



Highlights of [GAO-05-767](#), a report to congressional committees

Why GAO Did This Study

To assist the Congress in its oversight role, GAO is undertaking a series of reviews on the costs of operations in support of the Global War on Terrorism (GWOT). In related work, GAO is raising concerns about the reliability of the Department of Defense's (DOD) reported cost data and therefore is unable to ensure that DOD's reported obligations for GWOT are complete, reliable, and accurate. In this report, GAO (1) identified funding for GWOT in fiscal years 2004 and 2005, (2) compared supplemental appropriations for GWOT in fiscal year 2004 to the military services' reported obligations, and (3) compared supplemental appropriations for GWOT in fiscal year 2005 to the military services' projected obligations.

What GAO Recommends

GAO recommends the Secretary of Defense adjust future requests for supplemental appropriations to reflect the additional funds DOD received in its annual appropriations to support GWOT and consider these additional funds when assessing how to cover its expenses for the war. DOD disagreed with GAO's recommendations. Given that disagreement and the amount of funds available—more than \$10 billion annually—GAO has added a matter for congressional consideration regarding directing DOD to explain how additional GWOT related funding in its annual appropriations supports GWOT.

www.gao.gov/cgi-bin/getrpt?GAO-05-767.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sharon L. Pickup at (202) 512-9619 or pickups@gao.gov.

GLOBAL WAR ON TERRORISM

DOD Should Consider All Funds Requested for the War When Determining Needs and Covering Expenses

What GAO Found

In fiscal years 2004 and 2005, DOD received funding for GWOT through both funds included in its annual appropriation and supplemental appropriations. In fiscal years 2004 and 2005, the military services received about \$52.4 billion and \$62.1 billion, respectively, in supplemental appropriations for GWOT (1) military personnel and (2) operation and maintenance expenses. The Army, Air Force, and Navy also received in their annual appropriations a combined \$7.9 billion in fiscal year 2004 and a combined \$7.6 billion in fiscal year 2005, which DOD described as being intended to support GWOT. The military services absorbed the increase into their annual appropriations and allocated it based on their judgment of where the funds were most needed. DOD's accounting systems, however, do not separately identify these additional appropriations, and there are no reporting requirements for DOD to identify to which appropriation accounts the funds were allocated; consequently, the military services have lost visibility over these funds and do not know the extent to which they are being used to support GWOT. Despite having asked for the increase to support GWOT, DOD is not explicitly counting these additional funds when considering the amount of funding available to cover GWOT expenses.

For fiscal year 2004, regarding supplemental appropriations for GWOT military personnel expenses, the Navy and Marine Corps reported more in obligations than they received in supplemental appropriations, while the Army and Air Force received more in supplemental appropriations than their reported obligations. Each of the services reported more in GWOT operation and maintenance obligations than it received in supplemental appropriations. To cover the differences (gaps), DOD and the services exercised a number of authorities provided them, including transferring funds and reducing or deferring planned spending for peacetime operations. However, in considering the amount of funding available to cover the gaps, DOD did not explicitly take into account the funds provided through its annual appropriation that as previously noted it described as for the support of GWOT. If DOD had considered these funds, it could have reduced the Army's GWOT gap and eliminated the GWOT gaps of the Air Force and Navy.

For fiscal year 2005, the services' forecasts of GWOT obligations for the full fiscal year as of June 2005 suggest a potential gap of \$500 million for military personnel for the Air Force and potential gaps of about \$2.7 billion and about \$1 billion, respectively, for operation and maintenance for the Army and Air Force. To cover expenses, DOD and the services again plan to take a variety of actions, including reprogramming funds and reducing or deferring planned spending. However, DOD is again not explicitly considering the funds provided through its annual appropriation, which it described as for the support of GWOT. If counted in fiscal year 2005, the amounts potentially could reduce the Army's and eliminate the Air Force's GWOT gaps and eliminate the need for reprogramming funds and reducing or deferring planned spending.