

September 1995

WEAPONS OF MASS DESTRUCTION

DOD Reporting on Cooperative Threat Reduction Assistance Can Be Improved



**National Security and
International Affairs Division**

B-259294

September 29, 1995

The Honorable Strom Thurmond
Chairman
The Honorable Sam Nunn
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Floyd Spence
Chairman
The Honorable Ronald Dellums
Ranking Minority Member
Committee on National Security
House of Representatives

As called for in section 1203 of the National Defense Authorization Act for Fiscal Year 1995, we reviewed the Department of Defense's (DOD) report accounting for Cooperative Threat Reduction (CTR) program assistance provided to the former Soviet Union (FSU) to determine whether DOD had

- made progress in auditing and examining CTR aid,
- listed its planned audit and examination activities to be carried out during fiscal year 1995,
- included a list describing the current location and condition of CTR-provided assistance, and
- provided a basis for determining whether the assistance was being used for the purposes intended.

Background

Since 1991, Congress has authorized DOD to help the FSU republics (1) destroy nuclear, chemical, and other weapons of mass destruction (including strategic nuclear delivery vehicles); (2) transport, store, and safeguard such weapons in connection with their destruction; and (3) prevent the proliferation of such weapons. DOD manages the various CTR projects aimed at assisting Belarus, Kazakhstan, Russia, and Ukraine—the four republics that inherited the FSU's weapons of mass destruction.¹ Congress authorized \$1.25 billion for the CTR program

¹Beginning in fiscal year 1996, DOD will transfer management and oversight responsibilities of nine CTR projects to other executive branch agencies. Specifically, those projects designed to improve nuclear material protection, control, and accountability will be transferred to the Department of Energy. The Department of State will assume responsibility for the International Science and Technology Center and, in conjunction with the Department of Commerce, will manage the projects for improving export controls.

through fiscal year 1995, and DOD plans to request \$735 million for fiscal years 1996 and 1997.

Section 1203 of the National Defense Authorization Act for Fiscal Year 1995 required that DOD (1) provide a report accounting for CTR assistance no later than January 5, 1995, (2) list CTR assistance provided before the date of the report, (3) describe the current location and condition of the assistance, (4) determine whether the assistance has been used for its intended purpose, and (5) describe activities to be carried out during fiscal year 1995 for auditing and examining CTR-provided assistance.

Although the act required that DOD issue a report only for 1995, Congress is now considering legislation requiring DOD to provide an annual report accounting for CTR aid.² In October 1994, we reported that DOD had not yet begun implementing an audit and examination process for the CTR program,³ but in June 1995 we were able to report that DOD had made some initial progress toward auditing and examining CTR aid.⁴

Results in Brief

DOD made some progress in the CTR program's first year of audit and examination activities. DOD has worked to resolve recipient nations' concerns over audit and examination implementing procedures; conducted five audits at sites in three countries as of July 1995, which indicated that the CTR-provided assistance at these sites was accounted for and was being used for the purposes intended; and planned an audit every month of other CTR-provided assistance through the end of fiscal year 1995. However, in reviewing DOD's report to Congress, we found the following shortcomings:

- The report does not fully present all of DOD's audit and examination activities for fiscal year 1995, as required, and does not describe how DOD plans such activities.
- The report does not describe the condition of the assistance, as required, and contains outdated and inaccurate listings of CTR assistance deliveries. While the report is dated January 5, 1995, it was not issued until May 31, 1995. Moreover, the list of CTR deliveries that the report includes is dated

²Section 1107 of H.R. 1530 as passed by the House of Representatives in June 1995.

³Weapons of Mass Destruction: Reducing the Threat From the Former Soviet Union (GAO/NSIAD-95-7, Oct. 6, 1994).

⁴Weapons of Mass Destruction: Reducing the Threat From the Former Soviet Union—An Update (GAO/NSIAD-95-165, June 9, 1995).

February 2, 1995. After that date and through May 1995, DOD delivered CTR aid worth over \$38 million.

- The limited number of projects DOD reviewed raises questions about the basis for DOD's programwide determination that CTR assistance—with one classified exception—has been accounted for and used for its intended purpose. According to DOD's report, this determination was based on information on 9 of the 23 projects for which CTR-provided assistance was being used. Of these nine projects, only three had actually been audited. Other sources of information for the projects included random observations by U.S. technical teams, recipient-provided data, and national technical means.

DOD Has Made Progress in Auditing and Evaluating CTR Aid

DOD has made progress in auditing and evaluating CTR aid and is addressing recipient concerns regarding the implementation of its audit and evaluation rights. Agreements with each of the four recipient nations give the United States the right to examine the use of any CTR-provided material, training, or other services and to inspect any related records or documents. DOD has the right to audit and examine each CTR project upon 30 days advance notice.⁵ In commenting on our draft report, DOD noted that discussions are continuing with both the Russians and the Ukrainians to ensure the smooth conduct of CTR audits and examinations. While acknowledging the fundamental right of DOD to conduct audits, Russia and Ukraine have recently recommended that additional arrangements be agreed upon with DOD.

Personnel from DOD's On-Site Inspection Agency (OSIA), along with relevant DOD technical and policy experts, will conduct the audits and examinations for most CTR projects. The DOD Under Secretary for International Security Policy, the Defense Nuclear Agency, and CTR program managers are to review the results of the audits.

Audit and Examination Plan

DOD's report also refers to a DOD CTR audit and examination plan prepared in mid-1994. This plan outlines the process and support requirements for a planned audit of armored blankets in Russia. Devised as a template for conducting future audits, the plan establishes the composition and operation of audit and examination teams and details the administrative procedures for implementing the examinations.

⁵Implementing agreements with Russia specify that CTR projects can be audited up to three times each calendar year.

Although the plan sets specific criteria for an audit of the armored blankets, it does not establish overall evaluation criteria for all audits and examinations. The plan states that DOD shall establish criteria for each audit of CTR-provided assistance. DOD did not prepare written audit plans establishing criteria for the audits and examinations conducted in Belarus, Russia, and Ukraine. DOD indicated that a primary goal of the audit and examination process was to determine if the assistance was being used for the purposes intended and that it was unrealistic to devise a written plan for each audit. DOD program officials told us that DOD policy officials had given them oral guidance regarding the criteria for these examinations. DOD explained that in preparing for each audit and examination, criteria developed among the CTR program office, technical representatives, and OSIA are discussed during team preparation and briefings. However, there is no record of what specific criteria were to be used.

Furthermore, the plan stipulates that DOD shall establish criteria for judging whether or not assistance has been used exclusively for its intended purpose. According to a DOD official, the standard of exclusive use refers to the language in various CTR implementing agreements, which state that the assistance provided is to be used only for its intended purpose. While the plan cites specific criteria and indicators for determining whether the armored blankets have been used (for example, worn spots, folds, and rips), the criteria and indicators do not appear sufficient to support a determination of exclusive use of the blankets or other CTR-provided assistance. DOD officials also told us that the oral criteria provided for conducting the audits and examinations described below, as well as future audits, were not directed toward establishing exclusive use of the CTR-provided assistance.

Russia

After a 10-month delay, DOD officials audited CTR-provided assistance in May 1995. DOD had planned to conduct its first CTR audit and examination in Russia in July 1994. However, after DOD notified Russia of its intended audit and examination, the Russians raised questions over U.S. implementation procedures. In March 1995, DOD officials met with the Russians to clarify how DOD would conduct the audits and examinations and provided assurances that the audits differed from arms control verification measures. DOD then scheduled and conducted the May audit of CTR-provided railcar conversion kits, which are designed to enhance the safety and security of transporting nuclear weapons and material. During this audit, DOD officials observed 8 modified railcars and 32 uninstalled

kits, inventoried a sample of items, and reviewed documents accounting for all 115 kits delivered.

In the interim, the Defense Contract Audit Agency conducted a financial audit of the International Science and Technology Center in Moscow in March 1995. This audit concluded that the Center's financial reports accurately reflected its financial condition.

Ukraine

Although Ukraine also objected to DOD's proposed audit and examination implementing procedures, DOD officials met with Ukrainian officials in May 1995 to address their concerns. In June 1995, DOD officials audited (1) the government-to-government communications link used to transmit notification data under the Intermediate-Range Nuclear Forces (INF) treaty and the Strategic Arms Reduction Treaty (START) and (2) initial support assistance used to help deactivate and return nuclear warheads to Russia. The audit included an examination of fuel usage and accountability, issues of concern to DOD in 1994. The audit team concluded that the assistance was accounted for and that it was used for the purposes intended.

Belarus

DOD conducted its first CTR audit and examination in Belarus in January 1995. DOD audit and examination team members examined the continuous communication link equipment designed to relay notification data, as required under the INF treaty and START, and found that all equipment was accounted for.

Report Does Not Include All Planned Audit Activities

DOD's report refers to three planned audits and examinations for the remainder of fiscal year 1995—two in Ukraine and one in Kazakhstan. However, at the time the report was issued, DOD officials had planned and budgeted for more audits through the end of fiscal year 1995 and even through the end of fiscal year 1996. Their plan includes several more audits and examinations than are mentioned in the report for the remainder of fiscal year 1995, including audits of training centers in Belarus and communications link equipment in Kazakhstan, and considerably more audits before the end of fiscal year 1996. The projected schedule details what projects are to be audited, when the audits will occur, and estimates how much the audits will cost. DOD officials stated that the schedule could be modified to accommodate additional audits, if warranted.

Report Lacks Information on Equipment Condition and Current Deliveries

While DOD's report states where CTR-provided equipment is to be used, it does not provide information, as required, on the condition of CTR-provided equipment and contains an outdated and inaccurate listing of CTR assistance deliveries. Information on the condition of CTR-funded hardware could be important because equipment maintenance is provided as part of CTR assistance. For example, if the cranes used for dismantlement efforts in Russia and Ukraine are not maintained, they will not function properly. DOD officials acknowledged that the report lacks the required condition information but provided no explanation. In commenting on a draft of this report, DOD indicated that equipment condition would be addressed in the future by each audit and examination team.

The CTR delivery information in the report is dated February 2, 1995, although the report was not issued until May 1995. DOD officials told us that internal delays prevented the timely release of the report. However, between February and May 1995, DOD delivered CTR aid worth over \$38 million. This aid represents nearly half the dollar value of all CTR assistance delivered through May 31, 1995. Further, the report does not include all items that were delivered by February 2, 1995. Among the deliveries omitted were items that DOD alluded to elsewhere in the report. For example, DOD cites the audit and examination of the continuous communications link in Belarus and the railcar modification kits in Russia as examples of how it accounts for CTR-provided assistance. This equipment, however, does not appear on DOD's list of CTR assistance deliveries.

Program officials told us that they had more recent and informative data available to them than when the report was provided to Congress on May 31. CTR officials maintain and update a database that includes current and more detailed information than is in the report, including the dollar value of the CTR equipment being provided. According to DOD officials, a conscious policy decision was made not to update the report before its release on May 31. However, the report was modified somewhat to include the three audits and examinations conducted between January 5, 1995, the date on the report, and May 31, 1995, when the report was issued. Appendixes I through IV contain a list of CTR assistance deliveries through June 8, 1995, to Belarus, Kazakhstan, Russia, and Ukraine.

End-Use Determination Based on Limited Evidence

DOD determined and reported that it is reasonably confident that CTR assistance is being properly accounted for and used for the purposes intended, with one exception.⁶ According to its report, DOD believes that it has confirmed the delivery and appropriate use of a significant portion of assistance through two audits and examinations of delivered assistance, one financial audit, observations by U.S. technical teams, and classified sources.⁷ However, we question how DOD could determine that assistance had been accounted for and used for its intended purpose given the limited information in its report.

As of May 31, 1995, when DOD provided its report to Congress, DOD had delivered equipment for 23 CTR projects in the FSU. By that date, it had completed only two audits and examinations of CTR-provided assistance—a mid-January 1995 audit of the continuous communications link equipment in Belarus and a May 1995 audit of railcar conversion kits in Russia. Also, a financial audit of the International Science and Technology Center in Russia was completed in March 1995. None of these audits had been completed by January 5, 1995, the report's due date.

In its report, DOD also cites as a basis for its determination the observations of U.S. technical teams charged with defining project requirements, delivering equipment, providing services, and monitoring contractors' performance. Although DOD notes several examples of technical team observations, the report says that such random observations are not a systematic means of accounting for CTR aid. In addition, although the DOD report provides a variety of information sources, it cites fewer than half of the 23 projects for which CTR-provided assistance was being used and does not connect the source with the assistance.

Recommendations

The National Defense Authorization Act for Fiscal Year 1995 required that DOD issue a report in 1995. If Congress decides to require the Secretary of Defense to submit similar reports in the future, we recommend that the Secretary of Defense take steps to ensure that such reports (1) contain current and complete data on CTR assistance deliveries, including the current condition of the equipment provided; (2) integrate available sources of information on CTR assistance to show what assistance is accounted for and is used for its intended purpose; (3) link this

⁶Details of this one incident are classified.

⁷DOD notes that it has also used data gathered from FSU official sources and national technical means. This data is classified and cannot be discussed in this report.

information to its overall determination as of a specific date; and (4) detail planned audit and examination activities for the year ahead.

Agency Comments

In commenting on our draft report, DOD agreed with our recommendation and provided technical corrections, which we have incorporated where appropriate. DOD's comments are presented in appendix V.

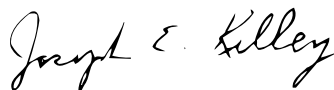
Scope and Methodology

To respond to our legislative mandate, we reviewed DOD's audit and examination report to Congress, DOD's audit and examination plan for the CTR program, and reports detailing the results of actual audits and examinations. We also reviewed other documents and met with officials from the Office of the Secretary of Defense, the Defense Nuclear Agency, OSIA, the Department of State, the Department of Energy, and the Arms Control and Disarmament Agency. DOD's report contains classified information concerning national technical means. We cannot assess or validate such data and did not include it in this report.

We conducted our review between October 1994 and June 1995 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Secretary of Defense and other interested congressional committees. We will also make copies available to others upon request.

Please contact me on (202) 512-4128 if you or your staff have any questions concerning this report. Major contributors to this report are listed in appendix VI.



Joseph E. Kelley
Director-in-Charge
International Affairs Issues

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Appendix VI
Major Contributors to
This Report

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Abbreviations

CTR	Cooperative Threat Reduction
DOD	Department of Defense
FSU	former Soviet Union
INF	Intermediate-Range Nuclear Forces treaty
OSIA	On-Site Inspection Agency
START	Strategic Arms Reduction Treaty

Cooperative Threat Reduction Equipment Deliveries to Belarus Through June 8, 1995

Project	Location	Item	Value	Date
Continuous communications link	Minsk	Computer equipment	\$15,000	July 1, 1993
	Minsk	Computer equipment	133,050	May 10, 1995
Defense conversion	Minsk	Retraining center	186,000	Dec. 1, 1993
	Minsk	Auto training center	140,000	June 1, 1994
	Minsk	Woodworking equipment	6,827	Oct. 27, 1994
	Minsk	English language center	39,693	Oct. 31, 1994
	Minsk	Woodworking equipment	44,850	Mar. 27, 1995
	Minsk	Woodworking equipment	14,360	May 30, 1995
Emergency response	Minsk	Protective clothing and equipment	516,000	June 1, 1993
	Minsk	Mobile lab, tractor, and radios	250,000	Apr. 6, 1995
Environmental restoration	Postavy	Chemical and field sample equipment	2,600,000	Mar. 1, 1995
Export control	Minsk	Software licensing	924,000	Mar. 30, 1995
	Minsk	Computer network	974,750	May 10, 1995
Total			\$5,844,530	

Source: Cooperative Threat Reduction Program Office.

CTR Equipment Deliveries to Kazakhstan Through June 8, 1995

Project	Location	Item	Value	Date
Continuous communications link	Almaty	Computer equipment	\$179,000	June 1, 1994
	Almaty	Communications equipment	133,050	May 2, 1995
Material control and accountability	Almaty	Overhead projectors and laptops	Not available	June 5, 1995
Total			\$312,050	

Source: CTR Program Office.

CTR Equipment Deliveries to Russia Through June 8, 1995

Project	Location	Item	Value	Date
Armored blankets	Not available	Armored blankets	\$2,590,000	July 1, 1992
Emergency response	Not available	Miscellaneous equipment	2,958,000	Jan. 1, 1993
	Not available	Miscellaneous equipment	7,955,000	Oct. 1, 1993
	Moscow	Radiography system, liquid abrasive cutter, and computer equipment	1,975,000	Apr. 12, 1995
Fissile material containers	Not available	Prototype containers	50,000	Apr. 1, 1993
	Mytishohi	Fissile material containers	16,000	Oct. 1, 1994
Material controls and accountability	Mayak	Monitoring and detecting equipment	102,594	Jan. 13, 1995
	Moscow	Computer equipment	25,523	Jan. 13, 1995
Railcar enhancement	Not available	Railcar conversion kits	19,700,000	Oct. 1, 1993
SOAE ^a (bombers)	Engels	Dump trucks, tractors, trailers, and miscellaneous equipment	1,636,000	Sept. 1, 1994
	Engels	Crane	11,000	Jan. 17, 1995
SOAE ^a (ICBMs) ^b	Yedrova	Bulldozer, plasma cutter, and miscellaneous equipment	583,572	July 1, 1994
	Sechuga	Bulldozer, plasma cutter, and miscellaneous equipment	588,460	July 1, 1994
	Pibanshur	Bulldozer, plasma cutter, and miscellaneous equipment	588,460	July 1, 1994
	Uzhur	Bulldozer, plasma cutter, and miscellaneous equipment	583,572	Aug. 1, 1994

(continued)

**Appendix III
CTR Equipment Deliveries to Russia
Through June 8, 1995**

Project	Location	Item	Value	Date
	Yedrovo	Crane	389,904	Apr. 11, 1995
	Uzhur	Crane	389,904	Apr. 13, 1995
	Sechuga	Crane	389,904	Apr. 13, 1995
	Pibanshur	Crane	389,904	Apr. 13, 1995
SOAE ^a (liquid propellant disposition)	Nizhegorod	Crane	961,750	Mar. 15, 1995
	Turinskaya	Railcars	628,510	Mar. 15, 1995
	Gorohovetz	Intermodal containers	3,035,492	Apr. 9, 1995
	Tambov	Railcars	961,750	Apr. 15, 1995
	Moshkovo	Railcars	677,050	Apr. 15, 1995
	Nizhegorod	Intermodal containers	1,599,609	Apr. 19, 1995
	Mulyanko	Railcars	384,700	May 15, 1995
	Vanino	Railcars	384,700	May 15, 1995
SOAE ^a (submarines)	Bolshol Kamen	Plasma cutters and welding equipment	165,883	Aug. 1, 1994
	Murmansk	Plasma cutters and welding equipment	82,916	Aug. 1, 1994
	Severodvinsk	Plasma cutters and welding equipment	248,749	Aug. 1, 1994
	Bolshol Kamen	Cable shredders	773,000	Sept. 1, 1994
	Murmansk	Cable shredders	773,000	Sept. 1, 1994
	Severodvinsk	Cable shredders	773,000	Sept. 1, 1994
	Bolshol Kamen	Crane	326,216	Mar. 6, 1995
	Murmansk	Crane	326,616	Mar. 10, 1995
	Severodvinsk	Crane	326,216	Mar. 6, 1995
	Bolshol Karmen	Excavator with shears	1,873,255	Apr. 21, 1995
Storage facility	Mayak	Bulldozers and excavators	4,149,210	May 31, 1995
Total			\$59,374,419	

^aStrategic Offensive Arms Elimination.

^bIntercontinental Ballistic Missile.

Source: CTR Program Office.

CTR Equipment Deliveries to Ukraine Through June 8, 1995

Project	Location	Item	Value	Date	
Continuous communication link	Kiev	Communication equipment	\$133,050	May 6, 1995	
Emergency response	Khmel 'Nitskiy	Emergency access tools	25,006	Oct. 1, 1994	
Export control	Kiev	Starter computer network	110,000	June 1, 1995	
	Kiev	Xerox copiers	3,254	June 8, 1995	
Material control and accountability	Kiev	Computer equipment	82,000	Jan. 28, 1995	
	Academy of Science	Superscanner metal detectors	Not available	Apr. 1, 1995	
SNAE ^a (emergency response equipment)	Khmel 'Nitskiy	Emergency access tools	25,006	Oct. 1, 1994	
	Khmel 'Nitskiy	Mobile cranes	2,278,360	May 2, 1995	
	Pervomaysk	Mobile cranes	2,278,360	May 2, 1995	
SNAE ^a (fuel disposition)	Pervomaysk	Fuel containers	1,582,414	May 4, 1995	
SNAE ^a (neutralization facility)	Kiev	Vehicles, cranes, and miscellaneous equipment	2,499,756	Mar. 1, 1994	
	Kiev	Copiers	22,185	Aug. 1, 1994	
	Kiev	Computer equipment	206,044	Oct. 1, 1994	
	Dneprope-trovsk	Plasma cutters and miscellaneous equipment	5,534	Oct. 1, 1994	
	Kiev	Computer supplies	3,484	Oct. 1, 1994	
	Dneprope-trovsk	Miscellaneous equipment	204,171	Mar. 16, 1995	
	Dneprope-trovsk	Tractor trailer	69,497	Mar. 29, 1995	
	Dneprope-trovsk	Fuel containers	301,218	May 4, 1995	
	SNAE ^a (silo elimination)	Pervomaysk	Miscellaneous equipment	37,963	Oct. 1, 1994
		Pervomaysk	Saws, drills, jacks, and air compressor	29,150	Oct. 1, 1994
Uman		Bulldozers, dump trucks, and tractor trailers	3,327,433	Mar. 30, 1995	
Total			\$13,223,885		

^aStrategic Nuclear Arms Elimination.

Source: CTR Program Office.

Comments From the Department of Defense



ATOMIC ENERGY

ASSISTANT TO THE SECRETARY OF DEFENSE
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AUG 29 1995

Mr. Joseph E. Kelley
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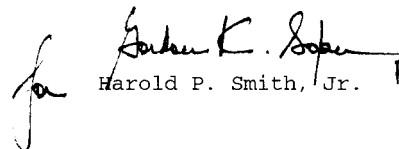
Dear Mr. Kelley:

Enclosed is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "WEAPONS OF MASS DESTRUCTION: DoD Report Accounting for Cooperative Threat Reduction Assistance Needs Improvement," dated August 2, 1995 (GAO Code 711106), OSD Case 9992.

The Department partially concurs with the report. We accept the GAO recommendation that if Congress decides to require the Secretary of Defense to submit similar reports in the future, we will insure that such reports (1) contain current and complete data on CTR assistance deliveries, including the condition of equipment provided, (2) integrate available sources of information on CTR assistance to show what assistance is accounted for and used for its intended purpose, (3) link this information to its overall determination as of a specific date, and (4) detail our plans for A&E in the coming year.

Discussion is provided at Enclosure 1. The Department appreciates the opportunity to comment on the draft report.

Sincerely,


for Harold P. Smith, Jr. Prin Dep

Enclosures

1. Attachment to Draft GAO Rpt



ATTACHMENT TO DRAFT GAO REPORT

See p. 3.

1. Pg. 3, Para. 2, Sentence 2: As indicated here and elsewhere in the draft report, DoD addressed recipient nations' concerns over Audit and Examinations (A&E) principally through the actual conduct of A&E's in each country. Russia and Ukraine, while acknowledging the fundamental right of the DoD to conduct A&E's, have nonetheless recently recommended to the Department that additional arrangements be agreed between the sides. Discussions are continuing with both Russia and Ukraine to ensure continued smooth implementation of our right to conduct audits and examinations.

See p. 2.

2. Pg. 3, Para. 2 Sentence 2: Delete: "--several additional audits for--". Insert "--planned an audit every month through--". Discussion: Audits were planned for the remaining months of FY95 and through the end of FY96.

See p. 5.

3. Pg. 5, Para 3, Sentence 2: Delete "--dismantlement data--". Insert "--notification--". Discussion: Designed to send notifications of any INF or Start related activities, not just dismantlement data.

See p. 5.

4. Pg. 5, Para 3, Sentence 2: Insert after "--under--" "--INF and--". Discussion: Also used to transmit INF notifications.

See p. 5.

5. Pg. 6, Para. 1, Sentence 1: Delete "--support equipment--" and Insert "--assistance--". Discussion: Clarification a better choice of words.

See p. 5.

6. Pg. 6, Para 1, after Sentence 1: Add new sentence "--This included a close examination of fuel usage and accountability, an issue that had been of concern in 1994. All equipment and services were accounted for and judged to be used for their intended purpose.--". Discussion: Shows that a problem related to Nunn-Lugar assistance has been successfully addressed and corrected.

Appendix V
Comments From the Department of Defense

See p. 5.

7. Pg. 6, Para. 3, Sentence 2: Delete word "--scheduled--" and insert "-- planned and budgeted for--". Discussion: Clarifies sentence.

See p. 4.

8. Pg. 7, Para. 2, end of paragraph: Add sentence "-- Furthermore, in preparation for each A&E, criteria developed between the CTR Program Office, the technical representatives on the team and OSIA, are discussed during team preparation and briefings." Discussion: Clarifies that specific guidance is provided for teams conducting A&Es regarding criteria. This paragraph is based on one plan for an A&E that was put together one year before the actual conduct of an A&E. Actual experience has shown that it is unrealistic to provide a written plan for each A&E to be conducted.

See p. 4.

9. Pg. 7, Para. 3, last sentence: Discussion: A primary goal of the A&E process is to determine if the assistance is being used for its intended purpose. This is the basis for the guidance to outgoing A&E teams, and is emphasized on a repeated basis.

See p. 6.

10. Pg. 8, Para. 1: Add new sentence at end of paragraph "--These same officials did indicate that equipment condition will be addressed by each A&E team." Discussion: Additionally, the CTR Program Office has issued guidance to DNA to insure that all technical and contract management teams should report on the condition of equipment. This information will be collected and incorporated into future A&E reports to Congress.

See p. 7.

11. Pg. 10, Para. 2, Sentence 1: Add after "--providing services--" the following: "--and monitoring performance of contractors--". Discussion: Clarifies what contractors are doing to verify equipment condition and serviceability.

Major Contributors to This Report

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