OVERSEAS CONTINGENCY OPERATIONS

OMB and DOD Should Revise the Criteria for Determining Eligible Costs and Identify the Costs Likely to Endure Long Term

Why GAO Did This Study
Since 2001 Congress has provided over $1.6 trillion in appropriations to fund OCO. For fiscal year 2017, DOD requested $64.6 billion in funding for OCO. While DOD’s OCO budget request has included amounts for contingency operations primarily in Iraq and Afghanistan, more recently the request has also included other activities, such as efforts to deter Russia and reassure U.S. allies and partners. DOD acknowledges that many OCO costs are likely to endure after contingency operations cease.

GAO was asked to review DOD’s use of OCO funds. This review assesses (1) the extent to which OMB’s 2010 criteria address the activities included in DOD’s OCO budget request; and (2) whether DOD has developed and reported an estimate of the costs being funded with OCO appropriations that are likely to endure beyond current contingency operations. GAO analyzed OMB’s criteria for determining whether costs belonged in the OCO budget and reviewed DOD-provided information on its enduring OCO costs.

What GAO Recommends
GAO recommends that DOD, in collaboration with OMB, reevaluate and revise the criteria for determining what can be included in DOD’s OCO budget requests; and that DOD develop a complete and reliable estimate of enduring OCO costs to report in future budget requests. DOD concurred with our first recommendation and plans to propose revised OCO criteria to OMB. DOD partially concurred with our second recommendation but identified no steps planned to develop and report its enduring OCO costs.

View GAO-17-68. For more information, contact John Pendleton at 404-679-1816 or pendletonj@gao.gov.