IRAQ

DOD Needs to Improve Visibility and Accountability Over Equipment Provided to Iraq’s Security Forces
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DOD Needs to Improve Visibility and Accountability Over Equipment Provided to Iraq’s Security Forces

What GAO Found

The Department of Defense (DOD) maintains limited visibility and accountability over equipment funded by the Iraq Train and Equip Fund (ITEF). Specifically, DOD is not ensuring that the Security Cooperation Information Portal (SCIP) is consistently capturing key transportation dates of ITEF-funded equipment. DOD guidance states that DOD components should use SCIP to identify the status and track the transportation of all building partner capacity materiel, such as ITEF. DOD also issued an order in October 2016 requiring DOD components to ensure that equipment transfer dates are recorded in SCIP. The process for providing the equipment to Iraq’s security forces generally falls into three phases: (1) acquisition and shipment, (2) staging in Kuwait and Iraq, and (3) transfer to the government of Iraq or the Kurdistan Regional Government. However, for the 566 ITEF-funded requisitions marked as complete in SCIP’s management reporting system as of February 2017, GAO found that the system captured one of two key transportation dates for 256 of the requisitions in phase 1, and none of the transportation dates for these requisitions in phase 2 or phase 3 (see figure).

Key Transportation Dates for Completed Iraq Train and Equip Fund (ITEF)–Funded Equipment Requisitions Captured in the Security Cooperation Information Portal’s Management Reporting System, by Equipping Phase

DOD officials attributed the lack of key transportation dates in SCIP’s management reporting system to potential interoperability and data reporting issues in all three equipping phases.

- **Interoperability issues.** DOD officials said that SCIP’s management reporting system may not be importing transportation data correctly from other DOD data systems or from another shipment tracking system feature in SCIP.
- **Data reporting issues.** DOD officials said they are not reporting the arrival dates of equipment to Kuwait or Iraq because they rely on other DOD data systems and are not required to do so. DOD officials said they have had difficulty ensuring that SCIP has captured equipment transfer dates.

In addition, DOD cannot fully account for ITEF-funded equipment transfers because of missing or incomplete transfer documentation. Without timely and accurate transit information, DOD cannot ensure that the equipment has reached its intended destination, nor can program managers conduct effective oversight of ITEF-funded equipment.
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Abbreviations

CJTF-OIR  Combined Joint Task Force-Operation Inherent Resolve
DOD   Department of Defense
DSCA   Defense Security Cooperation Agency
EFTS   Enhanced Freight Tracking System
ISIS   Islamic State of Iraq and Syria
ITEF   Iraq Train and Equip Fund
OSC-I   Office of Security Cooperation-Iraq
SAMM   Security Assistance Management Manual
SCMS   Security Cooperation Management Suite
SCIP   Security Cooperation Information Portal
1st TSC   1st Theater Sustainment Command
USASAC   U.S. Army Security Assistance Command
USCENTCOM   U.S. Central Command

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May 25, 2017

The Honorable John McCain
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Bob Corker
Chairman
The Honorable Benjamin L. Cardin
Ranking Member
Committee on Foreign Relations
United States Senate

The Honorable Robert Menendez
United States Senate

In 2013 and 2014, the self-declared Islamic State of Iraq and Syria (ISIS) seized control of large areas of territory in Iraq and Syria, emerging as a major threat to both countries and to U.S. interests in the region.¹ In fiscal years 2015 and 2016, Congress appropriated $2.3 billion to the Department of Defense (DOD) for the Iraq Train and Equip Fund (ITEF) to provide assistance, including equipment, to military and other security forces of or associated with the government of Iraq.² These forces included the government of Iraq’s Army, Counter Terrorism Service, and Tribal Security Forces and the Kurdistan Regional Government’s Peshmerga.³ The Combined Joint Task Force-Operation Inherent

¹ISIS is also known as the Islamic State of Iraq and al-Sham, Daesh, and the Islamic State of Iraq and the Levant (ISIL), among other names.


³The Kurdistan Regional Government administers an autonomous region consisting of three provinces in northern Iraq and has de facto control over portions of three other provinces in that area. The Kurdistan Regional Government maintains its own internal security forces for this region, called the Peshmerga. According to DOD officials, ITEF-funded equipment for the Peshmerga is provided directly to the Kurdistan Regional Government.
Resolve (CJTF-OIR), located in Kuwait and Iraq, manages and executes ITEF-funded assistance in coordination with the Department of State’s Office of Security Cooperation-Iraq (OSC-I).\(^4\) Multiple other DOD components, such as the 1st Theater Sustainment Command (1st TSC), are responsible for providing information on the status of the equipment at different phases of the ITEF equipping process from acquisition through its transfer to government of Iraq or Kurdistan Regional Government officials.\(^5\) The Defense Security Cooperation Agency (DSCA) maintains a secure web-based Security Cooperation Information Portal (SCIP) to, among other things, provide U.S. government personnel and others transportation information on DOD-purchased equipment for foreign governments.

You asked us to review DOD’s ability to account for ITEF-funded equipment intended for Iraq’s security forces. This report examines the extent to which DOD maintains visibility and accountability over ITEF-funded equipment from acquisition through transfer to the government of Iraq or the Kurdistan Regional Government. According to DOD’s Strategy for Improving Asset Visibility, asset visibility provides commanders and planners with “one stop shopping” for timely and accurate information on the location, movement, and status of equipment and supplies, among other things.\(^6\) We have previously reported that limitations in DOD’s visibility of equipment and supplies in transit, such as incomplete delivery data for many surface shipments and inadequate radio-frequency identification information to track cargo movements, have made it difficult for DOD to obtain timely and accurate information on these assets.\(^7\)

\(^4\)OSC-I is the Department of State’s security cooperation organization in Iraq.

\(^5\)1st TSC is a supporting command to CJTF-OIR. Supporting commands provide additional forces or other support to the supported command. According to DOD guidance, a Transfer and Receipt document (or comparable form) is used to record the title transfer. For the purposes of this report, we use the term transfer to refer to this transaction.

\(^6\)Assistant Secretary of Defense for Logistics and Materiel Readiness, Department of Defense Strategy for Improving DOD Asset Visibility, January 2014.

To determine the extent to which DOD maintains visibility and accountability over ITEF-funded equipment, we reviewed DOD guidance. We also interviewed DOD officials from DOD components responsible for tracking ITEF-funded equipment during different phases of the equipping process in the United States, Kuwait, and Iraq, and the Department of State’s OSC-I. We reviewed ITEF-funded equipment tracking reports from the U.S. Army Security Assistance Command (USASAC), the U.S. Army TACOM Life Cycle Management Command, and the U.S. Army Joint Munitions Command. We examined ITEF-funded equipment requisitions marked as “supply/services complete” in SCIP to determine whether key transportation dates of these requisitions were captured in SCIP. DOD considers “supply/services complete” when all items and services have been delivered and performed. It was beyond the scope of this review to determine the extent to which the ITEF-funded equipment requisitions had been correctly marked as complete for supply and services. However, we did report where ITEF-funded equipment requisitions marked as complete for supply and services were lacking key information. In the body of this report, we detail how the lack of complete key information means that these data cannot be used to maintain visibility and accountability of ITEF-funded equipment. We determined the extent to which DOD accounts for ITEF-funded equipment transferred to the government of Iraq or the Kurdistan Regional Government by reviewing the 1st TSC’s standard operating procedures for ensuring the accountability of the ITEF-funded equipment and transfer documentation provided by the 1st TSC between March 2015 and April 2016. We also interviewed 1st TSC officials. For more information on our objectives, scope, and methodology, see appendix I.

We conducted this performance audit from September 2016 to May 2017 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.

8A requisition is an order for materiel, such as equipment, initiated by an established and authorized DOD or non-DOD organization. DOD officials designate a requisition as complete in SCIP when all items and services have been delivered or performed.
### Background

**ITEF Equipment-Related Authorization and Funding**

Congress authorized ITEF in December 2014 to provide assistance, including training and equipment, to military and other security forces of, or associated with, the government of Iraq, including Kurdish and Tribal Security Forces or other local security forces with a national security mission. As of December 31, 2016, DOD had obligated about $2.2 billion of the $2.3 billion Congress appropriated for ITEF in fiscal years 2015 and 2016 and had disbursed about $2 billion. See figure 1 for examples of equipment that DOD purchased with these funds, according to DOD documents.

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Figure 1: Examples of Equipment DOD Purchased with the Fiscal Year 2015 Iraq Train and Equip Fund

<table>
<thead>
<tr>
<th>Equipment category and type of equipment</th>
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<tr>
<td><strong>Personal protective equipment</strong></td>
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<tr>
<td>Kevlar helmets</td>
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<tr>
<td>Body armor</td>
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<tr>
<td><strong>Weapons</strong></td>
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<tr>
<td>Machine guns</td>
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<tr>
<td>Rifles</td>
</tr>
<tr>
<td>Shotguns</td>
</tr>
<tr>
<td>Grenade launchers</td>
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<tr>
<td><strong>Vehicles (armored and unarmored)</strong></td>
</tr>
<tr>
<td>Trucks</td>
</tr>
<tr>
<td>Ambulances</td>
</tr>
<tr>
<td>Mine resistant ambush protected vehicles</td>
</tr>
<tr>
<td>High mobility multi-purpose wheeled vehicles</td>
</tr>
<tr>
<td><strong>Communications equipment</strong></td>
</tr>
<tr>
<td>Harris handheld radios</td>
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<tr>
<td>Global positioning system devices</td>
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</tbody>
</table>

Source: GAO analysis of Department of Defense (DOD) documentation. | GAO-17-433

The process for providing ITEF-funded equipment to Iraq’s security forces generally falls into three phases: (1) acquisition and shipment, (2) staging in Kuwait and Iraq, and (3) transfer to the government of Iraq or the Kurdistan Regional Government (see fig. 2).10

10These phases do not encompass all steps of the ITEF equipping process and omit, for example, how ITEF-funded equipment cases are developed.
According to DOD officials, a limited number of ITEF-funded equipment items, such as small arms, ammunition, and some types of bridging equipment, are shipped directly from the United States to Iraq. In addition, DOD officials said that a small portion of ITEF-funded equipment items, such as spares and support parts, are sourced from U.S. pre-positioned stocks in the region or locally.

Multiple DOD components are responsible for ensuring the visibility and accountability of ITEF-funded equipment throughout the ITEF equipping process up until U.S. personnel in Iraq transfer the equipment to vetted...
officials from the government of Iraq or the Kurdistan Regional Government. For example:

- In addition to maintaining SCIP, DSCA oversees program administration for the ITEF program and provides overall guidance to DOD components through its *Security Assistance Management Manual (SAMM)* and associated policy memos.\(^\text{11}\)

- CJTF-OIR manages the ITEF program for the U.S. Central Command (USCENTCOM) and maintains overall responsibility for providing ITEF assistance to Iraq’s security forces.

- DOD’s primary implementing agency, USASAC—supported by other DOD agencies—maintains overall responsibility for case development, execution, and closure.\(^\text{12}\)

- The Department of State’s OSC-I supports CJTF-OIR through each phase of the ITEF equipping process. It is also responsible for communicating ITEF program objectives to government of Iraq or Kurdistan Regional Government officials.

- The 1st TSC, in coordination with CJTF-OIR and OSC-I, receives, stages, and transports ITEF-funded equipment in Kuwait and Iraq and oversees the transfer of the equipment to vetted government of Iraq or Kurdistan Regional Government officials in Iraq.

\(^\text{11}\)In January 2015 and 2016, DSCA issued two memorandums stating that the management and execution of the fiscal year 2015 and 2016 Iraq Train and Equip Fund would comply with guidance provided in the *SAMM*, Chapter 15.

\(^\text{12}\)USASAC functions as the implementing agency on behalf of the U.S. Department of the Army, which is the U.S. military department primarily responsible for implementing, administering, and managing ITEF-funded equipment cases. USASAC is supported by other DOD agencies including the U.S. Army TACOM Life Cycle Management Command, U.S. Army Joint Munitions Command, U.S. Army Communications-Electronics Command, U.S. Army Medical Command, U.S. Army Aviation and Missile Life Cycle Management Command, U.S. Army Military Surface Deployment and Distribution Command, United States Transportation Command, and the U.S. Army Corps of Engineers.
DOD generally administers ITEF-funded equipment purchases as individual building partnership capacity cases within the U.S. government’s Foreign Military Sales (FMS) infrastructure. An individual case may have multiple—sometimes thousands—of requisitions or procurement actions. DOD assigns a unique case identification number for each case so that DOD entities can track the case throughout the equipping process.

According to DSCA documents, SCIP is designed to provide end-to-end transit visibility, including the status of defense articles and services, of FMS and building partner capacity cases to designated U.S. government personnel and representatives of foreign countries. It consolidates case data, including transportation information, into one place so that customers and program managers can have readily available information on the status of their cases. The portal imports case-related data from other DOD data systems containing logistics and transportation information, and SCIP users can also report data directly in SCIP. It is accessible over the Internet to authorized users anywhere in the world.

SCIP includes a variety of different features for tracking defense articles and services, including equipment, which are organized into 13 different groups. Two of these 13 groups are the Security Cooperation Management Suite (SCMS) group and the Case Execution group (see fig. 3).

- The SCMS group—SCIP’s management reporting system—provides program managers and participants for Iraq and other countries with customizable and ad hoc management reports on the status of FMS and building partnership capacity cases. SCMS is populated with data from other groups within SCIP, DOD external data systems, and SCIP users.
- The Case Execution group contains the Enhanced Freight Tracking System (EFTS), a tracking system within SCIP containing building

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13Under FMS, the U.S. government administers the acquisition of materiel, including equipment and services purchased by foreign governments on their behalf. According to the SAMM, building partnership capacity programs encompass security cooperation and security assistance activities funded with U.S. government appropriations and executed through existing security assistance systems.

14According to DSCA officials, the approximate cost to maintain SCIP worldwide in fiscal year 2016 was about $3.3 million.
partner capacity and FMS shipment information. DSCA designed EFTS to serve as the single, authoritative tracking system for FMS and building partner capacity shipments. EFTS supplements and pulls shipment information from external DOD data systems. DOD personnel can also report shipment information, including transfer dates of equipment to the foreign government, directly in EFTS. According to a DSCA official, EFTS data should be captured in SCMS.

Figure 3 below shows the relationship between EFTS and SCMS, including how each is populated.

Figure 3: Relationship between the Enhanced Freight Tracking System and the Security Cooperation Management Suite in the Security Cooperation Information Portal

DOD Maintains Limited Visibility and Accountability of ITEF-funded Equipment Using SCIP

DOD components do not ensure that SCIP consistently captures key transportation dates of equipment funded by ITEF during each of the three phases of the ITEF equipping process. According to the DSCA SAMM, DOD components should use SCIP to identify the status and track the transportation of all building partner capacity materiel, such as ITEF. Furthermore, USCENTCOM ordered the 1st TSC, in coordination with a USASAC program manager, to ensure that ITEF-funded equipment transfer information is properly recorded in SCIP. Our analysis of completed ITEF-funded requisitions in SCMS, SCIP’s management reporting system, found that SCMS captured about 11 percent of 2,264 key transportation dates in all three equipping phases. DOD officials said that SCMS is not capturing such dates because of potential interoperability and data reporting issues in SCIP and other DOD data systems. Although DOD officials in Kuwait stated that they had begun to report some ITEF-funded equipment transfer dates in SCIP, DOD officials and contractors have had difficulty locating these dates in SCIP. DOD also could not fully account for ITEF-funded equipment transferred to the government of Iraq or the Kurdistan Regional Government because of missing or incomplete transfer documentation.

DOD Does Not Consistently Capture in SCIP Key Transportation Dates of ITEF-Funded Equipment in Phase 1 of the ITEF Equipping Process

Our analysis of 566 completed ITEF-funded equipment requisitions recorded in SCIP’s SCMS found that DOD components are not following the SAMM to consistently capture key transportation dates of ITEF-funded equipment in phase 1 of the ITEF equipping process in SCIP. For example, we found that only 256 of the 1,132 key transportation dates in phase 1 (about 23 percent) were captured in SCIP’s SCMS as of February 10, 2017. Specifically, 256 of the 566 requisitions included the date the equipment arrived at the last point of departure in the United States. According to the SAMM, SCMS should be referenced during case planning to identify the status of already programmed building partner capacity cases by country. It states that SCMS provides U.S. officials with a common operating picture of the security cooperation process, including building partner capacity programs. In addition, the SAMM states that the implementing agency and the security cooperation organization should use EFTS within SCIP to track the transportation of all building partner capacity materiel. Transportation information captured in EFTS should be captured in SCMS, according to a DSCA official responsible for SCMS and a DSCA contractor responsible for EFTS.
States, and none of the 566 requisitions included the date the equipment was shipped from the United States to Kuwait or Iraq (see fig. 4). 

Figure 4: Key Transportation Dates for Completed Iraq Train and Equip Fund (ITEF)-Funded Equipment Requisitions Captured in the Security Cooperation Information Portal’s Security Cooperation Management Suite, Phase 1, as of February 2017

DSCA officials responsible for the management of SCIP’s SCMS attributed this lack of data to three potential issues related to interoperability in SCIP and external DOD data systems and data reporting in SCIP. First, SCMS may not be importing data correctly from other DOD data systems used by DOD components to track ITEF-funded equipment in phase 1. Second, SCMS may not be importing

16We examined all ITEF-funded equipment lines of requisitions, which we refer to as “requisitions,” marked as “supply/services complete” in SCMS as of February 10, 2017. DOD considers supply and services complete when all items and services have been delivered and performed. For the purposes of this report, we use the term “complete” to refer to these requisitions. For more information on our scope and methodology for selecting these requisitions, see app. I.
transportation data correctly from EFTS within SCIP as intended. Third, DOD components may not be reporting key transportation dates in EFTS or SCMS. For example, according to USASAC officials, USASAC does not report any ITEF-funded transportation dates in EFTS or SCMS because they rely on other DOD data systems for this information which officials said should be captured in SCIP. While USASAC provides some visibility on the transportation of ITEF-funded equipment to Kuwait or Iraq by case in daily tracking reports it produces based on information from other DOD data systems, these reports do not provide end-to-end transit visibility of the equipment from acquisition to transfer to the government of Iraq or the Kurdistan Regional Government.\textsuperscript{17} We did not independently determine the root cause for why these key transportation dates were not consistently captured in SCMS. By not ensuring that these key transportation dates in phase 1 are captured in SCIP’s SCMS, DOD components do not have readily available information to maintain visibility over and account for all ITEF-funded equipment.

\textbf{DOD Is Not Capturing in SCIP Arrival Dates of ITEF-Funded Equipment to Kuwait and Iraq in Phase 2 of the ITEF Equipping Process}

Our analysis of 566 completed ITEF-funded requisitions recorded in SCIP’s SCMS as of February 10, 2017 found that DOD components are not following the SAMM to capture the arrival dates of ITEF-funded equipment to Kuwait or Iraq in phase 2 of the ITEF equipping process in SCIP. Specifically, none of the 566 requisitions included the date the equipment arrived at U.S. staging facilities in Kuwait or Iraq (see fig. 5).

\textsuperscript{17}To update the tracking report, USASAC officials said they rely on a contractor to analyze information from over half a dozen DOD transportation systems, websites, and tracking reports of other DOD agencies.
DSCA officials responsible for managing SCIP’s SCMS said that they did not know why the arrival dates of ITEF-funded equipment were not being captured in SCMS and cited the same potential interoperability and data reporting issues for the lack of data in phase 2 as they did in phase 1. Also, USASAC officials responsible for overseeing the delivery of ITEF-funded equipment to Kuwait or Iraq said that they do not report the arrival dates of the equipment in SCIP, as they rely on other DOD data systems for this information, which they said should feed into SCIP. USASAC’s daily tracking reports contain some information on the arrival dates of ITEF-funded equipment that officials said they obtain from other DOD data systems, but this information is not captured in SCMS and therefore is not readily accessible to DOD program managers. USASAC officials said that they do not track ITEF-funded equipment beyond its arrival to Kuwait or Iraq as they consider shipment complete once it arrives in
Kuwait or Iraq and the 1st TSC, in coordination with CJTF-OIR, receives the equipment.

According to 1st TSC officials responsible for the receiving, storing, and transporting of ITEF-funded equipment in Kuwait and Iraq, the 1st TSC does not report in SCIP and has no plans to report the arrival dates of ITEF-funded equipment to Kuwait or Iraq because it is not required to do so. These officials said that guidance in the SAMM does not assign specific responsibilities to the 1st TSC, and that the 1st TSC has not been directed by USCENTCOM to implement any policies or procedures outlined in the SAMM. 1st TSC officials said that they use their own internal spreadsheets to account for on-hand quantities of equipment at U.S. staging facilities in Kuwait and Iraq. In March 2017, 1st TSC officials said that they implemented the U.S. Army’s automated Global Combat Support System—a logistics and financial management system that does not feed into SCIP, according to 1st TSC officials—to account for the on-hand quantities of ITEF-funded equipment in Kuwait and Iraq. A September 2016 DOD Inspector General report found that DOD did not have accurate, up-to-date records on the quantity and location of ITEF-funded equipment in Kuwait and Iraq and lacked effective controls for maintaining visibility and accountability of ITEF-funded equipment in Kuwait and Iraq. The DOD Inspector General recommended that the 1st TSC use automated systems to account for and provide complete visibility of ITEF-funded equipment. We did not independently determine the root cause for why the arrival dates of ITEF-funded equipment to Kuwait or Iraq were not consistently captured in SCMS. Without up-to-date information in SCIP’s SCMS on the arrival dates of ITEF-funded equipment, DOD components will not have access to timely and relevant management information at a key stage of the ITEF equipping process.

DOD is not consistently capturing in SCIP ITEF-funded equipment transfer dates to the Government of Iraq or the Kurdistan Regional Government in Phase 3 of the ITEF equipping process.

Our analysis of 566 completed ITEF-funded requisitions recorded in SCIP’s SCMS as of February 10, 2017 found that DOD components had not consistently followed the SAMM or a USCENTCOM order to capture the transfer dates of ITEF-funded equipment to the government of Iraq or the Kurdistan Regional Government in phase 3 of the ITEF equipping process in SCIP. Specifically, none of the 566 requisitions included the transfer date of the equipment to the government of Iraq or the Kurdistan Regional Government (see fig. 6).

Figure 6: Transfer Dates for Completed Iraq Train and Equip Fund (ITEF)-Funded Equipment Requisitions Captured in the Security Cooperation Information Portal’s Security Cooperation Management Suite, Phase 3, as of February 2017

Between August 2016 and April 2017, DOD took steps to report the transfer dates of some ITEF-funded equipment in EFTS as required by the DSCA SAMM; however, DOD officials and contractors have had difficulty locating these dates in EFTS because of a lack of clear procedures for reporting these dates. In August 2016, after we informed OSC-I officials of a reporting requirement in the DSCA SAMM, 1st TSC officials said that they began reporting ITEF-funded equipment transfer
dates to the government of Iraq or the Kurdistan Regional Government or
previously transferred equipment in EFTS within SCIP. Soon thereafter,
in October 2016, USCENTCOM issued an order requiring the 1st TSC, in
coordination with a USASAC program manager, to ensure that ITEF-
funded equipment transfer information is properly recorded in EFTS.
According to 1st TSC officials, in late December 2016, 1st TSC began
reporting the transfer dates of any new equipment transfers in EFTS as
they occurred, in addition to continuing to report the transfer dates of
previously transferred equipment in EFTS.

In February 2017, however, when we asked the DSCA contractor
responsible for the management of EFTS to provide us with the transfer
dates of ITEF-funded equipment that 1st TSC officials said they had
reported in EFTS, the contractor could not locate the transfer dates. The
DSCA contractor said that EFTS does not contain a dedicated data field
for capturing the transfer dates of building partnership capacity materiel,
including ITEF-funded equipment, and DSCA has not provided guidance
on what data field should be used to capture these dates. As a result, he
did not know which data field the 1st TSC had used to report the transfer
dates. In addition, our review of the 1st TSC’s written procedures for
ensuring the accountability and transferring of ITEF-funded equipment
found that they did not specify under which data field ITEF-funded
equipment transfer dates should be reported. In April 2017, 1st TSC

19The DSCA SAMM states that security cooperation organizations must report the delivery
of building partner capacity materiel, such as ITEF, within 30 days in EFTS within SCIP or
to DSCA. According to the SAMM, materiel is considered delivered when transferred to a
representative of the foreign government. We informed OSC-I of this requirement in June
2016 while conducting work for another GAO review that examined U.S. efforts to train
and equip Iraq’s security forces. See GAO, Iraq: Status of DOD Efforts to Train and Equip
informed of this requirement, OSC-I officials recommended delegating this responsibility to
the 1st TSC and ensuring the command be granted access to SCIP to enter these dates.

20In February 2017, the contractor provided us with evidence that the 1st TSC had
reported additional information in EFTS for about 1,000 ITEF-funded requisitions between
September 2016 and December 2016 but could not locate the transfer dates. In extracting
the 1,000 1st TSC reports of data from EFTS, the contractor said he found evidence that
the 1st TSC had attempted and failed to report data to EFTS in January 2017 and
February 2017. The 1st TSC changed personnel in December 2016 and, according to the
contractor, the new personnel were not able to properly report the data in EFTS. The
contractor said he worked with the 1st TSC personnel to resolve this issue and as of late
February 2017, the 1st TSC had successfully reported data to EFTS.

211st TSC. ISF Property Accountability Standard Operating Procedure & Policies (Camp
Arifjan, Kuwait: Nov. 14, 2016); 1st TSC. ITEF Divestiture Process (Camp Arifjan, Kuwait:
Nov. 4, 2016).
officials identified the data field in EFTS that they were using to report the transfer dates of ITEF-funded equipment and provided evidence that they had reported transfer dates for about 5,000 ITEF-funded equipment requisitions in EFTS as of March 2017. According to DSCA officials, SCMS should automatically capture all transfer dates of equipment reported in EFTS. DSCA officials responsible for the management of SCMS said that SCMS may not importing the transfer dates from EFTS as intended because of interoperability issues with EFTS. By not capturing the transfer dates of ITEF-funded equipment in SCMS or EFTS, DOD components’ visibility over the amount of ITEF-funded equipment transferred to the government of Iraq is limited.

Furthermore, DSCA officials said that SCIP users may need additional guidance for reporting all key transportation dates in SCIP. These officials said that they held a symposium in January 2017 to discuss general interoperability and reporting issues within SCIP and planned to provide additional guidance on the roles of DOD components for reporting data to EFTS and SCMS but did not specify a time frame for doing so.

The 1st TSC cannot fully account for ITEF-funded equipment transferred to the government of Iraq or the Kurdistan Regional Government because of missing or incomplete transfer documentation. 1st TSC officials said that they are missing an unknown number of hand-completed U.S. transfer and receipt forms used to document the transfer of ITEF-funded equipment. According to the 1st TSC’s standard operating procedures for ensuring the accountability of ITEF-funded equipment, 1st TSC officials are required to complete a U.S. transfer and receipt form to document the transfer of ITEF-funded equipment to a government of Iraq or Kurdistan Regional Government official. The command developed these procedures in November 2015—about 6 months after ITEF-funded equipment began arriving in Kuwait and Iraq, according to 1st TSC officials—and updated the procedures in April 2016 and November 2016. In January 2017, 1st TSC officials said that they were missing the required U.S. transfer and receipt forms for some equipment transfers, based on their review of the transfer documentation. 1st TSC officials said that they would not know the amount of equipment with missing transfer and receipt forms until they completed their analysis of the documents, which 1st TSC officials

22Our analysis of SCMS data showed that SCMS contained about 13,700 requisitions for which ITEF-funds had been obligated.
and a USASAC program manager located in Kuwait estimated could take until the summer of 2017.

Moreover, we found that the majority of the U.S. transfer and receipt forms the 1st TSC had on hand as of April 2016 were not complete.\(^{23}\) We reviewed all of the U.S. transfer and receipt forms documenting ITEF-funded equipment transfers that the 1st TSC had on hand as of April 2016. Of the 284 U.S. transfer and receipt forms dated between March 2015 and April 2016 that we reviewed, we found that almost all of the forms were signed by a government of Iraq or Kurdistan Regional Government official but more than half of the forms did not contain the date of transfer of the equipment (see fig. 7).

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\(^{23}\)We collected these forms as part of a prior GAO review examining U.S. efforts to train and equip Iraq’s security forces.
The 1st TSC also provided 48 internal memos dated between October 2015 and February 2016 from a 1st TSC official seeking to reconcile discrepancies he found in the documentation, such as missing serial numbers for weapons. In one memo, the official said that the required U.S. transfer and receipt form documenting the transfer of ammunition was missing. 1st TSC officials acknowledged that they did not know whether these forms represented the total number of ITEF-funded equipment items transferred to the government of Iraq or the Kurdistan Regional Government as of April 2016. Without complete transfer documentation, 1st TSC officials cannot accurately determine how much ITEF-funded equipment has been transferred to the government of Iraq or the Kurdistan Regional Government, nor can they ensure that this equipment was transferred to the appropriate foreign official.

In addition, we found that most of the transfer documentation lacked case identifier information, which would help ensure that DOD personnel are able to track ITEF-funded equipment throughout the equipment process. Of the 284 U.S. transfer and receipt forms we reviewed, only 95 contained unique case identifier information. The director of the 1st TSC’s equipping team said that the lack of case identifier information on the transfer documentation has significantly slowed his team’s progress in reporting the transfer dates of previously transferred ITEF-funded equipment to EFTS. As a result, the director said that he issued a verbal order in August 2016 requiring 1st TSC personnel to include case identifier information on the transfer and receipt forms documenting the transfer of equipment as well as on DOD orders to move ITEF-funded equipment within Kuwait and Iraq. He said that including the case identifier information would help ensure that 1st TSC personnel could link equipment items with their case information in SCIP.

The 1st TSC’s Standard Operating Procedures for ensuring the accountability of ITEF-funded equipment, however, do not include this requirement. The Standards for Internal Control in the Federal Government require management to complete timely reviews of significant changes to an entity’s process and procedures and ensure that the entity’s policies and procedures achieve its objectives.24 1st TSC

officials said in March 2017 that they would begin the process of updating their Standard Operating Procedures to reflect their recent implementation of the U.S. Army’s Global Combat Support System for accounting for ITEF-funded equipment in late April 2017. 1st TSC personnel rotate in and out of Kuwait and Iraq about every 9 months with the last rotation of 1st TSC personnel having occurred in December 2016, according to 1st TSC officials. Without accurate and up-to-date written procedures, new personnel may not be aware of the verbal order, thus increasing the risk that they will not follow the order and limiting the 1st TSC’s ability to account for the equipment.

Conclusions

ISIS continues to be a major threat to both Iraq and Syria and to U.S. interests in the region. The congressional appropriation of $2.3 billion for ITEF in fiscal years 2015 and 2016 has enabled DOD to provide critical equipment to Iraq’s security forces for their counter-ISIS efforts. However, DOD’s ability to maintain visibility and accountability over ITEF-funded equipment remains limited. DOD designed SCIP to help DOD components maintain end-to-end visibility of DOD equipment, including ITEF-funded equipment, but DOD components do not use SCIP as intended because of potential interoperability and data reporting issues within SCIP and other DOD data systems. In addition, missing and incomplete ITEF-funded equipment transfer documentation further affects DOD’s ability to maintain complete visibility and accountability over ITEF-funded equipment. Since 1st TSC personnel rotate about every 9 months, it is essential that the 1st TSC maintain updated standard operating procedures that reflect significant changes to its processes for ensuring the accountability of ITEF-funded equipment, including documenting a verbal order that unique case identifiers be included on transfer documentation so that 1st TSC personnel are able to properly record ITEF-funded transfer dates in SCIP. Without timely and accurate transit information on the status of ITEF-funded equipment, DOD cannot ensure that the equipment has reached its intended destination, nor can DOD program managers conduct effective oversight of the ITEF program.

Recommendations for Executive Action

To ensure that DOD program managers have the necessary information to maintain complete visibility and accountability of ITEF-funded equipment in SCIP, we recommend that the Secretary of Defense take the following four actions:
1. Identify the root causes, such as potential interoperability and data reporting issues within SCIP and other DOD data systems, for why DOD components are not ensuring that ITEF-funded equipment transportation dates are captured in SCIP.

2. Develop an action plan with associated milestones and time frames for addressing the root causes for why DOD components are not ensuring that ITEF-funded equipment transportation dates are captured in SCIP.

3. Develop written procedures that specify under which data field ITEF-funded equipment transfer dates should be captured in EFTS in SCIP.

4. Update the 1st TSC’s written standard operating procedures to include the 1st TSC commander’s verbal order requiring the inclusion of unique equipment case identifier information for ITEF-funded equipment on transfer documentation.

We provided a draft of this report to DOD for review and comment. In its written comments, reproduced in appendix II, DOD concurred with three recommendations and partially concurred with a fourth recommendation. DOD also provided technical comments, which we incorporated as appropriate. DOD concurred with our first two recommendations, to identify why DOD components are not ensuring that ITEF-funded equipment transportation dates are captured in SCIP and to develop an action plan for addressing these issues. The department commented that it had begun identifying the root causes of the data reporting issues in SCIP and would provide GAO the reasons for these issues within 30 days of the issuance of GAO’s report. The department also commented that it would develop an action plan with a timeline to measure progress in addressing the root causes and would notify GAO when these were addressed. DOD also concurred with the recommendation that the 1st TSC update its written standard operating procedures to include a verbal order requiring the inclusion of unique equipment case identifier information for ITEF-funded equipment transfer documentation. The department said that the 1st TSC planned to update its written procedures to include this verbal order by May 31, 2017.

DOD partially concurred with our recommendation that DOD develop written procedures for reporting ITEF-funded equipment transfer dates in EFTS in SCIP. The department commented that the relevant organizations have most, if not all, of the written procedures that are necessary for reporting these dates in EFTS. However, the department said it would coordinate with all interested parties to ensure that the
required written procedures exist and to update those documents if needed. GAO continues to believe that additional written procedures are needed and modified the language of our recommendation to specify that DOD include in its written procedures the EFTS data field in which ITEF-funded equipment transfer dates should be captured. Although the 1st TSC has written procedures on how personnel can upload some transfer information into SCIP, the procedures do not clearly state which data field in EFTS should be used to capture the transfer dates of ITEF-funded equipment to the government of Iraq or the Kurdistan Regional Government. As a result, DOD personnel and contractors have had difficulty locating these dates, which 1st TSC officials said they have uploaded to EFTS. Providing clear procedures on the data field to be used to capture ITEF-funded equipment transfer dates would help ensure that DOD personnel responsible for managing ITEF are able to locate these dates in EFTS as needed.

We are sending copies of this report to the appropriate congressional committees and to the Secretary of Defense and the Secretary of State. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staff members have any questions about this report, please contact me at (202) 512-6991 or farbj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made key contributions to this report are listed in appendix III.

Jessica Farb, Director
International Affairs and Trade
Appendix I: Objectives, Scope & Methodology

This review examines the extent to which the Department of Defense (DOD) maintains visibility and accountability over Iraq Train and Equip (ITEF)-funded equipment from acquisition through transfer to the government of Iraq or Kurdistan Regional Government.

To examine the extent to which DOD maintains visibility and accountability of ITEF-funded equipment, we reviewed DOD guidance in the Defense Security Cooperation Agency (DSCA)’s Security Assistance Management Manual (SAMM), including a requirement to report the transfer dates of building partner capacity materiel in the Enhanced Freight Tracking System (EFTS) within the Security Cooperation Information Portal (SCIP) or to DSCA. We interviewed DOD officials from DOD components responsible for managing or tracking ITEF-funded equipment through different phases of the equipping process to understand their processes for providing visibility over ITEF-funded equipment. These components included the Combined Joint Task Force-Operation Inherent Resolve (CJTF-OIR), U.S. Army Security Assistance Command (USASAC), U.S. Army TACOM Life Cycle Management Command, and the 1st Theater Sustainment Command (1st TSC). We reviewed USASAC, U.S. Army TACOM Life Cycle Management Command, and U.S. Army Joint Munitions Command’s status reports on ITEF-funded equipment. We also interviewed officials from the Department of State’s Office of Security Cooperation-Iraq to understand their role in providing visibility of ITEF-funded equipment.

In addition, to determine the extent to which DOD components ensured that SCIP captured key transportation dates of ITEF-funded equipment, we analyzed data from SCIP’s Security Cooperation Management Suite (SCMS) by running two reports from SCMS on February 10, 2017. ¹

- First, we ran a report to determine the total universe of cases and their corresponding requisitions for which ITEF funds had been obligated. We determined that this universe consisted of 13,674 ITEF-funded equipment requisitions.
- Second, we ran a report to determine how many of the 13,674 ITEF-funded equipment requisitions had all items and services delivered and performed. Specifically, we ran a report of cases and their

¹By capturing key transportation dates, we mean that these dates were entered directly into SCIP or transferred from other related systems in a way that allowed them to be meaningfully analyzed and reported for management purposes. Congress authorized and appropriated funds to ITEF in December 2014.
corresponding requisitions that DOD had marked in SCMS as “supply/services complete” because DOD considered all of the items and services delivered and performed for these requisitions. Using this designation, we determined that 566 ITEF-funded equipment requisitions were marked as “supply/services complete.”

In using the term requisitions, we mean lines of data entries in SCMS by case that contain a unique combination of requisition numbers and/or transportation control numbers. In our analysis, we noted some requisition numbers that applied to multiple lines of entries as well as some transportation control numbers that applied to multiple lines of entries; however, we found no exact duplicates by entry. Our analysis focused on completeness of these records, which is where we found the deficiencies noted in the body of this report. It was beyond the scope of this review to assess the accuracy of the requisition numbers, transportation control numbers, and any dates entered into SCMS. In addition, we were not able to determine the extent to which ITEF-funded equipment cases and their corresponding requisitions were properly marked as “supply/services complete” in SCMS. One reason why DOD only marked 566 of the 13,674 ITEF-funded equipment lines of requisitions as “supply/services complete” could be that DOD had one or more requisitions on a case that had not yet been delivered or performed, which prevented DOD from closing the case and marking all of the requisitions associated with the case as “supply/services complete.” Also, DOD may have had some ITEF-funded equipment cases and corresponding requisitions that should have been marked as “supply/services complete” but were not. We determined that we could proceed with assessing the extent to which the 566 ITEF-funded equipment requisitions that had been marked as “supply/services complete” in SCMS had recorded key transportation dates of equipment in SCMS for each of the three phases of the ITEF equipping process because DOD considered all of the items and services delivered and performed for these requisitions. We selected data fields in SCMS for each requisition that would capture key transportation dates of ITEF-funded equipment in each of the three phases of the ITEF equipping process. These included:

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2The three phases of the ITEF equipping process are Phase 1: Acquisition and Shipment, Phase 2: Staging in Kuwait and Iraq, and Phase 3: Transfer to the government of Iraq or the Kurdistan Regional Government.
Appendix I: Objectives, Scope & Methodology

- “Arrive Port of Embarkation” data field to determine whether SCMS captured the arrival date of equipment at the last point of departure in the United States in phase 1 of the ITEF equipping process,
- “Depart Port of Embarkation” data field to determine whether SCMS captured the departure date for equipment shipped from the United States in phase 1 of the ITEF equipping process,
- “Arrive Country” data field to determine whether SCMS captured the arrival date of equipment in Kuwait or Iraq, and
- “Customer Receipt” data field to determine whether SCMS captured the transfer date of equipment to the government of Iraq or the Kurdistan Regional Government.

We verified that our selection and interpretation of these data fields were correct by reviewing DSCA-issued guidance on SCIP and consulting with DSCA officials. In addition, we probed the 1st TSC officials’ assertion that they had reported about 2,000 ITEF-funded equipment requisition transfer dates in SCIP between August 2016 and January 2017 by interviewing the contractor responsible for SCIP’s EFTS, in which these dates would have been reported. We also reviewed additional data from him. It was beyond the scope of this review to determine the extent to which the 13,674 ITEF-funded equipment requisitions had been correctly marked as complete for supply and services, as such an analysis would have required a reconciliation of SCIP computerized records against source documents and other supporting materials. However, we did determine that the 566 requisitions marked as complete for supply and services were lacking key information, which we reported. In the body of this report, we detail how the lack of complete key information means that these data cannot be used to maintain visibility and accountability of ITEF-funded equipment.

To determine the extent to which DOD accounts for ITEF-funded equipment transferred to the government of Iraq or the Kurdistan Regional Government, we reviewed 1st TSC transfer documentation. We requested all U.S. transfer and receipt forms that the 1st TSC used to document ITEF-funded equipment transfers to the government of Iraq or the Kurdistan Regional Government and were provided with 284 forms dated between March 2015 and April 2016.\(^3\) We reviewed these 284 forms to check whether they contained key information, such as

\(^3\)DOD provided an additional six forms, which we removed from our analysis because they were either duplicate forms or were completely illegible.
signatures and unique case identifiers. When determining whether the forms contained transfer dates, we created a decision rule of only counting those dates that were legible because the purpose of this review was to assess DOD’s accountability over the equipment transferred. We were unable to determine whether we were provided with all the equipment transfer and receipt forms for this period because DOD does not maintain the information that would have allowed us to do this. Specifically, the data problems that we have noted in SCIP, in particular the problem of missing entries, prevented us from making that determination. We also reviewed the 1st TSC’s November 2015, April 2016, and November 2016 standard operating procedures for ensuring the accountability of ITEF-funded equipment as well as CJTF-OIR’s June 2016 standard operating procedures for the management of ITEF. In addition, we traveled to Kuwait and Iraq to interview DOD officials from the 1st TSC and CJTF-OIR to understand their roles, responsibilities, and processes for ensuring the accountability of ITEF-funded equipment.

We conducted this performance audit from September 2016 to May 2017 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.
Ms. Jessica Farb  
Director, International Affairs & Trade  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

May 8, 2017

Dear Ms. Farb:

This is the Department of Defense (DoD) response to the GAO Draft Report GAO-17-433SU, “IRAQ: DoD Needs to Improve Visibility and Accountability Over Equipment Provided to Iraq’s Security Forces,” dated March 31, 2017 (GAO Code 101159).

Attached is the DoD’s proposed response to the subject report. The point of contact is the undersigned at (703) 697-0028 or via email at david.w.navratil.mil@mail.mil.

Sincerely,

David W. Navratil  
COL, USA  
Country Director for Iraq

Cc: Mr. John Meinhardt, WHS/ESD

Encl:  
As stated
Appendix II: Comments from the Department of Defense

GAO DRAFT REPORT DATED MARCH 31, 2017
GAO-17-433SU (GAO CODE 101159)

“IRAQ: DOD NEEDS TO IMPROVE VISIBILITY AND ACCOUNTABILITY OVER EQUIPMENT PROVIDED TO IRAQ’S SECURITY FORCES”

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATION

RECOMMENDATION 1: To ensure DOD program managers have the necessary information to maintain complete visibility and accountability of ITEF-funded equipment in SCIP, GAO recommends that the Secretary of Defense identify the root causes, such as potential interoperability and data reporting issues within SCIP and other DOD data systems, for why DOD components are not ensuring ITEF-funded equipment transportation dates are captured in SCIP.

DoD RESPONSE 1: We concur in the GAO’s recommendation to determine the root cause as to why organizations, including Department of Defense (DoD) components, are not fully capturing all transportation data in the security cooperation information portal (SCIP). The office of the Under Secretary of Defense for Policy, International Security Affairs - Middle East (ISA-ME), will work with the Defense Security Cooperation Agency, Department of the Army G-4, U.S. Army Security Assistance Command, and other organizations to determine the root causes of these reporting issues and will provide this information to the GAO within 30 days after the final report.

Based on the reporting ISA-ME has received to date from organizations involved in this report, there appear to be several reasons that SCIP does not contain complete information on Iraq Train and Equip Fund (ITEF)-funded equipment. Although we have not yet identified the root causes of the problem, we have determined that: 1) some of the relevant manuals are not inclusive and lack definitive guidance on processing ITEF equipment; and 2) some unit procedural manuals also lack proper guidance. Both of these issues are easy to fix, and some of the organizations mentioned in this report have already implemented corrective procedures and written them into guidance.

RECOMMENDATION 2: To ensure DOD program managers have the necessary information to maintain complete visibility and accountability of ITEF-funded equipment in SCIP, GAO recommends that the Secretary of Defense develop an action plan with associated milestones and timeframes for addressing the root causes for why DOD components are not ensuring ITEF-funded equipment transportation dates are captured in SCIP.

DoD RESPONSE 2: We concur in the GAO recommendation to develop an action plan, with associated milestones, to address the root causes identified as we address GAO’s Recommendation 1. ISA-ME will develop an action plan in coordination with organizations listed in DoD Response 1 and other organizations as appropriate. Some organizations have already developed procedures and updated written guidance to correct deficiencies. We will
publish an action plan with a timeline to measure progress and report back to GAO when deficiencies are fixed.

**RECOMMENDATION 3:** To ensure DOD program managers have the necessary information to maintain complete visibility and accountability of ITF-funded equipment in SCIP, GAO recommends that the Secretary of Defense develop written procedures for reporting ITF-funded equipment transfer dates in the EFTS in SCIP.

**DoD RESPONSE 3:** We partially concur in the GAO recommendation to develop written procedures for reporting ITF-funded equipment transfer dates in the Enhanced Freight Tracking System (EFTS) in SCIP because we believe that relevant organizations already have most, if not all, of the written procedures that are necessary. We will, however, coordinate with all interested parties to ensure the required written procedures exist. If documents, including standard operating procedures (SOP) or procedural manuals, require changes or updates, we will ensure the relevant organization updates such documents.

**RECOMMENDATION 4:** To ensure DOD program managers have the necessary information to maintain complete visibility and accountability of ITF-funded equipment in SCIP, GAO recommends that the Secretary of Defense update the 1st TSC’s written standard operating procedures to include the 1st TSC commander’s verbal order requiring the inclusion of unique equipment case identifier information for ITF-funded equipment on transfer documentation.

**DoD RESPONSE 4:** We concur in the GAO recommendation to update the 1st Theater Sustainment Command’s (TSC) SOP. 1st TSC has already confirmed that it will update its SOP, with an estimated completion of May 31, 2017. ISA-ME will monitor, through U.S. Central Command and Army Central Command, completion of this update.
Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Jessica Farb, (202) 512-6991 or farbj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Judy McCloskey (Assistant Director), Kira Self (Analyst in Charge), Ashley Alley, Martin De Alteriis, Lynn Cothern, Neil Doherty, Mattias Fenton, B. Patrick Hickey, and Jeff Isaacs made key contributions to this report.
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