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DEFENSE BUDGET

Need to Strengthen Guidance and Oversight of Contingency Operations Costs

G A O

Accountability ★ Integrity ★ Reliability

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United States General Accounting Office
Washington, DC 20548

May 21, 2002

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

Since the end of the Persian Gulf War in February 1991, U.S. military forces have been involved in overseas military contingency operations almost without interruption. These operations—which include the enforcement of no-fly zones, humanitarian assistance, and peace enforcement—had a reported incremental cost of over $29 billion. The majority of these costs ($26 billion) were incurred in the Balkans (Bosnia and Kosovo) and in Southwest Asia. In fiscal year 2002, U.S. military forces continue to participate in such operations—the most recent being the efforts to combat terrorism[1]—-and, based on the experiences of the past decade, they will likely do so in the future. (See app. I for a map of ongoing overseas contingency operations as of Jan. 2002.)

In light of the billions of dollars the Department of Defense (DOD) spends each year to support contingency operations, you asked us to examine those costs and DOD's oversight of them. As agreed with your office, we examined (1) the appropriateness of the military services' expenditures of contingency operations funds and (2) the effectiveness of DOD's oversight of these expenditures. We further agreed to confine our work to the Army and the Air Force because these two services accounted for over 80 percent of the contingency operations expenditures in fiscal year 2001.

DOD's financial management regulation defines incremental costs as costs that are above and beyond baseline training, operations, and personnel

[1]As the current efforts to combat terrorism did not begin until the end of fiscal year 2001, this report does not address the costs associated with them or how the funds have been expended.

costs.[2] The regulation goes on to say that incremental costs are additional costs to the services that would not have been incurred had the contingency operation not been supported. Our evaluation of contingency operations expenditures covered costs incurred by selected Army and Air Force units during fiscal years 2000 and 2001. To evaluate the appropriateness of these costs, we analyzed whether costs claimed by selected deploying units were incremental and whether they appeared to be reasonable for the contingency mission. Because DOD's guidance does not define "reasonable" costs, we applied a common sense judgment of reasonableness. To assess the effectiveness of DOD's oversight of contingency expenditures, we discussed with DOD and service officials the adequacy of guidance and procedures in place to oversee expenditures. For more details on our scope and methodology, see appendix II.

Results in Brief

While most contingency operations expenditures we looked at—which totaled about $2.2 billion—were appropriate, we found that as much as $101 million dollars in contingency operations funds were spent on questionable expenditures in fiscal years 2000 or 2001. As a result, budgetary resources that could have been used for other needs were spent on questionable expenditures. These expenditures fall into three categories:

- Expenses that did not appear to be incremental costs--that is, costs that would not have been incurred were it not for the operation. For example, one unit completely rebuilt vehicles that were not used in support of a contingency operation.

- Repetitive expenditures for items already available in theater. For example, four successive Army units deploying to Bosnia spent a total of $2.3 million on similar computer and office equipment without attempting to share or reuse the equipment.

- Seemingly unneeded expenditures, including such items as cappuccino machines, golf memberships, and decorator furniture.

[2]It should be recognized that DOD's financial systems cannot reliably determine costs and that only the total obligations are captured by the Department's accounting systems. The services use various management information systems to identify incremental obligations and estimate costs. Although we use the term costs throughout this report as a convenience, we are actually referring to DOD's obligation of funds.

We found that limited guidance and oversight combined with a lack of cost-consciousness contributed to the questionable expenditure of contingency funds. DOD's financial management regulation does not provide sufficient information on what types of costs meet DOD's definition of incremental costs, which has resulted in various interpretations among the services—and even among units within a service—as to appropriate and proper expenditures. Various units told us that DOD's guidance was too vague to judge whether some purchases were reasonable to use contingency operations funds. Also, DOD's regulation does not stipulate what units should do with equipment purchased specifically for the contingency mission once the mission is completed, resulting in successive units making repetitive purchases for the same items. Perhaps most importantly, DOD's financial management regulation does not state that good financial management and cost stewardship are imperatives in the expenditure of funds to support military contingency operations.

Oversight over how contingency operations funds are used is also limited. Because DOD and the service headquarters receive summarized cost reports containing little detailed information concerning how contingency funds are spent, it is difficult for them to exercise oversight. At major Army and Air Force commands, which also have oversight responsibilities, little information exists as to what is actually being purchased by the various deploying units. We also found that DOD does not provide for periodic reviews to analyze the reasonableness of items purchased with contingency funds and does not have an overview of all contracts awarded in support of operations in the Balkans. As a result, the lack of information makes it difficult for DOD to conduct effective oversight on the appropriate use of contingency operations funds.

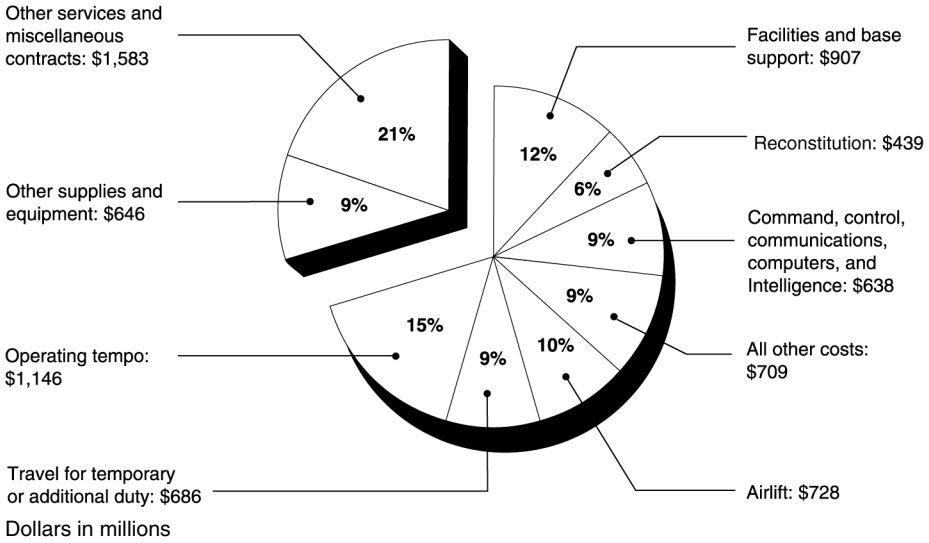
Without more definitive guidance and increased oversight, the problems identified in this report will likely continue in funding future contingencies. Therefore, we are making a number of recommendations for executive action to improve and strengthen assurances that contingency operations funds are used more appropriately in the future. In commenting on a draft of this report, DOD agreed with our recommendations, but stated that it was premature to implement the two involving establishing sets of equipment for units to use while training for their deployment. DOD stated that it recognized the need to maintain and strengthen fiscal control over contingency funds. A detailed discussion of DOD's comments and our response is contained in the body of this report.

Background

Over the past decade, DOD has reported over $29 billion in incremental costs for its overseas contingency operations. From fiscal year 1992 through fiscal year 2001, DOD's operations in the Balkans cost $17.8 billion and its operations in Southwest Asia cost $8.5 billion.

Operation and maintenance costs have accounted for the majority of all contingency operation costs. Of the $8,555 million in contingency operations costs for fiscal years 2000 and 2001, operation and maintenance costs represented $7,483 million, or 87 percent of the total. Military personnel accounted for the remaining $1,072 million or 13 percent, which we did not review. Within the operation and maintenance costs, DOD has established several cost reporting categories. Our assessment included only selected operation and maintenance expenses incurred by the Army and Air Force during fiscal years 2000 and 2001 for contingency operations. Because 30 percent of the operation and maintenance costs are grouped into miscellaneous categories that provide little insight into what units bought with contingency funds, we primarily focused our evaluation efforts in these cost categories. As such, we did not review other categories such as operating tempo, airlift, and facilities and base support. We estimate that the universe of contingency expenditures we looked at is about $2.2 billion. For illustrative purposes, total operation and maintenance costs for contingency operations covering fiscal years 2000 and 2001 are shown in figure 1.

Figure 1: Contingency Operation and Maintenance Costs by Expense Categories, Fiscal Years 2000 and 2001



Source: DOD contingency operations cost reports for fiscal years 2000 and 2001.

DOD budgets for the costs of ongoing contingency operations. Between fiscal years 1996 and 2001, the Congress appropriated funds for these operations to the services' military personnel accounts and the Overseas Contingency Operations Transfer Fund (the Transfer Fund). DOD transfers funds out of the Transfer Fund to the DOD components' appropriations accounts as operations unfold during the year. Any moneys remaining in the Transfer Fund at the end of a fiscal year remain available until expended. In the case of new, expanded, or otherwise unfunded operations, such as at the onset of operations involving Kosovo, costs are not budgeted in advance. DOD's components request funds from the Transfer Fund as long as they are available or use funds appropriated for other activities that are planned for later in the fiscal year. If these funds are not replenished through supplemental appropriations or the transfer of funds from other sources, the components have to absorb the costs within their regular appropriations.

In its report on DOD's fiscal year 2002 appropriations, the Senate Appropriations Committee suggested that providing funds directly to the services' accounts would lead to better accountability and the elimination of redundant and questionable costs. Subsequently, the conference committee on the fiscal year 2002 Department of Defense Appropriations

Act provided funds for contingency operations in the Balkans and Southwest Asia directly to the services' accounts.

We have been reviewing cost and funding issues associated with contingency operations for the last several years, including making observations on the positive and negative ramifications of appropriating funds for ongoing operations directly to the services' appropriations accounts.[3] We have also reviewed DOD's management of contingency operations in the Balkans.[4] A listing of related GAO work in this area can be found at the end of this report.

DOD's financial management regulation specifies financial policy and procedures regarding contingency operations. Specifically, chapter 23, volume 12, of DOD's financial management regulation, dated February 2001, addresses contingency operations. The primary focus of this financial regulation is on developing cost estimates of contingency operations and reporting those costs. By using a common cost structure, the actual execution can easily be compared with the estimates. The cost categories provide examples of types of incremental costs that can be included when estimating contingency expenses. Service headquarters and their respective subordinate commands, in turn, have issued memorandums that essentially restate what DOD has set forth in chapter 23 of its financial management regulation. Commands have established procedures for approving expenditures and have been communicating the need to control costs.

Questionable Uses of Contingency Funds

Contingency funds appropriated to DOD are distributed to the services for expenses directly related to the conduct of overseas contingencies. According to DOD's financial management regulation, the services can only be reimbursed from the Transfer Fund for contingency expenses that are incremental—that is, above and beyond routine requirements. Further, Office of Management and Budget Circular A-123 requires all managers of federal funds to ensure that cost-effective controls are implemented for the expenditure of appropriated funds.

[3]U.S. General Accounting Office, *Defense Budget: Need for Continued Visibility Over Use of Contingency Funds*, GAO-01-829 (Washington, D.C.: July 6, 2001).

[4]U.S. General Accounting Office, *Contingency Operations: Army Should Do More to Control Contract Cost in the Balkans*, GAO/NSIAD-00-225 (Washington, D.C.: Sept. 29, 2000).

While most expenditures of contingency operations funds were appropriate, we identified millions of dollars of questionable expenditures made by both the Army and Air Force. These expenditures involved expenses that did not appear to involve incremental costs, repetitive expenditures for items already available in theater, and expenses that seemed to us to be, on their face, of questionable need either because the purchase did not appear to support the operation or was more expensive than needed. Table 1 summarizes these expenditures.

Table 1: Summary of Questionable Uses of Contingency Funds Made in Fiscal Years 2000 and 2001

Dollars in thousands

Types of questionable expenditures	Amount
Vehicle refurbishment	$17,000
Reconstitution costs	49,500[a]
Repetitive purchases	9,876
Not clearly needed	24,585
Total	**$100,961**

[a]Expenditures could have been as much as this amount. The services were not able to provide sufficient cost detail to develop a specific figure.

Source: GAO developed from DOD data.

Some Expenditures Paid with Contingency Funds Did Not Appear to Meet the Definition of Incremental Costs

The services and their units are only allowed reimbursement from the Transfer Fund for expenses directly related to preparing for and participating in a contingency operation and repairing or replacing equipment used in support of the operation. Therefore, allowable contingency expenses are limited to only those costs that would not have been incurred were it not for the contingency operation, i.e., incremental costs, and so normal baseline training, operations, maintenance, and personnel costs are not considered incremental costs. Despite the clear definition of incremental costs, we found instances where units requested and received reimbursement for expenses that did not appear to be incremental costs.

Vehicle refurbishment

All the Army units we visited appropriately used contingency funds for the routine maintenance of vehicles left at their home stations during the unit's deployment, but at least one unit went beyond routine maintenance and refurbished vehicles that were used only minimally in support of contingency operations. Contracts for performing routine vehicle maintenance while soldiers are deployed, in use since at least 1998, reflect that the soldiers were no longer available to perform routine maintenance

and, in our view, constitute an incremental cost. However, the 3rd Infantry Division at Fort Stewart used contingency funds to completely refurbish vehicles while its soldiers were deployed for contingency operations. This division spent about $17 million in fiscal year 2001 to refurbish 2,317 vehicles.

Refurbishing vehicles differs from providing routine maintenance on equipment that remained at the home station during deployment. Refurbishment, in the case of the 3rd Infantry Division, meant rebuilding all left behind equipment to "like new" condition. In some instances individual pieces of equipment required hundreds of parts because of their condition. The following pictures show the poor condition of the equipment, caused by years of routine training use and reduced maintenance budgets, before refurbishment. (See fig. 2.)

Figure 2: 3rd Infantry Division Equipment before Refurbishment

Army utility trailer

Army armor recovery vehicle

Source: GAO.

The use of contingency funds for vehicle refurbishment as opposed to maintenance should have been limited to (1) vehicles used in support of the 3rd Infantry Division's Balkan deployment and (2) the portion of wear and tear attributable to that use. None of the 2,317 vehicles that were refurbished were taken on the Balkan deployment. Some of the vehicles refurbished by the 3rd Infantry Division were used to support the division's pre-deployment training program, although neither the division

nor its higher headquarters, the Army's Forces Command, could provide us with the exact number of vehicles used in training and the duration of their usage. Forces Command examples of incremental costs in support of contingency operations include the costs associated with the proportion of equipment overhaul and maintenance costs—computed on a fractional use basis—used in support of a contingency operation. Division units trained for about 3 months to prepare for their Balkan deployment; however, the equipment being refurbished had been in use for years. Therefore, in our opinion, only a small proportion of the $17 million in refurbishment costs, if the data existed to calculate that portion, could be viewed as a legitimate contingency cost.

We discussed our views on refurbishment of these vehicles with contingency funds with Forces Command. In a written response, Forces Command said that it recognized the need to maintain equipment while a unit is deployed in support of a contingency operation, particularly if the maintenance teams are deployed as well. After reviewing our data, the Command wrote that it agreed that rebuilding and upgrading vehicles not used in contingency operations was not necessarily the best use of contingency funds. The Command further wrote that, in the event the vehicles are used in the train-up or reconstitution phases, the incremental costs of repair parts are properly chargeable to contingency operations. We agree, as previously discussed, that the part of maintenance and repair costs of equipment attributable to the equipment's use in training for a contingency operation is a legitimate contingency cost.

Reconstitution costs

DOD's guidance on the use of contingency funds allows units to use these funds for reconstitution purposes once they re-deploy from a contingency mission. Reconstitution costs consist of those incremental expenses associated with replacing supplies and repairing or restoring equipment used during the mission to the condition it was in before the mission began. Following guidance from higher headquarters, the 1st Armored Division in Europe counted as reconstitution contingency expenses millions of dollars that, in our view, did not appear to meet the definition of incremental costs. For several years through fiscal year 2001, the Army's V Corps in Europe's fiscal guidance to all its units directed that all unit costs incurred in the first 270 days following a unit's return to its home station from the Balkans be counted as reconstitution costs, thus making all expenses eligible for reimbursement from contingency funds. In essence, the guidance allowed units to assume that all costs incurred in that 270-day period would not have been incurred were it not for the unit's Balkan deployment.

In the case of the 1st Armored Division, while the division incurred a number of expenses directly related to recovering from the deployment, it also incurred expenses that were not related to the deployment and, thus, do not appear to be incremental costs. For example, in one instance the division used contingency funds to replace small tools in the division at a cost of about $1.7 million even though the replacement was part of a U.S. Army Europe program that had nothing to do with contingency operations. The $1.7 million in small tools is an example of a cost that the division would have incurred regardless of its Kosovo deployment because the division would have made the change as part of the Army in Europe-wide changeover to the new tools.

The use of contingency funds to cover training costs following a Balkan deployment also appears to be a questionable use of such funds. Upon redeployment a unit returns to its normal training cycle, notwithstanding that it may need to shift its training emphasis to skills that had degraded during its Balkan deployment. DOD's fiscal guidance on contingency operations, contained in chapter 23 of its financial management regulation, does not state that retraining is considered to be a contingency cost. The DOD regulation only discusses equipment and supplies in its definition of reconstitution costs. However, the previously mentioned V Corps guidance also instructed units to treat training costs incurred in the first 270 days following redeployment as an incremental cost. As a result, the 1st Armored Division used contingency funds for all training for 9 months after its return from Kosovo, even though the deployment did not increase the amount of the division's training. In fact, the division trained less in fiscal year 2001—the year it returned from its deployment—than it did in fiscal year 2000, due to factors beyond its control, such as the need to curtail training in response to the outbreak of hoof and mouth disease. Two of the division's battalion commanders told us that their units returned to their normal training schedule after redeployment. The division reported $47.8 million in training and reconstitution costs in fiscal year 2001, but could not identify how much of the total was for retraining. V Corps changed its guidance for fiscal year 2002 so that judgments on whether costs incurred following redeployment are incremental costs are made on a case-by-case basis.

Repetitive Purchases

In the past 2 years Army units we visited that had prepared for a contingency deployment and Air Force units from which we obtained data that were on deployment made repetitive purchases of similar items to

facilitate mission training at home stations and/or mission support in theater.[5] These items included computers, computer accessories, video cameras, and office equipment. Among the Army and Air Force units we visited, we were unable to identify any concerted effort to reuse or share items purchased with contingency funds among deploying units. As shown in table 2, four successive Army units that deployed to Bosnia made repetitive purchases totaling $2.3 million.

Table 2: Examples of Repetitive Purchases Made by Army Units

			Amount spent for	
Deployment location	Deployment dates	Army unit	Computers	Office equipment
Bosnia	03/2000 – 09/2000	49th Armor Division	$273,859	$213,909
Bosnia	10/2000 – 03/2001	3rd Infantry Division	177,389	584,164
Bosnia	04/2001 – 09/2001	48th Infantry Brigade	171,450	247,521
Bosnia	10/2001 – 03/2002	29th Infantry Division[a]	564,644	34,421

[a] The 29th Infantry Division had not submitted all expenditures for reimbursement of contingency expenditures at the time we completed our work. We expect the expenditures for this division to be higher when all expenditures are settled.

Source: GAO developed based on Army data.

Air Force units deployed to Southwest Asia also made repetitive purchases. During fiscal years 2000 and 2001, deployed units spent a total of more than $7.3 million for computers and computer equipment and $276,000 for digital cameras.

For Army units, some of the equipment items purchased were used solely during training at home station prior to deployment, while other items were purchased to support the unit while deployed in-theater. The amount of equipment purchased and deployed varied by unit. The rationale for purchasing these items for deployment, however, is unclear because the Army in Europe has placed much of the equipment needed to accomplish the Bosnia mission in Bosnia so that each rotating unit does not have to bring its own equipment. For example, according to the Army in Europe's property book for equipment in Bosnia, there are more than 2,000 computers, 865 printers, 91 copiers, and a multitude of other office equipment already in that country. Moreover, 29th Infantry Division officials in Bosnia at the time we conducted our work verified that the

[5] The Army rotates units to the Balkans approximately every 6 months and the Air Force rotates units to support air operations involving Iraq every 3 months.

equipment listed in the property book was in fact there and in working condition. Divisions preparing for their Bosnia deployment had ample opportunity to ascertain the type of equipment that would be available to them through reconnaissance trips key division personnel make to Bosnia well in advance of the deployment, online access to the Bosnia property and inventory database maintained by the Army in Europe that lists all available equipment, and weekly telephone conference calls with personnel in Bosnia. Thus, in our opinion the purchase of office equipment by units preparing for Bosnia deployments for use in Bosnia is questionable. This matter has become increasingly important because DOD is establishing similar equipment stocks in Kosovo, where it also rotates units. It is also establishing bases in Afghanistan and elsewhere in the region in support of its efforts to combat terrorism and plans to rotate units at those bases.

For equipment purchased as training aids for the deployment or to facilitate mission support, there is no organized effort to transfer such equipment once a unit finishes its training or its deployment for the use of later deploying units. For example, to facilitate their training, National Guard units we visited purchased computer equipment to replicate the computer systems they would use in Bosnia and digital cameras to record their training. Army Forces Command officials told us that most of the equipment purchased with contingency funds over the years was not transferred to a contingency stock warehouse established at Fort Polk, Louisiana, in the mid-1990s to receive equipment at the end of a contingency operation or that had become excess to an operation's needs. Units we visited did not know of the warehouse and only a few had or planned to transfer equipment purchased with contingency funds to later deploying units.

National Guard units also purchased, but did not share, numerous video teleconferencing systems to be placed in multiple locations in the United States so that families at home could better communicate with deployed military members. The three largest Guard elements tasked with the Bosnia mission–49th Armor Division (Texas), 48th Armor Brigade (Georgia), and the 29th Infantry Division (Virginia)–have all purchased video teleconferencing systems. However, we were unable to identify any sharing of the equipment among the states or return of the systems when the mission was completed. In the case of the Virginia National Guard, we were told that they had asked the Texas's 49th National Guard Division, which had purchased several video teleconferencing sets to use during its Bosnia deployment, for their equipment, but were told to go buy their own system because the 49th Brigade considered the equipment to be theirs.

Army Forces Command officials told us that they agreed more could be done to share equipment items purchased with contingency funds for predeployment training.

Expenditures Not Clearly Needed

OMB Circular A-123 requires management controls to ensure that agency programs and resources are protected from waste, fraud, and mismanagement. In concert with this requirement, the Air Force has issued guidance that requires its commanders to "…ensure the absolute necessity in incurring a contingency expense …." Similarly, both the Army's Forces Command and its command in Europe have guidance dating back at least several years addressing the need for effective stewardship over contingency expenditures. Nevertheless, during fiscal years 2000 and 2001, the Army and Air Force used more than $24.6 million for items and services that, in terms of supporting contingency operations, appear unneeded because the purchase did not appear to support the operation or was more expensive than needed. As shown in table 3, which provides some examples, the list of questionable items is varied.

Table 3: Examples of Questionable Purchases Made with Contingency Operations Funds

Army	Amount
Telephone switching system	$60,600
Coin operated washers and dryers	31,000
Army total	**91,600**
Air Force	
Corporate golf membership	16,000
Folding tool sets	49,500
Palm Pilots	36,100
Executive high-back chairs	48,500
Silver and china	45,800
Couches and loveseats	88,100
Recliners	8,800
Decorative furnishings	5,000
Guided recreational tours	65,000
Rental cars	1,034,000
Bingo console	49,500
Cappuccino machines	51,200
Air Force total	**1,497,500**
Total	**$1,589,100**

Source: GAO developed from DOD data.

Regarding Army expenditures, we identified some expenditures made in fiscal year 2001 that were seemingly unneeded as follows.

- Telephone switching system. The 48th Infantry Brigade, a National Guard unit, installed a telephone switching system in its Georgia headquarters to benefit soldiers during their deployment in Bosnia. The $60,619 system enables soldiers to call toll free to Georgia from Bosnia and using access codes be automatically switched to any phone in the state. The purpose of this system is to facilitate communication with families by providing deployed soldiers with free telephone service. However, e-mail and free long-distance telephone service was already available to soldiers deployed in Bosnia. Brigade officials told us that, had they realized this capability was already available, they would not have purchased the switching system.

- Coin-operated washers and dryers. The 48th Infantry Brigade spent $30,962 to purchase washers and dryers for use by its soldiers at no cost to them while they were at their barracks at Fort Stewart, Georgia. Prior to the purchase, brigade personnel went off-post to use coin-operated laundries. Brigade officials believed it was appropriate to purchase the washers and dryers because its personnel were spending more time at Fort Stewart while preparing for their Bosnia deployment. However, there was an alternative available to all personnel at Fort Stewart for getting laundry done. Fort Stewart offers 1-day laundry service to all military identification card holders. It is unclear why brigade personnel did not use this service rather than purchase their own machines. Once having purchased the machines, the Georgia Guard used them to generate revenue for its own use. Specifically, Georgia personnel use the machines free with tokens, while all non-Georgia Guard personnel must use coins to operate the machines, with the proceeds going to the Georgia National Guard. The revenues from the machines are being used to purchase items for the Georgia-owned National Guard training site at Fort Stewart. The items purchased include microwave ovens, coffee pots, linens, and towels.

As noted earlier, Army units have a variety of means to ascertain the types of equipment and facilities that are available in the Balkans. Army officials told us that unit commanders can, and do, (1) conduct reconnaissance trips, (2) review property and inventory books that list various equipment and supply items already available in theater, (3) access a comprehensive database system that details equipment and supplies already in the Balkans, known as the Army's Deployment Asset Visibility System, and

(4) participate in weekly conference telephone calls that include discussion of what equipment is available in the Balkans.

Regarding Air Force expenditures, we identified a number of contingency operation expenditures made during fiscal years 2000 and 2001 that seemed to be more geared toward the personal use of deployed personnel than necessary to support the operation. Air Force officials were unable to provide us an explanation for purchasing many of these items.

- **Guided recreational tours.** Deployed personnel staying in the contingency dormitory at Aviano Air Base, Italy, were provided sightseeing trips to Venice and other locations on the weekends. Personnel permanently stationed at the base must use their own money to pay for the sightseeing trips. Both the Air Force and Army use contingency funds for tours and recreation while personnel are deployed in Southwest Asia and the Balkans, and we believe this to be a valid use of the funds for the morale and welfare of the personnel because they are only allowed off-post on official business. However, it is unclear why personnel in Aviano, a non-combat zone where people are free to travel about the area while off-duty, were provided this service. Air Force officials advised us that they have since discontinued the tours.

- **Furniture and decorative furnishings.** Air Force units purchased a wide variety of home furnishing items during their deployments to Southwest Asia, such as tables, chairs, and wall hangings. Some examples included a sofa and armchair at $24,000, a designer table at $2,200, an executive pillow at nearly $1,800, and four leather chairs at over $1,000 each. The purchases of decorative accessories included lithographs, wall hangings, decorative rock at nearly $19,000, and decorative knives costing hundreds of dollars each.

- **Kitchenware.** Air Force units purchased a variety of kitchenware items during their deployments to Southwest Asia during fiscal years 2000 and 2001. These items included $51,000 for cappuccino machines, $1,000 for a nacho cheese warmer, and thousands of dollars for china and silverware.

- **Golf items.** Air Force units purchased several golf items during their deployments to Southwest Asia that included a golf cart for $35,000, a corporate golf membership at $16,000, golf passes at $5,333, and a golf club/bag set costing nearly $1,500.

- **Folding tools.** Designed to be a compact survival tool for the outdoors, the folding tool opens to provide the user a knife, small pliers, scissors, saw, and assorted screwdrivers. It retails for about $50, and various Air Force units spent $49,510 to purchase about 1,000 of them in Southwest Asia.

- **Palm Pilots.** The Air Force units deployed to Southwest Asia purchased Palm Pilots on at least 14 occasions at a total cost of $36,090.

- **Rental cars.** The Air Force in Europe approved the leasing of rental cars for transient personnel at a cost of $3 million, as well as tens of thousands of dollars in repair costs for those vehicles and $414 to pay parking tickets incurred by the Air Force personnel driving those vehicles. Some of these rental expenses appear valid because personnel are deployed to remote sites, such as Moron Air Base in Spain, where transportation support was unavailable. At Ramstein Air Base in Germany, however, the lack of transportation support is not as obvious because there is a 24-hour military bus service for transporting transient aircrews and support personnel housed about 30 minutes from the base. The Air Force justified the use of rented vehicles, costing $1 million, for transient personnel on the basis that the personnel were on 24-hour call and no mess hall was open in the housing area so personnel had to travel for their meals. Air Force officials, however, told us that they did not do a transportation cost analysis to see if there were more cost-effective ways for transporting transient personnel other than leasing vehicles, or to determine the cost of opening the mess hall rather than providing per diem and rental vehicles for meals. While some transportation costs may be incurred in any case, the lack of this analysis precludes any opportunity to provide transient personnel with necessary services at a lower cost through alternative means and raises questions about the Air Force's stewardship of public funds.

The purchases that occurred in Southwest Asia were made with government purchase cards. We have previously reported on the inappropriate use of such cards at several Navy facilities[6] and are

[6]U.S. General Accounting Office, *Purchase Cards: Control Weaknesses Leave Two Navy Units Vulnerable to Fraud and Abuse*, GAO-02-32 (Washington, D.C.: Nov. 30, 2001).

separately examining the use of government purchase cards throughout the Air Force.

Appendix III provides additional examples of similar items, totaling hundreds of thousands of dollars, purchased by Air Force units while deployed to Southwest Asia. Air Force officials were not able to tell us where any of the items listed above and in appendix III were as of February 2002, that is, if these items were still at deployed locations, had been brought back to the purchasing unit's home station, or had simply disappeared.

Limited Guidance and Oversight Led to Questionable Uses of Contingency Funds

Limited guidance and oversight combined with a lack of cost-consciousness has contributed to questionable uses of contingency funds. Guidance and oversight are two forms of controls that can better assure funds are spent appropriately. We found that DOD's guidance governing contingency expenditures does not completely and clearly define reasonable costs. In addition, there is limited oversight and a corresponding lack of visibility over how contingency operations funds are used that has also contributed to questionable uses of contingency funds. Moreover, we believe that questionable expenditures exist because unit commanders did not have financial incentives to minimize contingency costs. Because contingency costs were not paid from the services' base budgets, unit commanders did not have to make choices weighing what to fund for contingency operations against competing budget priorities. We believe this situation created a reduced level of cost consciousness for spending contingency operation funds.

DOD Has Limited Guidance Concerning Contingency Operations Costs

DOD and the services have not developed sufficient guidance to better ensure that contingency operations funds are used appropriately. DOD's financial management regulation provides broad guidance on the definition, use, and accounting for contingency funds. The services and their major commands in turn have provided guidance to their units. While DOD's regulation and the service's accompanying guidance cannot be expected to address every conceivable situation, they currently do not (1) define what is a reasonable expense in terms of goods and services that can be purchased with contingency funds, (2) make clear that all personnel with the authority to spend contingency funds have a responsibility to be cost conscious and good stewards of the taxpayers' money, and (3) direct what should become of equipment purchased with contingency funds following a unit's deployment. The lack of emphasis on the need for reasonableness and cost consciousness has contributed, in

our view, to some of the seemingly questionable expenditures using contingency funds that we have described earlier in this report.

The lack of guidance and direction on what should become of equipment following a unit's deployment contributes to both duplicative and repetitive purchases of equipment. As described earlier, these include millions of dollars in computer and office equipment purchases. Lacking direction to the contrary, units have retained equipment purchased for use during contingency operations for their day-to-day use following their participation in contingency operations. This, in turn, has led each successive deploying unit to purchase similar equipment.

Limitations in DOD's guidance have also led to contradictory interpretations across the military services and even among units within a military service. Various units told us that DOD's guidance was too vague in some instances to judge whether a purchase using contingency operation funds was reasonable. For example, officials cited unit coins, china, shoulder holsters, sunglasses, televisions, videocassette recorders, and backpack-type water holders as items where current guidance is too vague as to whether it is reasonable to purchase these items using contingency funds. Consequently, at some units we visited, commanders denied requests to spend contingency funds for sunglasses, coins, and televisions, whereas at other units these requests were approved.

Oversight of Contingency Operations Funds Is Minimal

Very little visibility exists above the deploying unit level over how contingency operations funds are used. DOD, service headquarters, and their major commands receive summarized cost reports from their cost reporting system that is aggregated into various cost categories described earlier. The military services and their major commands do not receive detailed lists of the goods and services actually purchased nor do they make periodic visits to individual units and examine expenditure records. In addition, DOD does not even have an overview of all contracts awarded in support of contingency operations in the Balkans. As a result, higher commands that have oversight responsibilities cannot fully assess whether deploying units are making prudent purchases with contingency funds nor can they assess support contracts for any possible duplication of services.

Major commands and service headquarters we visited were not aware of the types of expenditures we have questioned, such as expensive furniture, cappuccino machines, and repetitive purchases of computer and office equipment. The following are several examples.

- The 9th Air Force, which oversees units deployed to Southwest Asia, was not aware that units spent contingency funds to buy expensive furniture, holiday decorations, golf memberships, and kitchen items while deployed to Southwest Asia.

- Army Forces Command did not know that several units that recently deployed to Bosnia and Kosovo spent more for automation equipment than had been approved. Army Forces Command, which has long-standing guidance concerning the purchase of automation equipment, directs units not to purchase automation equipment without receiving approval from the command. However, we identified instances where purchases far exceeded approved budgets. For example, Forces Command approved a $117,000 automation budget for mostly truck radios, toll charges, cell phones, and postage for the 3rd Infantry Division, but we found the division spent $177,000 on automation equipment.

- U.S. Army, Europe, which oversees units deployed to the Balkans, was not aware that transportation costs had been obligated twice for the same expense. This occurred because transportation costs were included in travel orders although Army Europe directly paid the Air Force for airlifting units from the United States to the Balkans. After we brought this issue to the attention of U.S. Army, Europe, officials took corrective actions to prevent such double obligations. Army Europe also reduced its budget for fiscal year 2002 by $17.6 million to reflect eliminating the double obligating and is working to identify and deobligate similar fiscal year 2001 funds.

In the Balkans, where billions of dollars have been spent for contractor support, we also found that DOD does not have an overview of all contracts awarded in support of operations. Contracts for mission support in the Balkans are independently awarded by several Army commands as well as by other DOD agencies. Contract employees can enter the Balkans at 17 different locations. Consequently, they can receive their badges and authorization at any of these locations, which then provides them access to all locations in the Balkans. The Area Support Groups in the Balkans, which have a role in contract oversight, are working to obtain an overview of all contractor activity. Until this task is completed, no one in DOD will know (1) how many contractors are located in the Balkans, (2) what the contractors have been contracted to do, and (3) the government's obligations to the contractors under their contracts. The Area Support Groups' task has been complicated because contractors sometimes decline to provide them with needed information and the Area Support

Groups lack the authority to require that the information be provided them. As a result, DOD does not know if there is duplication of effort among the contracts it has awarded and if contractors are receiving payments for support when that support is already being provided by either the military services or other contractors. For example, contractor employees can eat at dining facilities in the Balkans at no direct cost to themselves. However, some contracts may include an amount for food. In such a circumstance, DOD would be paying for food twice, once through the contract under which the employee is employed, and once again under another more general contract to provide food and other services to military and eligible contractor personnel. With the involvement of contractors in the efforts to combat terrorism, the potential exists for a similar condition in Afghanistan and the surrounding area.

Limited oversight was also seen at the 18th Airborne Corps, which oversees operational expenses for Army National Guard units deploying to Bosnia. Our analysis of contingency cost data maintained at the corps showed that Army National Guard units are reimbursed with contingency funds without timely backup information as to what the unit actually purchased. Although the corps conducts oversight by reviewing and approving the Guard units' requests for items that the units expect to purchase, the corps generally reimburses units without really knowing if the approved items were actually purchased. For example, the corps reimbursed units for items and services such as video cameras, telephone expenses, and office supplies before receiving supporting documentation from the units.

DOD has not required that a program be established for conducting periodic site visits or reviews to examine expenditures in support of contingency operations. Consequently, DOD and services' review of contingency expenditures have been limited. Although the Army is conducting some reviews,[7] its scope is limited and maintaining enough auditing staff to conduct reviews has been a problem. The Army, for example, does not have an ongoing program to assess before and after deployment expenditures made by units based in the United States.

[7]The Army's command in Europe and the Army Audit Agency conduct some auditing efforts in the Balkans and these audits focus on the reasonableness of items and services purchased to support Army forces in the Balkans. In Southwest Asia, the Army's Central Command headquarters conducts quarterly site visits to its units deployed to Southwest Asia and these reviews focus on the various internal controls in place covering expenditures made in support of contingency operations.

Further, according to Army officials in Europe, their audit coverage and effectiveness is hampered by the difficulty they are having in recruiting audit personnel. Officials at both the Army's Forces Command and its command in Europe stated that audit coverage of these expenditures should be increased. The Air Force relies on financial managers who are deployed at its camps in Southwest Asia rather than auditors to monitor contingency expenditures. One or more financial managers are assigned to each of the Air Force's camps to be advisors to the commander on the appropriate use of funds. All managers must attend a standardized training program designed to prepare them for the specific policies and procedures used in the theater prior to deployment. Nearly all of the managers deployed to Southwest Asia are enlisted personnel or junior officers. As a result, more senior officers deployed to the theater on flying missions sometimes ignore their judgments and advice, according to Air Force officials.

Lack of Cost Consciousness Contributes to Questionable Purchases

We believe that questionable expenditures also exist because prior to fiscal year 2002 unit commanders did not have financial incentives to minimize contingency costs. Through fiscal year 2001, contingency costs were not paid from the base budgets of the service commands, thus unit commanders did not have to make choices as to what to fund. This situation reduces the financial incentive to minimize costs because, as we have previously reported, commanders do not have to weigh funding for contingency operations against competing budgetary priorities.[8]

We believe that this resulted in a reduced level of cost consciousness because units that made the questionable purchases described earlier did not have to forgo making other purchases. For example, Air Force officials in Europe told us they leased rental cars for transient personnel at a cost of $3 million without any transportation cost analysis to determine if there were more cost-effective ways for transporting transient personnel other than leasing vehicles. However, they also told us that the command would have explored alternative transportation options if the transportation costs had been paid from the command's base budget.

In its report on DOD's fiscal year 2002 appropriations, the Senate Appropriations Committee suggested that providing funds directly to the

[8]U.S. General Accounting Office *Defense Budget: Need for Continued Visibility Over Use of Contingency Funds*, GAO-01-829 (Washington, D.C.: July 6, 2001).

services' accounts would lead to better accountability and the elimination of redundant and questionable costs. This approach was adopted by the conference committee on the fiscal year 2002 Department of Defense Appropriations Act so that funds for contingency operations in the Balkans and Southwest Asia were provided directly to the services' accounts.

Conclusions

Questionable expenditures result from limited guidance and oversight. DOD's guidance does not do enough to define reasonable costs, stipulate what should be done with equipment purchased with contingency funds once a unit completes its contingency mission, and explicitly state that all personnel responsible for expending contingency funds have a responsibility to do so prudently. The Office of the Secretary of Defense, Army and Air Force service headquarters, and their major commands provide only minimal oversight of contingency fund expenditures, resulting in limited knowledge of how contingency funds are being used and the kinds of questionable expenditures we identified. Current oversight does not uniformly provide for periodic detailed audits, centralized collection of contracts data, and unit submissions of detailed purchase lists. Furthermore, little is being done to centrally procure and then pass on equipment needed by each successive deploying unit, resulting in repetitive purchases of similar equipment.

Action by the conference committee on the DOD Appropriations Act for Fiscal Year 2002 to provide funds for Balkan and Southwest Asia contingency operations directly to the services' accounts should provide more of an incentive for the services to use the funds for their most important needs. Nevertheless, the matters addressed in this report remain important for two reasons. First, continuing operations in the Balkans and Southwest Asia can be made more efficient and any funds saved would be available for other pressing needs. Second, the United States is engaged in combating terrorism in Afghanistan, in other countries around the world, and within the United States. Funding for combating terrorism is being provided through appropriations separate from the services' direct appropriations, with rules and restrictions similar to those for the Transfer Fund. Without adequate guidance and oversight, coupled with increased emphasis on the prudent use of funds, the potential for questionable uses of contingency funds in current and future operations will continue.

Recommendations for Executive Action

To provide better guidance regarding the use of contingency funds, we recommend that the secretary of defense:

- Expand DOD's financial management regulation (vol. 12, ch. 23) to include more comprehensive guidance governing the use of funds appropriated for contingency operations. At a minimum, more complete guidance should detail (1) examples of what contingency funds can and cannot be used to purchase, (2) what units should do with equipment procured with contingency funds when the equipment is no longer needed by the unit to support the mission, that is, guidance for the disposition of equipment to include what items can be stored at a central location for use by other deploying units, transferred directly to other units, or retained by the unit, and (3) the importance of cost consciousness and proper stewardship in the use of contingency funds.

To improve oversight of the expenditure of contingency funds, we recommend that the secretary of defense:

- Conduct periodic reviews of expenditures in support of contingency operations. Specific review areas should include (1) an analysis of the need for items purchased to support pre-deployment training, (2) a comparison of items purchased by various units to identify opportunities for sharing arrangements or the need for centralized procurement, (3) the reasonableness of items purchased during all phases of the contingency operation to include a review of purchases made with government credit cards, and (4) an assessment of whether items purchased with contingency funds are properly accounted for and handled once the contingency mission is completed.

- Direct all components of DOD to forward to the executive agent for operations in a geographical area such as the Balkans a copy of all existing and future contracts and modifications to those contracts that directly support U. S. operations and that the executive agent for that area review all contracts to (1) identify possible duplication of services and (2) ensure that contractors receive only those services from the government to which they are contractually entitled.

- Direct the secretary of the army to require Army National Guard units to submit detailed lists of expenditures in support of requests for reimbursement of costs claimed in support of contingency operations.

To minimize the number of repetitive and questionable purchases, we further recommend that the secretary of defense direct:

- The secretary of the army to discontinue the practice of allowing individual units to purchase all items needed for training during the pre-deployment phase of a contingency operation. Instead, several training sets consisting of items needed for training should be assembled and controlled by a single Army entity such as the Training and Doctrine Command. These sets could be issued in support of the training, returned for inspection and repair when the unit deploys, and then reissued to subsequent units preparing for deployment.

- The secretary of the army to require the National Guard Bureau to assemble and control equipment training sets purchased with contingency funds for its units. The Bureau should also establish video conferencing sets to be rotated among the states for use when its units are deployed.

- The secretaries of the army and the air force to require that major commands designate a single entity to procure all items required by rotating units while deployed to a contingency base or camp, except for individual- and unit-owned items.

Agency Comments and Our Evaluation

In official oral comments on a draft of this report, DOD stated that it recognized the need to maintain and strengthen fiscal control over contingency funds. It also stated that it would more closely monitor the execution of funds in order to avoid the situations found in our report.

DOD concurred with our recommendations but stated that it was premature to implement the two involving (1) the Army's establishing several training sets of equipment that would be issued in support of units' pre-deployment training and that would be assembled and controlled by a single Army entity and (2) the National Guard Bureau's establishing training sets of equipment purchased with contingency funds as well as video conferencing sets. In commenting on both those recommendations, DOD stated that, while it agreed with them, it was not feasible at this time to establish, maintain, and administer a multitude of training sets due to different types of units and different levels of training. DOD noted that the improved oversight measures to which it agreed would provide the control necessary to limit questionable purchases. In addition, DOD stated that the Army would assess the feasibility of establishing training sets in the future.

We agree that there are unique items that would not be suitable for being placed in training sets. At the same time, we have also found that there are a number of common items that most if not all units have purchased in support of their pre-deployment training, including computers, cameras,

and office equipment such as copiers, facsimile machines, and laminating equipment that would be suitable for training sets. We have also found that video conferencing sets are commonly purchased and used by National Guard units so that families at home can better communicate with deployed military members and believe that these sets could be rotated among the states for use when units are deployed. In future assessments of the feasibility of establishing training sets, we believe that the Army should focus on items that are common across units. Therefore, we have retained the recommendations as stated in our draft report.

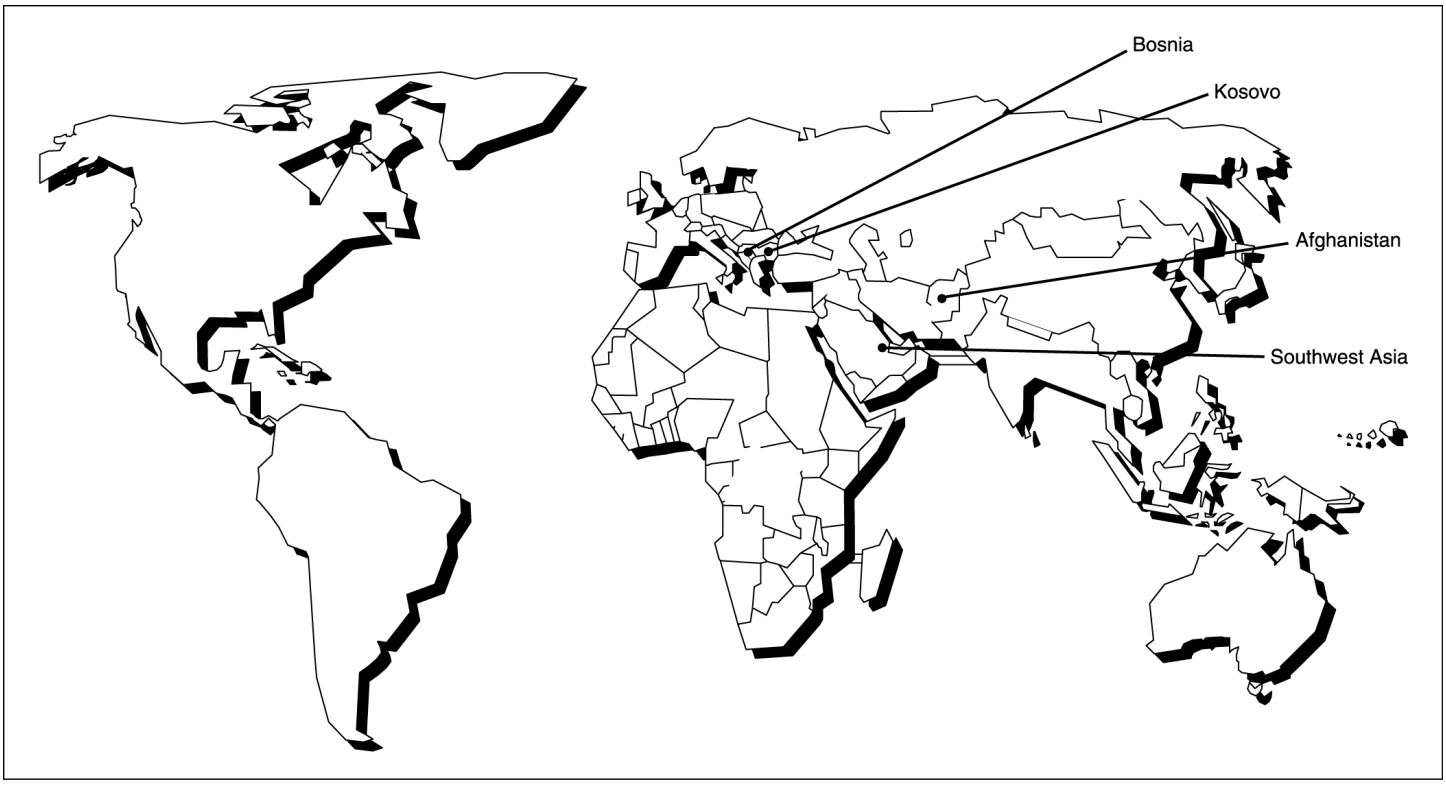
DOD described its proposed amendments to its financial management regulation, which are phrased in the context of funds appropriated to the Overseas Contingency Operations Transfer Fund. Beginning in fiscal year 2002, however, military contingency operations are being funded through the services' accounts instead of the Transfer Fund. Therefore, we believe that, in amending its financial management regulation, DOD can strengthen its control over the use of funds provided to support military operations by not limiting its changes to funds appropriated to the Transfer Fund.

We are sending copies of this report to the Chairman and Ranking Minority Member, Subcommittee on Defense, House Committee on Appropriations; the Chairmen and Ranking Minority Members, Senate and House Committees on Armed Services; the secretary of defense; the under secretary of defense (comptroller); and the director, Office of Management and Budget. Copies of this report will also be made available to others upon request. In addition, the report will be available at no charge on the GAO Web site at http:// www. gao. gov.

If you have any questions regarding this report, please call me on (757) 552-8100. Another contact and major contributors to this report are listed in appendix IV.

Neal P. Curtin, Director
Defense Capabilities and Management

Appendix I: Map of Overseas Contingency Operations as of January 2002



Appendix II: Scope and Methodology

Our evaluation of contingency operations expenditures covered costs incurred by selected Army and Air Force units during fiscal years 2000 and 2001. We confined our work to the Army and the Air Force because these two services accounted for over 80 percent of the contingency operations expenditures in fiscal year 2001.

To examine the appropriateness of the services' expenditures of contingency operations funds, our analyses focused on whether (1) costs claimed by selected deploying units were incremental to the contingency mission, thus meeting DOD's definition of an incremental expense to be reimbursed from the Overseas Contingency Operation Transfer Fund, and (2) expenses incurred were for items and services that appeared to be reasonable for the contingency mission. Because we believe that DOD does not sufficiently define what is a reasonable expense for goods and services that can be purchased with contingency operation funds, we applied a common sense judgment on whether the costs appeared to be reasonable based on our experience reviewing contingency operations and discussions with DOD and service officials. We then discussed with unit officials those items we believed were questionable to obtain their views. Contingency costs that we looked at differed for the two services because Army units incur significant expenses prior to or following a contingency deployment whereas Air Force units do not. Instead, most of the Air Force's contingency expenses are incurred while deployed. Because of the differences in which the Army and the Air Force incur contingency operation incremental costs, our approach differed for each service as follows.

- For the Army, we used a case study approach to examine the appropriateness of the Army's expenditures of contingency operations funds. We examined cost reports and supporting documentation for four sequential unit rotations in Bosnia (known as Stabilization Forces rotations 7 through 10) and two sequential unit rotations in Kosovo (known as Kosovo Forces rotations 1 and 2). Our assessment of contingency costs included costs to train for the contingency mission prior to deployment and the costs incurred by the units after returning from the mission.

- For the Air Force, we looked at purchases made by selected units deployed to Southwest Asia during fiscal years 2000 and 2001 to examine the appropriateness of the expenditures using contingency operation funds. We analyzed service records to identify the types of items purchased for military forces to include credit card purchases.

We discussed the appropriateness of certain questionable expenditures with Air Force command and monitoring officials.

Our findings regarding expenditure appropriateness varied among the units selected. Consequently, our findings cannot be projected to all units that participated in contingency operations during this period.

To assess the effectiveness of DOD's and the services' oversight of contingency expenditures, we discussed with DOD and service officials the availability and adequacy of guidance and procedures in place to oversee these expenditures. We reviewed existing written guidance that was provided to us by a variety of organizations, including the offices of the Under Secretary of Defense (Comptroller); Defense Finance and Accounting Service; U.S. Army and U.S. Air Force Headquarters; and U.S. Army and U.S. Air Force major commands, divisions, and wings. We also examined DOD and service regulations governing such expenditures to assess controls over contingency operation purchases. We did not validate accounting systems of the commands providing the data nor did we verify the Defense Finance and Accounting Service's data used in its contingency operation cost reports.

Locations we visited during our review were:

Office of the Secretary of Defense, Washington, D.C.

U.S. Central Command

U.S. Central Command, Air Force, Shaw Air Force Base, South Carolina; and U.S. Central Command, Army, Fort McPherson, Georgia.

Department of the Army, Headquarters

U.S. Army Forces Command, Fort McPherson, Georgia;
18th Airborne Corps, Fort Bragg, North Carolina;
3rd Infantry Division, Fort Stewart, Georgia;
10th Mountain Division, Fort Drum, New York;
29th Infantry Division, Fort Belvoir, Virginia;
U.S. Army, Europe, Heidelberg, Germany;
1st Armored Division, Wiesbaden, Germany; and
1st Infantry Division (Mechanized), Wurzburg, Germany.

Department of the Air Force, Headquarters

U.S. Air Force Europe, Ramstein Air Base, Germany;
Air Combat Command, Langley Air Force Base, Virginia; and
9th Air Force and 20th Fighter Wing, Shaw Air Force Base, South Carolina.

National Guard, Headquarters

Air National Guard Headquarters, Washington, D.C.;
Army National Guard, Headquarters, Washington, D.C.;
Georgia Army National Guard, 48th Infantry Brigade (Mechanized), Atlanta and Macon, Georgia;
Mississippi Army National Guard, Jackson, Mississippi; and
Virginia Army National Guard, Fort Pickett, Virginia.

We performed our work from July 2001 to February 2002 in accordance with generally accepted government auditing standards.

Appendix III: Examples of Questionable Items Purchased by Air Force Units in Southwest Asia in Fiscal Years 2000 and 2001

Location	Item Description	Cost
Al Dhafra Air Base	Cappuccino machine	$7,933
	White beach sand	4,638
	Designer coffee table	2,205
	Golf club set with bag	1,478
	Genie lamp with Riyadh stone	432
Escan Village	Golf passes	5,333
	Silver knife mounted on Riyadh stone	864
	King/Queen comforter sheet sets	2,080
Al Jaber Air Base	Cappuccino machine	3,092
	Manager's chair	1,795
	Maple pool cues (13)	2,352
	White china plates	3,868
	Leather executive chairs (4)	4,262
	Computer tutorial "The Intelligent Investor"	2,987
	Cowboy hats	4,896
	Decorative river rock	18,980
	Executive high back pillow	1,775
	Nacho cheese warmer	1,039
Prince Sultan Air Base	Loveseat and arm chair	23,989
	Cappuccino machine	16,758
	Corporate golf membership	16,000
	Sumo wrestling suit	3,395
	Cappuccino machine	9,200
	Halloween decorations	9,825
	Nostalgic juke box	14,835
	Executive desk set	2,451
	Palm trees and bar stools	2,076
Ali Al Salem Air Base	Artificial plants	11,598
	Bingo console	49,462
	Three compartment lunch boxes	8,212
	Valentines day decorations	328
	Mardi Gras decorations	1,147
	Remote control cars	3,766

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Steven H. Sternlieb (202) 512-4534

Acknowledgments

In addition to the contact named above, Ray S. Carroll, Laura Talbott, Lester Ward, Janine Cantin, and Jim Lewis made key contributions to this report.

Related GAO Products

U. S. General Accounting Office, *Defense Budget: Need for Continued Visibility Over Use of Contingency Funds*, GAO-01-829 (Washington, D.C.: July 6, 2001).

U. S. General Accounting Office, *Quality of Life for U.S. Soldiers Deployed in the Balkans*, GAO-01-201R (Washington, D.C.: Dec. 14, 2000).

U. S. General Accounting Office, *Contingency Operations: Army Should Do More to Control Contract Cost in the Balkans*, GAO/NSIAD-00-225 (Washington, D.C.: Sept. 29, 2000).

U. S. General Accounting Office, *Contingency Operations: Providing Critical Capabilities Poses Challenges*, GAO/NSIAD-00-164 (Washington, D.C.: July 6, 2000).

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