

# GAO Highlights

Highlights of [GAO-20-309](#), a report to congressional committees

## Why GAO Did This Study

According to DOD, from fiscal years 2014 through 2019, it used ACSAs to provide billions of dollars of logistic support, supplies, and services to more than 100 partner countries. For example, this support included fuel and ammunition to assist international exercises and coalition operations, among other efforts.

Senate Report 115-262 included a provision for GAO to review ACSA management. This report examines the extent to which (1) agencies have provided information to Congress about ACSAs, and (2) DOD has tracked and received reimbursement for ACSA orders. GAO conducted content analysis of DOD and State ACSA documents, and analyzed a generalizable sample of ACSA orders authorized from October 2013 through March 2018 and recorded in DOD's system of record for ACSA orders. An ACSA order, also referred to as a transaction, documents an exchange of support between the United States and a foreign partner. In addition, GAO interviewed agency officials and conducted fieldwork at Shaw Air Force Base in Sumter, South Carolina.

## What GAO Recommends

GAO is making seven recommendations to DOD to improve ACSA recordkeeping and reimbursement, through steps such as better monitoring, periodic data reconciliation, and timely invoicing. DOD agreed with all seven recommendations.

View [GAO-20-309](#). For more information, contact Jason Bair at (202) 512-6881 or [bairj@gao.gov](mailto:bairj@gao.gov).

# DEFENSE LOGISTICS AGREEMENTS

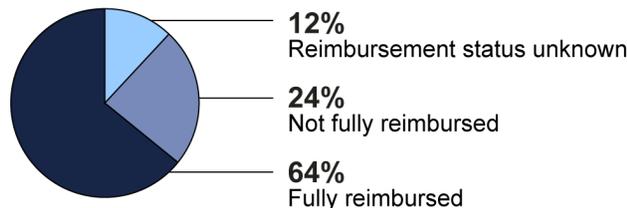
## DOD Should Improve Oversight and Seek Payment from Foreign Partners for Thousands of Orders It Identifies as Overdue

### What GAO Found

While generally providing required information to Congress, poor recordkeeping by the Department of Defense (DOD) and late notifications by the Department of State (State) have limited the accuracy and timeliness of information provided to Congress on acquisition and cross-servicing agreements (ACSA). DOD and State have Congressional notification requirements pertaining to ACSAs—agreements through which DOD exchanges logistic support, supplies, and services with foreign partners in return for cash or in-kind reimbursement. Documents indicate that DOD provided notice to Congress before designating 78 of 104 countries eligible for an ACSA. However, DOD did not have records for the remaining 26, in part because it lacks documented recordkeeping procedures. While State generally notified Congress about ACSAs' entry into force, it transmitted 41 percent of them after the statutory deadline, largely because DOD did not provide required information to State. These gaps and issues have reduced the accuracy and timeliness of information provided to Congress about ACSAs.

DOD has not maintained quality data to track ACSA orders and has not received reimbursement for thousands of orders. First, DOD does not have complete and accurate ACSA data. For example, for an estimated 12 percent of ACSA orders authorized from October 2013 through March 2018 in DOD's system of record, DOD could not determine whether it had received reimbursement for support provided to partners. According to DOD officials, such inaccuracies occur in part because DOD does not have a process to validate data in its system. Second, GAO estimates that DOD received full reimbursement for 64 percent of ACSA orders authorized from October 2013 through March 2018 (about 6,000 orders), but did not receive full reimbursement for 24 percent. Orders remain unpaid in part because DOD has not requested timely repayment or monitored reimbursement. These management weaknesses limit DOD's ability to obtain reimbursement for overdue ACSA orders, which, according to DOD, were valued at more than \$1 billion as of November 2019.

**Reimbursement Status for ACSA Orders in DOD's System of Record from October 2013 through March 2018, by Number of Orders**



Legend: Acquisition and Cross-Servicing Agreement = ACSA.  
 Source: GAO analysis of Department of Defense (DOD) data. | GAO-20-309

Note: These estimates are based on a generalizable sample of orders in which the United States provided support to foreign partners; have a margin of error of up to plus or minus 5.1 percentage points at the 95-percent confidence level; and represent the percentage of the number of orders, not the dollar value of orders.