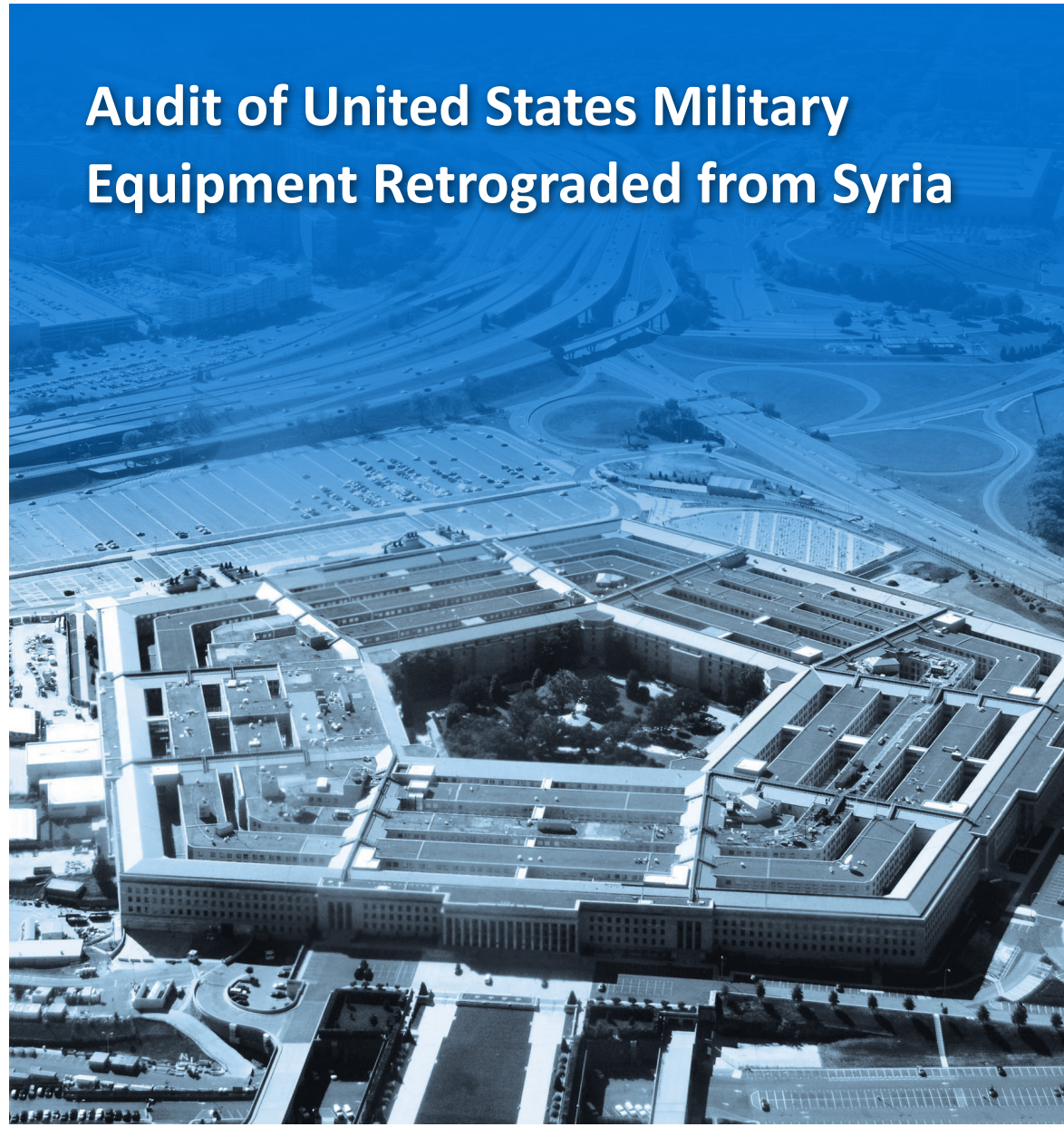




INSPECTOR GENERAL

U.S. Department of Defense

MARCH 31, 2020



Audit of United States Military Equipment Retrograded from Syria

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





Results in Brief

Audit of United States Military Equipment Retrograded from Syria

March 31, 2020

Objective

The objective of this audit was to determine whether the DoD has secured and accounted for U.S. Military equipment retrograded from Syria.

Background

In support of Operation Inherent Resolve, to degrade and ultimately destroy the Islamic State of Iraq and Syria, the U.S. Military has maintained troops and equipment in Syria since 2014. On December 19, 2018, President Donald Trump announced that the U.S. Military would begin withdrawing troops from Syria. As a result of this announcement, the U.S. Military planned the withdrawal of equipment from Syria, which included unit-owned equipment and theater-provided equipment (TPE). Unit-owned equipment accompanies the deploying unit to Southwest Asia and returns with the unit when the unit redeploys. TPE is non-unit equipment owned by U.S. Army Materiel Command that is available for issue to units in Southwest Asia.

The U.S. Military withdraws TPE from Syria through the retrograde process. Retrograde is the process of moving non-unit equipment from a forward location to a restoration program or another location to satisfy a different requirement. TPE retrograded from Syria included items such as vehicles, laptops, and communication devices, but did not include any lethal equipment. As of August 2019, the Army had retrograded 1,124 pieces of TPE, valued at \$45.6 million, from Syria.

Findings

We identified instances where the Army did not properly account for U.S. Military equipment retrograded from Syria. From a universe of 1,124 pieces of TPE valued at \$45.6 million, we reviewed TPE retrograded from Syria through the Erbil Redistribution Property Accountability Team (RPAT) facility and selected a statistical sample of 192 pieces of TPE valued at \$6.9 million. Of the 192 pieces of TPE in our sample, the Army properly accounted for 113 pieces of TPE, valued at \$2.8 million. However, 79 of the 192 pieces of TPE, valued at \$4.1 million, were not properly accounted for as required by DoD Instruction 5000.64 and 401st Army Field Support Battalion–Southwest Asia Standard Operating Procedure 755-1. Specifically, the Army did not ensure that:

- 69 pieces of TPE transferred to distribution and disposition warehouses were continuously accounted for in accountable property systems of record, and
- 10 pieces of found-on-installation equipment were accounted for in the Global Combat Support System–Army.¹

The Army did not continuously account for 69 pieces of TPE because Internet connectivity problems, from second through fourth quarter FY 2019, prevented Erbil RPAT personnel from entering TPE transfers in the Army War Reserve Deployment System. In addition, Erbil RPAT personnel stated that the Army did not follow guidance to properly account for 10 pieces of found-on-installation equipment due to the increase in equipment turned in to the RPAT facility caused by the unexpected withdrawal from Syria.

Although we identified accountability problems, we verified the existence of all equipment in our sample and determined that the Army did not lose any of the TPE in our sample. Although the Army did not lose any of the TPE in our sample, we statistically projected that the Army did not continuously account for 559 pieces of TPE (see Appendix B for the

¹ Found-on-installation equipment is property located in a unit's area of operation and not on a unit's property book.



Results in Brief

Audit of United States Military Equipment Retrograded from Syria

Findings (cont'd)

statistical sample plan and projection). TPE that is not accounted for while being transferred is at an increased risk of loss. In addition, if the Army does not enter found-on-installation equipment into the accountable property systems of record, Army officials have less visibility of the available equipment to make supply-chain decisions. By properly accounting for TPE in an accountable property system of record, the Army can reduce the risk of asset loss. Adequately accounting for TPE will also provide the Army better TPE visibility and improve asset management. Improvements in TPE accountability will positively impact future equipment retrogrades from Syria and retrogrades from other future contingency locations.

Regarding the security of U.S. Military equipment retrograded from Syria, we determined that the Army properly secured storage facilities at Camp Arifjan that contained U.S. Military equipment retrograded from Syria. We assessed physical security at two equipment storage lots and a secure equipment warehouse where TPE was stored. We determined that the Army followed the physical security requirements for Army property as stated in Army Regulation 190-51 and the Army Pre-positioned Stock-Kuwait and Qatar Security Plan. Because the Army properly secured the storage facilities at Camp Arifjan, the Army did not lose any TPE in our sample that was retrograded from Syria and stored at Camp Arifjan facilities. By continuing to follow existing physical security requirements, the Army will reduce the likelihood of lost or stolen TPE at the Kuwait RPAT.

Management Actions Taken

During the audit, we held discussions with RPAT personnel and the Commander of the 401st Army Field Support Battalion-Southwest Asia regarding transferred TPE and found-on-installation accounting discrepancies that we identified. The Erbil RPAT personnel resolved the Internet connectivity problems by entering TPE transfers into an in-transit status in the Army War Reserve Deployment System to ensure TPE was continuously accounted for. In addition, RPAT personnel took immediate action to correctly account for found-on-installation equipment still located at the RPAT facility. Furthermore, the Commander issued a memorandum to RPAT personnel in December 2019 reiterating the need to follow existing guidance to account for found-on-installation equipment. Management actions taken addressed the concerns we identified; therefore, we are not making any recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commander, 401st Army Field Support Brigade	None	None	None

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

March 31, 2020

MEMORANDUM FOR COMMANDER, 401ST ARMY FIELD SUPPORT BRIGADE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit of United States Military Equipment Retrograded From Syria
(Report No. DODIG-2020-075)

This final report provides the results of the DoD Office of Inspector General's audit. We considered management's comments on a discussion draft copy of this report when preparing this final report. We did not make any recommendations; therefore, no management comments are required.

We appreciate the cooperation and assistance received during the audit. If you have any questions please contact me at [REDACTED].

A handwritten signature in black ink, reading "Richard B. Vasquez".

Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations

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Acronyms and Abbreviations

Introduction

Objective

The objective of this audit was to determine whether the DoD has secured and accounted for U.S. Military equipment retrograded from Syria. See Appendix A for a discussion of the scope, methodology, and prior audit coverage, and Appendix B for the statistical sample plan and projection.

Background

U.S. Military in Syria

The United States launched Operation Inherent Resolve in 2014 to degrade and ultimately destroy the Islamic State of Iraq and Syria. To accomplish the mission of Operation Inherent Resolve, the U.S. Military has maintained troops and equipment in Syria. However, on December 19, 2018, President Donald Trump announced that the U.S. Military would begin withdrawing approximately 2,200 U.S. troops deployed to Syria. Based on the President's announcement, the Secretary of Defense subsequently ordered the withdrawal of U.S. forces from Syria, and the U.S. Central Command developed a plan for the withdrawal of U.S. forces and equipment. As of October 2019, the DoD had withdrawn 1,200 U.S. troops and had approximately 1,000 U.S. troops remaining in Syria.

Syria Withdrawal and Equipment Retrograde

Retrograde is the process of moving non-unit equipment from a forward location to a restoration program or another location to satisfy a different requirement. Equipment leaving Syria consists of two types—unit-owned equipment and theater-provided equipment (TPE). Unit-owned equipment accompanies the deploying unit to Southwest Asia (SWA), and returns with the unit when the unit redeploys.² Since unit-owned equipment returns with the redeploysing unit, it is not part of the retrograde process. According to the Kuwait Theater Property Book Advisor, the majority of troops deployed to Syria were part of Special Forces units that used specialized unit-owned equipment. As unit-owned equipment is not part of the retrograde process, we did not review unit-owned equipment during this audit.

TPE is equipment owned by U.S. Army Materiel Command (AMC) that is available for issue to units in SWA. TPE includes major end-items such as vehicles, computers, generators, and communications devices.³ Units use the TPE while

² Redeployment is the transfer of forces and equipment to support other operational requirements or the return of forces and equipment to home stations for out-processing.

³ Major end-items refers to a final combination of end-products that are ready for their intended use.

deployed, then return it to the 401st Army Field Support Battalion–Southwest Asia (AFSBn-SWA), an AMC subordinate command in SWA, when the unit redeploys. When TPE is returned to the AMC, it is retrograded by the 401st AFSBn-SWA.

During this audit, we reviewed TPE retrograded from Syria, which included equipment such as trucks, laptops, and cell phones. As of August 2019, the Army had retrograded 1,124 pieces of TPE valued at \$45.6 million from Syria through the Erbil Redistribution Property Accountability Team (RPAT) facility. According to the Erbil RPAT Accountable Officer, the TPE retrograded from Syria did not include any lethal equipment.⁴ Although 1,124 pieces of TPE is a limited quantity, we conducted this audit because previous DoD OIG reports identified accountability problems with equipment retrograded in SWA.

Organizations Involved in TPE Retrograde

The Army Sustainment Command, a subordinate command of AMC, supports operational sustainment in SWA through the 401st Army Field Support Brigade at Camp Arifjan, Kuwait. The 401st Army Field Support Brigade coordinates support of TPE retrograde through the AFSBn-SWA, a co-located subordinate command of the 401st Army Field Support Brigade. The AFSBn-SWA supports retrograde operations and maintains TPE property accountability records. The 401st AFSBn-SWA provides TPE oversight and RPAT facilities to ensure mission readiness for Operation Inherent Resolve.

According to the 401st AFSBn-SWA Standard Operating Procedure (401st SOP), the role of an RPAT is to relieve units of TPE accountability and coordinate the transportation of TPE to its next destination.⁵ The 401st AFSBn-SWA is responsible for day-to-day operations in Erbil, Iraq where the RPAT facility was established specifically to retrograde equipment from Syria, and in Camp Arifjan, where the RPAT facility handles the retrograde of equipment throughout SWA. The 401st AFSBn-SWA is responsible for ensuring that equipment turned in to the RPAT facility is accounted for, adequately secured, and stored until it is transported to the next destination. At Camp Arifjan, the 401st AFSBn-SWA maintained the TPE retrograded from Syria in fenced equipment storage lots and a secure building. Life Cycle Management Command, another subordinate command of the AMC, is responsible for determining the next destination of TPE turned in at the RPAT facility. Figure 1 shows a utility truck that was retrograded from Syria to Sierra Army Depot, California.

⁴ Lethal equipment includes firearms, weapons, vehicles, and other equipment able to fire or launch ammunition, ordnance, missiles, or other munitions to destroy targets principally through blast, penetration, and fragmentation.

⁵ 401st AFSBn-Southwest Asia SOP 755-1, “Redistribution Property Assistance Team (RPAT) Theater Provided Equipment (TPE) Turn-in Internal Standard Operating Procedures,” December 29, 2018.



Figure 1. Utility Truck Retrograded From Syria
Source: Sierra Army Depot.

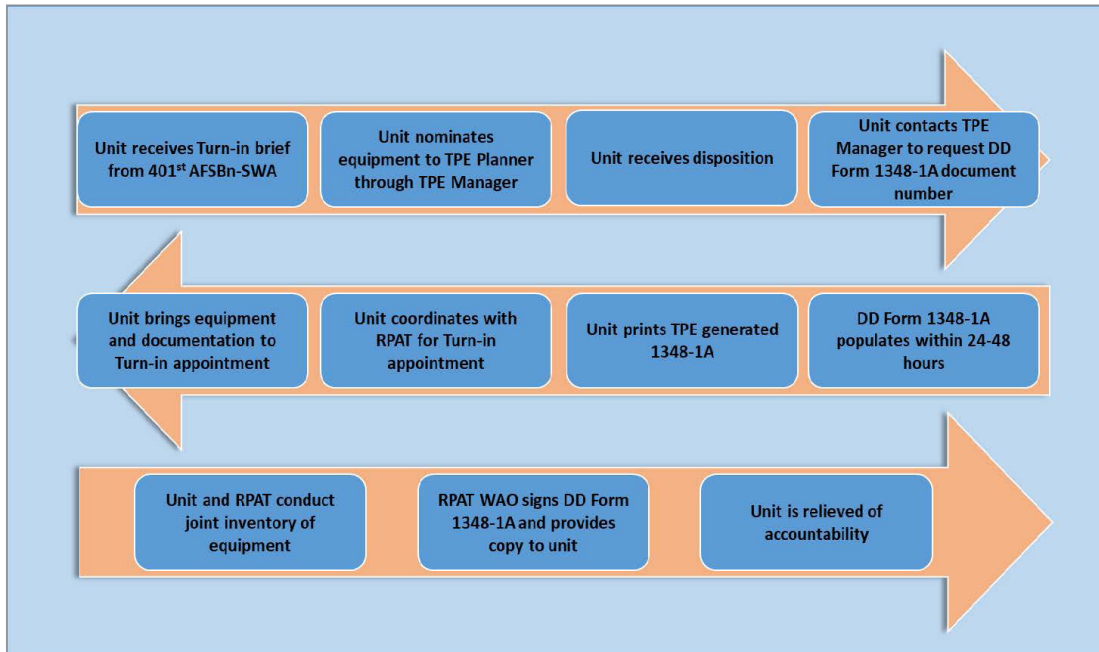
TPE Retrograde Process in Southwest Asia

The retrograde process begins when unit personnel initiate the turn-in process before redeployment. The first step in the 401st AFSBn-SWA turn-in process is when unit personnel enter the equipment into TPE Planner, designating that the equipment will be returned by the unit and available for use. TPE Planner is a web-based automation tool used by the Army to expedite the processing of TPE. Life Cycle Management Command personnel review the equipment designated for turn-in within TPE Planner to determine if the TPE can fill other theater requirements such as prepositioned stock or unit requirements in SWA.⁶ If the TPE does not meet these requirements or is not operational, the RPAT sends the TPE for repair or destruction. Life Cycle Management Command personnel enter disposition instructions into the TPE Planner. Once entered in the TPE Planner, the disposition instructions appear on a DD Form 1348-1A, "Issue Release/Receipt Document," with instructions for the TPE's next destination. The unit delivers the TPE to the RPAT facility with completed DD Form 1348-1A and RPAT personnel verify the equipment and disposition instructions. Once RPAT personnel verify

⁶ Prepositioned stock is strategically placed equipment used by geographic combatant commanders to quickly execute operation plans and conduct contingency operations.

the equipment and instructions, the DD Form 1348-1A is provided to the RPAT wholesale accountable officer for signature. When the RPAT wholesale accountable officer signs the DD Form 1348-1A, the unit is relieved of TPE accountability, and the wholesale accountable officer becomes responsible for maintaining accountability, processing, and shipping the equipment. Figure 2 summarizes the TPE turn-in process at the 401st AFSBn-SWA RPAT facilities.

Figure 2. 401st AFSBn-SWA RPAT Turn-in Process for TPE



Legend

WAO Wholesale Accountable Officer

Source: The AFSBn-SWA.

RPAT personnel continue the retrograde process by physically preparing equipment for shipment to its designated destination. If the TPE will stay in theater and be transferred between units, it is considered retail equipment. RPAT personnel will account for the retail equipment in the retail accountable property system of record (APSR). If the TPE will be sent for distribution, repair or destruction, it is considered wholesale equipment. RPAT personnel will move the wholesale equipment from the retail APSR to the wholesale APSR. The equipment retrograded from Syria consisted of both retail and wholesale equipment.

Systems Used to Account for Army Property

DoD Instruction 5000.64 states that heads of DoD Components must establish an APSR.⁷ There are three APSRs used in the process of accounting for and distributing TPE. The Army uses the Global Combat Support System–Army (GCSS-Army) as its retail APSR. GCSS-Army contains supply, maintenance, property accountability functions, and the equipment’s associated financial data. Additionally, DoD Instruction 5000.64 states that the heads of DoD Components must establish the APSR and ensure property accountability is maintained from acquisition through the property’s life cycle regardless of the property’s condition or physical location. For the Army to appropriately account for its retail TPE, RPAT personnel must accurately enter each transaction in GCSS-Army. When TPE is transferred outside of the retail supply chain for repair or destruction, it enters the wholesale supply chain. RPAT personnel must remove the TPE from GCSS-Army and the receiving entity must add the equipment to its wholesale APSR. Two wholesale APSRs were used to process TPE retrograded from Syria, the Logistics Modernization Program (LMP) and the Defense Logistics Agency (DLA) Distribution Standard System.⁸

The Army Sustainment Command uses LMP as its wholesale APSR. Although LMP is the APSR, Army Sustainment Command personnel are unable to enter transactions or make updates directly in LMP. To update the APSR (LMP), Army Sustainment Command personnel enter transactions into the Army War Reserve Deployment System (AWRDS), which is the LMP interface. AWRDS supports daily management of the Army Sustainment Command’s strategically placed warfighting equipment. AWRDS is an automated information system designed to assist in the accountability, inventory, readiness, maintenance, and transfer of equipment. According to Army Sustainment Command personnel, AWRDS interfaces with LMP every 15 minutes, making near-real-time updates to the APSR. The AWRDS depot or warehouse management function builds and maintains a database of equipment in unit sets that is configured for deployment in the form of reports, listings, or data sets used to prepare hand receipts. Sierra Army Depot and Camp Arifjan both store this strategically placed warfighting equipment.

The DLA uses the Distribution Standard System as its wholesale APSR. The Distribution Standard System is the primary warehouse and distribution management system for the DLA’s warehouse operations. The DLA wholesale system manages receiving, storage, consolidation, packing, shipping, inventory, inspection, and workload management for the DLA. Both DLA Distribution and DLA Disposition use the Distribution Standard System.

⁷ DoD Instruction 5000.64, “Accountability and Management of DoD Equipment and Other Accountable Property,” June 10, 2019.

⁸ Wholesale supply chain entities hold equipment for distribution to retail or external entities.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.⁹

We identified an internal control weakness. Specifically, the Army did not always properly account for equipment retrograded from Syria. We will provide a copy of the report to the senior official responsible for internal controls in the Department of the Army.

⁹ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding A

The Army Did Not Always Properly Account for U.S. Military Equipment Retrograded From Syria

We identified instances where the Army did not properly account for U.S. Military equipment retrograded from Syria. From a universe of 1,124 pieces of TPE valued at \$45.6 million, we reviewed TPE retrograded from Syria through the Erbil RPAT facility and selected a statistical sample of 192 pieces of TPE valued at \$6.9 million. Of the 192 pieces of TPE in our sample, the Army properly accounted for 113 pieces of TPE, valued at \$2.8 million. However, 79 of the 192 pieces of TPE, valued at \$4.1 million, were not properly accounted for as required by DoD Instruction 5000.64 and 401st SOP. Specifically, the Army did not ensure that:

- 69 pieces of TPE transferred to distribution and disposition warehouses, were continuously accounted for in APSRs, and
- 10 pieces of found-on-installation (FOI) equipment were accounted for in the GCSS-Army.

The Army did not continuously account for 69 pieces of TPE because Internet connectivity problems, from the second through the fourth quarter FY 2019, prevented Erbil RPAT personnel from entering TPE transfers in AWRDS.

In addition, Erbil RPAT personnel stated that the Army did not follow guidance to properly account for 10 pieces of FOI equipment due to the increase in equipment turned in to the RPAT facility caused by the unexpected withdrawal from Syria.

Although we identified accountability problems, we verified the existence of all equipment in our sample and determined that the Army did not lose any of the TPE in our sample. Although the Army did not lose any of the TPE in our sample, we statistically projected that the Army did not continuously account for 559 pieces of TPE (see Appendix B for the statistical sample plan and projection). TPE that is not accounted for while being transferred is at an increased risk of loss. In addition, if the Army does not enter FOI equipment into the APSR, Army officials have less visibility of the available equipment to make supply-chain decisions. By properly accounting for TPE in an APSR, the Army can reduce the risk of asset loss. Adequately accounting for TPE will also provide the Army better TPE visibility and improve asset management. Improvements in TPE accountability will positively impact future equipment retrogrades from Syria and retrogrades from other future contingency locations.

The Army Did Not Always Properly Account for TPE Retrograded From Syria

We identified instances where the Army did not properly account for U.S. Military equipment retrograded from Syria. From a universe of 1,124 pieces of TPE valued at \$45.6 million, we reviewed TPE retrograded from Syria through the Erbil RPAT facility and selected a statistical sample of 192 pieces of TPE valued at \$6.9 million. Of the 192 pieces of TPE in our sample, the Army properly accounted for 113 pieces of TPE valued at \$2.8 million. However, 79 of the 192 pieces of TPE valued at \$4.1 million, were not properly accounted for as required by DoD Instruction 5000.64 and 401st SOP. Specifically, the Army did not ensure that:

- 69 pieces of TPE transferred to distribution and disposition warehouses were continuously accounted for in APSRs, and
- 10 pieces of FOI equipment were accounted for in the GCSS-Army.

Table 1 summarizes the quantity and value of the pieces of TPE in our statistical sample for which the Army correctly and incorrectly accounted.

Table 1. Summary of Accountability Assessment for the Statistical Sample

Category	Quantity	Value
TPE Correctly Accounted For	113	\$2,767,277
TPE Incorrectly Accounted For	79	\$4,112,631
Total	192	\$6,879,908

Source: The DoD OIG.

TPE Transferred to Distribution and Disposition Warehouses Was Not Properly Accounted For

The Army did not ensure that 69 pieces of TPE transferred to distribution and disposition warehouses were continuously accounted for in APSRs. DoD Instruction 5000.64 states that the heads of DoD Components must establish APSRs and ensure property accountability is maintained from acquisition through the property's life cycle regardless of the property's condition or physical location. In addition, Army Regulation 735-5 reiterates the need for continuous accountability from the time of acquisition until the ultimate consumption or disposal of the property.¹⁰ Furthermore, the 401st SOP states that a signed DD Form 1348-1A will be reconciled immediately in AWRDS wholesale and GCSS-Army retail system to ensure all posted documents are entered in each system. When completed, this process ensures that TPE equipment being retrograded is accounted for in one of the Army's APSRs.

¹⁰ Army Regulation 735-5, "Property Accountability Policies," November 9, 2016.

However, RPAT personnel removed equipment from the GCSS-Army and did not account for it while it was being transferred to its next destination. For example, we identified a \$238,500 utility truck turned in to the Erbil RPAT facility with an expected destination of a distribution warehouse in Texarkana, Texas. Erbil RPAT personnel received the truck from the 155th Armored Brigade Combat Team and removed it from the GCSS-Army in March 2019. The DLA distribution warehouse did not receive the equipment and enter it in Distribution Standard System until June 2019, 3 months later. We also identified a \$52,000 armor set turned in to the Erbil RPAT facility with an expected destination of a distribution warehouse in Texarkana, Texas.¹¹ Erbil RPAT personnel received the armor set from Task Force Cavalier personnel in April 2019 and removed it from the GCSS-Army in July 2019 while the armor set was awaiting shipment. The armor set was not entered into and accounted for in any APSR until September 2019, 2 months later, when the Kuwait RPAT received the equipment and entered it into AWRDS. As of January 2020, the Kuwait RPAT still had the equipment, which had not been sent to the Army Depot. Because RPAT personnel removed 69 pieces of TPE valued at \$3.4 million from the retail APSR before it was received by the distribution and disposition warehouses and before the equipment was entered in the wholesale APSR, the TPE was not accounted for in any APSR while being transferred to its next destination.

Found-on-Installation Equipment Was Not Properly Accounted For

The Army did not ensure that 10 pieces of FOI equipment were accounted for in the GCSS-Army. FOI equipment is located in a unit's area of operation and not on a unit's property book. The 401st SOP requires that FOI equipment turned in by a unit at the RPAT facility be entered into the GCSS-Army and added to the TPE property book. Once the FOI equipment is turned in to the RPAT facility, RPAT personnel should enter the equipment into the TPE Planner to determine if the equipment will remain in use or be removed from theater. However, our review of GCSS-Army records showed that RPAT personnel did not enter 10 pieces of FOI equipment into the GCSS-Army. For example, in April 2019 an FOI 20-foot kitchen (valued at \$410,584) arrived at the Erbil RPAT from Syria. However, Erbil RPAT personnel never entered the kitchen into the GCSS-Army prior to shipping it to Afghanistan in June 2019. During our review, we determined that the kitchen was never accounted for in any APSR.

¹¹ The Army uses this armor set to protect vehicles from small arms fire, anti-aircraft fire, or exploding mine fragments.

Limited Internet Access and Increased Equipment Turn-In Impacted TPE Accountability

The Army did not continuously account for 69 pieces of TPE because Internet connectivity problems, from second through fourth quarter FY 2019, prevented Erbil RPAT personnel from entering TPE transfers in AWRDS. In addition, Erbil RPAT personnel stated that the Army did not follow guidance to properly account for 10 pieces of FOI equipment due to the increase in equipment turned in to the RPAT facility caused by the unexpected withdrawal from Syria.

Internet Connectivity Problems Limited AWRDS Access

Internet connectivity problems, from second through fourth quarter FY 2019, prevented Erbil RPAT personnel from accounting for equipment transfers in AWRDS. A 401st AFSBn-SWA representative stated that the Erbil RPAT personnel encountered Internet connectivity problems when bringing the AWRDS server online, which resulted in inconsistent wholesale transactions and gaps in accountability for TPE. For example, Erbil RPAT representatives often removed wholesale equipment from the GCSS-Army, but due to the connectivity problems could not simultaneously enter the equipment into an in-transit status in AWRDS to ensure continuous accountability while the equipment was being transferred to its next destination. As a result, TPE was often unaccounted for while in-transit until it was received at its next destination and entered into an APSR.

According to the 401st AFSBn-SWA representative, the Internet connectivity problem at the Erbil RPAT facility was resolved and wholesale transactions were being properly accounted for as of October 2019. The representative stated that equipment awaiting transport or receipt by the wholesale entity was being entered by Erbil RPAT personnel into the in-transit status in AWRDS and TPE was continuously accounted for until the equipment was received by the wholesale entity. To ensure that Internet connectivity problems were resolved and that RPAT personnel were using the in-transit status in AWRDS, we requested documentation for an additional nine pieces of TPE that were being transferred to a wholesale entity. We verified that the documentation showed that the equipment was entered into the in-transit status in AWRDS after removal from the GCSS-Army. Because RPAT personnel resolved Internet connectivity problems and correctly accounted for recent in-transit wholesale equipment transfers, we are not making any recommendations regarding accountability of TPE transferred to disposition and distribution warehouses.

Accountability Guidance Not Followed to Process Found-on-Installation Equipment

Erbil RPAT personnel stated that the Army did not follow guidance to properly account for 10 pieces of FOI equipment due to the increase in equipment turned in to the RPAT facility caused by the unexpected withdrawal from Syria.

A representative noted an instance where 155 trucks entered the RPAT facility in a single day. Although most of the equipment was not TPE, Erbil RPAT personnel were still responsible for processing and storing the equipment that entered the yard. According to the representative, FOI equipment was often overlooked because of the increase of equipment entering the RPAT facility due to the unexpected withdrawal from Syria.

Management Actions Taken to Account for Found-on-Installation Equipment

During the audit, we advised 401st AFSBn-SWA personnel that 10 pieces of FOI equipment were not accounted for in the GCSS-Army APSR. Erbil RPAT personnel acknowledged the error and agreed to immediately account for the FOI equipment by recording five pieces of FOI equipment still located at the RPAT facility on the RPAT's property book in the GCSS-Army. We verified that the five pieces of FOI equipment were added to the RPAT property book by reviewing the GCSS-Army histories for each piece of FOI equipment. The remaining five pieces of FOI not entered in the GCSS-Army were no longer located at the Erbil RPAT facility, but were issued to other units in SWA; therefore, Erbil RPAT personnel did not add them to the RPAT property book through the GCSS-Army. We verified that the Erbil RPAT had appropriate documents indicating the equipment was in fact transferred to another unit and was no longer physically located at the RPAT.

The Commander of the 401st AFSBn-SWA acknowledged the need for RPAT personnel to follow the 401st SOP at all times. Therefore, in December 2019, the Commander issued a memorandum to all soldiers and civilians assigned to the 401st AFSBn-SWA reiterating the need to follow existing guidance to account for FOI equipment. The 401st AFSBn-SWA anticipated that after the memorandum was issued, personnel would consistently follow existing guidance to account for FOI equipment. The management actions taken during our audit addressed our findings; therefore, we are not making any recommendations regarding accountability of FOI equipment.

Existence Verified for All TPE in Our Sample

We verified the existence of all equipment in our sample, with the exception of TPE that was in use by a unit in SWA, and determined that the Army did not lose any of the TPE in our sample.¹² To verify existence of the other 178 pieces of TPE in our sample, we physically observed equipment in Kuwait, reviewed photographs provided by Army and DLA personnel, or reviewed DLA Distribution Standard System data that showed that items were destroyed and no longer available.¹³ Specifically, to confirm that the TPE existed, we validated that the equipment description, serial number (when applicable), and stock number were consistent with the information entered in either the GCSS-Army, AWRDS, or the DLA Distribution Standard System. Table 2 summarizes the different methods we used to verify TPE existence.

Table 2. Summary of TPE Existence Verification

Category Verified	Quantity	Value
Physical Observation	4	\$122,030
Army and DLA Provided Photograph	73	\$4,350,859
Destroyed by DLA	93	\$243,799
Packing List (In-Transit)	4	\$7,497
Received by DLA	4	\$18,007
Total TPE Existence Verified	178	\$4,742,192
Not Verified – Issued and in Use	14	\$2,137,716
Total TPE in Sample	192	\$6,879,908

Source: The DoD OIG.

Lack of Accountability Increases Risk of Equipment Loss

Although the Army did not lose any of the 178 pieces of the verified TPE in our sample, we statistically projected that the Army did not continuously account for 559 pieces of TPE. As a result, TPE that is not accounted for while being transferred is at an increased risk of loss. Loss of the armor set cited in the report could result in a vehicle being unprotected or unavailable for use or the requirement to purchase a new armor set. In addition, if the Army does not enter FOI equipment into the APSR, Army officials have less visibility of available

¹² We did not review 14 of the 192 pieces of TPE in our sample because the DD Form 1348-1A confirmed the equipment was reissued to units in SWA.

¹³ Photographs provided by the Army and DLA include equipment located at the Erbil RPAT, Kuwait RPAT, and the United States.

equipment to make supply-chain decisions. By properly accounting for TPE in an APSR, the Army can reduce the risk of asset loss. Adequately accounting for TPE will also provide the Army better TPE visibility and improve asset management. Improvements in TPE accountability will positively impact future equipment retrogrades from Syria and retrogrades from other future contingency locations.

Finding B

The Army Secured Storage Facilities at Camp Arifjan That Contained U.S. Military Equipment Retrograded From Syria

The Army properly secured storage facilities at Camp Arifjan that contained U.S. Military equipment retrograded from Syria.¹⁴ We assessed physical security at two equipment storage lots and a secure equipment warehouse where TPE was stored. We determined that the Army followed the physical security requirements for Army property as stated in Army Regulation 190-51 and the Army Pre-positioned Stock–Kuwait and Qatar Security Plan (security plan).¹⁵ Because the Army properly secured the storage facilities at Camp Arifjan, the Army did not lose any TPE in our sample that was retrograded from Syria and stored at Camp Arifjan facilities. By continuing to follow existing physical security requirements, the Army will reduce the likelihood of lost or stolen TPE at the Kuwait RPAT.

The Army Secured Lots and Warehouses Used to Store TPE Retrograded From Syria at Camp Arifjan

The Army properly secured storage facilities at Camp Arifjan that contained U.S. Military equipment retrograded from Syria. We assessed physical security at two equipment storage lots and a secure equipment warehouse where TPE was stored.

The Army Followed Physical Security Requirements at Camp Arifjan Locations That Housed TPE

We determined that the Army followed the physical security requirements for Army property as stated in Army Regulation 190-51 and the security plan. According to Army Regulation 190-51, the protective measures for vehicles awaiting disposition include:

- parking vehicles at least 20 feet from the perimeter of the area, when possible;

¹⁴ Of the 192 pieces of TPE retrograded from Syria in our sample, 130 pieces (about 68 percent) of TPE were expected to be processed through equipment storage lots and warehouses located at the Kuwait RPAT facility. Therefore, we limited our scope and did not assess security for the remaining 62 pieces of TPE because they were scattered across other SWA locations and the United States.

¹⁵ Army Regulation 190-51, "Security of Unclassified Army Resources (Sensitive and Non-sensitive)," June 27, 2019 and "Eagle –Army Pre-positioned Stock–Kuwait and Qatar Security Plan", April 8, 2017. The security plan is based partly on physical security requirements found in Army Regulation 190-51. For the purposes of this audit, we only considered the physical security related controls in the plan.

- surrounding the area with 8-foot high perimeter fencing;
- controlling access using gates and identification checks; and
- lighting the area at night.

According to Army Regulation 190-51, the protective measures for communications and electronics equipment include:

- providing double barrier protection for portable items, such as storing them in a locked steel cage in a secure storage structure; and
- posting signs making it clear that the facility is off limits to unauthorized personnel.

The security plan, which sets forth guidance for physical security on all AMC compounds under the direction of the 401st Army Field Support Brigade, includes the following security measures:

- physical barriers for access control to move personnel and vehicles to inspection points for entry to the area;
- a top guard of barbed wire or tape added to perimeter and interior fences, when possible;
- entry control stations manned by security personnel and signs indicating restricted areas; and
- security lighting at the entry point and within the area as a psychological deterrent and to allow observation of sensitive areas, such as the RPAT yard.

The 401st AFSBn-SWA complied with Army Regulation 190-51 regarding the storage of vehicles. During our October 2019 site visit to the Kuwait RPAT, we observed perimeter fencing, access controls, and lighting at two equipment storage lots being used. Both equipment storage lots had 8-foot high perimeter fencing topped with barbed wire. During the site visit, we walked around both equipment storage lots to assess the fencing. We did not identify any holes in the fencing and observed that both equipment storage lots had one entry point with guards checking for appropriate clearance. In addition, the equipment storage lots had lights so that the property could be observed at night and most vehicles were parked more than 20 feet away from the fence. Based on our observations, we determined that conditions at the equipment storage lots met the standards cited in Army Regulation 190-51 regarding vehicles and we did not identify any security issues.

The 401st AFSBn-SWA complied with Army Regulation 190-51 regarding the storage of communications and electronics equipment. During our October 2019 site visit to the Kuwait RPAT, we observed the security of a steel cage in the

secure storage warehouse, which housed this equipment. We observed that the cage was locked, access was limited to people with appropriate clearances, and signage was posted to state that it was off limits to unauthorized personnel. In addition, the warehouse was secured when not in use and was surrounded by a perimeter fence. Based on our observations, we determined that conditions at the secure equipment warehouse met the standards cited in Army Regulation 190-51 regarding communications and electronics equipment and we did not identify any security issues.

The 401st AFSBn-SWA complied with the Kuwait RPAT security plan. During our October 2019 site visit to the Kuwait RPAT, we observed perimeter fencing topped with barbed wire, restricted area signage, and lighting. In addition, we observed that security personnel at control points checked identification to ensure that only authorized personnel entered the area. Based on our observations, we determined that conditions at the equipment storage lots met the standards cited in the security plan and we did not identify any security issues.

Corrective Actions Taken to Address Prior Reported Security Issues

In addition to assessing the security of TPE retrograded from Syria at the Kuwait RPAT, we followed up on a security issue identified in a February 2016 DoD OIG report.¹⁶ The report found broken fencing around an Army prepositioned stock lot, which resulted in two generators being stolen because of poor lot security. The report did not include a recommendation because the Commander had taken steps to have the fence repaired. During our October 2019 visit to Camp Arifjan, we inspected the fencing around the Army prepositioned lot and did not identify any broken fencing, indicating that the fence had been repaired since the report was issued in February 2016. Therefore, the Army Field Support Battalion-Kuwait addressed the concerns identified in the prior report.

Impacts of Proper Physical Security at Camp Arifjan

Because the Army properly secured the storage facilities at Camp Arifjan, the Army did not lose any TPE in our sample that was retrograded from Syria and stored at Camp Arifjan facilities. A lack of physical security could leave Army equipment vulnerable to theft and could impact readiness in SWA. By continuing to follow existing physical security requirements, the Army will reduce the likelihood of lost or stolen TPE at the Kuwait RPAT.

¹⁶ DoD OIG Report No. DODIG 2016-056, "The Army Did Not Fully Document Procedures for Processing Wholesale Equipment in Kuwait," February 24, 2016.

Appendix A

Scope and Methodology

We conducted this performance audit from May 2019 through March 2020 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.

Universe and Sample of TPE Retrograded From Syria

To determine whether the DoD secured and accounted for TPE retrograded from Syria, we began by requesting a universe of equipment retrograded from Syria. In August 2019, we obtained a universe of U.S. Military equipment retrograded from Syria from the Army Sustainment Command, from February 2019 through August 2019, that contained 1,124 pieces of TPE, valued at \$45.6 million. Personnel at the 401st AFSBn-SWA processed this TPE through the Erbil RPAT facility. From the universe, the DoD OIG Quantitative Methods Division (QMD) selected a statistical sample of 192 items of TPE, totaling \$6.9 million, from the universe provided by the team. See Appendix B for a breakdown of the statistical sample plan and projection.

Review of Documentation for Assessing Accountability, Existence, and Security of TPE

We tested accountability, existence, and security of the items selected from the universe. We reviewed and analyzed source documents (DD Forms 1348-1A and DD Forms 3161) for the 192 sample items and compared them with information from the APSRs (GCSS-Army, LMP, and Distribution Standard System). We reviewed the information to ensure each item (nomenclature, document number, serial number, national stock number, dates, and other information (if applicable)) from our sample matched with the source documents and the APSRs. This review validated whether the Army accounted for U.S. Military equipment retrograded from Syria.

Additionally, we performed existence testing on equipment not issued to units in SWA to ensure that no retrograded TPE was lost. We verified existence by requesting and obtaining photos of the identification plate for each item of equipment selected. Identification plates include the national stock number and the unique serial number (when applicable) assigned to the equipment. In addition to obtaining photographs of equipment, we physically observed equipment not

already validated by photo at the Kuwait RPAT facility. Furthermore, for equipment that had already been disposed of, we obtained documentation validating that the item was destroyed.

Lastly, we performed reviews of the security plan prepared by a contractor. We used the security plan and applicable criteria to determine the areas that would be physically observed during the site visit to Camp Arifjan. The areas reviewed were barriers, lighting, electronic security systems, access control, and procedures.

Site Visits and Interviews

We reviewed the information available about the background, mission, and general layout and operations of the U.S. Military equipment retrograded from Syria to determine potential site visits. Based on this information, we met with personnel from the organizations below to discuss security and accountability of U.S. Military equipment retrograded from Syria.

- We interviewed officials from the AMC to determine if guidance was provided to subordinate commands regarding the U.S. Military equipment retrograded from Syria. We also conducted a site visit to Army Sustainment Command in Rock Island Arsenal, Illinois, in July 2019 to determine roles and responsibilities for the U.S. Military equipment retrograded from Syria and understand the process for securing and accounting for equipment retrograded from Syria. During the site visit, we interviewed the Chief of the Asset Management Division and 401st AFSBn-SWA RPAT personnel to better understand the type of equipment retrograded from Syria and to identify their roles and responsibilities for the processing of equipment retrograded from Syria. We also requested and obtained an audit universe of TPE retrograded from Syria.
- In July 2019, we conducted a site visit to U.S. Army Contracting Command–Rock Island in Rock Island Arsenal, Illinois, to determine if any contracts were developed to support the retrograde of U.S. Military equipment from Syria. While there, we interviewed the Director of Army Contracting Command–Rock Island and contracting personnel related to the Enhanced Army Global Logistics Enterprise, Heavy Lift 8, and Ammunition Supply Point contracts in SWA.
- We conducted a site visit to Camp Arifjan, Kuwait, in October 2019 to physically observe selected TPE not already verified by RPAT personnel and to interview officials from the 401st Army Field Support Brigade and 401st AFSBn-SWA. We also obtained access to the GCSS-Army and requested and obtained equipment data from LMP and AWRDS to complete our review of selected equipment. Furthermore, during the site visit to Kuwait, we physically observed security of TPE retrograded

from Syria. This included observing the security of individual pieces of equipment and perimeter security at the RPAT yard, Army prepositioned stock lots, and a steel cage in a secure warehouse.

Criteria and Guidance Reviewed

We reviewed DoD and Army criteria to gain an understanding of the regulations governing the security and accountability of U.S. Military equipment. Specifically, we reviewed the following criteria:

- DoD Instruction 5000.64, “Accountability and Management of DoD Equipment and Other Accountable Property,” August 31, 2018.
- Army Regulation 190-51, “Security of Unclassified Property,” June 27, 2019.
- Army Regulation 735-5, “Property Accountability Policies,” November 9, 2016.
- 401st AFSBn-Southwest Asia SOP 755-1, “Redistribution Property Assistance Team (RPAT) Theater Provided Equipment (TPE) Turn-in Internal Standard Operating Procedures,” December 29, 2018.
- “Eagle–Army Pre-positioned Stock Kuwait and Qatar Security Plan,” April 8, 2017.

Use of Computer-Processed Data

We used computer-processed data to perform this audit. We used data from four systems to obtain and compare data on the 192 pieces of TPE from the selected sample. We used data from the GCSS-Army, which the Army uses as its retail APSR. The GCSS-Army contains supply, maintenance, property accountability functions, and the equipment’s associated financial data. We used data from GCSS-Army that included property accountability information on retail equipment that had been retrograded from Syria, such as item name, serial number (if applicable), and date the equipment was added or removed from the system. We also used data extracted from LMP, which Army Sustainment Command uses as its wholesale APSR. In addition we used AWRDS data, which updates LMP. AWRDS supports daily management of the Army Sustainment Command’s strategically placed warfighting equipment. AWRDS is an automated information system capable of building and maintaining databases containing Army war reserve stock and equipment data, designed to assist in the accountability, inventory, readiness, maintenance, and transfer of equipment. We used data that contained property accountability information on wholesale equipment that had been retrograded from Syria, such as item name, serial number, and date added to the system. In addition, we used data from the Distribution Standard System, which DLA uses as its wholesale APSR. The Distribution Standard System is the primary warehouse and distribution management system for the DLA’s warehouse operations and manages receiving, storage, consolidation, packing, shipping,

inventory, inspection, and workload management for the DLA. We used data that contained property accountability information on equipment managed or destroyed by the DLA. These data showed that the equipment was received by the DLA and the status of the equipment. To verify reliability of the data obtained from the above APSRs, we verified information (nomenclature, document number, serial number (if applicable), national stock number, dates, and other information), for all 192 items of TPE by comparing the source documents to the data contained in the APSRs. As a result, we determined that the information from the above APSRs was sufficiently reliable for purposes for our audit.

Use of Technical Assistance

Personnel from QMD assisted us in selecting a sample for verifying accountability of TPE that was retrograded from Syria through the Erbil RPAT facility.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO) and the DoD Office of Inspector General (DoD OIG) issued six reports discussing the retrograde of U.S. Military equipment.

Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

Unrestricted Army Audit Agency reports can be accessed from .mil and gao.gov domains at <https://www.army.mil/aaa>.

GAO

Report No. 18-621R, "Military Readiness: DoD Has Not Yet Incorporated Leading Practices of a Strategic Management Planning Framework in Retrograde and Reset Guidance," August 2018

The GAO reported that the DoD has not established a strategic policy for the retrograde and reset of equipment during contingency operations that incorporates key elements of leading practices for sound strategic management planning. Additionally, the DoD has not yet determined which DoD organization will lead the effort to establish a strategic policy consistent with leading practices.

Report No. 17-530R, "Military Readiness: DoD Has Not Incorporated Leading Practices of a Strategic Management Planning Framework in Retrograde and Reset Guidance," June 2017

The GAO reported that the DoD has not established a strategic policy for the retrograde and reset of equipment during contingency operations that incorporates key elements of leading practices for sound strategic management planning. Additionally, the DoD has not yet determined which DoD organization will lead the effort to establish a strategic policy consistent with leading practices.

Report No. 16-414, "Military Readiness: DoD Needs to Incorporate Elements of a Strategic Management Planning Framework into Retrograde and Reset Guidance," May 2016

The GAO reported that the DoD has various guidance and documents to guide its retrograde and reset activities, and, with the exception of the Marine Corps, no strategic policy or implementation plan has been developed that includes key elements of a strategic management planning framework.

DoD OIG

Report No. DODIG-2018-112, "Processing and Disposition of Equipment at the Defense Logistics Agency Disposition Services in Kuwait," May 2018

The DoD OIG reported that DLA Disposition Services Kuwait officials did not consistently ensure personnel responsible for disposing of equipment wore the required personal protective equipment and did not conduct annual Job Hazard Analysis reviews and identify and develop Job Hazard Analyses for DLA Disposition Services officials as required by DLA guidance.

Report DODIG-2016-056, "The Army Did Not Fully Document Procedures for Processing Wholesale Equipment in Kuwait," February 2016

The DoD OIG reported that AFSBn-Kuwait generally had effective controls for processing equipment at Camp Arifjan; however, it did not update the existing SOP for equipment or formalize its procedures for processing retrograde equipment. Additionally, the DoD OIG reported a lack of physical security controls for equipment stored in one location at Camp Arifjan.

Report No. DODIG-2015-156, "Drawdown of Equipment in Afghanistan: Summary of Weaknesses Identified in Reports Issued from August 19, 2011, Through May 18, 2015," August 2015

The DoD OIG reported a summary of results from 10 DoD OIG reports on the Afghanistan drawdown. The 10 reports identified the following recurring weaknesses: (1) lack of physical security controls, (2) ineffective equipment accountability controls, (3) insufficient contract oversight, (4) inaccurate property accountability systems, and (5) inadequate implementation of policies and procedures.

Appendix B

Statistical Sample Plan and Projection

Objective: The objective for the sample is to determine whether the DoD accounted for U.S Military equipment retrograded from Syria.

Population: The population consisted of 1,124 pieces of TPE retrograded from Syria valued at \$45,621,178.54. In addition to the statistical sample, the team conducted a census review of 42 pieces of TPE.

Measures: The sampling measured how many pieces of TPE retrograded from Syria contained an accounting error.

Parameters: We used a 95-percent confidence level and 7.5-percent precision to calculate the required sample size for attribute design.

Sample Plan: QMD generated an attributed sample design to project the errors. The population is broken down into three strata based on the dollar value and the samples were drawn from each stratum without replacement. QMD used the RAND() function in MS Excel to randomize the population. Table 3 shows the stratum and the sample sizes.

Table 3. Sample Size by Stratum

Stratum Name	Stratum Population Size	Stratum Sample Size
≥\$50K	156	26
\$5K≤X<\$50K	341	48
<\$5K	585	76
CENSUS	42	42
Total	1,124	192

Source: The DoD OIG.

Statistical Projections: Based on the results the audit team provided to QMD analysts, QMD calculated statistical projections with a 95-percent confidence level, as shown in Table 4.

Table 4. Statistical Projection at 95-Percent Confidence Level

	Lower Bound	Point Estimate	Upper Bound
Accounting Error Rate (Percent)	42.4	49.8	57.1
Number of Accounting Errors	477	559	642

Source: The DoD OIG.

We project with a 95-percent confidence level that the accounting error rate is between 42.4 percent and 57.1 percent, with the point estimate of 49.8 percent. The corresponding number of accounting errors is between 477 and 642, with a point estimate of 559.

Acronyms and Abbreviations

401st AFSBn-SWA	401st Army Field Support Battalion—Southwest Asia
AMC	U.S. Army Materiel Command
APSR	Accountable Property System of Record
AWRDS	Army War Reserve Deployment System
DLA	Defense Logistics Agency
FOI	Found-On-Installation
GCSS-Army	Global Combat Support System-Army
LMP	Logistics Modernization Program
RPAT	Redistribution Property Assistance Team
SOP	Standard Operating Procedure
SWA	Southwest Asia
TPE	Theater-Provided Equipment

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