direct the Director of JIEDDO to develop and document a comprehensive system of internal control for its financial management processes by fully documenting all internal control processes and procedures related to its financial management through the development of management directives, administrative policies, standard operating procedures, or other documentation that describe how personnel should perform their duties.

DOD RESPONSE: Concur.

Before the initiation of the subject audit, JIEDDO had been and continues to work diligently to formalize and document processes to ensure that internal controls are emplaced within our organization. During the audit timeframe, many of these processes were finalized, but due to GAO reporting time constraints, they were unable to validate these processes. Following are samples of the procedures and processes we have finalized, documented and implemented:

1) Formation of the Acquisition Oversight Division (AOD)

The Acquisition Oversight Division was established to support the JIEDDO mission to defeat Improvised Explosive Devices (IEDs). AOD provides executive program management oversight of Counter-IED (C-IED) initiatives; develops and implements acquisition life-cycle management policies; and ensures effective transition and transfer of initiatives to the Services for sustainment and further integration.

The need for an oversight division that applied scrutiny to processes and analysis of JIEDDO process methodology for all JIEDDO divisions became apparent as JIEDDO began breaking new ground in field of rapid acquisition. The AOD systematically reviews programs that have been funded by JIEDDO in an established process called (JIEDD) (Joint IED Defeat) System Reviews (JSRs). The AOD improves JIEDDO processes by offering objective analysis and review from a division reporting directly to the Director, JIEDDO. The monitoring of established policy and oversight by AOD enhances JIEDDO's overall capability to find Counter-IED Solutions and get those solutions quickly assessed and to the Warfighter. It assists in the control of documents while seeking to match technology gaps. The outcome is improved controls in accounting for the prudent spending of funds while assessing metrics and control measures throughout the process.

See comment 1.

See comment 2.

The JIEDDO AOD maintains overall proponentcy for the JIEDD Capability Approval and Acquisition Management Process (JCAAMP); provides executive program management oversight and independent assessment of initiatives approved by the Director and Deputy Director; develops and publishes policies for the development, procurement, testing, deployment and initial sustainment of C-IED initiatives; conducts JIEDDO System Reviews (JSRs); chairs the JIEDDO Transition Team (JTT) and Transition Working Group (TWG); coordinates the transition, transfer, or termination of initiatives with the Military Services or agencies and oversees the completion of all Transition Packets (TPKs); produces JIEDDO future budget programmatic requirements; maintains an audit trail for all initiative funding; provides members to serve on all JIEDDO IPTs; serves on the Chief of Staff's JCAAMP Council; provides oversight for all test and evaluation activities; provides oversight of the JIEDD Test Board (JTB); produces all initiative funding decision memoranda; provides members to the JIEDDO Joint Urgent Operational Needs (JUONS) Review Board (J2RB); and the JIEDDO Special Access Program and Additional Compensatory Measures Review Board (JSARB). The AOD oversees staff actions related to initiative performance, interoperability, and compatibility test activities; provides members to the JIEDDO Initiative Evaluation Team (JET); establishes policies for testing in support of Initiative Evaluation Plans (IEPs) and coordinates test issues related to IEPs with the JTB. AOD coordinates with Program Managers and Service test organizations for testing support during initiative evaluations and coordinates the inclusion of subject matter experts to serve on JIETs. The AOD ensures an evolutionary improvement of JIEDDO processes and plans; coordinates and provides administrative and logistical support to the JIEDD Requirements, Resources and Acquisition Board (JR2AB) and JIEDD Integrated Process Team (JIPT); and proposes the evaluation Tier development for each initiative. These actions are performed in coordination with the ORSA Division Chief.

Several documents are enclosed to provide more detail describing the Acquisition Oversight Process:

- Acquisition Oversight Division & The Joint IED Defeat Capability Approval and Acquisition Management Process
- Memorandum for JIEDDO Personnel, Subject: Joint IED Defeat Requirements, Resources and Acquisition Board and Joint IED Defeat Integrated Process Team Scheduling
- JR2AB Scheduling Request Memorandum Example
- JR2AB Scheduling Request Memorandum Instructions
- Transition Packet Instructions (JR2AB)
- JR2AB and JIPT Briefing Slides Template
- JIEDDO Assessment Readiness Levels

See comment 3.

2) Published and Implemented JCAAMP Instruction – Joint Improvised Explosive Device Defeat Capability and Acquisition Management Process (JIEDDOI 5000.1, dated 9 November 2007)

JCAAMP is JIEDDO's process to respond to urgent warfighter needs; to identify C-IED operational capability gaps; aggressively to seek, acquire, and assess potential materiel and nonmateriel solutions to these gaps through extensive finding networks; and to place approved C-IED initiatives in the hands of warfighters for operational assessment and deployment. JCAAMP enables a smooth transition or transfer of C-IED initiatives to one or more Services or agencies and provides guidance on the disposition of those initiatives recommended for termination.

The JCAAMP instruction defines JCAAMP's roles, responsibilities, and oversight requirements as applicable to all JIEDDO components. Functional responsibilities described below are not inclusive. JIEDDOI 5000.01 is enclosed and contains a thorough description of the initiative process and associated responsibilities.

JCAAMP is conducted in three phases – VET, Equip, and Sustain. Each of these phases incorporates transition points (TP) representing critical activities and decisions that define the path forward through each of the three phases.

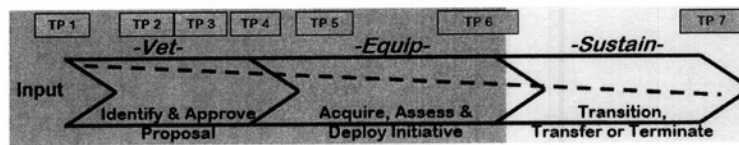
JCAAMP's goal is to approve, develop, and acquire initiatives quickly, normally within 4 to 12 months. JCAAMP also enables initiative delivery for employment by warfighters while conducting operational assessments, normally within 6 to 24 months. After an initiative receives a successful operational assessment (OA) and a decision on transition, transfer, or termination (T3) to a Service or agency has been made, JCAAMP manages the remainder of the fiscal year and one additional fiscal year of sustainment prior to T3 execution.

C-IED Urgent Needs and Operational Capability gaps are obtained from various sources – principally warfighter JUONs, after action reviews (AAR), reports, lessons learned, special access programs, and theater visits by senior leaders. Operational analyses, intelligence trends, tactical and strategic gaming, the special technical operations community, and JIEDDO's finding networks also inform the development of needs and, ultimately, may result in the identification and approval of C-IED operational capability gaps. JUONs forwarded to JIEDDO by the Joint Staff (JS), J-8, are processed for acceptance through the JIEDD JUONs Review Board (J2RB) for review by the JIEDDO Chief of Staff's JCAAMP Council and acceptance by the JIEDDO Deputy Director. The Director, JIEDDO, reviews and approves all C-IED operational capability gaps semi-annually. Time critical JUONs may be forwarded directly by the J2RB to the Deputy Director with subsequent notification to the Chief of Staff's JCAAMP Council.

JIEDDO leverages aggressive finding networks comprised of industry, academia, laboratories, special technical operations, and other government agencies to develop potential solutions to urgent and operational capability gaps. Most proposed technology solutions enter JCAAMP through the Broad Agency Announcement (BAA) Information Delivery System (BIDS) and are processed by one of the six Integrated Process Teams (IPTs) aligned with JIEDDO's three Lines of Operations (LOO): Attack the Network (Atn); Defeat the Device (DtD), and Train the Force

**Appendix II: Comments from the Department of Defense**

(TtF). Proposals that do not enter JCAAMP through BIDS, such as Commercial Off the Shelf (COTS) and some non-material solutions, are submitted by the LOO IPT Leads to the Chief of Staff's JCAAMP Council for disposition to the appropriate IPT for further development and evaluation.



TP 1 – Complete assessment of technology merit against capability gaps and IPT Leads gain approval as a proposal from the Deputy Director or Chief of Staff's JCAAMP Council

TP 2 – LOO Chair approval to proceed to JR2AB

TP 3 – JR2AB recommendation to proceed to JIEDD Integrated Process Team (JIPT)

TP 4 – JIPT endorsement and Initiative Decision Memoranda signed

TP 5 – Decision to deploy for operational assessment by Director

TP 6 – Authorize full rate production based on OA report. Decision to transition, transfer, or terminate (T3) initiatives, as appropriate

TP 7 – Complete transition or transfer of initiatives to Services or Agencies; or Terminate.

**JCAAMP Characteristics**

- Support for flexible points of entry depending on maturity
- Effective test and evaluation requirements
- Initiative assessment continues after initial delivery to warfighters
- Continuous risk reduction enforced
- Formal acquisition oversight during every phase

The JCAAMP Governance is perhaps the most important part of the process to ensure that all initiatives pass through various approval levels before a decision is made to commit funding. Every initiative must be vetted through the JCAAMP process as follows:

- JIEDDO Senior Resource Steering Group (SRSG)

The SRSG is an advisory body to the Deputy Secretary of Defense (DEPSECDEF), established to review JIPT-recommended C-IED initiatives that are valued greater than \$25 million, and to make recommendations to the DEPSECDEF for disposition.

SRSG membership consists of the Principal Deputies of the Under Secretaries of Defense, the DOT&E; the Principal Deputy ASD(NII); the Principal Deputy General Counsel of the Department of Defense; the Deputy PA&E; the Vice Chief of Staff of the Army, the Vice Chief of Naval Operations, the Vice Chief of Staff of the Air Force; the Assistant Commandant of the Marine Corps; the Vice Chairman and the Joint Chiefs of Staff; the Assistant to the Chairman of the Joint Chiefs of Staff, the Director, JRAC; and other members as the DEPSECDEF may determine.

- JIEDD IPT (JIPT)

The JIPT is an advisory body to the Director, JIEDDO, established to consider C-IED proposals after review by the JIEDD Requirements, Resources, and Acquisition Board (JR2AB).

Membership consists of representatives at the Flag or General Officer/SES level from the Offices of the Under Secretaries of Defense; the ASD (NII)/DoD CIO; the DOT&E; the Director, PA&E, the Military Services; the Chairman of the Joint Chiefs of Staff and such other representatives as the Director, JIEDDO, may determine.

The JIPT is chaired by the Deputy director and meets weekly to recommend further development and funding of a proposal as a C-IED initiative; provide comments on transition, transfer, or terminate (T3) actions of mature initiatives; ensure synchronization of JIPT member C-IED efforts and those of other agencies; validate JIEDD efforts requiring rapid implementation, acceleration, or development and recommend appropriate funding levels to the Director; review potential C-IED solutions provided by industry, interagency, and international sources when considering appropriate funding levels to the Director; review actions of the JR2AB and make recommendations to the Director, as appropriate.

- JIEDD Requirements, Resources, Acquisition Board (JR2AB)

The JR2AB meets weekly to assess all C-IED proposals forwarded by the LOO chairs prior to making any funding recommendations to the JIPT. Proposals are evaluated using the following criteria: extent of systems integration; military utility and effectiveness; programmatic and resource limitations; potential to satisfy and operational capability gap; ability to be developed and deployed in JACAAMP-designated timeframe; and the degree of risk. Additionally, JR2AB develops strategies for integration into the Joint Capabilities Integration and Development System (JCIDS); advises the Director, JIEDDO, regarding resource and acquisition management matters; reviews the current status of program execution and operational fielding of approved JIEDD initiatives; monitors coordination between JIEDDO and the appropriate Service or agency for the transition of approved C-IED initiatives that are deemed only required for the duration of a given conflict or theater of operations; and reviews resource requirements and appropriate planning documents for establishment of current and future funding needs, including out-year funding requirements.

Membership consists of representatives at the O-6/GS-15/PB3 level from the Offices of the Secretaries of Defense; the Director, PA&E; the Military Services; the Chairman of the Joint

Chiefs of Staff, and the ASD(NII)/DoD CIO. The Director, JIEDDO, may select additional members to serve on the JR2AB and may modify JR2AB requirements with respect to JIEDDO initiatives, as necessary.

- Chief of Staff's JCAAMP Council.

The JIEDDO Chief of Staff, assisted by the Division Chief's and select special staff officers, provides oversight of JCAAMP to ensure the Director's guidance and priorities are met.

The Council meets weekly to review JIEDDO's metrics; identify resource imbalances, coordinate required management actions to resolve outstanding issues and make recommendations for actions by the Executive Committee. Additionally, the Council reviews all actionable, pending and approved JUONs; reviews operational capability gaps and science and technology gaps and recommends changes to JIEDDO leadership; reviews BIDS key performance indicators, including the processing rate, BAAs in development, and the number of proposals received, accepted and rejected that week; reviews that week's JR2AB results and forecasted agenda; reviews that week's JIPT results and forecasted agenda; reviews the corporate budget and balance; identifies tradeoffs between changing budget requirements; reviews all JIEDDO initiatives assessed as "Red;" and reviews the transition, transfer, terminate actions monthly and review staffing issues.

- JIEDDO JUONs Review Board (J2RB)

The J2RB meets weekly to review emergent JUONs and recommends their acceptance, rejection or limited acceptance to the Deputy Director via the Chief of Staff's JCAAMP Council. The J2RB reviews all JUONs to determine the tactical, technical, training, and acquisition readiness levels of a proposed solution and develops a recommendation for the Chief of Staff's JCAAMP Council and a drafts a decision memo for the Deputy Director.

J2RB membership consists of representatives from JIEDDO's TRID, AOD, the JRAC, JCS (J-8) and the supported COCOM. Service Liaison Officers and additional subject matter experts relevant to the topic(s) under discussion are also included in the meetings to ensure unilateral representation resulting in informed, educated decision-making.

### 3) Establishment of the Records Management Division

As noted by GAO, internal controls necessitate the completion, maintenance and availability of documentation to support decisions and transactions accomplished by JIEDDO leadership. The Records Management Division was tasked to ensure that JIEDDO personnel are educated on the importance of maintaining supporting documentation.

The JIEDDO Records Management Program provides oversight and assists JIEDDO components in the establishment and maintenance of a system for maintaining and protecting records in all

See comment 4.

media. Adhering to statute (44 U.S.C. Chapter 31), JIEDDO's Records Management Program has accomplished the following:

- Issued a Records Management Directive and/or Instruction
- Instituted training on policies, responsibilities, and recordkeeping requirements and ensuring employees understand the distinction between records and non-records
- Developed and implemented records disposition schedules; preserving permanent records and promptly destroying temporary records when their retention period expires
- Established a Vital Records Program for safeguarding and recovering JIEDDO records.
- At the request of JIEDDO leadership and through coordination with Washington Headquarters Services, McNeil Technologies was requested to conduct an assessment of JIEDDO's records management policies, practices, and procedures. The objective was to establish a baseline status. The review occurred during JAN/FEB 2007. The report findings are enclosed.
- The Chief of Staff (CoS) formally designated a JIEDDO Records Manager with responsibility for carrying out a Records Management Program. The designation letter is enclosed.
- The Director signed the Directive establishing responsibility for the Records Management Program under the Chief of Staff, establishing policy and responsibilities for life-cycle management (creation, maintenance and use, and disposition) of information as records in all media (including electronic), and establishing and authorizing the publication of procedural guidance on the management of records within JIEDDO. Directive 1015.1A, JIEDDO Records Management Program, is enclosed.
- Records administrative staff, action officers, executive assistants, file clerks, and others with regular records duties receive training in records maintenance and filing procedures and records disposition. Module 1 training (basic course) occurs bi-weekly and is a requirement for all employees. Module 2 training (topics: hard copy and electronic recordkeeping, AI 15, Naming Convention, shared drives, emails, labeling, File Plan, etc.) was conducted on 4 January 2008. It is also being executed as a desk-side training session for Division administrators. Training slides are enclosed. Module 3 training began in January 2008. This course focuses on Action Officer responsibilities in handling records.
- A rigorous Program Plan of Action for Headquarters Records Management implementation was developed. The initial operational capability (IOC) date for Division administrator central file systems is projected to be 31 January 2008; for Branch administrator central file areas, the IOC date is projected to be 01 March 2008.

- An electronic file structure was established to capture official, final version documents. The output of this process is an electronic File Disposition Schedule on JIEDDO's internal J: drive. As of January 2008, 5,469 files were identified as official records and have been placed within this File Disposition Schedule.
- The Chief of Staff issued a Standardized Naming Convention memo, providing direction on the importance of naming electronic files properly, along with rules for developing file names and versions. Electrons of the memo are enclosed.
- File Plans were drafted and Division employees are in the process of validating the content.
- The Records Program's Final Operational Capability (FOC) date is projected to include an assessment process to ensure employees are operating under the guidelines of the program being established. The FOC assessment will confirm whether administrators are maintaining electronic and hard copy file systems. The assessment will determine whether further training/practice is required.
- Self-evaluation checklists and internal reviews are included in the Draft JIEDDO Records Management Handbook. The Draft Handbook provides guidance on how the Records Manager, with the assistance of the Records Team and Division/Branch records Administrative Staff, will periodically evaluate records management practices. Reference: NARA's publication Records Management Self-Evaluation Guide, 2001 edition, available at <http://www.archives.gov/records-mgmt/publications/records-management-self-evaluation-guide.html> <<http://www.archives.gov/records-mgmt/publications/records-management-self-evaluation-guide.html>> .
- A draft Management Control Checklist for Records Management is underway. The initial draft is enclosed.
- JIEDDO is in the implementation phase of its Records Management Program. Fostering Records Management practices in the JIEDDO culture will be a paramount focus.
- With the support of JIEDDO's senior leadership we are eliciting support and adherence from JIEDDO's middle-management and Action Officers. There adherence to the new Records Management Program is a critical factor in establishing a culture inclusive of Records Management processes.
- The Records Program strategy is in two phases: (1) Division Level; (2) Branch Level. The Initial Operational Capability (IOC) and Final Operational Capability (FOC) dates are schedule as:

Division IOC: 31 JAN 08

Division FOC: 15 FEB 08

See comment 5.

Branch IOC: 01 MAR 08

Branch FOC: 01 MAY 08

4) Implementation of Comprehensive Cost and Requirement System (CCaRs).

In 2007 JIEDDO began implementation of the Comprehensive Cost and Requirement System (CCaR) used by Air Force, Army, Navy and Defense Threat Reduction Agency (DTRA) to manage billions in funding.

JIEDDO CCaR objectives include:

- Maintains budget requirement packages/initiatives
- Coordinate workflow electronically for MIPRs
- Track budgets and associated fiscal years, as well as all commitments, obligations, and expenditures providing internal financial controls
- Ensure STANFINS data (official Defense Finance and Accounting System (DFAS) data) is downloaded daily for reconciliation against JIEDDO data for validation of accuracy
- Provides reporting capability to quickly assess JIEDDO financial position by overall budget (macro) or single initiative (micro) perspective providing internal financial controls.

Currently, there is on-going training of Program Integrators in CCaR and one-on-one training as necessary. CCaR was installed for the Resource Management Budget Execution team enabling the electronic preparation of Military Interdepartmental Purchase Requests (MIPRs). Full implementation of CCaRs is expected by March 2008.

JIEDDO CCaR process improvements include:

- The system will serve as a repository for all new MIPRs;
- The system eliminates the need to maintain a JIEDDO MIPR log
- CCaRs allows Program Integrators/Office Primary Responsibilities (OPRs) visibility of their assigned initiatives by Lines of Operation
- Requirements gathering for interface with current financial system is underway
- CCaRs ensures that backup Resource Management (RM) staff can execute transactions when primary RM staff is unavailable.

The CCaR is an enterprise program and financial management system that will deliver real-time program information to decision makers. At the core of the CCaR system are the automated reports and analysis tools which allow the program and financial managers to define program requirements, formulate program budgets, forecast program execution and track the execution of program funds.

**RECOMMENDATION 2.** The GAO recommends that the Secretary of Defense direct the Director of JIEDDO to develop and document a comprehensive system of internal control for its financial management processes by establishing effective controls to ensure transactions are properly authorized before funding is executed, related documentation supporting transactions is accurately dated, and exceptions are properly approved and documented.

**DOD RESPONSE:** Concur.

Funding documents are only released after proper authorization is received and documented; i.e. funding memorandums (for less than \$25M) or Deputy Secretary of Defense approval (for in excess of \$25M). In the past, there has been some confusion regarding the actual definition of the \$25M. JCAAMP (described above) clearly defines that the \$25M is total program costs. There have been instances when the projected total costs were under \$25M, but it was subsequently determined that the actual initiative costs would exceed the threshold. The current process requires that as soon as it is determined that an initiative will exceed the \$25M threshold, an SRSG package is developed and SECDEF approval is obtained addressing the increase.

In another effort to ensure adequate internal control standards are included in JIEDDO processes, RM developed mandatory minimal transaction documentation that must be completed and kept on file. For example, the JIEDDO RM Funding Request Flow and Required Documents package, and the JIEDDO RM Checklist were developed and enclosed for your review. The JIEDDO Projects/Initiatives Pending Prioritized Listing and MIPRs Listing is updated and published daily. The JIEDDO Corporate Report (reporting of expenditures from our "official" financial system by each initiative), the Monthly Execution Report (compares execution to monthly spend plan by each initiative), and Status of Funds is also included in internal daily reporting.

Because of its charter JIEDDO must respond quickly to requests from the field. Supplemental funding is a contributing factor of JIEDDO's flexibility. These funds are not "programmed" in a traditional DOD fashion but fluid and available where needed to meet approved IED Defeat initiatives. For example, JIEDDO's Corporate Report has successfully tracked these funds and pointed out errors when funds have been improperly executed allowing for detection and correction.

**RECOMMENDATION 3.** The GAO recommends that the Secretary of Defense direct the Director of JIEDDO to develop and document a comprehensive system of internal control for its financial management processes by establishing effective controls to ensure all transactions are properly classified by lines of operation and other expenditure categories used by JIEDDO, and to promptly and properly correct misclassifications when identified.

See comment 6.

See comment 7.

**DOD RESPONSE:** Concur.

Early in fiscal year 2007, JIEDDO Resource Management (RM) identified and corrected inconsistencies with the assignment of Lines of Operations (LOOs) to ensure that information being reported in its financial reports was correct. JIEDDO currently has the ability to accurately determine trends in the use of funds in conjunction with its priorities. In an effort to prevent future erroneous postings of LOOs, all funding documentation must include the LOO. RM then validates against spending plan data to ensure accuracy prior to committing any funds in the accounting system. In addition, JIEDDO continues to review LOO assignments for individual requirements during each budget review and corrections are made as required.

As JIEDDO is growing, so is the understanding of operational functions and mission. Initiatives recorded in first quarter of 2007 that were recorded and reported in one Line of Operation (LOO) and subsequently moved and reported in another LOO in later quarters demonstrates JIEDDO's informal non-documented continual review of initiatives and the reporting thereof. Perspective on what LOO an initiative falls into is relative to the familiarity of the initiative/program. JIEDDO efforts to accurately report and record transactions are represented by our continual improvement. In addition, JIEDDO continues to review LOO assignments for individual requirements during each budget review and corrections are made as required.

RM is developing guidance for accounting and budget personnel to ensure that correct Elements of Resource (EORs) are used in the recording of accounting data. It is important to note that as requirements mature their nature may change. In a fluid operating environment technologies may cross EOR and LOO definitions and require adjustments in accounting information on an individual basis when identified. JIEDDO continues to review LOO assignments for individual requirements during each budget review and corrections are made as required. The goal is to accurately process all financial documentation and when exceptions occur we will continue to promptly and properly correct misclassifications and document corrective action in official records.

RM is also in the process of fully staffing the Resource Management (RM) Division. The additional essential personnel will allow us to take immediate action in correcting the weakness identified in the audit. We are currently studying the feasibility of establishing a Policy and Quality Assurance Section within RM that will be dedicated to fully documenting all internal control processes and procedures related to our financial management through the development of management directives, administrative policies, standard operating procedures, and other documentation that describe specific organizational responsibilities. Following is our planned actions:

<b><u>Action Item</u></b>	<b><u>Planned Completion Date</u></b>
Establish Desk Guides for each Position within RM (Job Title; Job Description; General Description of Daily Duties; General Description of Weekly Duties; General Description of Monthly Duties; General Description of Unscheduled or Annual Duties)	28 February 2008

Timeline Chart for all RM Requirements/Submissions (I.e. for Budget Formulation, Budget Execution, and Accounting)	31 January 2008
Reference Guide to identify Useful Financial Web Sites	28 February 2008
Standard Operating Procedures Documenting the Financial Management Process to Resolve Aged Commitments and Unliquidated Obligations (ULOs)	15 March 2008
Standard Operation Procedures for the Processing of MIPRs	15 March 2008
Standard Operating Procedures for the Corporate Report process	29 February 2008
Standard Operating Procedures for the Execution Report process	29 February 2008
Budget Formulation Guidance	29 February 2008
Consolidated Funding Package Handbook (i.e. JIEDDO Funds; Funding Policy; Funding Package Process; Required Documentation; Travel Policy; Accounting Process, etc.)	31 March 2008

**RECOMMENDATION 4.** The GAO recommends that the Secretary of Defense direct the Director of JIEDDO to develop and document a comprehensive system of internal control for its financial management processes by developing an internal process, to include involvement of its internal audit staff, to routinely monitor and review the efficacy of JIEDDO's system of internal control and promptly correct any weaknesses identified.

**DOD RESPONSE:** Concur.

JIEDDO agrees that an adequate internal process to monitor and review the efficacy of its internal controls is required. Funds allocated to JIEDDO are for the IED Defeat mission within DOD. JIEDDO's primary mission is to provide funding to the Military Services and DOD agencies to rapidly develop and field counter-IED solutions and is successfully accomplishing its mission. Mission accomplishment in this area is not the only part of the process. GAO accurately identified weaknesses in JIEDDO's internal control process. It is very important to JIEDDO that any agency looking at JIEDDO's execution of funds can understand funding decisions from the inception of researching an initial idea or initiative through documentation of a decision and each step of the approval process. Recognizing our weaknesses, especially in the area of maintaining adequate documentation to ensure an accurate transaction audit trail,

See comment 8.

JIEDDO hired an Internal Review Evaluator to have continuous oversight over internal controls and recommend improvements to correct any identified weakness. The auditor actually came on board during the audit timeframe. The auditor reports directly to the JIEDDO Director to avoid any conflicts of interest and to maintain independence within the organization. The auditor also serves as JIEDDO's Management control Administrator. Specific details will be addressed later in our comments.

Internal Review has incorporated Management Control Training during our Block Training sessions for new employees. The importance of the training is centered on ensuring that personnel understand the importance of internal control standards. A basic overview is provided on the Management Control Program so that awareness is instituted at all levels of the organization.

Internal Review has also provided elementary training to all key JIEDDO leadership. A training package developed by OAA was provided to leadership and successful review of the package was certified. An example is enclosed.

A draft Five-Year Management Control Plan was developed and will be provided to JIEDDO leadership for comment and modification. Target date for development is 8 February 2008.

Additional training and instructions will be provided to all JIEDDO personnel. Key checklists were developed and are integral piece of the Management Control Program. Management Control Administrators and Assessable Unit Managers will be identified and targeted training will be provided to ensure that checklists are not just completed – but actual testing of key controls will be accomplished. Target date for completion is 15 March 2008.

**RECOMMENDATION 5.** The GAO recommends that the Secretary of Defense direct the Director of JIEDDO to report to congress on the status of its efforts to implement its comprehensive system of internal control as part of its quarterly congressional reports.

**DOD RESPONSE:** Nonconcur.

OSD Policy comments best explain the basis for this nonconcurrency. JIEDDO's progress in implementing its internal control measures should not be reported in the Quarterly Reports to Congress. This report is specifically focused on describing the IED threat and JIEDDO's efforts to counter that threat. Including JIEDDO's internal "administrative efforts" within the report is not in keeping with the intent of the report and serves to weaken the report's focus. OSD Policy recommends that the Deputy Secretary of Defense direct JIEDDO to provide Ranking and Minority leaders of the Armed Services and Appropriations Committee with a report within one year from the date of the GAO final report as to steps JIEDDO has taken to address and correct the weaknesses identified by GAO.

As noted throughout JIEDDO comments, many actions have already been taken to address these weaknesses. It is our firm commitment to ensure that constant improvements are made to strengthen our internal controls.

See comment 9.

**RECOMMENDATION 6.** The GAO recommends that the Secretary of Defense direct the Director of JIEDDO to establish and document a method or system to comprehensively identify, track, and report on a routine basis all government and contractor personnel.

**DOD RESPONSE:** Concur.

The Joint Improvised Explosive Device Defeat Organization (JIEDDO) was established as a temporary, non-institutionalized jointly-manned entity by directive of the Deputy Secretary of Defense effective January 18, 2006. As a temporary entity, the JIEDDO manpower requirement is identified and documented on a Joint Manning Document (JMD). Following a decision to institutionalize JIEDDO, the JMD identified positions will be validated and formally approved on a Joint Table of Distribution (JTD). The JTD is a permanent funded authorization document that articulates the approved manpower for the organization. The JMD is an unfunded temporary document that identifies the specific positions required to support a non-institutionalized organization. Since JIEDDO is a jointly-manned activity the manpower to support the organization's requirements, come directly from the Services and are maintained on the Service documents. The JMD replicates the positions identified on the Service documents.

JIEDDO, though a non-institutionalized jointly-manned entity, does comply with the provisions of Department of Defense Directive 1100.4, Guidance for Manpower Management. The organization has implemented and continues to refine the implementation of the provisions outlined in this Directive to include requirements determination, resource allocations, manpower authorizations, and manpower planning.

When JIEDDO was formed, the Army Task Force from which JIEDDO was constructed was staffed from temporary personnel resources, primarily military and contractor personnel, by the Army. Historical data indicates that at the time of transition the Army Task Force consisted of 174 billets, of which 99 were contractors, 1 was a SES, and 74 were military personnel, including four coalition officers. When JIEDDO was formed many of these individuals chose to remain with their parent organizations. Most contracted personnel did transfer to JIEDDO.

At the direction of the DEPSECDEF, JIEDDO set up and conducted a Service Manpower Validation Board to review, validate, and authorize the manpower to support the JIEDDO requirements. The Board validated 383 billets. The structure and manpower allocation recommended by the Board was approved by DEPSECDEF on 27 Jan 06 as reported to the military services in his Memorandum, dated February 14, 2006. The Service Manpower Validation Board authorized 129 US military billets, 39 government civilian billets, five (5) coalition officer billets, and 190 Contract Manpower Equivalent (CME) billets. Since the establishment of JIEDDO the leadership has received approval from the Army for an additional 54 government civilian billets (approved May 3, 2007) and has pending a request (November 30, 2007) for an additional 39 government civilian employees. Additionally, the Army approved three military billets. Two were approved on May 3, 2007 and the third on July 19, 2007. The Navy approved one military billet. Two of those billets, the Deputy Director of the COIC and the Chief of the Resource Management Division, possess primarily inherently government supervisory responsibility over resource management and fiduciary oversight of JIEDDO assets.

See comment 10.

See comment 11.

The success of JIEDDO as an organization depends on its ability to leverage the capabilities of each person employed within the organization. Our strategic human capital plan (encl) is a key step in providing our workforce with the means to reach its full potential. A copy of the final draft is attached. This plan is comprised of three overarching goals with objectives and action steps that can be taken to achieve outcomes and initiatives. These three goals are the essential first steps that must be in place in order to address the significant challenges that we are facing.

- Goal 1: Build a well-balanced, world-class workforce with the knowledge, expertise, and abilities necessary to accomplish JIEDDO's mission
- Goal 2: Institute a framework of human resource policies and processes that model JIEDDO's business approach of rapid, responsive, and effective solutions
- Goal 3: Construct a physical and technological infrastructure that supports JIEDDO's world-class workforce

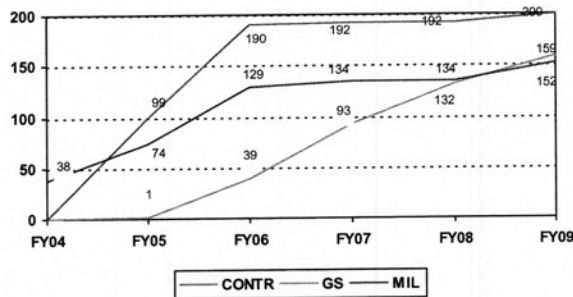
The Secretariat is developing a plan for achieving these goals and expects to achieve these goals by 2010.

JIEDDO from its inception on 18 January 2006 has focused on creating the organizational structure best suited for the expanding and ever changing mission. The organization recognizes and has taken the necessary steps to increase government oversight and fiduciary control over all JIEDDO controlled and directed programs. The control and oversight of programs, projects, or initiatives controlled and directed by the military services and other Department of Defense and government departments, including those funded wholly or in part by JIEDDO, remain the responsibility of the service or organization overseeing and/or operating the program, project, or initiative. The manpower and resources applied to these programs are reported by the individual services and are not included in the JIEDDO reported manpower and resource components. The Service documented manpower is provided in the quarterly report to the Congress.

JIEDDO is currently undergoing an annual JMD review and validation process and expects to validate requirements for an additional 18 military and 27 government civilian billets to provide enhanced government oversight and fiduciary control over the organization's resources. This chart identifies the manpower growth by JMD category over the two year history of JIEDDO and known projections for the future.

See comment 12.

EVOLUTION OF JIEDDO STAFFING LEVELS



Sources: FY04 data obtained from approval briefing from JIEDDOTF manning requirements dated 2 Nov 05. FY05 data obtained from a JIEDDO Billet Staffing Summary dated 30 January 2006. FY06 data based on authorized JMD positions dated 14 February 2006. FY07 Data based on authorized JMD positions dated 3 Mar 2007.

As noted in the above chart, JIEDDO in its short two-year existence has focused on increasing the number of military and civilian billets required to ensure proper resource and fiduciary oversight. In the first year (FY06), JIEDDO requested and received Army support for an additional 54 government civilian billets and three (3) Army military billets to perform inherently governmental functions. The US Navy provided one (1) senior military billet to oversee our Resource Management Division. This represents an increase of 135 percent in manpower billets associated with government oversight of JIEDDO resources. In the second year, JIEDDO requested an additional 39 government civilian billets (encl). This request is still pending at the Army. JIEDDO has also initiated a JMD review to determine areas where additional government oversight would be warranted. The review is still on-going but the organization has identified 57 additional government positions that if supported by the Army will further enhance the performance of inherently governmental responsibilities. It is expected that after a detailed review by the JIEDDO senior leadership, the requests for additional manpower will be submitted to the respective military services for consideration. The civilian billets will be requested from the Army as it is the executive agent for civilian personnel support. The formal submission is expected to be released in late March 2008.

JIEDDO's official JMD authorizes 192 contractors (Contract Manpower Equivalent) s. The Service Validation Board in Jan 2006 approved 190. Two additional CMEs were requested in February 2007 and supported in May 2007 by the Army. The CME program was established by the Department of Defense to compensate for the lack of sufficient government civilian billets. In the current annual JMD review, the JIEDDO staffs have identified an additional eight CME billets to enhance operational oversight of JIEDDO programs and initiatives. In addition to the CMEs authorized in the Joint Manning Document, JIEDDO employs other contractor personnel under various contract instruments. These additional contractor billets are necessary to support JIEDDO initiatives, programs, projects, and provide administrative support and are categorized

as Below-The-Line (BTL) and constrained by funding limitations. At the request of the GAO and in an effort to provide further clarification, the BTL category was further broken out into IAPT, LOEs, and BMS. The following definitions previewed with the GAO are consistently applied in accounting for manpower and ensures a commonality in reporting:

Joint Improvised Explosive Devise Defeat Organization (JIEDDO) Manpower Definitions:

1. Joint Manning Document (JMD)

- JIEDDO Manning
  - Military, government civilians, and Contractor Man-year Equivalent (CME) personnel reflected in the approved JIEDDO JMD (3 May 2007)
  - Serve as the baseline around which appropriate structures are built to address critical integration missions
  - Standard Joint Task Force Headquarters (SJTFHQ) – Counter-IED Operations Integration Center (COIC)
  - Core element of military, government civilian, or CME personnel assigned to the COIC

2. Basic Mission Staff (BMS) and Below the Line (BTL) Contractors

- Augment the JMD approved counter IED mission staff, providing additional capability in support of the JIEDDO mission
- Approved by the JIEDDO senior leadership based on available funding

3. Partners

- Liaison Personnel (LNO)
  - Representatives of external agencies that provide interagency assistance in support of the JIEDDO mission
  - Individuals are normally military, government civilian employees, or contractors
  - Support is funded by the parent agency. JIEDDO may reimburse salary and travel related expenses
- COIC-Interagency partnership Team (IAPT)
  - Individuals that represent agencies involved in the integration of external capabilities in support of the counter-IED mission

- Individuals may be military, government civilians, or contractors with the appropriate experience and access
- JIEDDO may fund salary and/or travel expenses as agreed jointly by the represented agency
- Interns
  - Students or recent university graduates participating in a supervised program, attached to JIEDDO, to gain knowledge and insight in the JIEDDO concept of operation and JIEDDO sponsored programs

4. Level of Effort (LOE) (Interim Mission-based Capability)

- Individuals that are retained to provide mission essential support on an interim or limited term basis to support the execution of specific elements of the mission
- Individuals provide support through an approved government services contract vehicle providing level of effort support for requirements for various programs for a defined duration in support of the warfighter.

5. Field Service Representatives

- Individuals retained as part of a services contract to install, maintain, and service procured or contracted equipment and software programs.
- Services are provided on an as needed basis.

These definitions were approved by the JIEDDO senior leadership and have been frequently disseminated to the JIEDDO staff. It is understandable that one might find individuals who are not directly involved in the manpower management process that may not fully understand the meaning of these definitions. JIEDDO will make every effort to ensure wider dissemination of these definitions.

A report to the Congress on the manpower authorized on the JMD to support the JIEDDO mission is submitted on a quarterly basis in response to language in the annual Department of Defense Authorization and the Department of Defense Appropriations bills. These reports, at the direction of the Department, are also used to report the manpower applied, funded, and controlled by the military services in support of the Department of Defense counter-IED mission. The service manpower contributions are applied by the services to support their internal counter-IED programs and are not part of the manpower used to support JIEDDO counter-IED programs, projects, and initiatives. Therefore, the service internal counter-IED manpower component is not accounted or documented on the JIEDDO JMD or manning document. In some cases, JIEDDO funding supports initiatives under the management and direction of the Services. In these instances, the Services normally account for and report the manpower contributions.

See comment 13.

JIEDDO also responds regularly to manpower data requests from the Congress and other Departmental and government agencies. As an example, the Report to the Congress in May 2007 requested in the FY 2007 Senate Appropriations bill asked JIEDDO to report all assigned civilian, military, and those individuals detailed from other agencies. The report also asked for an accounting of “all contractor support that is provided through various contracts.” In the report, JIEDDO provided full accountability for all manpower billets and personnel.

The Report suggests that JIEDDO does not include field service representatives, interagency liaisons, law enforcement training personnel, interagency partnership team members and infrastructure contractors working at the Counter-IED Operational Integration Center. The charts below from the Senate Report were provided to the GAO in response to a request for this data. It covers interagency liaisons, law enforcement training personnel, and interagency partnership team members.

Appendix II: Comments from the Department of Defense

As of 1 May 2007 CHART B	Manpower Category - Non-JMD					TOTAL
	Contributed Military <sup>(1)</sup>	LNO <sup>(2)</sup>	LEP <sup>(3)</sup>	IAPT <sup>(4)</sup>	Level of Effort <sup>(5)</sup>	
Command Group	1	0	0	0	3	4
Support Team	1	0	0	0	0	1
Special Staff	1	0	0	0	0	1
STRATCOM	0	0	0	0	0	0
ORSA	0	1	0	0	45	46
Operations	2	14	14	0	0	30
Intelligence	0	12	0	0	4	16
Secretariat	0	0	0	0	0	0
TRID	4	3	0	0	0	7
AOD	0	2	0	0	0	2
Resource Mgt	0	0	0	0	0	0
Iraqi Field Team	1	2	53	0	0	56
Afghanistan Field Team	0	0	16	0	0	16
Joint Center of Excellence	4	0	0	0	0	4
COIC	9	32	0	74	161	276
<b>Total</b>	<b>23</b>	<b>66</b>	<b>83</b>	<b>74</b>	<b>213</b>	<b>459</b>

- (1) Contributed Military: Individuals on Extended TDY
- (2) Interagency
- (3) Law Enforcement Program
- (4) Interagency Partnership Team (IAPT)
- (5) Flexible Manpower with established timeframes

In an effort to provide complete transparency, JIEDDO solicited and obtained from firms under contract to provide services for JIEDDO supported programs and initiatives the number of Full Time Equivalent (FTE) manpower required to accomplish the contracted support. The firms translated the FTEs into manpower equivalents for the May 2007 report to the Congress. Normally under Part 37 "Service Contracting" of the Federal Acquisition Regulation (FAR) the effort expended in support of such contracts are reported as the number of FTEs. For the May 2007 report to the Congress the FTEs represented the equivalent of 474 manpower equivalents.

Appendix II: Comments from the Department of Defense

As of 1 May 2007  
CHART C

JIEDDO Initiative	Number of FSRs Assigned
Triced Block	7
Counter IED Targeting Program (CITP)	43
Cultural Preparation of the Environment (CPE) Human Terrain System	5
CALEB II	9
Joint Intelligence Operational Capability - Iraq (JIOC-I)	18
Eagle Eye	3
Rapid Aerostat Initial Deployment (RAID)	23
Persistent Threat Deduction Systems (PTDS)	20
Bloodhound (Cache Detection)	3
Explosive Detection Equipment (EDE), Vehicle and Cargo Inspection System (VACIS)	12
EZ Door	1
Fido Packbot	9
Rapiscan Secure 1000	5
Ruggedized Detection Imaging System (RDIM)	2
Vehicle Optics Sensor System (VOSS)	13
Whisper	3
Z-101 Walk-Through	3
Z-Backscatter Vans	6
Constant Hawk	40
Warrior Alpha	27
Highlighter	27
Ariel Reconnaissance Multi-Sensor (ARMS)	18
Angel Fire	10
Alexis	1
BlowTorch	5
Electra	2
RECCE	1
Army Rollers	10
Product Directorate Counter Radio-Controlled Improvised Explosive Device Electronic Warfare (PDCREW)	99
Single Service Manager (SSM) - Joint Counter Radio Controlled Improvised Explosive Device Electronic Warfare (JCREW)	49
<b>Total FSR:</b>	<b>474</b>

Section 37.102 of the FAR indicates that performance-based acquisition (see [subpart 37.6](#)) is the preferred method for acquiring services (Public Law 106-398, section 821). JIEDDO's contracted support falls within this definition. In order to fill approved Contractor billets, JIEDDO works hand in hand with various DoD Contracting Agencies in order to ensure that those contracts that are let are done so in accordance with the guidelines detailed with FAR 37.1 and 37.2. Furthermore, surveillance plans are utilized to provide a guide to systematically and effectively monitor the contractor's performance to ensure compliance with the terms and conditions of the contract. The Contracting Officer's Representative (COR) documents the contract file with sufficient information to support decisions to exercise option years and outline corrective procedures to be taken against the contractor for deficient performance and determine if and when the government should intercede or terminate the contract."

JIEDDO also applies the definitions outlined in the FAR in categorizing the contracted manpower that is applied to directed, funded, and supported programs and initiatives. The JIEDDO definition cited above are consistent with the intent of the FAR. These definitions were previewed with the GAO team prior to being implemented.

The chart below was provided to the GAO in October. Subsequent updates were also provided.

Appendix II: Comments from the Department of Defense

1	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	As of August 31, 2007	JMD				Non-JMD			Approved Partnerships and Programs						
	Mil	GS	CME	Inter-national	JMD Total	Con-tractors	Intern	Total	Contributed Manpower	Inter-agency	LEP	IAPT	LOE	Total	
2	JMD Category Breakout														
3	Command Group	7	4	6	0	17	3	0	20	3	0		0	0	23
4	Support Team	1	9	10	0	20	7	0	27	2	0		0	0	29
5	Special Staff	2	5	1	0	8	3		11	3	0		0	0	14
6	STRATCOM	1	0	8	0	9	5	0	14	0	0		0	0	14
7	Secretariat	4	11	3	0	18	6	0	24	1	0		0	0	25
8	ORSA	3	4	2	0	9	10	0	19	8	1		0	0	28
9	Resource Mgt	2	13	6	0	21	7	0	28	0	0		0	0	28
10	Operations	7	10	33	3	53	12	0	65	0	13	14	0	26	118
11	Intelligence	5	9	16	2	32	7	7	46	4	17		0	0	67
12	TRID	11	5	48	3	67	15	0	82	4	3		0	0	89
13	AOD	2	4	13	0	19	2	0	21	0	6		0	0	29
14	Iraqi Field Team	23	0	2	0	25	3	0	28	0	2	53	0	0	83
15	Afghanistan Field Team	19	0	2	0	21	6	0	27	0	0	16	0	0	43
16	Joint Center of Excellence	35	8	39	0	82	5	0	87	9	0		0	0	96
17	COIC	11	11	3	0	25	81	0	106		59		116	227	508
18															
19	Total Documented	133	93	192	8	426	172	7	605	34	103	83	116	253	1194
20															
21	Represents individuals associated with Service Contracts, on temporary assignments.														
22	Represents individuals for which JIEDDO provides partial funding and incidental expenses.														
23															

The manpower management process is overseen by the Chief of the Secretariat supported by a staff of manpower and personnel subject matter experts within the Secretariat and within the supported divisions and the two agencies. All requirements are reviewed, assessed, validated, and justified prior to submission through the Joint Improvised Explosive Device Defeat (JIEDDO) Capability Approval and Acquisition Management Process (JCAAMP) process to the senior leadership for consideration. To refine the processes and to help validate the requirements, JIEDDO employs an outside agency to work with the requesting organizational entities. Each manpower proposal is reviewed to ensure that the tasks are properly identified and categorized and the manpower requirement properly articulates the capabilities required to perform the task. Following the review and assessment by the Secretariat staff and the outside agency, the requirement is entered into the JCAAMP process.

Through the JCAAMP process, all manpower requirements identified by the organizational entities and validated by the Secretariat are reviewed by the COS Council and presented to the Executive Committee for consideration and approval. The COS Council consists of representatives of each of the JIEDDO Divisions, the Joint Center of Excellence (JCOE), and the Counter-IED Operational Integration Center (COIC). The Executive Committee includes the Director, the Deputy Director, the Deputy Director for Operations and the Deputy Director for Intelligence. The JCAAMP process ensures that manpower and other resource requirements are appropriate and adequate and comply with the intent of the provisions of DoDD 1100.4 and all other issuances of the Department of Defense associated with the management of departmental manpower and resources.

JIEDDO manpower requirements are generally related to new programs, initiatives, and projects developed in response to the ever-changing improvised explosive device threat. JIEDDO manpower requirements are driven by workload required to perform specific tasks as defined by the program, project or initiative approved by the JIEDDO senior leadership. Such proposals, projects and initiatives go through a series of detailed review and analysis prior to approval by

the senior leadership. These include the JCAAMP, the JROC, JR2AB, JIPT, the SRSB and various internal and external Departmental oversight committees prior to approval. For programs and initiatives, in excess of 25 million dollars additional approval processes exist that require approval at the Secretary level. Manpower requirements associated with staff and infrastructure requirements are reviewed through the JCAAMP process, which includes review by the COS Council, the Executive Committee, and final approval by the Director. All manpower requirements are proposed and sustained at the lowest level possible to ensure the accomplishment of the mission. Additionally, JIEDDO manpower is revalidated annually as part of the Annual JMD Review process. The 2007 JMD Review assessed approximately 100 new manpower requirements but only approved 29 additional permanent civilian billets, 25 temporary civilian billets and 4 military billets for submission to the Services for consideration. Because of the revalidation of requirements, several of the new requirements were met by the redistribution of existing manpower assets. A similar review is currently on-going for 2008.

As an example of the level of effort taken to validate new manpower requirements, the Counter-IED Operational Integration Center (COIC) recently contracted for a Personnel Management Review that sought to validate the organization's missions, functions statements, and manpower requirements. The organization applied the workload standards accepted by the Officer of the Secretary of Defense Policy and Requirements, the Office of the Secretary of Defense Program Analysis and Evaluation, and the Joint Staff in determining manpower authorizations. The analysis captured total workload performed by existing personnel and developed appropriate Full time Equivalent (FTE) requirements for each task. The standards were applied to each of the organizational elements producing an accurate assessment of the manpower needed to achieve the missions assigned. This detailed analysis was used to support the organization's manpower request submitted for consideration in the current JMD Review.

The Report notes a preference on the part of the JIEDDO leadership to employ contractor personnel rather than government civilians and military personnel. JIEDDO has been aggressively taking the necessary steps to increase the number of military and civilian billets required to provide effective government oversight. However, the time required to obtain the additional billets has forced JIEDDO to rely on contractor personnel to fill temporarily requested government civilian requirements. JIEDDO since its establishment has requested 54 additional government civilian billets, has pending with the Army a request for 39 additional government civilian billets and is currently reviewing a potential request for 27 additional government civilian billets. The timelines for establishing, classifying, and hiring government civilians does not lend itself to expeditious filling of critical manpower billets. The timeline for obtaining approval of additional billets normally exceeds 165 days. Following the approval of a billet, the average processing time to fill such valid vacancies, from initiation of position classification to selection, was an additional 171 days. As an example, in the May 2007 time period 56 of the 93 JIEDDO billets were vacant. Today, JIEDDO has 46 vacant government civilian billets. The hiring process was further exacerbated by the quality of the applicants and unattractiveness of the 25 Term billets with limited appointments. Further challenging the process is the need for highly specialized scientific and professional skills required by JIEDDO's unique mission. Such time lags in the recruitment processes have placed a significant strain on the organization's ability to meet its government oversight and fiduciary responsibilities.

See comment 14.

JIEDDO has solicited the help of senior Army and Defense officials in an effort to shorten the hiring process timelines and to ensure that the best qualified individuals are recruited and hired. With the assistance of the Deputy Under Secretary of Defense for Civilian Personnel Policy, the Army appointed a "Strategic Advisor" to assist JIEDDO in addressing civilian personnel management issues. The Chief of the Secretariat has initiated a weekly reporting process providing the Civilian Personnel Advisory Center (CPAC) the status of pending civilian personnel actions that: (1) require CPAC classification, (2) require job announcements, (3) are awaiting release of a referral list, (4) awaiting the extension of a Tentative Job Offer (TJO) following selection, (5) awaiting a Firm Job Offer (FJO) after the TJO has been accepted, and (6) the positions where FJOs have been accepted but a report date has not been established. This is intended to ensure that both the CPAC and JIEDDO have a firm accountability of pending hiring actions.

While these actions have provided some relief to the hiring process, the timelines for hire have not improved substantially. Pending the approval of the current request under consideration by the Army JIEDDO will have 85 vacant government civilian billets that will require expeditious recruitment and hire.

The GAO report cites several examples of individuals not accounted for on the JIEDDO JMD and manning document. The report cites the staff of the Joint Testing Board as one example. This agency is an element of the Army and is accounted for on their Table of Distributions and Authorizations (TDA). While it is recognized that JIEDDO provides some funding for this organization, its primary mission is in support of the Army. The report also cites the use of contractors to pilot unmanned aerial vehicles. The program that these individuals are involved with is managed by the Army as well. As noted earlier, Service manpower contributions that are applied by the Services to support their internal counter-IED programs are accounted for and reported by the Services. Since the Joint Test Board is an Army entity it is not accounted or documented on the JIEDDO JMD or manning document.

As noted earlier field service representatives based on the contract vehicle that solicits the service being provided are tracked as Full Time Equivalent (FTE) effort applied to perform the contracted tasks. The report to the Senate included the FTE's converted to actual manpower applied to these functions on 1 May 2007. JIEDDO recognizes that the tasks contracted for drives the level of manpower contribution required to achieve the contracted service and that the level of FTE will or may fluctuate on a daily basis. The report to the Senate was an attempt to provide visibility on this category of support and was not intended to reflect a continuous manpower commitment associated with the specific service contracts. JIEDDO does track the FTEs associated with the effort of field service representatives and complies with the guidance outlined in the Secretary of the Army direction on accounting for contract services as outlined in the Secretary's guidance of 7 January 2005. JIEDDO also complies with the manpower accountability requirements outlined in the Federal Acquisition Regulation.

Since the Army is the executive agent for support of JIEDDO, the command recognizes the responsibility to apply the Army guidance on contracting and has systematically taken the necessary steps to transition all contracts under the Army contracting system. JIEDDO has been working diligently to implement the provision of the Secretary of the Army Memorandum of 7 January 2005 that outlines the procedures for accounting for contract services. As these

See comment 15.

programs are transitioned to the Services, the provisions of the Army guidance are applied consistent with the policies for contracting of services outlined in the Federal Acquisition Regulation. Additionally as programs are transferred to the Services, the control, funding and accountability are also transferred. As an example, this fiscal year, the Law Enforcement Program will be transferred to the Army. Once the transfer is completed, the manpower and funding associated with this program will be reported by the Army and not JIEDDO.

The Report notes that the contractors maintaining the infrastructure at the Counter-IED Operational Integration Center (COIC) are not being accounted for on the JIEDDO JMD and manning documents. The facility occupied by the COIC is contracted for by the Office of the Secretary of Defense (OSD). The facility houses other government agencies. The manpower associated with support of this facility also services the other agencies. JIEDDO recognizes and has begun to track the manpower specifically associated with the JIEDDO occupied portion of the facility. The actual number of individuals involved in this process attributed to JIEDDO support is under negotiation between JIEDDO and the OSD. Once this number is validated manpower that specifically can be attributed to the support of JIEDDO will be tracked on the JIEDDO manning document.

JIEDDO has continuously and systematically applied additional controls to the management of the manpower associated with the command's program, projects, and initiatives. As an example, in November 2007 JIEDDO migrated all civilian billets under the National Security Personnel System (NSPS). The NSPS strengthens our ability to accomplish the mission in an ever-changing national security environment and accelerates the Department's efforts to create a Total Force (military, civilian personnel, Reserve, Guard, and contractors), operating as one cohesive unit, with each performing the work most suitable to their skills. NSPS provides a human resources system that appropriately recognizes and rewards our employees' performance and the contributions to the JIEDDO mission.

JIEDDO has also instituted the Manpower Staffing Request System within the JCAMMP program to formalize the management of new manpower requirements. The purpose of the JIEDDO MSRF is to provide an efficient, centralized, and automated method for requesting additional manpower and personnel. JIEDDO has formulated and published common manpower definitions cited earlier to provide consistency in the application of manpower resources.

JIEDDO has also issued various policy statements that refine the manpower management process. As an example, Policy Memorandum 25 provides guidance on the selection and hiring of GS/GG 14 and 15s setting standards for the selection processes and mandating Deputy Director review prior to final selection. Policy Memorandum 24 set policy for the reimbursement of PCS expenses as a recruitment tool. The entitlements provided in each case will be in accordance with the policies published by the Department of the Army as executive agent for our civilian component.

Policy Memorandum 20 establishes management controls, rules, methods, procedures, and devices to be used to ensure that business is conducted ethically. These controls assure the JIEDDO leadership that resources-military and civilian personnel, property, and funds are employed and accounted for properly. The JIEDDO management control process ensures the

See comment 16.

periodic evaluation of the organization's most critical controls. The management control process also provides a means for disclosing any shortcomings detected. The process involves assessing safety operations, safeguarding resources, complying with laws and policy, and using resources efficiently and effectively. The process also helps identify vulnerabilities and minimize risks. Management controls are a leadership responsibility and an essential part of being prudent stewards of the organizations limited resources.

Policy Memorandum 13 provides guidance on duty hours, overtime, compensatory time and other administrative policy applicable to the staff. Memorandum 16A speaks directly to the control of personnel requiring that all civilian employees and contractor report the hours worked in support of JIEDDO initiatives. The effort was initiated to obtain a clear understand of the workload required to support the JIEDDO missions.

Policy Memorandum 28 requires that all JIEDDO activities that seek to propose organizational changes to include; internal organizational structures, manpower increases, and/or recategorizations or reallocations of manpower or personnel must submit through the Secretariat a formal proposal for review by the COS Council and approval for the Director. The underlying guidance recognizes that with the unique challenges brought on by the counter-IED fight, there is a need to reflect on the organizational structure, manning, and processes that have supported our efforts. There is a realization that the organization must evolve in response to the ever-changing threat but such an evolution must be structurally sound. The policy also recognizes that such evolution should not disrupt the synergy that has been the underpinning of our successes. Finally, the policy recognizes that any structural changes be responsive to the mission and to the needs of the individuals who are dedicated to the resolution of the IED problem.

Another action initiated by JIEDDO was to institute a formal records management program (mentioned earlier in our response). JIEDDO Directive 1015.1A outlines the responsibilities for life-cycle management (creation, maintenance and use, and disposition) of information as records in all media, including electronic. This includes the documentation supporting the management of manpower. While in the infancy, the program will help to ensure that all manpower requirements are appropriately documented and reinforce JIEDDO's effort to enhance accountability of the organization's manpower.

JIEDDO is also in the process of developing and instituting matrices to enable an assessment of the organizational functions, missions, goals and processes. These matrices will reinforce the manpower and personnel management processes insuring that manpower resources are allocated to the most needed requirements and to provide increasingly granular alignment of resources against missions. The data will also support the development of manpower requirements. This will support the development of a synergy in the application of manpower and personnel. It is expected that a fully developed matrices system will be in place by the end of 2009.

These initiatives have had a positive affect on the ability of the organization to effectively manage and oversee the manpower and personnel programs. JIEDDO had and will continue to work systematically to enhance its oversight and accountability of all categories of personnel and to refine policies, procedures, and processes to manage the command manpower and personnel resources.

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The following are our comments on the Department of Defense's (DOD) letter dated February 14, 2008.

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## GAO Comments

1. DOD states that before our audit commenced, JIEDDO had worked diligently to formalize and document its processes to ensure that internal controls were in place. Further, DOD asserts that "many of these processes were finalized during the audit timeframe," and then lists details on four specific "samples" where JIEDDO has "finalized, documented and implemented processes and procedures." While we recognize that JIEDDO has undertaken efforts to improve its operations and resource management, the specific efforts described in DOD's comments overstate the status and degree of implementation regarding these four "samples." Specifically, responses 2 through 5 summarize our conclusions regarding the status and potential effectiveness of JIEDDO "samples" contained in DOD's comments.

2. Before our review began in May 2007, JIEDDO planned to spin off part of an existing division to form a new acquisition oversight division. JIEDDO did not identify the planned division as relevant to our audit objectives, and while we were aware of the plans for the new division, we did not see documented objectives, plans, or policies describing the division's role or purpose. The first policy document JIEDDO issued outlining the oversight division's responsibilities was a broad instruction issued in November 2007, which was too late for us to review in the conduct of our audit. Further, as of mid-February 2008, JIEDDO was still drafting a roles and procedures manual to implement the instruction's requirements for the new division, and none of the five civil service positions planned for the division had been filled.<sup>1</sup> Consequently, this particular "sample" cited in the DOD comments does not by itself support the statement that JIEDDO has "finalized, documented and implemented processes and procedures."

3. JIEDDO issued this instruction to define and implement JIEDDO's "rapid acquisition management responsibilities" established in its charter documents and presented to us when we met to close out our fieldwork.<sup>2</sup>

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<sup>1</sup>There are approximately 20 positions identified in the new division. Two military staff currently manage the contract staff filling the other positions in the division.

<sup>2</sup>Joint IED Defeat Organization Instruction 5000.01, Joint Improvised Explosive Device Defeat Capability Approval and Acquisition Management Process (JCAAMP), (Nov. 9, 2007).

To follow up on the comprehensiveness of the instruction related to the internal control weaknesses we identified during our review, we had brief follow-up conversations with JIEDDO personnel involved in the development of the instruction. At that time, we determined that specific steps regarding addressing the control weaknesses identified were not fully developed because JIEDDO divisions had not yet documented or developed the specific roles, responsibilities, processes, and procedures at the division level. Further, JIEDDO had not yet identified the persons who would participate in developing and drafting proposed division-level instructions for coordination and approval. One official stated that to have done so before issuing the instruction would have delayed issuance by 1 to 2 months. As with the prior item cited in DOD's comments on our recommendation, this instruction does not by itself support the statement that JIEDDO has "finalized, documented and implemented processes and procedures."

4. While JIEDDO has established the Records Management Division in recognition of the importance of good documentation, it is still an effort in development and not fully implemented. The comments provided state that some elements of JIEDDO's records management processes and procedures are still in draft and are not scheduled to be initially operational until March 2008 or fully operational until May 2008. Based on DOD's comments, we again conclude that establishment efforts for this division do not support the summary statement that JIEDDO has "finalized, documented and implemented processes and procedures."

5. JIEDDO is in the process of adopting a new financial management system, adapted from an existing system, and is expecting full implementation of the new system by March 2008. While JIEDDO has identified the objectives of the new system and lists expected improvements for the organization, the comments clearly indicate that all requirements for the new system have not yet been gathered, which makes full implementation by March 2008 uncertain. Further, given the tasks yet to be accomplished for full implementation, JIEDDO's new system status does not support the summary statement that JIEDDO has "finalized, documented and implemented processes and procedures."

6. DOD states emphatically that funding authorizations are always made and documented according to the criteria in JIEDDO's charter directive. As we reported, this was not the case for the items we selected in our review. DOD identified a new resource management checklist in its comments, and while it constitutes a new control measure that is a

positive step, we were not able to test compliance with the new control or assess its effectiveness.

7. JIEDDO's reasons for initial assignment and change in its lines of operations accounting do not address the specific inconsistency and potential impact on the reliability of its financial reports that we reported when JIEDDO moved Joint IED Defeat Test Board expenses to its attack the network line of operation. Further, changes in controls over recording of fund use into expenditure categories or lines of operation are either still in development or were not sufficiently developed for us to evaluate their effectiveness in meeting our recommendation's intent.

8. DOD's statements acknowledge JIEDDO's internal control weaknesses. The actions proposed and those already taken, if fully implemented, would substantially address the intent of our recommendation.

9. Expressing full agreement with the findings in our report, DOD proposed an alternative approach for communicating the status of its efforts to Congress. We agree that DOD's approach for reporting its progress in implementing internal control measures satisfies the overall intent of our recommendation. Consequently, we modified our original recommendation to reflect this change.

10. JIEDDO outlines steps that it is taking toward identifying and tracking civilian, military, and contractor personnel and to improve its personnel management practices that we highlighted in our report. While a positive first step, other efforts are needed to comprehensively account for all personnel, as noted in comments 11 through 16.

11. JIEDDO introduces processes that do not directly address our recommendation. We were aware of the development of JIEDDO strategic human capital plan, and based on our review of JIEDDO's working documents, we concluded that the strategic human capital plan would not directly address the extent to which JIEDDO would identify and track all of its personnel. Also, JIEDDO had not instituted prior to the conclusion of our audit its Manpower Staffing Request System within the JCAAMP program to formalize the management of new manpower requirements. While these steps may assist JIEDDO in improving its personnel management, they do not directly address our recommendation.

12. We recognize and understand DOD's comments regarding accounting for JIEDDO personnel who staff programs under the control and direction of the military services and other DOD and government departments,

including those funded wholly or in part by JIEDDO. However, we believe that as an organization, JIEDDO has an interest in accounting for all civilian, military, and contractor personnel working in any capacity for JIEDDO, as a matter of sound personnel management. This information can be collected and reported with caveats stating that the personnel are, in whole or part, funded by JIEDDO.

13. DOD noted that our report suggested that JIEDDO does not account for categories of contractor personnel, such as field service representatives, interagency liaisons, law enforcement training personnel, interagency partnership team members, and infrastructure contractors, and stated that the information was included in the Senate report. During our audit and as stated in our report, we recognized that this information with the associated charts was included in the Senate report, but we found that it was not included in any of JIEDDO's personnel documentation or daily staffing reports prior to the development of the Senate report. As a result, we questioned why JIEDDO did not account for these categories of personnel in its daily staffing reports or in other personnel documentation.

14. DOD explained JIEDDO's challenges in hiring staff and the steps it is taking to increase the number of military and civilian billets and to facilitate the hiring of civilian employees by working with the Army and the Office of the Secretary of Defense. While these steps appear to address our recommendation and other areas of concern, we cannot validate the information because these steps occurred after we completed our audit.

15. We disagree with DOD's statement that JIEDDO provides some funding for the staff of the Joint Test Board. According to financial documentation we obtained and corroborated with interviews, the Joint Test Board's primary mission is to provide support to JIEDDO as stated in JIEDDO's charter, DOD Directive 2000.19E.

16. See comment 11.

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

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## Acknowledgments

In addition to the contact named above, the following individuals made contributions to this report: Cary Russell, Assistant Director; Grace Coleman; Eric Essig; Paul Kinney; Ronald La Due Lake; Stephen Lipscomb; Lonnie McAllister; Paulina Reaves; James Reynolds; Brian Shiels; Glenn Slocum; Yong Song; and John Strong.

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