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Comptroller General
of the United States

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The Honorable Dr. Mark Esper
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

The Honorable David Norquist
Deputy Secretary of Defense
1010 Defense Pentagon
Washington, D.C. 20301-1010

Priority Open Recommendations: Department of Defense

Dear Mr. Secretary and Mr. Deputy Secretary:

The purpose of this letter is to provide an update on the overall status of the Department of Defense's (DOD) implementation of GAO's recommendations and to call DOD's continued attention to areas in which open recommendations should be given high priority.¹ Many of the recommendations in this letter directly address key challenges—such as rebuilding readiness, mitigating cyber threats, and controlling costs—that significantly affect DOD's ability to accomplish its mission.

In November 2019, we reported that on a government-wide basis, 77 percent of the recommendations we made 4 years ago were implemented.² As of May 1, 2020, DOD's recommendation implementation rate was 64 percent.³ At that time, DOD had 1,058 open unclassified recommendations. In addition, as of May 1, 2020 DOD had 48 open recommendations that were included in sensitive (for example, For Official Use Only) GAO reports, bringing the total number of open recommendations to 1,106. By implementing these recommendations, DOD could significantly improve its operations and help address its critical challenges.

In March 2019, we sent DOD a letter discussing 91 open recommendations that we believe are a high priority for the department to address. We subsequently have removed 27 of these recommendations from this year's letter. DOD has implemented 17 recommendations, thereby

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operation—for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a [high-risk](#) or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2019*, [GAO-20-1SP](#) (Washington, D.C.: Nov. 19, 2019).

³DOD's implementation rate represents the percentage of recommendations from fiscal year 2015 unclassified and sensitive (for example, For Official Use Only) GAO products that DOD had implemented as of May 1, 2020. It does not include classified recommendations.

better enabling it to address issues pertaining to operational contract support; readiness rebuilding efforts; the Navy's force structure; department-wide collaboration; defense health care reform; and critical infrastructure protection. We closed one priority recommendation related to DOD financial management as unimplemented because the recommendation is no longer relevant. We also removed nine priority recommendations pertaining to the Base Realignment and Closure process and defense headquarters because of DOD's actions in these areas.

Specifically, regarding the Base Realignment and Closure process, in late 2019 senior DOD officials formally committed to implement six recommendations when initiating future Base Realignment and Closure rounds. Regarding Defense Headquarters, the department took steps to implement one recommendation pertaining to its efforts to determine the personnel requirements for the Office of the Secretary of Defense, Joint Staff, and the military service secretariats and staffs. We are further removing the priority designation from a second recommendation that pertains to how contractors performing headquarters functions are identified and included in reporting. We believe that the corrective actions DOD has taken thus far have been largely responsive to our findings and recommendation, and we will continue to monitor the department's efforts in this area.

We ask for your continued attention to the remaining 64 open priority recommendations identified in the 2019 letter. We are also adding 17 new recommendations related to the F-35 program, Army modernization, cybersecurity, defense management and defense business operations, and force structure planning. This brings the total number of priority recommendations to 81 (see enclosure I for the list of these recommendations). The 81 recommendations fall into the following eight areas:

1. Acquisitions and Contract Management. We have 20 priority recommendations in this area. Our latest analysis of DOD's portfolio of major defense acquisition programs found that its 82 programs, with an estimated total cost of \$1.69 trillion, incurred \$26.6 billion in cost growth since our 2018 analysis.⁴ As our previous annual assessments have chronicled, most programs continue to move forward with insufficient knowledge—such as failing to complete a preliminary design review before starting system development—consequently leading to negative effects that cascade throughout the acquisition cycle. Nevertheless, in an effort to maintain its technological edge over potential adversaries, DOD is seeking ways to update or upgrade multiple weapon systems and develop new weapon systems more rapidly. It is also trying to meet the growing challenges of system complexity and vulnerability to cyber-attack.

- Acquisition policies and processes – We have 10 priority recommendations to improve acquisition policies and processes that affect a wide range of DOD programs:

Army modernization – We have two priority recommendations that seek to improve the Army's oversight of its weapon system modernization programs so that they are less likely to experience significant cost increases, delayed delivery, or cancellation. To implement these recommendations, the Army should follow leading practices for

⁴While this specific assessment of DOD's portfolio does not include the Ballistic Missile Defense System, we continue to assess the Missile Defense Agency's progress in annual reports. However, this program and its elements lack acquisition program baselines needed to support an assessment of cost and schedule changes. The Missile Defense Agency is required to establish and maintain baselines for each program element of these systems, but these are not the same as those typically developed for other major defense acquisition programs. See 10 U.S.C. §§ 225, 2435.

maturing technologies to a higher level than currently planned and conduct an assessment of the requirements development workforce needed to support the requirements process. Implementing our recommendations will ensure that the Army reduces risks to programs by fully maturing technologies and maintains a requirements development workforce robust enough to manage the increase in the development of new capabilities.

Acquisition oversight – We have one priority recommendation intended to help DOD balance effective oversight with the demands that oversight places on program management. We recommended that DOD pilot different approaches for streamlining the milestone decision process for its major defense acquisition programs. In January 2020, in part to improve the effectiveness of its acquisition processes, DOD reissued and updated its foundational acquisition guidance, DOD Instruction 5000.02.⁵

This guidance provides for six acquisition pathways, including an alternative acquisition pathway known as the middle-tier of acquisition (MTA).⁶ MTA provides for a streamlined acquisition process for programs intended for completion within 2 to 5 years. This pathway provides a significant opportunity for DOD to deliver innovative capabilities more quickly and reduce bureaucratic acquisition processes.

However, preliminary observations from our ongoing annual assessment of DOD's largest weapon system acquisition programs, which we expect to issue in spring 2020, indicate inconsistent cost reporting and wide variation in schedule metrics across MTA programs, which pose oversight challenges. We will continue to monitor the extent to which the MTA pathway helps streamline acquisition processes while allowing for effective oversight.

Further, ongoing work for our annual assessment has also observed that DOD continues to start new major defense acquisition programs (MDAP) that follow the major capability acquisition pathway. The Navy is piloting streamlined acquisition processes for one of its MDAPs, but the Army and Air Force have not started any pilots. Therefore, to fully implement this recommendation, DOD should pilot streamlined acquisition approaches for Army and Air Force MDAPs. By doing so, DOD will be better positioned to collect information that could help further reform its bloated, time-consuming, and cumbersome process for MDAPs following the major capability acquisition pathway.

Science and technology – We have five priority recommendations in this area. DOD emphasizes technology investments that support near-term requirements, at the expense of innovative technologies not linked to specific requirements. Given the roles and responsibilities of the new Under Secretary of Defense for Research and Engineering, that office is uniquely positioned to rethink DOD's policies that govern technology development. To implement our recommendations, the new Under Secretary should: (a) annually define the mix of incremental and disruptive innovation investments for each military department; (b) annually assess whether that mix is achieved; and (c)

⁵See DOD Instruction 5000.02, *Operation of the Adaptive Acquisition Framework*. (Jan. 23, 2020). DOD renumbered the previous issuance of DOD Instruction 5000.02 to DOD Instruction 5000.02T, and DODI 5000.02T will remain in effect with content removed as it is cancelled or transitions to a new issuance.

⁶The Middle Tier of Acquisition guidelines are outlined in DOD Instruction 5000.80, *Operation of the Middle Tier of Acquisition* (Dec. 30, 2019).

define, in policy or guidance, a science and technology framework. Implementing our recommendations will help position DOD to counter near- and far-term threats and more comprehensively implement leading practices for managing science and technology programs.

Navy shipbuilding – We have two priority recommendations to address longstanding challenges the Navy has faced in meeting its shipbuilding cost, schedule, and performance goals. As it prepares for the biggest increase in its fleet size in over 30 years, the Navy has an opportunity to act on our recommendations that it improve the way in which it buys ships, adopt a more disciplined approach, and avoid past difficulties. To implement these recommendations, the Navy needs to (a) revise its ship delivery policy to identify what kinds of deficiencies should be corrected and what mission capability must be achieved at delivery and when the ship is provided to the fleet; and (b) for future ship construction contracts, determine whether or not a warranty, as provided in the Federal Acquisition Regulation, provides value and document the costs, benefits, and other factors used to make this decision. Implementing our recommendations would help improve the quality of new ships and reduce costs to the government when shipbuilding defects are discovered.

In addition, in March 2020, we made 11 recommendations to the Navy to improve the costs, logistics, and performance of ships throughout their lifecycles by giving more consideration to ship sustainment early in the acquisition process. Recommended actions include improving DOD guidance regarding sustainment key performance parameters, conducting sensitivity analyses in operating and support cost estimates, considering risk during sustainment planning, making changes to ensure the efficacy of independent logistics assessments, and implementing a sustainment program baseline, among others. DOD agreed or partially agreed with all 11 recommendations.

- Acquisition programs – We have four priority recommendations related to three of the department’s costliest and most challenging acquisition programs.

Ballistic missile defense – We have two priority recommendations pertaining to this area. To implement these recommendations, the Missile Defense Agency should include the military services’ operations and support costs in the baseline cost estimates provided in its annual Ballistic Missile Defense System Accountability Report. It should also stabilize its baselines and clearly track any revisions. By taking these actions, DOD would strengthen investment decisions for U.S. ballistic missile defense in Europe by placing chosen investments on a sound acquisition footing, providing a better means of tracking investment progress and improving management and transparency

Ford-class aircraft carrier – We have one priority recommendation that DOD include cost information for individual ships in its Selected Acquisitions Reports. To implement this recommendation, DOD should include cost information for individual ships in the Ford-class program. By doing so, DOD would improve its visibility into cost changes for individual ships in the Ford-class.

F-35 Joint Strike Fighter – We have one priority recommendation in this area for DOD to take steps to ensure that the F-35 meets reliability and maintainability requirements. To implement this recommendation, DOD needs to identify and document the steps needed to improve the F-35’s reliability and maintainability. By taking these actions, DOD can better ensure that the F-35 meets reliability and maintainability requirements.

- Contract management – We have six priority recommendations related to how DOD plans for, and manages, the approximately \$300 billion contracted annually for goods and services—including operational contract support for troops in Iraq and Afghanistan.

Service contracts – We have five priority recommendations in this area that pertain to the almost \$190 billion obligated for service contracts in 2019. We recommended that the Navy and Air Force revise their guidance, and that DOD establish a mechanism to coordinate the military departments’ efforts to integrate the cost of service contracts into their future-years defense programs; that DOD reassess the roles, responsibilities, authorities, and organizational placement of the key leadership positions; and that DOD clarify policies concerning the purpose and timing of the Services Requirements Review Board process.⁷ To implement these recommendations, DOD should revise its programming guidance to collect information already available on how contracted services will be used to meet requirements beyond the budget year, and reassess the roles, responsibilities, and organizational placement of key service leadership positions. By taking these actions, DOD will be better able to (a) foster strategic decision-making and other improvements in service acquisition; (b) better inform senior leadership when making decisions; and (c) develop data and forecasts on service contract spending.

Operational contract support – We have one priority recommendation that the department develop guidance to vet foreign vendors to ensure that it is not contracting with prohibited organizations. To implement this recommendation, DOD should improve its efforts to vet foreign vendors by developing vendor vetting guidance. By doing so, DOD will be better able to identify potential vendors who support criminal, terrorist, or other sanctioned organizations and better ensure the security of U.S. forces and weapon systems.

2. Rebuilding Readiness and Force Structure. We have 15 priority recommendations in this area. The National Defense Strategy identifies rebuilding military readiness and building a more lethal Joint Force as being the first of three critical lines of effort. It emphasizes the importance of fielding sufficient and ready forces capable of defeating our enemies and developing a joint force that possesses decisive advantages for any likely conflict.

- Readiness – We have 12 priority recommendations pertaining to rebuilding and maintaining military readiness, to include readiness planning, readiness of the Navy, and sustainment of F-35 Lightning II aircraft.

Readiness planning – We have one priority recommendation related to the military services establishing comprehensive goals to guide readiness rebuilding. This includes developing a strategy for implementing the goals and metrics and identifying the factors that may affect these efforts. DOD and the services have made progress in addressing this area, but to implement our recommendation, they need to align readiness rebuilding goals, strategy, and efforts. By aligning these areas, DOD will be better positioned to determine the effectiveness of readiness recovery efforts and assess its ability to meet the objectives of the National Military Strategy.

Navy readiness – We have five priority recommendations that can help address the Navy’s acute readiness challenges. We recommended that the Navy, among other actions, (a) implement sustainable operational schedules for ships homeported overseas; (b) identify personnel needs and costs associated with the planned larger

⁷Services Requirements Review Boards ensure that requirements are reviewed, validated, and approved. This process helps the services prioritize requirements, identify efficiencies, and determine whether a requirement should be met by contractors or performed by government personnel.

Navy fleet size; and (c) complete development of its shipyard optimization plan, with appropriate management reviews, and report regularly to Congress and other stakeholders on its progress and cost. The Navy has taken some steps to address these recommendations, but it should, among other things, develop metrics, include stakeholders, and regularly report to Congress on its progress. By taking these actions, the Navy will be better able to end the pattern of deferred ship maintenance, more effectively articulate its personnel needs, and provide decision makers needed information to assess the effectiveness of the Navy's capital investment program.

F-35 sustainment – We have six priority recommendations to address sustainment and readiness challenges for the F-35 Lightning II aircraft. These include that DOD clearly define the strategy by which it will manage the F-35 supply chain; revise its sustainment plans; take two actions to better position itself to enter into long-term performance-based sustainment contracts; establish a performance-measurement process for the F-35's Autonomic Logistics Information System (ALIS); and develop a long-term intellectual property strategy. DOD is facing significant challenges in sustaining critical aviation systems, which could hinder its ability to simultaneously support today's military operations and maintain the capability to meet future defense requirements.

We added two recommendations we made in September 2014 for DOD to take priority actions in this year's letter because we found that not developing a performance-measurement process for ALIS, or creating an intellectual property strategy for the program has negatively affected F-35 performance.⁸ It has also hindered DOD's ability to effectively negotiate contracts, reduce sustainment costs, and gain more oversight of the program.

To fully implement these recommendations DOD needs, among other things, to clearly define the strategy by which it will manage the F-35 supply chain and update key strategy documents accordingly; revise sustainment plans to ensure that they include the key requirements and funding needed to fully implement the F-35 sustainment strategy; ensure that it has the correct metrics and sufficient knowledge of the actual costs of sustainment and technical characteristics of the aircraft before entering into performance-based contracts; establish a performance-measurement process for ALIS; and develop a long-term Intellectual Property strategy.

- Force structure – We have three priority recommendations to improve DOD's ability to determine its future force structure needs. Our recommendations seek to improve the department's analytic process by helping DOD develop and update the analytic products needed to evaluate force structure options; issue specific guidance requiring the full analysis of force structure alternatives and key assumptions; and develop an approach for conducting joint analysis. To implement these recommendations, DOD needs to issue guidance requiring the services to change the way in which they evaluate force structure options, to include sensitivity analyses on key assumptions (such as readiness levels), among other things. By taking these actions, DOD will be better positioned to provide needed information for senior leaders to make decisions on how best to implement and execute the National Defense Strategy.

⁸The Autonomic Logistics Information System (ALIS) is the primary sustainment tool for the F-35 and is intended to predict maintenance and supply issues, automate logistics support processes, and provide decision aids to help reduce life-cycle sustainment costs and improve force readiness. In January 2020, DOD stated that it plans to replace ALIS with a new system called the F-35 Operational Data Integrated Network. However, it will continue to operate ALIS for years to come. Performance metrics will benefit both ALIS and the future system.

3. Driving Enterprise-Wide Business Reform. We have seven priority recommendations intended to support DOD's goal of reforming its business operations to achieve greater performance. We have reported for years that weaknesses in these business operations can lead to waste, ineffective performance, and a lack of accountability.

- Chief Management Officer (CMO) authority– We have three priority recommendations in this area. In March 2019, we reported that DOD had not resolved a number of outstanding questions related to the CMO's authority within the department. We recommended that DOD make a determination as to how the CMO is to direct the business-related activities of the military departments, clarify the CMO's relationship with the Defense Agencies and DOD field activities, and codify in department-wide guidance the CMO's authorities and how they will be operationalized.

The National Defense Authorization Act for Fiscal Year 2020 mandated that DOD assess the CMO's position, and the accompanying conference report indicated that the conferees intend to disestablish the position, pending the outcome of DOD's assessments. We continue to believe that DOD needs a CMO, codified in statute as a separate position, at the right level, and with the adequate amount of resources and appropriate authority to be responsible and accountable for its business transformation efforts. Should the CMO position be preserved, we encourage DOD to implement these three priority recommendations to help create a shared understanding throughout the department of the CMO's role in leading DOD's enterprise-wide business reform efforts.

- Business reform initiatives – We have two priority recommendations in this area. In January 2019, we reported that DOD had not identified and prioritized available funding for implementing initiatives planned by its cross-functional teams. We recommended that DOD establish a process to enable it to identify and prioritize funding for these initiatives. DOD has not yet acted on this recommendation. In September 2018, we reported that the department lacks a systematic basis for evaluating whether its various reform initiatives had improved the efficiency or effectiveness of its programs or activities. We recommended that DOD ensure routine and comprehensive monitoring and evaluation of ongoing efficiency initiatives. In April 2019, DOD issued its initial plan for reforming certain business operation activities, and in December 2019 DOD issued its most recent update to that plan. We have an ongoing review of the estimates included in that report. By establishing processes to fund and monitor its business reforms DOD will be better able to adequately plan for and execute its reforms, as well as establish a baseline for measuring progress, periodically reviewing progress made, and evaluating results.
- Cost and structure of headquarters – We have two priority recommendations in this area. DOD needs reliable information about the cost and structure of its headquarters functions, to identify opportunities for reform and to improve efficiency. DOD has made some progress in this area, but it should collect information on costs associated with functions within headquarters organizations and conduct regular assessments of headquarters requirements. To address these recommendations, DOD should develop an approach to collect reliable information on the costs associated with functions within headquarters organizations, update its guidance, and establish a process to conduct comprehensive, periodic evaluations of the combatant commands. By doing so, DOD will be better positioned to allocate its resources.

We consolidated the prior year's defense headquarters area because DOD addressed one of our priority recommendations, and it has taken action to partially address a second by

completing a framework that includes reporting on the costs for contractors. Specifically, DOD has taken action to complete a revised framework for major DOD headquarters activities that ties to funding, which includes reporting the costs for contractors. We have therefore removed the priority designation from this recommendation regarding contractors and will continue to monitor the recommendation for final implementation, which is contingent on DOD taking steps to collect and compile contractor data across the department.

4. Health Care. We have five priority recommendations in this area. DOD faces challenges overseeing the tens of billions of dollars it spends annually on health care for service members, retirees, and their families. In its Fiscal Year 2019 Agency Financial Report, DOD reported spending approximately \$23.7 billion on the purchased care option of the military health program known as TRICARE, and it reported an improper payment rate of 1.74 percent (\$411.45 million).⁹ However, DOD’s fiscal year 2019 error rate may have been understated.

- TRICARE improper payments – We have two priority recommendations that DOD implement a more comprehensive TRICARE improper payment measurement methodology and, once implemented, develop more robust corrective action plans. To implement these recommendations, DOD should better assess and address the full extent of improper payments in the TRICARE program through medical record reviews. By taking these steps, DOD will be better able to identify root causes and take steps to address practices that contribute to improper payments and excess spending on health care costs.
- Management of military treatment facilities – We have three priority recommendations related to DOD’s defining and analyzing functions, validating requirements, and conducting a comprehensive review of personnel before transferring authority, direction, and control of the military treatment facilities to the Defense Health Agency. To implement these recommendations, DOD should define and analyze its 16 operational readiness and installation-specific medical functions for duplication, validate headquarters-level personnel requirements, and identify the least costly mix—per DOD guidance—of military, civilian, and contractors needed to meet validated requirements. By taking these actions, DOD would be better positioned to reduce or better manage duplication and improve efficiencies as it transfers the administration of the military treatment facilities to the Defense Health Agency.

5. Cybersecurity. We have 11 priority recommendations in this area related to cybersecurity guidance, coordination, work roles, and cyber hygiene. Cyber threats to U.S. national and economic security are increasing in frequency, scale, sophistication, and severity of impact.

- Guidance – We have one priority recommendation in this area. In April 2016, we reported that DOD guidance did not clarify the roles and responsibilities of key DOD entities—such as DOD components, the supported command, and the dual-status commander—who

⁹The Improper Payments Information Act of 2002, as amended, defines an improper payment as any payment that should not have been made or that was made in an incorrect amount (that is, overpayment or underpayment) under statutory, contractual, administrative, or other legally applicable requirements. The definition also includes any duplicate payments, and any payment (1) made to an ineligible recipient, (2) made for an ineligible good or service, (3) made for a good or service not received (except for such payments where authorized by law), and (4) that does not account for applicable discounts. OMB’s implementing guidance also instructs agencies to report as improper any payments for which insufficient or no documentation is found.

may provide support to civil authorities in response to cyber incidents.¹⁰ We recommended that DOD issue or update guidance that clarifies these roles and responsibilities. From fiscal years 2017 through 2019, DOD issued new guidance documents and updated its Joint Publication on Cyberspace Operations. However, this guidance does not clearly define the role of the dual-status commanders. To fully implement this recommendation, DOD should modify its guidance to clarify roles and responsibilities of the dual-status commander. By taking this step, DOD would provide military forces with the guidelines and principles needed to assist in planning, conducting, and providing cyber support.

- Coordination— We have four priority recommendations to improve coordination between the military services and U.S. Cyber Command. Developing and maintaining a trained cyber mission force is imperative to DOD’s ability to achieve its missions in the connected world within which it operates. According to the 2015 *Department of Defense Cyber Strategy*, DOD will, among other things, focus on ensuring that its Cyber Mission Force is trained and ready to operate using the capabilities and architectures needed to conduct cyber operations.¹¹ We recommended that each of the military department secretaries and the Commandant of the Marine Corps coordinate with U.S. Cyber Command to develop plans that comprehensively assess and identify specific Cyber Mission Force training requirements. To implement these recommendations, each service should develop a comprehensive plan that would help it better manage the number of personnel who need to rotate into the Cyber Mission Force teams. By doing so, DOD will be better positioned to maintain the appropriate sizing and deployment of personnel across the teams and ensure that personnel from the services can attend these courses.
- Cyber hygiene – We have five priority recommendations intended to improve DOD’s Cyber Hygiene—practices for managing the most common and pervasive cybersecurity risks facing organizations.¹² According to DOD’s Principal Cyber Advisor, cybersecurity experts estimate 90 percent of cyberattacks could be defeated by implementing basic cyber hygiene practices. However, in our April 2020 report, we found that DOD had not fully implemented three of its key initiatives and practices aimed at improving cyber hygiene—including the 2015 DOD Cybersecurity Culture and Compliance Initiative, the 2015 DOD Cyber Discipline Implementation Plan, and DOD’s Cyber Awareness Challenge training. DOD has also developed lists of its adversaries’ most frequently used techniques, and practices to combat them. Yet, DOD does not know the extent to which the department is using these practices. We recommended that DOD fully implement cyber hygiene initiatives, designating entities to monitor component completion of the initiatives, among other things. By doing so, the department would be better positioned to protect its networks and secure gaps that can jeopardize military operations, performance of critical functions, and protection of information within DOD systems and networks.
- Work roles – We have one priority recommendation in this area. A key component of the government’s ability to mitigate and respond to cybersecurity threats is having a qualified, well-trained cybersecurity workforce. Under the requirements of the *Federal*

¹⁰DOD defines “DOD components” to include the Office of the Secretary of Defense, the military departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the combatant commands, the DOD Office of Inspector General, the defense agencies, the DOD field activities, and all other entities within DOD.

¹¹Department of Defense, *The Department of Defense Cyber Strategy* (April 2015) (hereinafter cited as the *DOD Cyber Strategy*). This strategy was recently superseded by the 2018 *Department of Defense Cyber Strategy*.

¹²Carnegie Mellon University Software Engineering Institute, *Cyber Hygiene: A Baseline Set of Practices* (2017).

Cybersecurity Workforce Assessment Act of 2015, federal agencies must, among other things, assign work role codes to their filled and vacant positions that perform information technology, cybersecurity, or cyber-related functions. However, in March 2019, we reported that DOD had assigned an improper work role code to many positions that performed these functions. We recommended that DOD assign appropriate work role codes and assess the accuracy of position descriptions. To fully implement this recommendation, DOD will need to provide evidence that it has assigned appropriate National Initiative for Cybersecurity Education framework work role codes to its positions in the 2210 Information Technology management occupational series and assessed the accuracy of position descriptions. By doing so, DOD will have the reliable information it needs to identify its workforce roles of critical need.

6. Support Infrastructure. We have six priority recommendations in this area. DOD manages a global real property portfolio that, as of 2018, consisted of about 586,000 facilities, with an estimated replacement value of almost \$1.2 trillion. DOD has faced long-standing challenges in managing its portfolio of facilities, particularly with respect to data quality and reducing excess infrastructure, while also aligning its infrastructure capacity with its planned force structure.

- Improve quality of data and their use – We have six priority recommendations to improve the accuracy and completeness of DOD’s inventory of real property assets. Three of the recommendations entail the military departments monitoring the processes used for recording real property information. The other three recommendations are for the Under Secretary of Defense for Acquisition and Sustainment to take a number of actions, in collaboration with the military services, including defining the data elements that are most significant for decision-making, coordinating on corrective action plans, and developing a strategy that identifies and addresses risks to data quality and information accessibility.

As of February 2020, the military departments had taken action to improve the monitoring of real property records, including developing plans and programs to increase their accuracy and completeness. Further, the Office of the Under Secretary of Defense for Acquisition and Sustainment has prioritized the development of a common automated real property data platform, which should help it correct the discrepancies in DOD’s real property reporting.

However, to fully address these recommendations, DOD needs to complete its department-level actions to monitor recording processes and implement and formalize the use of the automated real property data platform. Implementing these six priority recommendations will help to improve data quality so that DOD has accurate and complete information to use for management decisions.

In last year’s letter, we included seven priority recommendations to improve aspects of the Base Realignment and Closure recommendation development and implementation process. In October 2019, DOD formally committed to implementing many recommendations related to any future Base Realignment and Closure rounds, including six priority recommendations.¹³ Therefore, we are closing these recommendations and we will no longer feature the Base Realignment and Closure topic in this letter.

¹³The six recommendations entailed the following: (1) improving the process for identifying requirements for military construction; (2) ensuring that information technology requirements have been identified; (3) ensuring that all

7. Financial Management. We have 15 priority recommendations in this area. The DOD Office of Inspector General issued a disclaimer of opinion on the department-wide financial statements issued in late 2019, due to 25 material weaknesses identified at the consolidated and component levels. These material weaknesses include areas such as reconciling fund balances, internal controls, and lack of supporting documentation for beginning balances. We encourage the department to continue its efforts to address both the material weaknesses identified by the Inspector General and our recommendations in this area.

- Unsupported journal vouchers – We have two priority recommendations in this area. The DOD Journal Voucher Working Group identified billions of dollars of unsupported journal vouchers—that is, accounting entries that record corrections or adjustments in an accounting system. We recommended that the Army identify and analyze the entire population of manual unsupported journal vouchers and identify the root causes. Also, the Army should either enhance existing metrics or develop methods to monitor the extent to which the working group identified root causes, and how implemented corrective actions are reducing unsupported journal vouchers. By taking these actions, auditors will be better able to assess the validity of accounting entries and DOD management will be better positioned to rely on accounting system data when making management and resource decisions.
- Audit readiness – We have five priority recommendations to the Army, Air Force, and DOD to improve their ability to track and monitor efforts to remediate deficiencies and recommendations from financial audits. To implement these recommendations, the Army and Air Force need to develop or enhance their policies and procedures related to tracking and monitoring the status of audit recommendations, and DOD needs to obtain corrective action plan summaries from the military services so that it can use those summaries to prepare a consolidated summary. By taking these steps, DOD will be better able to ensure that it remediates deficiencies that negatively affect DOD’s audit readiness and its ability to make sound mission and operational decisions.
- Improper payments – We have six priority recommendations for DOD to help ensure that improper payment estimating, reporting, and recovery audits fully comply with statutory requirements and guidance.¹⁴

Material weaknesses in population data – We have one priority recommendation to DOD that it establish and implement key quality assurance procedures, such as reconciliations, to ensure that the populations from which it draws samples to test for improper payments are accurate and complete. To implement this recommendation, DOD needs to resolve its

anticipated Base Realignment and Closure implementation costs—such as relocating military personnel and equipment—are considered; (4) limiting the practice of bundling multiple actions into single Base Realignment and Closure recommendations; (5) capturing complete information on costs associated with alternatively financed projects; and (6) developing baseline cost data for any future consolidation of training. DOD officials told us that they are not taking action on the recommendation to establish a target for eliminating excess capacity; therefore, we are closing this recommendation, which we made 6 years ago, as unimplemented.

¹⁴On March 2, 2020, the President signed into law the Payment Integrity Information Act of 2019 (PIIA). This statute repealed the improper payments statutes in place at the time of our audit; in their place, it enacted a new Subchapter in Title 31 of the U.S. Code, containing substantially similar provisions. Specifically, the provisions enacted by PIIA include requirements regarding risk assessment, estimation, corrective actions, recovery audits, and related reporting that are, in relevant part, at least as stringent as those previously applicable to DOD. As such, we have not changed the status of these recommendations.

material weakness relating to the universe of transactions and work with the Defense Finance and Accounting Service to implement key quality assurance procedures.

Develop corrective action plans – We have two priority recommendations to DOD that it produce corrective action plans that comply fully with existing law and Office of Management and Budget guidance and that are in accordance with best practices and measure and communicate the progress made toward remediating root causes of improper payments. DOD has made progress in developing corrective action plans by identifying the root causes of improper payments for its eight programs. To implement these two recommendations, DOD needs to continue implementing corrective action plans that comply fully with improper payment statutes, guidance from the Office of Management and Budget, and best practices. This would allow DOD to better identify root causes of improper payments and provide information to management that progress is being made toward reducing improper payments.

Payment recapture plans – We have two priority recommendations in this area. First, we recommended that DOD monitor the implementation of revised financial management guidance. Second, we recommended that DOD develop and submit to the Office of Management and Budget a payment recapture audit plan that fully complies with guidance. To implement these recommendations, DOD needs to (a) provide documentation demonstrating that the Office of the Under Secretary of Defense (Comptroller) is monitoring component implementation of payment recapture efforts and (b) develop and submit to the Office of Management and Budget for approval a payment recapture audit plan that fully complies with guidance. By not developing and implementing a payment recapture audit plan that contains all the elements required by the Office of Management and Budget, DOD is not in compliance with Office of Management and Budget requirements and is hindered in its ability to effectively manage its payment recapture efforts.

Reporting on corrective action and payment recapture plans – We have one priority recommendation in this area for DOD to design and implement procedures to ensure that the department’s annual improper payment and recovery audit reporting is complete, accurate, and in compliance with the law and with Office of Management and Budget guidance. DOD has improved its annual reporting on improper payments and payment recapture, but the department needs to ensure that this reporting is complete, accurate, and in compliance moving forward. By taking these steps, DOD will reduce the risk of continuing to make improper payments and wasting taxpayer funds.

- Overhead fees –We have two priority recommendations to DOD to improve its financial oversight of its use of overhead fees charged to foreign government purchasers through its Foreign Military Sales program. These recommendations seek to improve the reliability of the data DOD obtains from its components. To implement these recommendations, DOD needs to ensure that the Defense Security Cooperation Agency takes steps to work with the Defense Finance and Accounting Service and DOD components to collect reliable data on all DOD components’ use of Foreign Military Sales administrative and contract administration services funds, including execution data.

- 8. Preventing Sexual Harassment.** We have two priority recommendations in this area. Unwanted sexual behaviors in the military—including sexual harassment, sexual assault, and domestic violence involving sexual assault—undermine core values, unit cohesion, combat readiness, and public goodwill. Recent studies suggest that these behaviors are part of a “continuum of harm,” which DOD defines as a range of interconnected, inappropriate behaviors

that are connected to the occurrence of sexual assault and that support an environment that tolerates these behaviors. Our work has found weaknesses in DOD's approach to instituting effective policies and programs on sexual harassment.

In 2011, we found that DOD did not have assurance that individuals in positions of leadership were being held accountable for promoting, supporting, and enforcing the department's sexual harassment prevention policies and programs. We recommended that DOD take actions to improve leadership accountability and to develop an oversight framework for sexual harassment. DOD subsequently stated that it planned to develop an oversight framework; however, as of January 2020, DOD had not provided us with this framework. If DOD were to implement these recommendations, it should have the information it needs to effectively oversee its sexual harassment policies and programs and determine whether the programs help to prevent the occurrence of sexual harassment.

In addition to these priority recommendations, in our March 2019 *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, we issued our biennial update to our [high-risk](#) program, which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.¹⁵ Our [high-risk](#) program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and to provide critical services to the public. DOD bears primary responsibility for many of the areas we have designated as high risk.¹⁶ A number of these [high-risk](#) areas pertain to the priority recommendations in this letter.

In addition, several government-wide [high-risk](#) areas also have direct implications for DOD and its operations, including (1) reforming the personnel security clearance process, (2) ensuring the cybersecurity of the nation, (3) improving management of information technology (IT) acquisitions and operations, (4) strengthening strategic human capital management, and (5) managing federal real property.

With respect to the personnel security clearance process, within which DOD has key responsibilities, in March 2019 we found that the executive branch agencies leading security clearance reform, including DOD, had met our [high-risk](#) criteria for leadership commitment and partially met our criteria for capacity, monitoring, and demonstrated progress. However, they had not met the criterion for an action plan. We based our determination on two reports issued in 2017, and although we did not direct the recommendations in those reports to DOD, we are highlighting key actions that will be important for DOD to take as it assumes new responsibilities in this critical area.¹⁷

¹⁵GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019).

¹⁶A full discussion of these [high-risk](#) areas can be found on the following pages of our 2019 [high-risk](#) report: pp. 143 for DOD Weapon Systems Acquisition; pp. 147 for DOD Financial Management; pp. 152 for DOD Business Systems Modernization; pp. 158 for DOD Support Infrastructure Management; pp. 163 for DOD Approach to Business Transformation; and pp. 227 for DOD Contract Management.

¹⁷GAO, *Personnel Security Clearances: Additional Actions Needed to Ensure Quality, Address Timeliness, and Reduce Investigation Backlog*, [GAO-18-29](#) (Washington, D.C.: Dec. 12, 2017); GAO, *Personnel Security Clearances: Plans Needed to Fully Implement and Oversee Continuous Evaluation of Clearance Holders*, [GAO-18-117](#) (Washington, D.C.: Nov. 21, 2017).

To address this **high-risk** area, DOD needs to ensure that it has the appropriate resources, plans, and milestones in place to conduct and transform the background investigation mission. This would include developing a comprehensive strategic workforce plan—including the appropriate mix of federal employees and contractor personnel—that will enable the department to complete background investigations that meet quality standards within established timeliness goals. Additionally, DOD needs to demonstrate progress by reporting critical information to Congress, including:

- The timeliness of personnel security clearance initiations, investigations, and adjudications; the number of initial investigations and periodic reinvestigations initiated and adjudicated, and carried over from prior fiscal years; and any recommendations to improve timeliness and efficiency, as required by the National Defense Authorization Act for Fiscal Year 2018;
- The costs to the Department of Defense related to personnel security clearance initiations, investigations, adjudications, revocations, and continuous evaluation, as required by the National Defense Authorization Act for Fiscal Year 2018;
- An assessment of the governance structure of the Defense Counterintelligence and Security Agency as it relates to the Department of Defense and interagency partners, including the Office of Management and Budget, the Office of the Director of National Intelligence, and the Office of Personnel Management, as required by the National Defense Authorization Act for Fiscal Year 2020;¹⁸ and
- The methodology the Defense Counterintelligence and Security Agency will use to prioritize requests for background investigation requests from government agencies and industry, as required by the National Defense Authorization Act for Fiscal Year 2020.

Copies of this letter are being sent to the Director of the Office of Management and Budget and appropriate congressional committees; the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, the United States Senate; and the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the letter will be available at no charge on the GAO website at <http://www.gao.gov>.

¹⁸See, e.g., National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, § 925(k)(3) (2017); National Defense Authorization Act for Fiscal Year 2020, Pub. L. No. 116-92, § 1628 (2019).

I appreciate DOD's continued commitment to these important matters. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Cathleen A. Berrick, Managing Director, Defense Capabilities and Management, at berrickc@gao.gov or 202-512-3404. Our teams will continue to coordinate with DOD staff on all of the 1,106 open recommendations, as well as those additional recommendations in the [high-risk](#) areas for which DOD has a primary or leading role. Thank you for the department's attention to these matters.

Sincerely yours,



Gene L. Dodaro
Comptroller General
of the United States

Enclosure – 1

cc: The Honorable Russell Vought, Acting Director, Office of Management and Budget
The Honorable Dr. Mark Esper, Secretary of Defense
The Honorable David Norquist, Deputy Secretary of Defense
The Honorable Ryan McCarthy, Secretary of the Army
The Honorable Barbara Barrett, Secretary of the Air Force
The Honorable James McPherson, Acting Secretary of the Navy
General David Berger, Commandant of the Marine Corps
The Honorable Ellen Lord, Under Secretary of Defense for Acquisition and Sustainment
The Honorable Dr. Michael Griffin, Under Secretary of Defense for Research and Engineering
The Honorable Matthew Donovan, Under Secretary of Defense for Personnel and Readiness
The Honorable Elaine McCusker, Acting Under Secretary of Defense, Comptroller
The Honorable Dr. James Anderson, Performing the Duties of Under Secretary of Defense for Policy
The Honorable Lisa Hershman, Chief Management Officer
The Honorable Thomas McCaffery, Assistant Secretary of Defense for Health Affairs
The Honorable John Whitley, Assistant Secretary of the Army, Financial Management and Comptroller
Vice Admiral Jon Hill, Director, Missile Defense Agency
Lieutenant General Charles Hooper, Director, Defense Security Cooperation Agency
Lieutenant General Eric Fick, Program Executive Officer, F-35 Lightning II Joint Program Office

Enclosure I: Priority Open Recommendations to the Department of Defense (DOD)

1. Acquisitions and Contract Management

Army Modernization: Steps Needed to Ensure Army Futures Command Fully Applies Leading Practices, [GAO-19-132](#). Washington, D.C.: Jan. 23, 2019.

Recommendation: The Secretary of the Army should ensure that the Commanding General of Army Futures Command applies leading practices as they relate to technology development, particularly that of demonstrating technology in an operational environment prior to starting system development.

Action needed: The Army concurred with this recommendation. As of February 2020, the Army had taken a positive step by including soldier engagement in the development of the Integrated Visual Augmentation System. Our past work has shown that demonstrations in an operational environment reduce the risk that technologies will not operate as intended or desired. It is important that the Army continue and expand its efforts to eliminate infeasible or immature technologies across all of its development programs.

To implement this recommendation, the Army needs to follow leading practices that demonstrate technology in an operational environment prior to starting system development.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Jon Ludwigson

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Army Weapon Systems Requirements: Need to Address Workforce Shortfalls to Make Necessary Improvements, [GAO-17-568](#). Washington, D.C.: June 22, 2017.

Recommendation: The Secretary of the Army should conduct a comprehensive assessment to better understand the resources necessary for the requirements development process and determine the extent to which the shortfalls can be addressed given other funding priorities.

Action needed: The Army concurred with our recommendation. Previously, Army officials told us that they planned to implement this recommendation after the new Army Futures Command became operational. This command became fully operational in July 2019, but as of February 2020 Army officials stated that the Army needed more time to implement this recommendation. The Army Futures Command plans to work with the U.S. Army Manpower Analysis Agency to assess capabilities development workforce needs and Army officials estimated that this assessment would be completed in March 2021.

To implement this recommendation, the Army needs to conduct an assessment of the requirements development workforce needed to support the requirements process.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Marie A. Mak

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Acquisition Reform: DOD Should Streamline Its Decision-Making Process for Weapon Systems to Reduce Inefficiencies, [GAO-15-192](#). Washington, D.C.: Feb. 24, 2015.

Recommendation: The Secretary of Defense should direct the Under Secretary of Defense for Acquisition, Technology, and Logistics,¹⁹ in collaboration with the military service acquisition executives, program executive officers, and program managers, to select several current or new major defense acquisition programs to pilot, on a broader scale, different streamlined approaches for the entire milestone decision process to provide only the most essential information to decision makers.

Action needed: DOD concurred with the recommendation and has taken some actions to implement it for one major defense acquisition program (MDAP) and other acquisition programs. Specifically, the Navy designated the Next Generation Mid-Band Jammer as a pilot program major defense acquisition program in 2015. However, as of February 2020, DOD officials had not reported any progress toward designating any Army or Air Force programs to pilot more streamlined approaches.

DOD's January 2020 reissuance of and updates to DOD Instruction 5000.02²⁰ include six acquisition pathways, some of which seek to streamline acquisition processes. One of these pathways, known as middle tier of acquisitions, includes both rapid prototyping and rapid fielding, and it is directed toward programs intended for completion within 2 to 5 years.²¹ This pathway is intended to provide an alternative acquisition process that is generally exempt from DOD's traditional acquisition and requirements development policies. While this pathway is a significant opportunity to streamline acquisition processes, DOD has yet to demonstrate its ability to maintain sufficient oversight over middle-tier programs. In addition, DOD continues to start new MDAPs that follow the major capability acquisition pathway. Therefore, DOD should fully implement this recommendation and pilot streamlined acquisition approaches for Army and Air Force MDAPs. By doing so, DOD will be better positioned to collect information that could help further reform its bloated, time-consuming, and cumbersome process for MDAPs.

To implement this recommendation, the Air Force and Army should designate programs to pilot more streamlined acquisition approaches for their major defense acquisition programs.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Shelby Oakley

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Defense Science and Technology: Adopting Best Practices Can Improve Innovation Investments and Management, [GAO-17-499](#). Washington, D.C.: June 29, 2017.

Recommendations:

¹⁹The priority recommendation from this report was directed to the office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. Pursuant to the National Defense Authorization Act for Fiscal Year 2017, effective February 1, 2018, DOD restructured the office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. Pub. L. No. 114-328 § 901 (2016) (codified at 10 U.S.C. §§ 133a and 133b). The position has been divided into the Under Secretary of Defense for Acquisition and Sustainment and the Under Secretary of Defense for Research and Engineering.

²⁰See DODI 5000.02, *Operation of the Adaptive Acquisition Framework*. (Jan. 23, 2020).

²¹The Middle Tier of Acquisition guidelines are outlined in DOD Instruction 5000.80, *Operation of the Middle Tier of Acquisition* (Dec. 30, 2019). This guidance was issued pursuant to the National Defense Authorization Act for Fiscal Year 2016, Pub. L. No. 114-92 § 804 (2015).

- (1) To ensure that DOD is positioned to counter both near- and far-term threats, consistent with its science and technology framework, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to annually define the mix of incremental and disruptive innovation investments for each military department.
- (2) To ensure that DOD is positioned to counter both near- and far-term threats, consistent with its science and technology framework, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to annually assess whether that mix is achieved.
- (3) To ensure that DOD is positioned to more comprehensively implement leading practices for managing science and technology programs, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to define, in policy or guidance, a science and technology management framework that includes emphasizing greater use of existing flexibilities to more quickly initiate and discontinue projects to respond to the rapid pace of innovation.
- (4) To ensure that DOD is positioned to more comprehensively implement leading practices for managing science and technology programs, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to define, in policy or guidance, a science and technology management framework that includes incorporating acquisition stakeholders into technology development programs to ensure that they are relevant to customers.
- (5) To ensure that DOD is positioned to more comprehensively implement leading practices for managing science and technology programs, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to define, in policy or guidance, a science and technology management framework that includes promoting advanced prototyping of disruptive technologies within the labs so that the science and technology community can prove that these technologies work to generate demand from future acquisition programs.

Action needed: DOD non-concurred with all five recommendations, stating that implementing them would be premature since the Secretary of Defense had not made final decisions on the role of the new Under Secretary of Defense for Research and Engineering. In July 2018, DOD issued a memorandum finalizing the organizational structures, roles, and responsibilities for the new Under Secretary. In December 2019, a senior official within this office stated that DOD's Communities of Interest are required to plan short- and long-term research and to assess that research for an appropriate mix and balance between research priorities. However, the Under Secretary of Defense for Research and Engineering had not yet articulated what the appropriate mix of incremental and disruptive innovation investments should be for DOD. As a result, it is unclear what criteria the Communities of Interest use for their planning and assessment efforts.

To implement these recommendations, the Secretary of Defense should ensure that the new Under Secretary makes ensuring the right mix of incremental and disruptive innovation investments a priority and takes significant actions.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Timothy J. DiNapoli

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Navy Shipbuilding: Policy Changes Needed to Improve the Post-Delivery Process and Ship Quality, [GAO-17-418](#). Washington, D.C.: Jul. 13, 2017.

Recommendation: The Secretary of Defense should direct the Secretary of the Navy to revise the Navy's ship delivery policy to clarify what types of deficiencies need to be corrected and what mission capability (including the levels of quality and capability) must be achieved at (1) delivery and (2) when the ship is provided to the fleet (at the obligation work limiting date). In doing so, the Navy should clearly define what constitutes a complete ship and when that should be achieved.

Action needed: DOD non-concurred with our recommendation. In line with our finding that the Navy's ship delivery policy has not ensured that complete and mission-capable ships are being delivered to the fleet, in the National Defense Authorization Act for Fiscal Year 2019, Congress took action by passing legislation that defines battle force ships as those commissioned United States Ship warships that are capable of contributing to combat operations or United States Naval Ships that contribute directly to Navy warfighting or support missions. As of February 2020, DOD officials reiterated their disagreement with this recommendation.

We maintain that the Navy's ship delivery policy is a key instruction for ensuring that the fleet receives complete, mission-capable ships, and that DOD should revise it in line with our recommendation. To implement this recommendation, the Navy should revise its ship delivery policy to clearly define what constitutes a complete and defect-free ship and by when that should be achieved.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Shelby Oakley

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Navy and Coast Guard Shipbuilding: Navy Should Reconsider Approach to Warranties for Correcting Construction Defects, [GAO-16-71](#). Washington, D.C.: Mar. 3, 2016.

Recommendation: To improve the use of warranties and guarantees in Navy shipbuilding, the Secretary of the Defense should direct the Secretary of the Navy, for future ship construction contracts, to determine whether or not a warranty, as provided in the Federal Acquisition Regulation, provides value; and to document the costs, benefits, and other factors used to make this decision. To inform this determination, the Navy should begin differentiating the government's and shipbuilder's respective responsibilities for defects, and should track the costs to correct all defects after ship delivery.

Action needed: DOD partially concurred with our recommendation. It agreed to study policy changes with regard to warranties, but disagreed that DOD needs additional cost data to inform its decisions, and questioned whether warranties are suitable for ship acquisitions. In January 2018, the Navy issued guidance to help contracting officers determine when and how to use a warranty or guarantee, but the Navy has attempted to collect only two warranty cost proposals, and going forward, Navy officials stated that they do not have plans to systemically collect such data. As of February 2020, the Navy's position was unchanged.

To implement this recommendation, the Navy needs to collect additional data in order to determine cases in which warranties could contribute to improvements in the cost and quality of Navy ships.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Shelby Oakley

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Missile Defense: Opportunity to Refocus on Strengthening Acquisition Management, [GAO-13-432](#). Washington, D.C.: Apr. 26, 2013.

Recommendations: The Secretary of Defense should direct the Missile Defense Agency's Director to take the following actions:

- (1) Include in its resource baseline cost estimates for all life-cycle costs, specifically the operations and support costs, from the military services, in order to provide decision makers with the full costs of ballistic missile defense systems; and
- (2) Stabilize the acquisition baselines so that meaningful comparisons can be made over time to support oversight of those acquisitions.

Action needed: DOD partially concurred with our 2013 recommendation that decision makers should be provided full life-cycle costs of the Missile Defense Agency's weapon systems. As of February 2020, the Missile Defense Agency was not including the military services' operations and sustainment costs—which are a part of the full life-cycle costs—in the resource baselines it reports in the Ballistic Missile Defense System Accountability Report. The Missile Defense Agency cited establishing joint cost estimates for operations and sustainment with the military services as a potential means of providing decision makers with insight into the full life-cycle costs of its weapon systems, but most of its systems do not currently have a joint cost estimate. As such, the Missile Defense Agency has not demonstrated that it is providing decision makers with information on each weapon system's full life-cycle costs.

To implement this recommendation, DOD should require the Missile Defense Agency to include the military services' operations and support costs as a part of the baseline cost estimates contained in the Ballistic Missile Defense System Accountability Report.

DOD concurred with our 2013 recommendation regarding the need for the Missile Defense Agency to stabilize its acquisition baselines, but it noted the agency's need to adjust its baselines to remain responsive to evolving requirements and threats. Our recommendation does not limit the director's authority to adjust baselines or prevent the director from adjusting the baselines. Rather, our recommendation seeks to address traceability issues we have found with these baselines. Specifically, the Missile Defense Agency needs to stabilize its baselines such that, once set, any revisions can be tracked over time and the agency can report longer-term progress of its acquisitions and provide transparency to Congress. As of February 2020, the Missile Defense Agency director acknowledged that the Targets and Countermeasures program lacks a stable baseline and the Agency is excluding cost variances due to test changes.

To implement our recommendation, DOD should require the Missile Defense Agency to stabilize its baselines and track any revisions.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Bill Russell

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Ford-Class Aircraft Carrier: Follow-on Ships Need More Frequent and Accurate Cost Estimates to Avoid Pitfalls of Lead Ship, [GAO-17-575](#). Washington, D.C.: June 13, 2017.

Recommendation: The program office should prepare cost summary and funding summary sections for each individual ship in the class as part of the Selected Acquisition Reports for the overall Ford-class program.

Action needed: DOD non-concurred with our recommendation, stating that it currently provides progress reports to Congress on costs for Ford-class aircraft carriers. As of February 2020, DOD continued to disagree with this recommendation. We maintain that Selected Acquisition Reports represent the primary means for DOD to report on program status. Grouping average unit costs for all Ford-class ships obscures individual ship cost growth and does not provide Congress with adequate transparency to monitor this \$48 billion program.

To implement this recommendation, the report should include cost information on individual ships.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Shelby Oakley

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F-35 Joint Strike Fighter: Development Is Nearly Complete, but Deficiencies Found in Testing Need to Be Resolved, [GAO-18-321](#). Washington, D.C.: June 5, 2018.

Recommendation: The Secretary of Defense should direct the F-35 program office to identify what steps are needed to ensure the F-35 meets reliability and maintainability requirements before each variant reaches maturity and update the Reliability and Maintainability Improvement Program with these steps.

Action needed: DOD concurred with our recommendation. As of December 2019, the F-35 program office was in the process of revising its plan for improving the F-35's reliability and maintainability, but it will need to finalize and obtain approval for its revised plan.

To implement the recommendation, the program office needs to identify what additional steps are needed and document these in its Reliability and Maintainability Improvement Program. Until the program identifies and documents these steps, it is unlikely that each F-35 variant will meet its reliability and maintainability requirements.

High-Risk area: [DOD Weapon Systems Acquisition](#)

Director: Jon Ludwigson

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DOD Service Acquisition: Improved Use of Available Data Needed to Better Manage and Forecast Service Contract Requirements, [GAO-16-119](#). Washington, D.C.: Feb. 18, 2016.

Recommendations:

- (1) To ensure that senior leadership within the Office of the Secretary of Defense and the military departments are better positioned to make informed decisions regarding the volume and type of services that should be acquired over the future year defense program, the Secretary of the Navy should revise the Navy's programming guidance to collect information that is already

available on how contracted services will be used to meet requirements beyond the budget year.

- (2) To ensure that senior leadership within the Office of the Secretary of Defense and the military departments are better positioned to make informed decisions regarding the volume and type of services that should be acquired over the future year defense program, the Secretary of the Air Force should revise the Air Force's programming guidance to collect information that is already available on how contracted services will be used to meet requirements beyond the budget year.
- (3) To ensure the military departments' efforts to integrate services into the programming process and senior service managers' efforts to develop forecasts on service contract spending provide the department with consistent data, the Secretary of Defense should establish a mechanism, such as a working group of key stakeholders—which could include officials from the programming, budgeting, and requirements communities as well as the military departments' senior services managers—to coordinate these efforts.

Action needed: DOD partially concurred with our first two recommendations and noted that while its guidance will continue to direct the efficient use of contracted services, the volatility of requirements and each budget cycle constrain the department's ability to accurately quantify service contract requirements beyond the budget year. The Secretary of the Army has revised the Army's program guidance, but the Secretaries of the Navy and Air Force have not yet done so. DOD also partially concurred with our third recommendation, but it did not provide a specific reason for its partial concurrence. Effective in October 2021, the National Defense Authorization Act for Fiscal Year 2019 requires that DOD include certain information on amounts requested for services contracts in the future year defense program. As of March 2020, the status of these recommendations had not changed.

To implement these recommendations, DOD and the military departments need to revise their programming guidance, coordinate efforts to forecast services, and fully comply with budget reporting.

High-Risk area: [DOD Contract Management](#)

Director: Timothy J. DiNapoli

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Defense Contracted Services: DOD Needs to Reassess Key Leadership Roles and Clarify Policies for Requirements Review Boards, [GAO-17-482](#). Washington, D.C.: Aug. 31, 2017.

Recommendations:

- (1) To help foster strategic decision-making and improvements in the acquisition of services, the Under Secretary of Defense for Acquisition, Technology, and Logistics²² should, as part of its effort to update the January 2016 instruction, reassess the roles, responsibilities, authorities,

²²The priority recommendations from this report were directed to the office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. Pursuant to the National Defense Authorization Act for Fiscal Year 2017, effective February 1, 2018, DOD restructured the office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. Pub. L. No. 114-328 § 901 (2016) (codified at 10 U.S.C. §§ 133a and 133b). The position has been divided into the Under Secretary of Defense for Acquisition and Sustainment and the Under Secretary of Defense for Research and Engineering.

and organizational placement of key leadership positions, including functional domain experts, senior services managers, and component level leads.²³

- (2) To help foster strategic decision-making and improvements in the acquisition of services, the Under Secretary of Defense for Acquisition, Technology, and Logistics should, as part of its effort to update the January 2016 instruction, clarify the purpose and timing of the Services Requirements Review Board process to better align it with DOD's programming and budgeting processes.

Action needed: DOD concurred with both of our recommendations. As of July 2018, DOD officials told us that they planned to fully implement these recommendations in DOD's revised instruction. In January 2020, DOD issued an updated instruction that, among other changes, revised elements of the management structure and the Services Requirements Review Board process.²⁴

We have work planned to begin later in 2020 that will assess whether the changes reflected in the January 2020 instruction address the issues we identified.

High-Risk area: [DOD Contract Management](#)

Director: Timothy J. DiNapoli

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Operational Contract Support: Additional Actions Needed to Manage, Account for, and Vet Defense Contractors in Africa, [GAO-16-105](#). Washington, D.C.: Dec. 17, 2015.

Recommendation: The Secretary of Defense should develop guidance that clarifies the conditions under which combatant commands should have a foreign vendor vetting process or cell in place to determine whether potential vendors actively support any terrorist, criminal, or other sanctioned organizations.

Action needed: DOD concurred with our recommendation. DOD established a foreign vendor vetting working group in January 2017 to, among other things, develop guidance that will define foreign vendor vetting as a distinct function and provide combatant commanders with guidance on addressing the risks associated with relying on commercial vendors. As of November 2019, officials from the Office of the Secretary of Defense stated that the working group was making progress toward developing a formal charter, identifying tools and strategies to enhance vendor vetting across the combatant commands, and establishing a department-wide vendor vetting policy. As of February 2020, according to DOD officials, publication of the DOD Directive on Vendor Threat Mitigation was still pending.

To implement this recommendation, DOD should improve its efforts to vet foreign vendors by developing vendor vetting guidance.

High-Risk area: [DOD Contract Management](#)

Director: Cary Russell

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²³Department of Defense Instruction 5000.74, *Defense Acquisition of Services* (January 5, 2016) (incorporating change 2, effective Aug. 31, 2018). This instruction was canceled and reissued in 2020, and some of these position titles and their corresponding duties may have changed.

²⁴Department of Defense Instruction 5000.74, *Defense Acquisition of Services* (January 10, 2020).

2. Rebuilding Readiness and Force Structure

Military Readiness: DOD's Readiness Rebuilding Efforts May Be at Risk without a Comprehensive Plan, [GAO-16-841](#). Washington, D.C.: Sept. 7, 2016.

Recommendation: The Secretary of Defense should direct the Secretaries of the Air Force, Army, and Navy to establish comprehensive readiness rebuilding goals to guide readiness rebuilding efforts and a strategy for implementing identified goals, to include resources needed to implement the strategy.

Action needed: DOD generally concurred with our recommendation. As of January 2020, DOD had developed a framework to guide readiness rebuilding efforts. Since DOD established the framework the military services have changed their readiness rebuilding goals, and it is unclear whether readiness recovery efforts, strategy, and goals are aligned.

To implement this recommendation, DOD should ensure that the military services' readiness recovery efforts, strategy, and goals are clearly aligned.

Director: Diana Maurer

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Navy Force Structure: Sustainable Plan and Comprehensive Assessment Needed to Mitigate Long-Term Risks to Ships Assigned to Overseas Homeports, [GAO-15-329](#). Washington, D.C.: May 29, 2015.

Recommendation: The Secretary of Defense should direct the Secretary of the Navy to develop and implement a sustainable operational schedule for all ships homeported overseas.

Action needed: DOD concurred with our recommendation. As of February 2020, the Navy had developed a change to the operational schedule for ships homeported in Japan, but it had not yet codified this change in Navy guidance. We will continue to monitor the Navy's implementation and adherence to the revised schedules before closing this recommendation as implemented. The Navy also established Commander, Naval Surface Group, Western Pacific to oversee surface ship maintenance, training, and certification for ships based in Japan.

To implement this recommendation, the Navy will need to codify and adhere to the revised schedules.

Director: Diana Maurer

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Navy Force Structure: Actions Needed to Ensure Proper Size and Composition of Ship Crews, [GAO-17-413](#). Washington, D.C.: May 18, 2017.

Recommendation: The Under Secretary of Defense for Personnel and Readiness should direct the Secretary of the Navy to identify personnel needs and costs associated with the planned larger Navy fleet size, including consideration of the updated manpower factors and requirements.

Action needed: DOD concurred with our recommendation and planned to complete a new force structure assessment in early 2020.

To fully implement this recommendation, the Navy needs to identify the personnel costs and resources needed to man a larger Navy fleet.

Director: Cary Russell

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Naval Shipyards: Actions Needed to Improve Poor Conditions That Affect Operations, [GAO-17-548](#). Washington, D.C.: Sept. 12, 2017.

Recommendations: The Secretary of the Navy should:

- (1) Develop a comprehensive plan for shipyard capital investment that establishes the desired goal for the shipyards' condition and capabilities; an estimate of the full costs to implement the plan, addressing all relevant requirements, external risk factors, and associated planning costs; and metrics for assessing progress toward meeting the goal that include measuring the effectiveness of capital investments.
- (2) Conduct regular management reviews that include all relevant stakeholders to oversee implementation of the plan, review metrics, assess the progress made toward the goal, and make adjustments, as necessary, to ensure that the goal is attained.
- (3) Provide regular reporting to key decision makers and Congress on the progress the shipyards are making to meet the goal of the comprehensive plan, along with any challenges that hinder that progress, such as cost. This may include reporting on progress to reduce their facilities restoration and modernization backlogs, improve the condition and configuration of the shipyards, and recapitalize capital equipment.

Action needed: DOD concurred with our three recommendations.

To address our first recommendation, the Navy produced the first phase of a Shipyard Infrastructure Optimization Plan in February 2018 to guide the overhaul and improvement of the naval shipyards. This plan includes some of the recommended elements but not others. We reported in November 2019 that the Navy's cost estimate did not follow best practices, and did not include costs for inflation and environmental remediation, among others, that could add billions to the preliminary cost estimate.²⁵ The plan also did not include metrics for assessing progress toward meeting its goals. To implement this recommendation, the Navy should complete its optimization plan, develop a reliable cost estimate addressing all relevant requirements, risks, and planning costs, and develop metrics to help it assess progress toward meeting its goal that include measuring the effectiveness of capital investments.

To address the second recommendation, in June 2018 the Navy issued NAVSEA Notice 5450, which created a program office responsible for planning, developing, scheduling, budgeting, and sustaining the replacement of shipyard facilities and equipment. By creating this office, the Navy has taken a first step toward establishing a results-oriented management approach and toward implementing our recommendation to conduct regular management reviews. In addition, in September 2018 this new program office was required to provide regular updates to an Executive Oversight Council—updates that could serve as a foundation to address this

²⁵GAO, *Naval Shipyards: Key Actions Remain to Improve Infrastructure to Better Support Navy Operations*, GAO-20-64 (Washington, D.C.: Nov. 25, 2019).

recommendation. As of November 2019, the Navy had not effectively involved the shipyards in the plan's implementation. To fully implement this recommendation the Navy will need to formally involve the shipyards in the implementation and assessment of the plan.

To address the third recommendation, Navy officials stated that the creation of the Readiness Reform and Oversight Council provides the means through which the Navy can provide regular reporting to key decision makers and Congress. While this council does appear to involve some of the key stakeholders who should be receiving regular reporting, the Navy has already made clear that it sees the shipyard optimization process as a 20-year effort. Given that, regular reporting on progress cannot be achieved with a single disclosure at the beginning of the effort. As of March 2020, implementation of this recommendation was still ongoing and, according to DOD officials, was expected to be completed by fiscal year 2023. To implement the recommendation, both Congress and DOD decision makers need to receive regular reports on the progress of the optimization plan.

Director: Diana Maurer

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F-35 Aircraft Sustainment: DOD Needs to Address Challenges Affecting Readiness and Cost Transparency, [GAO-18-75](#). Washington, D.C.: Oct. 26, 2017.

Recommendations: The Under Secretary of Defense for Acquisition, Technology, and Logistics,²⁶ in coordination with the F-35 Program Executive Officer, should take the following actions:

- (1) Revise sustainment plans to ensure that they include the key requirements and decision points needed to implement the F-35 sustainment strategy and align funding plans to meet those requirements.
- (2) Re-examine the metrics that it will use to hold the contractor accountable under the fixed-price, performance-based contracts to ensure that such metrics are objectively measurable, are fully reflective of processes over which the contractor has control, and drive desired behaviors by all stakeholders.
- (3) Prior to entering into multi-year, fixed-price, performance-based contracts, ensure that DOD has sufficient knowledge of the actual costs of sustainment and technical characteristics of the aircraft after baseline development is complete and the system reaches maturity.

Action needed: DOD concurred with these three recommendations.

With respect to the first recommendation, DOD issued a revised Life-Cycle Sustainment Plan in January 2019. This Life-Cycle Sustainment Plan contains eight elements that are focused on improvements in key areas necessary for the long-term sustainment of the F-35 aircraft, including depot repair, supply chain, the Autonomic Logistics Information System, and technical data rights. DOD officials told us that they are developing detailed and iterative plans for each of these elements and are briefing them to DOD leadership approximately every 45 to 60 days. To implement the first recommendation, DOD needs to continue to revise its sustainment plans to

²⁶The priority recommendations from this report were directed to the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)). Pursuant to the National Defense Authorization Act for Fiscal Year 2017, effective February 1, 2018, DOD restructured the USD(AT&L). Pub. L. No. 114-328 § 901 (2016) (codified at 10 U.S.C. §§ 133a and 133b). The position has been divided into the Under Secretary of Defense for Acquisition and Sustainment and the Under Secretary of Defense for Research and Engineering.

ensure that they include the key requirements and aligned funding needed to implement the F-35 sustainment strategy.

With respect to the second and third recommendations, as of December 2019, documentation provided by DOD stated that it had established a joint working group to assess the feasibility of the planned 5-year performance-based logistics contract. As a product of this assessment, DOD expects that the department will be able to outline what level of knowledge is required of the actual costs of sustainment and technical characteristics of the aircraft in order to enter into a performance-based logistics and sustainment construct. A DOD official said that this working group is also working to identify appropriate metrics to hold the contractor accountable under a potential long-term performance-based contract. To implement the second and third recommendations, prior to entering into performance-based contracts DOD needs to ensure that the key metrics it will use to hold the contractor accountable are objectively measurable and fully reflective of processes over which the contractor has control, and that DOD has sufficient knowledge of the actual costs of sustainment and technical characteristics of the aircraft after baseline development is complete and the system reaches maturity.

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Defense Strategy: Revised Analytic Approach Needed to Support Force Structure Decision-Making, [GAO-19-385](#). Washington, D.C.: Mar. 14, 2019.

Recommendations: The Secretary of Defense should take the following actions:

- (1) Ensure that the Office of the Under Secretary of Defense for Policy; the Office of the Chairman of the Joint Chiefs of Staff; and the Office of the Director, Cost Analysis and Program Evaluation—in consultation with the services—determine the analytic products needed and the level of detail that is sufficient to serve as a common starting point but flexible to allow for variation of analysis to support senior leader decisions, and update these products to reflect current strategy and intelligence estimates, as well as the anticipated operational approaches needed to address future threats.
- (2) Ensure that the Office of the Under Secretary of Defense for Policy provide specific guidance requiring the services to explore a range of innovative force structure approaches relevant to the key threats identified in the National Defense Strategy, including identifying key assumptions on which the services must conduct sensitivity analyses.
- (3) Establish an approach for comparing competing analyses and conducting joint analyses for force structure to support senior leaders as they seek to implement the National Defense Strategy. This could include establishing a separate body with these capabilities and/or specifying the organizational responsibilities and processes for conducting these comparisons and analyses.

Action needed: DOD concurred with our three recommendations.

With respect to our first recommendation, in April 2019 the Secretary of Defense issued the Fiscal Year 2021-2025 Defense Planning Guidance, which identified analytic products that would serve as the department's starting point for analysis. DOD has also developed some of the analytic products needed to reflect the threats outlined in the National Defense Strategy. To implement this recommendation, DOD needs to develop additional products for the remaining key threats identified in the National Defense Strategy. Additionally, keeping these products updated will require sustained attention by the department, but the direction provided by DOD

was limited to budget guidance for fiscal years 2021-2025. The direction would more closely adhere to the intent of our recommendation if it were provided in an enduring guidance or policy document.

With respect to our second recommendation, the Defense Planning Guidance discussed the need to explore a range of innovative force structure approaches. However, it did not directly require the services to conduct sensitivity analyses on key assumptions. The defense planning scenarios that DOD developed in December 2018 encourage DOD components to conduct excursions and sensitivity analyses of assumptions, but we found that this has not been sufficient to spur this type of analysis in the past. To implement this recommendation, DOD needs to require the services to conduct these analyses.

With respect to our third recommendation, the Defense Planning Guidance includes steps that could lay the groundwork for DOD to compare competing analyses and conduct joint force structure analyses. To implement this recommendation, DOD needs to establish an approach for doing so, which could include establishing a body or process for conducting comparisons or joint analyses.

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F-35 Aircraft Sustainment: DOD Needs to Address Substantial Supply Chain Management Challenges, [GAO-19-321](#). Washington, D.C.: Apr. 25, 2019.

Recommendation: The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, together with the F-35 Program Executive Officer, the Secretaries of the Air Force and Navy, and the Commandant of the Marine Corps, clearly defines the strategy by which DOD will manage the F-35 supply chain in the future and update key strategy documents accordingly, to include any additional actions and investments necessary to support that strategy.

Action needed: DOD concurred with this recommendation. As of February 2020, DOD was working on providing an updated corrective action plan to address this recommendation.

To implement this recommendation, DOD needs to clearly define the strategy by which DOD will manage the F-35 supply chain in the future and update key strategy documents accordingly. This should include determining the roles of both the prime contractor and DOD in managing the supply chain, and the investments in technical data needed to support DOD-led management.

Director: Diana Maurer

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F-35 Sustainment: Need for Affordable Strategy, Greater Attention to Risks, and Improved Cost Estimates, [GAO-14-778](#). Washington, D.C.: Sept. 23, 2014.

Recommendations:

- (1) To help DOD address key risks to F-35 affordability and operational readiness, and to improve the reliability of its operating and support cost estimates for the life cycle of the program, the Secretary of Defense should direct the F-35 Program Executive Officer, to enable DOD to better identify, address, and mitigate performance issues with the Autonomic

Logistics Information System (ALIS) that could have an effect on affordability, as well as readiness, to establish a performance-measurement process for ALIS that includes, but is not limited to, performance metrics and targets that (1) are based on intended behavior of the system in actual operations and (2) tie system performance to user requirements.

- (2) To help DOD address key risks to F-35 affordability and operational readiness, and to improve the reliability of its operating and support cost estimates for the life cycle of the program, the Secretary of Defense should direct the F-35 Program Executive Officer, to promote competition, address affordability, and inform its overarching sustainment strategy, to develop a long-term Intellectual Property Strategy to include, but not be limited to, the identification of (1) current levels of technical data rights ownership by the federal government and (2) all critical technical data needs and their associated costs.

Action needed: DOD concurred with both recommendations.

To address the first recommendation, DOD officials said that in 2018 the military services and the F-35 Joint Program Office began developing plans for a re-design of the F-35's logistics system. These officials stated that once DOD finalizes the future requirements for the logistics system DOD will incorporate appropriate performance metrics tying system performance in operational environments to user requirements. As of January 2020, DOD officials stated that they had not established a performance-measurement process for the logistics system. Further, DOD stated that it planned to replace ALIS with a new system called the F-35 Operational Data Integrated Network. However, it has not yet developed a strategy for the F-35 Operational Data Integrated Network and it plans to continue using ALIS for years. To implement this recommendation, DOD needs to complete the development of performance metrics for ALIS.

According to DOD officials, in response to the second recommendation, DOD's January 2019 F-35 Life-Cycle Sustainment Plan identifies the "Secure Use of Appropriate Technical Data" as one of the areas necessary to improve F-35 readiness and reduce sustainment costs. As part of the implementation process for the sustainment plan, the F-35 Joint Program Office is working with the prime contractor and original equipment manufacturers to determine the data rights DOD already has and the specific technical data that DOD needs for the F-35 program. To implement this recommendation, DOD needs to complete an intellectual property strategy.

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3. Building Capacity to Drive Enterprise-wide Business Reform

Defense Business Operations: DOD Should Take Steps to Fully Institutionalize the Chief Management Officer Position, [GAO-19-199](#). Washington, D.C.: Mar. 14, 2019.

Recommendations: The Secretary of Defense should ensure that:

- (1) The Deputy Secretary of Defense makes a determination as to how the Chief Management Officer (CMO) is to direct the business-related activities of the military departments.
- (2) The Deputy Secretary of Defense makes a determination regarding the CMO's relationship with the Defense Agencies and DOD field activities (DAFAs), including whether additional DAFAs should be identified as providing shared business services and which DAFAs will be required to submit their proposed budgets for enterprise business operations to the CMO for review.

(3) The Deputy Secretary of Defense, on the basis of the determinations regarding the CMO's statutory and discretionary authorities, codify those authorities and how they are to be operationalized in formal department-wide guidance.

Action needed: DOD concurred with all three of our recommendations. In light of pending requirements to assess the CMO position, GAO will continue to monitor the department's response to these recommendations as those assessments and any related actions are completed.

High-Risk area: [DOD Approach to Business Transformation](#)

Director: Elizabeth Field

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Defense Management: DOD Needs to Implement Statutory Requirements and Identify Resources for Its Cross-Functional Reform Teams, [GAO-19-165](#). Washington, D.C.: Jan. 17, 2019.

Recommendation: The Secretary of Defense should ensure that the CMO establishes a process for identifying and prioritizing available funding to develop and implement initiatives from the cross-functional reform teams.

Action needed: DOD concurred with this recommendation. To implement this recommendation, DOD needs to establish a clear process for the cross-functional business reform teams to obtain the funding they require to develop and implement their reform initiatives.

High-Risk area: [DOD Approach to Business Transformation](#)

Director: Elizabeth Field

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Defense Management: DOD Needs to Address Inefficiencies and Implement Reform across Its Defense Agencies and DOD Field Activities, [GAO-18-592](#). Washington, D.C.: Sept. 6, 2018.

Recommendation: The Secretary of Defense should ensure that the CMO routinely and comprehensively monitors and evaluates ongoing efficiency initiatives within the department, including those related to the reform teams. This monitoring should include establishing baselines from which to measure progress, periodically reviewing progress made, and evaluating results.

Action needed: DOD concurred with this recommendation. In April 2019, DOD submitted to Congress its initial plan for business operations reform. It included an initial plan, schedule, and cost estimate for conducting these reforms. The plan states that a reform initiative framework was implemented to track and report progress of initiatives, and that financial savings will be monitored by a validation process. In December 2019, DOD issued a follow-up report providing additional baseline estimates related to the four areas. We have an ongoing review of the estimates in that report and other defense-wide efficiency reviews. As of February 2020, according to DOD, it has taken steps to track, report, and validate results from additional defense-wide efficiency reviews.

To meet the intent of this recommendation, DOD's report should include valid baselines from which to measure progress and a plan for evaluating results.

High-Risk area: [DOD Approach to Business Transformation](#)

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Defense Headquarters: Improved Data Needed to Better Identify Streamlining and Cost Savings Opportunities by Function, [GAO-16-286](#). Washington, D.C.: June 30, 2016.

Recommendation: The Secretary of Defense should collect reliable information on the costs associated with functions within headquarters organizations—through revisions to the existing Inherently Governmental Commercial Activities inventory, or another method—in order to provide detailed information for use in estimating resources associated with specific headquarters functions, and in making decisions, monitoring performance, and allocating resources.

Action needed: DOD concurred with our recommendation and has taken some steps. DOD officials had indicated that they would use the Inherently Governmental Commercial Activities to address our recommendation; however, as of December 2019, DOD officials stated that they no longer have plans to revise the Inherently Governmental Commercial Activities inventory for purposes of estimating resources for specific headquarters functions. As of March 2020, the department had not identified an alternative approach for doing so. Further, as of March 2020, DOD had not finalized the definition of headquarters in its instruction guiding headquarters—DOD Instruction 5100.73.²⁷

To implement this recommendation, DOD should identify an approach to collect information on functions within its headquarters organizations and should update its guidance.

High-Risk area: [DOD Approach to Business Transformation](#)

Director: Elizabeth Field

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Defense Headquarters: DOD Needs to Periodically Review and Improve Visibility of Combatant Commands' Resources, [GAO-13-293](#). Washington, D.C.: May 15, 2013.

Recommendation: The Secretary of Defense should conduct comprehensive, periodic evaluations of whether the combatant commands are sized and structured to efficiently meet assigned missions.

Action needed: DOD did not concur with our recommendation, stating that the combatant commands had reduced their workforces during previous budget and efficiency reviews. The department also noted that any periodic review of the combatant commands' size and structure must include a review of assigned missions, and that a requirement for a mission review was not appropriate for inclusion in the commands' guiding instruction on personnel requirements. In a January 6, 2020 memorandum entitled "Department of Defense Reform Focus in 2020," the Secretary of Defense announced plans to lead a series of reviews with the combatant commands in 2020, to focus on strategic priorities, harvest opportunities to reduce costs, and realign forces/manpower in order to support National Defense Strategy priorities and rebuild readiness. This effort includes establishing a common baseline understanding of all tasks,

²⁷Department of Defense Instruction 5100.73, *Major DOD Headquarters Activities* (Dec. 1, 2007) (incorporating change 2, June 12, 2012).

missions, and overall resources and costs within the commands. According to the memorandum, the goal is to review all the commands in time to inform the fiscal year 2022-2026 program budget review. We commend the department for its actions to better manage the combatant command headquarters activities and personnel. We will continue to monitor DOD's efforts to address this recommendation.

High-Risk area: [DOD Approach to Business Transformation](#)

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4. Health Care

Improper Payments: TRICARE Measurement and Reduction Efforts Could Benefit from Adopting Medical Record Reviews, [GAO-15-269](#). Washington, D.C.: Feb. 18, 2015.

Recommendations: The Secretary of Defense should direct the Assistant Secretary of Defense for Health Affairs to:

- (1) Implement a more comprehensive TRICARE improper payment measurement methodology that includes medical record reviews, as done in other parts of its existing post-payment claims review programs; and
- (2) Once a more comprehensive improper payment methodology is implemented, develop more robust corrective action plans that address underlying causes of improper payments, as determined by the medical record reviews.

Action needed: DOD concurred with our two recommendations. As of November 2019, the agency had modified its managed care support contracts to include medical record reviews, according to the agency. It also expected to include payment error results from medical record reviews in its improper payment calculation for fiscal year 2020. DOD planned to report the effect of medical record reviews on its improper payment rate in a report to Congress in March 2020.

To implement these recommendations, DOD should establish a methodology for estimating improper payments that includes medical record reviews and should develop robust corrective action plans to address the underlying causes of improper payments.

Director: Debra Draper

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Defense Health Care: DOD Should Demonstrate How Its Plan to Transfer the Administration of Military Treatment Facilities Will Improve Efficiency, [GAO-19-53](#). Washington, D.C.: Oct. 30, 2018.

Recommendations: The Secretary of Defense should ensure that:

- (1) The Assistant Secretary of Defense for Health Affairs, in coordination with the Director of the Defense Health Agency (DHA) and the Surgeons General of the military departments, define and analyze the 16 operational readiness and installation-specific medical functions currently excluded from transfer to the DHA to determine whether opportunities exist to reduce or better manage duplicative functions and improve efficiencies in the administration of the military

treatment facilities.

- (2) The Assistant Secretary of Defense for Health Affairs, in coordination with DHA Assistant Director for Health Care Administration and the Secretaries of the military departments, validate headquarters-level personnel requirements to determine that they are established at the minimum levels necessary—per DOD guidance—to accomplish missions and achieve objectives before transferring authority, direction, and control of the military treatment facilities to the DHA for the third phase.
- (3) The Assistant Secretary of Defense for Health Affairs, in coordination with DHA Assistant Director for Health Care Administration and the Secretaries of the military departments, conduct a comprehensive review to identify the least costly mix—per DOD guidance—of military, civilian, and contractors needed to meet validated requirements—that is, to perform the functions identified at the DHA headquarters and intermediate management organizations and at the military departments’ headquarters and intermediate commands. Additionally, this comprehensive review should be completed before transferring authority, direction, and control of the military treatment facilities to the DHA for the third phase.

Action needed: DOD concurred with all three of our recommendations. In March 2019, DOD issued a memorandum regarding the alignment of operational and installation-specific medical functions and responsibilities of the military departments and Defense Health Agency. However, further detail is needed regarding what analysis DOD completed to assess the 16 operational readiness and installation-specific medical functions for duplication.

To implement these recommendations, DOD should define and analyze the 16 operational readiness and installation-specific medical functions for duplication, validate headquarters-level personnel requirements, and identify the least costly mix of personnel.

Director: Brenda S. Farrell

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5. Cybersecurity

Civil Support: DOD Needs to Clarify Its Roles and Responsibilities for Defense Support of Civil Authorities during Cyber Incidents, [GAO-16-332](#). Washington, D.C.: Apr. 4, 2016.

Recommendation: The Secretary of Defense should direct the Under Secretary of Defense for Policy in coordination with the Chairman of the Joint Chiefs of Staff to issue or update guidance that clarifies roles and responsibilities for relevant entities and officials—including the DOD components, supported and supporting commands, and dual-status commander—to support civil authorities as needed in a cyber incident.

Action needed: DOD concurred with our recommendation. From fiscal years 2017 through 2019 DOD issued new guidance documents and updated its Joint Publication on Cyberspace Operations. However, DOD’s existing guidance still does not clearly define the role of the dual-status commanders, leading to uncertainty with regard to which entities should provide support to civil authorities in the event of a significant cyber incident.

To implement this recommendation, DOD should clarify the role of dual-status commanders for Defense Support of Civil Authorities missions involving cyber incidents.

Director: Joseph Kirschbaum

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DOD Training: U.S. Cyber Command and Services Should Take Actions to Maintain a Trained Cyber Mission Force, [GAO-19-362](#). Washington, D.C.: Mar. 6, 2019.

Recommendations: The Secretaries of the military departments and the Commandant of the Marine Corps should coordinate with U.S. Cyber Command to develop plans that comprehensively assess and identify specific Cyber Mission Force training requirements for all phases of training in order to maintain the appropriate sizing and deployment of personnel across Cyber Mission Force teams.²⁸

Action needed: DOD concurred with these four recommendations. The Army estimates the completion of its plan in January 2021 and the Navy estimates its completion in October 2020. The Air Force's completion date is contingent on U.S. Cyber Command's completion of a proficiency baseline. The Marine Corps' estimated completion date is unknown.

To implement this recommendation, each military service should develop a comprehensive plan that would help the services better manage the number of personnel who need to be rotated into the Cyber Mission Force teams and that would provide situational awareness of the number of personnel from other services who could attend their courses in any given year.

Director: Joseph Kirschbaum

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Cybersecurity: DOD Needs to Take Decisive Actions to Improve Cyber Hygiene, [GAO-20-241](#). Washington, D.C.: Apr. 13, 2020.

Recommendations: The Secretary of Defense should:

- (1) Ensure that the DOD Chief Information Officer (CIO) takes appropriate steps to ensure implementation of the DOD Cybersecurity Culture and Compliance Initiative tasks.
- (2) Ensure that DOD components develop plans with scheduled completion dates to implement four tasks in the department's Cybersecurity Discipline Implementation Plan that are overseen by the DOD CIO.
- (3) Ensure that the Deputy Secretary of Defense identifies a DOD component to oversee the implementation of the seven tasks in the Cybersecurity Discipline Implementation Plan that are not overseen by the DOD CIO and report on progress implementing them.
- (4) Direct a component to monitor the extent to which practices are implemented to protect the department's network from key cyberattack techniques.
- (5) Ensure that the DOD CIO assesses the extent to which senior leaders' have more complete information to make risk-based decisions—and revise the recurring reports (or develop a new report) accordingly. Such information could include DOD's progress on implementing (a) cybersecurity practices identified in cyber hygiene initiatives and (b) cyber hygiene practices to protect DOD networks from key cyberattack techniques.

Action needed: Of the five recommendations we list above, DOD partially concurred with the first, second, and fifth, and did not concur with the third and fourth.

²⁸GAO first made these recommendations to DOD in a sensitive report that was issued in November 2018. GAO, *DOD Training: U.S. Cyber Command and Services Should Take Actions to Maintain a Trained Cyber Mission Force*, [GAO-19-142SU](#) (Washington, D.C.: Nov. 6, 2018).

Director: Joseph Kirschbaum

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Cybersecurity Workforce: Agencies Need to Accurately Categorize Positions to Effectively Identify Critical Staffing Needs, [GAO-19-144](#). Washington, D.C.: Mar. 12, 2019.

Recommendation: The Secretary of Defense should take steps to review the assignment of the "000" code to any positions in the department in the 2210 Information Technology management occupational series, assign the appropriate National Initiative for Cybersecurity Education framework work role codes, and assess the accuracy of position descriptions.

Action needed: DOD concurred with our recommendation. As of January 2020, DOD had not yet provided sufficient evidence to demonstrate that it has implemented this recommendation. To fully implement this recommendation, DOD will need to provide evidence that it has assigned appropriate National Initiative for Cybersecurity Education framework work role codes to its positions in the 2210 Information Technology management occupational series and has assessed the accuracy of position descriptions.

Director: Carol C. Harris

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6. Support Infrastructure

Defense Real Property: DOD Needs to Take Additional Actions to Improve Management of Its Inventory Data, [GAO-19-73](#). Washington, D.C.: Nov. 13, 2018.

Recommendations:

- (1) The Secretary of the Army should require monitoring of its processes used for recording all required real property information—to include evaluating on an ongoing basis whether or to what extent these activities are being carried out—and remediating any identified deficiencies.
- (2) The Secretary of the Navy should require monitoring of the Navy and Marine Corps processes used for recording all required real property information—to include evaluating on an ongoing basis whether or to what extent these activities are being carried out—and remediating any identified deficiencies.
- (3) The Secretary of the Air Force should require monitoring of its processes used for recording all required real property information—to include evaluating on an ongoing basis whether or to what extent these activities are being carried out—and remediating any identified deficiencies.
- (4) The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in collaboration with the military services, defines and documents which data elements within the Real Property Assets Database submissions are most significant for decision-making.
- (5) The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in collaboration with the military services, coordinates on corrective action plans to remediate discrepancies in significant data elements in its real property data system that are identified by the Office of the Secretary of Defense's verification and validation tool.

- (6) The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in collaboration with the military services, develops a strategy that identifies and addresses risks to data quality and information accessibility. At a minimum, this strategy should establish time frames and performance metrics for addressing risks related to (1) unfilled real property positions, (2) lack of a department-wide approach to improving its data, and (3) implementation of the Office of the Secretary of Defense's expanded data platform.

Action needed: DOD concurred with the first five recommendations and partially concurred with the sixth recommendation.

To implement the first three recommendations, the military services will need to require monitoring of their processes for recording all required real property data and remediating any identified deficiencies.

To implement the fourth and fifth recommendations, the Under Secretary of Defense for Acquisition and Sustainment would need to identify data elements most significant for decision-making and work with the military services to develop corrective action plans to remediate identified discrepancies in data.

With respect to the sixth recommendation, DOD stated that it plans to collaborate with the military services on separate service strategies that reflect each military service's operating environment. To implement this recommendation, DOD would need to develop one department-wide strategy to improve data quality and information accessibility that addresses unfilled real property positions, lack of a department-wide approach to improving its data, and the implementation of the Office of the Secretary of Defense's expanded data platform.

High-Risk area: [DOD Support Infrastructure Management](#)

Director: Elizabeth Field

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7. Financial Management

DOD Financial Management: Additional Actions Needed to Complete the Army's Analyses of Unsupported Accounting Entries for Its General Fund, GAO-18-27. Washington, D.C.: Oct. 20, 2017.

Recommendations: The Assistant Secretary of the Army for Financial Management and Comptroller, should:

- (1) Ensure that the Working Group identifies and analyzes the full population of manual unsupported journal vouchers at the transaction level and in Defense Departmental Reporting System-Audited Financial Statements and determines the root causes for these journal vouchers.
- (2) Work with Defense Finance and Accounting Service to enhance the monthly journal voucher metrics report or develop another method to sufficiently monitor the extent to which the Working Group has identified the root causes of unsupported journal vouchers and to determine the extent to which unsupported journal vouchers are being reduced based on the implemented corrective actions.

Action needed: The Department of the Army concurred with our two recommendations. The Assistant Secretary of the Army for Financial Management and Comptroller with the Defense Finance and Accounting Service began implementing the first recommendation in April 2017 by establishing a journal voucher review initiative. This initiative establishes a schedule for a monthly

sample evaluation to determine applicable support, align adjustments to a root cause, and document any newly identified root causes. The initial journal voucher review schedule incorporates all applicable Army-allocated and DOD-allocated appropriations. According to Army officials, at a time when additional resources become available or at the conclusion of the review cycle in fiscal year 2018, Assistant Secretary of the Army for Financial Management and Comptroller along with Defense Finance and Accounting Service would develop a plan to incorporate further adjustments into the monthly evaluations. In February 2020, we received and reviewed information regarding this effort and are currently waiting for additional support to determine whether the efforts put in place by the Department of the Army have addressed this recommendation.

To implement the second recommendation, the Assistant Secretary of the Army for Financial Management and Comptroller will coordinate with the Defense Finance and Accounting Service in reevaluating the journal voucher metric report to monitor the identification of unsupported journal voucher root causes and reductions. This effort will be ongoing until journal vouchers are reduced significantly.

High-Risk area: [DOD Financial Management](#)

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DOD Financial Management: Significant Efforts Still Needed for Remediating Audit Readiness Deficiencies, [GAO-17-85](#). Washington, D.C.: Feb. 9, 2017.

Recommendations:

- (1) The Secretary of the Army should direct the Accountability and Audit Readiness Directorate under the Assistant Secretary of the Army, Financial Management and Comptroller, to enhance the directorate's policies and procedures for (a) tracking and prioritizing all financial management-related audit findings and recommendations under its purview; and (b) developing and monitoring corrective action plans for all such recommendations so that they include sufficient details, such as the criteria used to prioritize the corrective action plans, the recommended corrective action plan elements, and the process for monitoring and documenting the progress and status of corrective action plans.
- (2) The Secretary of the Air Force should design and document a comprehensive process to ensure that the complete universe of all financial management-related findings and recommendations from all audit sources is identified and tracked.
- (3) The Secretary of the Air Force should update the Air Force's written policies and procedures for prioritizing financial management-related audit findings and recommendations from all audit sources and for developing and monitoring corrective action plans so that they include sufficient details. These procedures should include the process to be followed for prioritizing the financial management-related findings and recommendations from audit sources; the guidance for developing corrective action plans for all financial management-related audit findings and recommendations from all audit sources to include complete details, including the elements recommended by the Implementation Guide for OMB Circular A-123; and the process for monitoring the status of the corrective action plans for all financial management-related audit findings and recommendations from all audit sources, including the documentation to support any corrective actions taken, as recommended by the Implementation Guide for OMB Circular A-123.

- (4) The Secretary of Defense should direct the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to prepare and submit to the Under Secretary of Defense (Comptroller), on at least a bimonthly basis for availability at the Financial Improvement and Audit Readiness Governance Board meetings, a summary of key information included in the corrective action plans that at a minimum contains the data elements recommended by the Implementation Guide for OMB Circular A-123 for each corrective action plan related to critical capabilities for achieving audit readiness.
- (5) The Secretary of Defense should direct the Under Secretary of Defense (Comptroller) to prepare a consolidated corrective action plan management summary on a bimonthly basis that includes the data elements referred to above on the status of all corrective action plans related to critical capabilities for the military services and for the service providers and other defense organizations.

Action needed: The Army and Air Force concurred with our first three recommendations. We received and reviewed documentation from the Army and Air Force in January 2020. Upon reviewing these documents, we concluded that the actions taken by the Air Force and Army were not sufficient to close these recommendations. Although the Air Force is designing and documenting a process to ensure that the complete universe of financial management-related findings and recommendations from all audit sources is identified and tracked, it has not updated written policies and procedures for prioritizing financial management-related audit findings and recommendations from all audit sources and for developing and monitoring corrective action plans so that they include sufficient details. The Army's documentation did not show that it has a process for ensuring that all financial management-related findings and recommendations are identified and tracked. To implement these recommendations, the Army and Air Force need to develop or enhance their policies and procedures related to tracking and monitoring the status of audit recommendations.

The Under Secretary of Defense (Comptroller) concurred with our fourth recommendation to direct the military services to provide summaries of corrective action plan information, and partially concurred with our fifth recommendation to prepare a consolidated corrective action plan management summary on a bimonthly basis. To implement this recommendation, DOD needs to provide documentation that shows that (1) the military services are able to provide a summary of key information in the corrective action plans that at a minimum contains data elements recommended by the Implementation guide for OMB Circular A-123 and (2) the Under Secretary of Defense (Comptroller) has prepared a consolidated CAP management summary on a bimonthly basis.

High-Risk area: [DOD Financial Management](#)

Director: Asif Khan

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DOD Financial Management: Significant Improvements Needed in Efforts to Address Improper Payment Requirements, [GAO-13-227](#). Washington, D.C.: May 13, 2013.

Recommendations: The Secretary of Defense should direct the Under Secretary of Defense (Comptroller) to take the following six remaining actions:

With regard to estimating improper payments:

- (1) Establish and implement key quality assurance procedures, such as reconciliations, to ensure the completeness and accuracy of the sampled populations.

With regard to reducing improper payments, establish procedures that produce corrective action plans that:

- (2) Comply fully with the Improper Payments Elimination and Recovery Act and Office of Management and Budget implementation guidance, including, at a minimum, holding individuals responsible for implementing corrective actions and monitoring the status of the corrective actions.
- (3) Are in accordance with best practices, such as those recommended by the Chief Financial Officers Council, and include (1) measuring the progress made toward remediating root causes, and (2) communicating to agency leaders and key stakeholders the progress made toward remediating the root causes of improper payments.

With regard to implementing recovery audits:

- (4) Monitor the implementation of the revised Financial Management Regulation chapter on recovery audits to ensure that the components either develop recovery audits or demonstrate that it is not cost effective to do so.
- (5) Develop and submit to the Office of Management and Budget for approval a payment recapture audit plan that fully complies with Office of Management and Budget guidance.
- (6) Design and implement procedures to ensure that the department's annual improper payment and recovery audit reporting is complete, accurate, and in compliance with the Improper Payments Elimination and Recovery Act and Office of Management and Budget guidance.

Action needed: DOD concurred with our six recommendations.

On March 2, 2020, the President signed into law the Payment Integrity Information Act of 2019 (PIIA), which repealed the Improper Payments Elimination and Recovery Act and other laws related to federal agency improper payments. However, PIIA simultaneously enacted into law substantially similar requirements as a new subchapter of Title 31 of the U.S. Code. Specifically, the provisions enacted by PIIA include requirements regarding risk assessment, estimation, corrective actions, recovery audits, and related reporting that are, in relevant part, at least as stringent as those that were applicable to DOD under the Improper Payments Elimination and Recovery Act. As such, we have not changed the status of these recommendations.

DOD has not yet addressed the first recommendation in that its financial statements are not auditable. DOD can provide reconciling data at a high summary level, but it does not provide the reconciliations needed to ensure that the populations are complete and accurate. To implement this recommendation, DOD needs to resolve its material weakness relating to the universe of transactions, which is precluding the department from being able to perform the quality assurance procedures needed to ensure that the populations, from which the samples are drawn to estimate improper payments, are complete and accurate.

With respect to the second and third recommendations, DOD has made progress in developing corrective action plans for its eight improper payment programs, including the identification of root causes of improper payments. To implement the second and third recommendations, DOD needs to continue implementing corrective action plans that comply fully with improper payment statutes and Office of Management and Budget guidance, as well as best practices.

To implement the fourth and fifth recommendations, DOD needs to monitor the components' implementation of the revised financial guidance and develop and submit its payment recapture audit plan to the Office of Management and Budget.

With respect to the sixth recommendation, DOD has improved its annual reporting on improper payments and payment recapture. To implement this recommendation, the department needs to continue to ensure that this reporting is complete, accurate, and in compliance with improper payment statutes and Office of Management and Budget guidance.

High-Risk area: [DOD Financial Management](#)

Director: Asif Khan

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Foreign Military Sales: Financial Oversight of the Use of Overhead Funds Needs Strengthening, [GAO-18-553](#). Washington, D.C.: Jul. 30, 2018.

Recommendations: The Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency takes steps to work with Defense Finance and Accounting Service — Defense Security Cooperation Agency 's financial service provider—and other DOD components, as appropriate, to improve the reliability of the data that the Defense Security Cooperation Agency obtains on all DOD components' use of:

- (1) Foreign Military Sales administrative funds, including actual execution data, at an appropriate level of detail, such as by object class.
- (2) Contract administration services funds, including actual execution data, at an appropriate level of detail, such as by object class.

Action needed: DOD concurred with both recommendations.

In May 2019, Defense Security Cooperation Agency officials told us that the agency had established an interface with some DOD components' accounting systems that provides information daily on those components' expenditures of Foreign Military Sales administrative and contract administration services funds. In October 2019, Agency officials said they continue to work on establishing automatic interfaces for the other components that receive these funds.

To implement these two recommendations, DOD needs to ensure that Defense Security Cooperation Agency obtains reliable data on all DOD components' use of Foreign Military Sales administrative funds and Foreign Military Sales Contract administration services funds; to include execution data.

High-Risk area: [DOD Financial Management](#)

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8. Preventing Sexual Harassment

Preventing Sexual Harassment: DOD Needs Greater Leadership Commitment and an Oversight Framework, GAO-11-809. Washington, D.C.: Sept. 21, 2011.

Recommendations: The Under Secretary of Defense for Personnel and Readiness should take the following actions:

- (1) Develop a strategy for holding individuals in positions of leadership accountable for promoting, supporting, and enforcing the department's sexual harassment policies and programs.
- (2) Ensure that the Office of Diversity Management and Equal Opportunity develops and aggressively implements an oversight framework to help guide the department's efforts. At a minimum, such a framework should contain long-term goals, objectives, and milestones; strategies to accomplish goals; criteria for measuring progress; and results—oriented performance measures to assess the effectiveness of the department's sexual harassment policies and programs. Such a framework should also identify and include a plan for ensuring that adequate resources are available to carry out the office's oversight responsibilities.

Action needed: DOD concurred with both recommendations.

With respect to our first recommendation, in January 2020, the office of the Under Secretary of Defense for Personnel and Readiness informed us that the department is on track for full implementation of a strategy that will hold leadership accountable for promoting, supporting, and enforcing sexual harassment policies and programs. According to officials, two of the military services have approved the strategy, and they are awaiting its approval by the other two services. With respect to our second recommendation, officials told us that they submitted a Defense Equal Opportunity Reform Group Assessment report to the Under Secretary of Defense for Personnel and Readiness for approval in September 2019.

To implement these recommendations, DOD needs to provide documentation of the strategy once it has been approved, and documentation that demonstrates how the Defense Equal Opportunity Reform Group Assessment report meets the oversight framework elements that are outlined in our recommendation and that it is being implemented.

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