

~~SECRET//NOFORN~~

INSPECTOR GENERAL

U.S. Department of Defense

May 18, 2021



(U) Evaluation of Combatant Command Counter Threat Finance Activities



~~This content is classified at the SECRET//NOFORN level and may contain elements of controlled unclassified information (CUI), unclassified, or information classified at a lower level than the overall classification displayed. This content shall not be used as a source of derivative classification; refer instead to the applicable classification guides. It must be reviewed for both Classified National Security Information (CNSI) and CUI in accordance with DoDI 5230.09 prior to public release.~~

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

~~SECRET//NOFORN~~

~~SECRET//NOFORN~~



~~SECRET//NOFORN~~



~~SECRET//NOFORN~~

(U) Results in Brief

Evaluation of Combatant Command Counter Threat Finance Activities

(U) May 18, 2021

(U) Objective

(U) The objective of this evaluation was to determine whether U.S. Africa Command (USAFRICOM), U.S. Central Command (USCENTCOM), U.S. European Command (USEUCOM), and U.S. Indo-Pacific Command (USINDOPACOM) planned and executed counter threat finance (CTF) activities to impact adversaries' ability to use financial networks to negatively affect U.S. interests.

(U) Background

(U) The DoD conducts CTF activities in coordination with other U.S. Government agencies and partner nations to prevent adversaries from using global licit and illicit financial networks to negatively affect U.S. interests.

(U) The Office of the Under Secretary of Defense for Policy (OUSD[P]) is responsible for coordinating and overseeing the implementation of policy and plans for DoD CTF activities and capabilities. The Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD[CN>]) performs its responsibilities at the direction of the USD(P) and is responsible for providing oversight and guidance on policy, resource allocation, and measures of effectiveness for the DoD's effort to disrupt and degrade the national security threats posed by illegal drugs, trafficking, piracy, threat financial networks, and any potential connections among these activities. The DoD Framework to Counter Drug Trafficking and Other Illicit Threat Networks requires that the DoD apply its capabilities to support a whole-of-government approach to countering transnational organized crime and conducting operations and activities to disrupt and degrade these national security threats.

(U) In 2014, the Joint Requirements Oversight Council (JROC) approved a Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities, and Policy (DOTmLPF-P) Change Recommendation that

(U) Background (cont'd)

(U) directed the OUSD(P) to develop a CTF-specific DoD Instruction (DoDI) that details a common lexicon for CTF, target nomination procedures, and guidance in defining measures of performance for CTF activities. The DASD(CN>) office is responsible for developing a CTF-specific DoDI because they perform their responsibilities at the direction of the USD(P) and are responsible for providing oversight and guidance on DoD CTF activities and capabilities.

(U) The Combatant Commanders are responsible for planning, coordinating, and executing DoD CTF day-to-day activities within their respective areas of responsibility or functional areas. The Combatant Commanders are required to establish a dedicated DoD CTF capability approved by the JROC that integrates intelligence and operations, analyzes financial intelligence, and coordinates the execution of DoD CTF activities.

(U) Finding

(U) USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM planned and executed CTF activities to support their respective missions. However, they did not establish and maintain formalized command procedures. This occurred because USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM personnel relied primarily upon their own experience and knowledge to conduct CTF activities. As a result, the Combatant Command CTF offices did not have established standardized procedures for conducting CTF activities at the Combatant Command level, with interagency partners, or with partnered nations.

~~SECRET//NOFORN~~



~~SECRET//NOFORN~~

(U) Results in Brief

Evaluation of Combatant Command Counter Threat Finance Activities

(U) Finding (cont'd)

(U) Additionally, the USD(P), in coordination with the Under Secretary of Defense for Intelligence and Security (USD[I&S]), the Under Secretary of Defense for Personnel and Readiness (USD[P&R]), and the Under Secretary of Defense for Acquisition and Sustainment (USD[A&S]), did not oversee the full implementation of the DoD CTF policy. This occurred because the OUSD(P) was unable to successfully coordinate with other DoD components listed in DoD Directive (DoDD) 5205.14 and ensure that those components fulfilled their DoD CTF program-related roles and responsibilities. Furthermore, the USD(P) did not issue a DoDI for conducting DoD CTF activities as outlined in the 2014 JROC-approved DOTmLPF-P Change Recommendation. This occurred because the DASD(CN>) placed the DoDI on hold to develop and release an overarching DoD policy framework focusing on Counterdrug and Counter-Transnational Organized Crime. DASD(CN>) officials also stated that they would only issue a CTF-specific DoDI if they determined that there were gaps in CTF policy guidance not sufficiently covered by existing issuances, publications, and guidance documents.

(U) As a result, the USD(P) and DASD(CN>) were unable to ensure DoD CTF personnel conducted DoD CTF activities in accordance with DoDD 5205.14 and other DoD CTF guidance. Without DoD Components providing program oversight, performing their roles and responsibilities, and further developing the program, the CTF program may not achieve its full effectiveness of impacting adversaries' ability to use financial networks to negatively affect U.S. interests.

(U) Recommendations

(U) We recommend that the Commanders of USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM develop and issue command-level CTF standard operating procedures in accordance with DoDD 5205.14.

(U) We recommend that the Chairman of the Joint Chiefs of Staff, Under Secretary of Defense for Intelligence and Security, Defense Intelligence Agency Director, Under Secretary of Defense for Personnel and Readiness, and Under Secretary of Defense for Acquisition and Sustainment, in conjunction with the USD(P) and U.S. Special Operations Command (USSOCOM), develop a plan of action and milestones to implement guidance and responsibilities outlined in DoDD 5205.14.

(U) We recommend that the USD(P) develop a plan of action and milestones to implement the CTF-specific DoDI as outlined in the JROC-approved Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities, and Policy Change Recommendation, which includes:

- a common lexicon,
- procedures for nominating targets for sanctions and designations,
- procedures for coordinating and executing CTF activities across organizational and geographic boundaries,
- clearly stated objectives for use in defining measures of performance, and
- procedures for engaging interagency and foreign partners with building partnership capacity efforts.

(U) Management Actions Taken

(U) During the course of the evaluation, the Commanders of USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM provided evidence of actions taken to address the recommendations in this report. We reviewed the formalized CTF procedures provided by USEUCOM and USAFRICOM and determined that the procedures met the intent of the recommendation. Therefore, the recommendations for USAFRICOM and USEUCOM are

~~SECRET//NOFORN~~



~~SECRET//NOFORN~~

(U) Results in Brief

Evaluation of Combatant Command Counter Threat Finance Activities

(U) Management Actions (cont'd)

(U) considered resolved and closed. We will close the recommendations for USCENTCOM and USINDOPACOM when we receive and review their approved command procedures.

(U) Management Comments and Our Response

(U) The Deputy Director for Global Operations, J39, responding on behalf of the Chairman of the Joint Chiefs of Staff, agreed with the recommendation to develop a standard CTF training program for CTF analysts and stated that the Joint Staff will coordinate with the DASD(CN>) and USSOCOM in the development of a plan of action and milestones to implement a standard CTF training program. Additionally, the USSOCOM Chief of Staff, responding on behalf of the USSOCOM Commander, also agreed with the recommendation and stated that a 40-hour CTF course designed to be the DoD standard for CTF basic education will be completed in July 2021. The comments from the Deputy Director and the USSOCOM Chief of Staff were responsive to the recommendation. Therefore, the recommendation is resolved but will remain open until we verify that the CTF Basic Course is available.

(U) The Director of Contract Policy, Defense Pricing and Contracting, Acquisition and Sustainment, responding on behalf of the USD(A&S), agreed with the recommendation to develop a plan of action and milestones to establish policies related to United States defense contractors to meet DoD CTF mission needs and coordinate with the USD(I&S) on innovative uses of technology to address intelligence-related CTF issues.

(U) The Director also stated that the USD(A&S) will collaborate with the USD(P) to develop the DoDI to establish policies and guidance relative to the DoD CTF mission. However, the response did not provide details of a plan of action or milestones for completion. Therefore, the recommendation is unresolved and remains open.

(U) The Acting DASD(CN>), responding on behalf of the USD(P), agreed with the recommendation and outlined a plan of action and milestones regarding the development of a DoDI for CTF. The USSOCOM Chief of Staff, responding on behalf of the USSOCOM Commander, also agreed with the recommendation and stated that USSOCOM will work with the USD(P) to implement the DoD CTF instructions when they are finalized. The comments from the Acting DASD(CN>) and the USSOCOM Chief of Staff were responsive to the recommendation. Therefore, the recommendation is resolved but will remain open until we receive and review the DoDI for CTF.

(U) The USD(I&S), Defense Intelligence Agency, and USD(P&R) did not respond to the recommendations in the report to work in conjunction with the USD(P) and USSOCOM to develop a plan of action and milestones to implement guidance and responsibilities outlined in DoDD 5205.14. Therefore, those recommendations are unresolved and remain open. We request that the USD(I&S), Defense Intelligence Agency, and USD(P&R) provide comments on the final report.

(U) Please see the Recommendations Table on the next page for the status of recommendations.

~~SECRET//NOFORN~~

(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
(U) Under Secretary of Defense for Policy	None	7	None
(U) Chairman of the Joint Chiefs of Staff	None	2	None
(U) Under Secretary of Defense for Intelligence and Security	3.a.1, 3.a.2, 3.b.1, 3.b.2, 3.b.3	None	None
(U) Director, Defense Intelligence Agency	4.a, 4.b, 4.c, 4.d, 4.e	None	None
(U) Under Secretary of Defense for Personnel and Readiness	5.a, 5.b, 5.c	None	None
(U) Under Secretary of Defense for Acquisition and Sustainment	6.a, 6.b	None	None
(U) Commander, U.S. Africa Command	None	None	1
(U) Commander, U.S. Central Command	None	1	None
(U) Commander, U.S. European Command	None	None	1
(U) Commander, U.S. Indo-Pacific Command	None	1	None (U)

(U) Please provide Management Comments by June 18, 2021.

NOTE: The following categories are used to describe agency management's comments to individual recommendations:

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

~~SECRET//NOFORN~~



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

2021-05-18

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Evaluation of Combatant Command Counter Threat Finance
Activities (Report No. DODIG-2020-082)

(U) This final report provides the results of the DoD Office of Inspector General's evaluation. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

(U) This report contains recommendations that are considered unresolved because the Under Secretary of Defense for Intelligence and Security, the Under Secretary for Personnel and Sustainment, and the Director of the Defense Intelligence Agency did not address the recommendations presented in the report. The Joint Staff and the Under Secretary of Defense for Acquisition and Sustainment responded to our recommendations; however, the recommendations are unresolved because their responses did not fully address our recommendations.

(U) Therefore, as discussed in the Recommendations, Management Comments, and Our Response section of this report, the recommendations remain open. We will track these recommendations until an agreement is reached on the actions that you will take to address the recommendations and you have submitted adequate documentation showing that all agreed-upon actions are completed.

(U) DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Please send your unclassified comments in electronic file format (Adobe Acrobat file only) to [REDACTED]. Send any classified response via the SECRET Internet Protocol Router Network (SIPRNET) to [REDACTED]. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /SIGNED/ symbol in place of the actual signature.

A handwritten signature in black ink, appearing to read "MR", is located below the text.

Michael J. Roark
Deputy Inspector General Evaluations

~~SECRET//NOFORN~~

DISTRIBUTION:

CHAIRMAN OF THE JOINT CHIEFS OF STAFF

UNDER SECRETARY OF DEFENSE FOR POLICY

UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE AND SECURITY

UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT

COMMANDER, UNITED STATES INDO-PACIFIC COMMAND

COMMANDER, UNITED STATES CENTRAL COMMAND

COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND

COMMANDER, UNITED STATES AFRICA COMMAND

COMMANDER, UNITED STATES EUROPEAN COMMAND

DIRECTOR, DEFENSE INTELLIGENCE AGENCY

(U) Contents

(U) Introduction	1
(U) Objective.....	1
(U) Background	1
(U) Finding	7
(U) USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM Are Conducting Counter Threat Finance Activities Without Required Guidance From OSD and Established Command Procedures.....	7
(U) The CCMDs Planned and Executed CTF Activities to Support Their Missions.....	8
(U) The Combatant Commands Did Not Establish and Maintain Formalized Command Procedures for DoD CTF Activities.....	12
(U) The USD(P), in Coordination with the USD(I&S), USD(P&R), and USD(A&S), Did Not Oversee Implementation of the DoD CTF Policy	14
(U) OUSD(P) Personnel Stated They Do Not Have the Authority to Direct Other Components to Comply With DoDD 5205.14.....	16
(U) The USD(P) Did Not Finalize and Issue the DoD CTF Instruction That Was Outlined in an Approved JROC Change Recommendation	18
(U) The CCMDs May Not Achieve CTF Goals Because DoD Components Have Not Fully Developed or Implemented the CTF Program	19
(U) Management Comments on the Finding and Our Response.....	21
(U) Recommendations, Management Comments, and Our Response.....	22
(U) Appendix A.....	31
(U) Scope and Methodology	31
(U) Use of Computer-Processed Data.....	32
(U) Use of Technical Assistance.....	32
(U) Prior Coverage	32
(U) Appendix B.....	33
(U) Management Comments on the Findings and Our Response.....	33
(U) Management Comments	38
(U) Under Secretary of Defense for Policy	38
(U) The Joint Staf.....	43
(U) Under Secretary of Defense for Acquisition and Sustainmen	44
(U) United States Special Operations Command.....	45
(U) Sources of Classified Information	47
(U) Acronyms and Abbreviations.....	49

(U) Introduction

(U) Objective

(U) The objective of this evaluation was to determine whether U.S. Africa Command (USAFRICOM), U.S. Central Command (USCENTCOM), U.S. European Command (USEUCOM), and U.S. Indo-Pacific Command (USINDOPACOM) planned and executed counter threat finance (CTF) activities to impact adversaries' ability to use financial networks to negatively affect U.S. interests in accordance with DoD Directive (DoDD) 5205.14.

(U) Background

(U) According to DoDD 5205.14, it is DoD policy that the DoD "shall work with other U.S. Government departments and agencies and with partner nations to deny, disrupt, or defeat and degrade adversaries' ability to use global licit and illicit financial networks to negatively affect U.S. interests."¹ According to Joint Publication (JP) 3-25, CTF refers to the activities and actions taken by the Joint Force Commander to "deny, disrupt, destroy, or defeat the generation, storage, movement, and use of assets to fund activities that support a threat network's ability to negatively affect" the Joint Force Commander's ability to attain the desired end state.² Disrupting threat network finances decreases the threat network's ability to achieve their objectives.³

(U) The JP 3-25 also explains that a unity of effort across combatant commands is necessary to disrupt threat networks' global reach and ability to influence events far outside of a specific operational area.

(U) Authorities to Conduct CTF Activities

(U) The DoD authorities that guide the CTF effort include the following.

(U) Section 1022 of the 2004 National Defense Authorization Act

(U) Section 1022 of the 2004 National Defense Authorization Act (NDAA), as amended, provides that the Secretary of Defense may authorize a DoD joint task force originally intended to provide support to law enforcement agencies conducting counter-drug activities to also provide, subject to applicable laws and regulations, support to law enforcement agencies conducting counter-terrorism or counter-transnational organized

¹ (U) DoDD 5205.14, "DoD Counter Threat Finance (CTF) Policy," August 19, 2010, Incorporating Change 3, May 3, 2017.

² (U) Joint Publication 3-25, "Countering Threat Networks," December 21, 2016.

³ (U) Threat networks are those whose size, scope, or capabilities threaten U.S. interests; jeopardize the stability and sovereignty of nation-states, including the United States; and may traffic in licit or illicit goods and services or a combination of both using legal and illegal financial, transportation, and distribution networks.

(U) crime activities.⁴ This law requires the DoD to submit an annual assessment of the effects of those activities; a description of the type, recipient, and objective of such support; a list of current joint task forces authorized to provide law enforcement support; and a certification by the Secretary of Defense that any support provided was provided in compliance with conditions set forth in Section 1022 of the 2004 NDAA.

(U) Section 284 of Title 10, U.S.C.

(U) Section 284 of Title 10, U.S.C authorizes the Secretary of Defense to provide support for the counterdrug activities or activities to counter transnational organized crime of any other department or agency of the Federal government in certain circumstances. Pursuant to 10 U.S.C. §284(a), a law enforcement agency that conducts counter-terrorism or counter-transnational organized crime activities can request support from the Secretary of Defense. 10 U.S.C. §284(b) and (c) outline the purposes for which the Secretary of Defense may provide support for other U.S. Government agencies. DoD components may only provide support under Section 1022 of the 2004 NDAA to law enforcement agencies conducting counter-terrorism or counter-transnational organized crime activities when such support is within the scope of 10 U.S.C §284(b) and (c). The DoD has used Section 1022 in conjunction with 10 U.S.C. §284 to provide intelligence analysis support to law enforcement efforts to disrupt terrorist financing.⁵

(U) DoDD 5205.14, DoD CTF Policy

(U) DoDD 5205.14 establishes DoD CTF policy and assigns responsibilities for the DoD to work with other U.S. Government departments and agencies and with partner nations to deny, disrupt, or defeat and degrade adversaries' ability to use global licit and illicit financial networks to negatively affect U.S. interests.⁶

(U) Joint Publication 3-25, Countering Threat Networks

(U) JP 3-25 states that CTF is one element of countering threat networks. JP 3-25 identifies the types of actions that can be applied when conducting CTF and outlines the key elements of threat finance. In addition, JP 3-25 identifies planning considerations,

4 (U) Public Law 108-136, "The National Defense Authorization Act for Fiscal Year 2004," §1022, "Authority for Joint Task Forces to Provide Support to Law Enforcement Agencies Conducting Counterterrorism Activities," (*amended by* §1022, National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2006, Pub. L. No. 109-163; §1021, NDAA for FY 2008, Pub. L. No. 110-181; §1022, NDAA for FY 2009, Pub. L. No. 110-417; §1012, NDAA for FY 2010, Pub. L. No. 111-84; §1012, NDAA for FY 2011, Pub. L. No. 111-383; §1004, NDAA for FY 2012, Pub. L. No. 112-81; §1011, NDAA for FY 2013, Pub. L. No. 112-239; §1012, NDAA for FY 2014, Pub. L. No. 113-66; and §1014, NDAA for FY 2015, Pub. L. No. 113-291), November 24, 2003.

5 (U) 10 U.S.C 284, "Support for Counterdrug Activities and Activities to Counter Transnational Organized Crime."

6 (U) On May 16, 2019, the Under Secretary of Defense for Policy issued the "Department of Defense Framework to Counter Drug Trafficking and other Illicit Threat Networks." The Framework addresses the challenges posed by drug trafficking, other forms of transnational organized crime, and transnational terrorism financed by illicit means. The licit networks of global supply chain, dynamic trade patterns, and integrated markets allow illicit networks to blend in more easily, making it more difficult for authorities to detect them and thwart operations.

(U) intelligence support requirements, types of operations where CTF is applied, the structure and function of a CTF cell, and the importance of conducting an assessment of CTF-related activities.

(U) Roles and Responsibilities for the DoD CTF Program

(U) The Secretary of Defense has designated responsibilities for the DoD CTF Program to several DoD components through DoDD 5205.14.⁷ Specifically, DoDD 5205.14 assigned roles and responsibilities to the USD(P); the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD[SO/LIC]); the Under Secretary of Defense for Intelligence and Security (USD[I&S]); the Defense Intelligence Agency Director (DIA); the Under Secretary of Defense for Personnel and Readiness (USD[P&R]); the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[A&S]); the Secretaries of the Military Departments; the Chairman of the Joint Chiefs of Staff (CJCS); the Combatant Commanders (CCMDs); and the Commander of U.S. Special Operations Command (USSOCOM).⁸

(U) Office of the Under Secretary of Defense for Policy

(U) The USD(P) is required to:

develop, coordinate, and oversee the implementation of policy and plans for DoD CTF activities and capabilities that include planning, coordination, implementation, support, and compilation of lessons learned, to include interagency deconfliction and adherence to all existing authorities and regulations.

(U) Assistant Secretary of Defense for Special Operations and Low Intensity Conflict

(U) The ASD(SO/LIC) is required to serve as the principal civilian advisor to the Secretary of Defense and the USD(P) on DoD CTF activities, capabilities, and employment of special operations forces and conventional forces engaged in CTF activities. The ASD(SO/LIC)'s responsibilities include developing and coordinating policy guidance, recommending CTF activity goals and requirements according to DoD policies and strategic guidance, and advising and making recommendations for policy on DoD support to other Government agencies.

⁷ (U) The DoDD 5205.14, "DoD Counter Threat Finance (CTF) Policy," August 19, 2010, Incorporating Change 3, May 4, 2017, applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands (CCMDs), and all other organization entities within the Department of Defense (referred to collectively as the "DoD Components").

⁸ (U) On February 1, 2018, the USD(AT&L) was restructured into two organizations: USD Acquisition and Sustainment USD(A&S) and USD Research and Engineering USD(R&E), each with an Under Secretary. USD(A&S) assists in the acquisition of needed technologies while USD(R&E) assists in the research to develop technology for use by the DoD.

(U) Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats

(U) DoDD 5205.14 does not assign responsibilities for the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD[CN>]). However, the DASD(CN>) reports to the ASD(SO/LIC) and is responsible for providing oversight and guidance on policy, resource allocation, and measurements of effectiveness for the DoD's efforts to disrupt and degrade the national security threats posed by illegal drugs, trafficking, piracy, threat finance networks, and any potential connection among these activities.⁹

(U) Office of the Under Secretary of Defense for Intelligence and Security

(U) The USD(I&S) is assigned as the principal staff advisor to the Secretary of Defense and Deputy Secretary of Defense and is also the lead for DoD CTF intelligence-related matters. The USD(I&S) is required to develop DoD threat finance intelligence (TFI) policy and provide oversight of TFI to ensure the Defense Intelligence Enterprise is organized, trained, equipped, and structured to support the DoD TFI missions and requirements of the Office of the Secretary of Defense (OSD), the Joint Staff, the CCMDs, and the Military Departments. In addition, the USD(I&S) is required to enhance and extend DoD TFI capabilities to support policy and acquisition and establish priorities to ensure conformance with Secretary of Defense and Director of National Intelligence policy guidance associated with DoD TFI. The USD(I&S) is also required to represent DoD TFI policy issues in interagency and governmental forums with other U.S. Government entities.

(U) Director, Defense Intelligence Agency

(U) The DIA Director, under the authority, direction, and control of the USD(I&S), is responsible for providing the DoD TFI contribution to foreign intelligence and counterintelligence. The DIA is required to establish and maintain a TFI capability to facilitate TFI integration and collaboration across the Defense Intelligence Enterprise and the Intelligence Community. The DIA is also required to advance DoD TFI sharing and partnership with the other U.S. governmental agencies and partner nations. The DIA is also required to serve as the intelligence conduit for the CCMDs within the other U.S. governmental agencies and as the DoD lead for coordinating DoD TFI support to meet CCMD requirements. Finally, the DIA leads efforts to align analysis, collection, intelligence, surveillance, and reconnaissance activities with operations as well as link and coordinate defense and national intelligence capabilities.

⁹ (U) On November 18, 2020, the Acting Secretary of Defense removed the Office of ASD(SO/LIC) from the office of the USD(P). However, DASD(CN>) remained with the USD(P).

(U) Office of Under Secretary of Defense for Personnel and Readiness

(U) The USD(P&R) is required to provide guidance on personnel policy issues related to DoD CTF. The USD(P&R), in coordination with the Secretaries of the Military Departments, is required to ensure policies and procedures are in place to identify and monitor military and civilian personnel who have been trained on or are experienced in CTF. In addition, the USD(P), in coordination with the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments, is required to annually assess the sufficiency and readiness of civilian and uniformed personnel to meet DoD CTF-related requirements.

(U) Office of Under Secretary of Defense for Acquisition and Sustainment

(U) The USD(A&S) is required to establish policies related to the capability of U.S. defense contractors to meet DoD CTF mission needs. Additionally, the USD(A&S) is required to coordinate with the USD(I&S) on innovative uses of technology to address intelligence-related CTF issues.

(U) Secretaries of the Military Departments

(U) The Secretaries of the Military Departments are required to provide timely advice to the Secretary of Defense and support to DoD CTF activities, including manpower, personnel, reserve affairs, weapons systems and equipment acquisition, communications, and financial management. The Secretaries of the Military Departments must provide timely advice to the Secretary of Defense on DoD TFI and to USSOCOM on DoD CTF in line with their responsibilities. Finally, the Secretaries of the Military Departments, in conjunction with the USD(P&R), are required to ensure policies and procedures are in place to identify and monitor personnel who have been trained or are experienced in CTF.

(U) Chairman of the Joint Chiefs of Staff

(U) The CJCS is required to serve as the principal military advisor to the Secretary of Defense for DoD CTF and, in conjunction with the ASD(SO/LIC), provide oversight to ensure that the Military Services maintain CTF capabilities and capacity. The CJCS is required to direct joint education and training, exercises, concept development, and experimentation to ensure that the Military Services are prepared to plan, conduct, and sustain campaigns involving DoD CTF activities and operations. Additionally, the CJCS is required to ensure that the Joint Requirements Oversight Council (JROC) reviews the annual requirements of DoD CTF activities. The CJCS is also required to validate doctrine, organization, training, materiel, leadership and education, personnel and facilities capability gaps with DoD CTF applications and coordinate with appropriate capability developers to mitigate shortfalls.

(U) Combatant Commanders

(U) The CCMDs are responsible for planning, execution, and coordinating DoD CTF day-to-day activities within their respective areas of responsibility or functional areas. The CCMDs are required to establish a dedicated DoD CTF capability approved by the JROC that integrates intelligence and operations, analyzes financial intelligence, and coordinates the execution of DoD CTF activities.

(U) Commander, United States Special Operations Command

(U) The USSOCOM Commander, as the DoD CTF lead component for synchronizing DoD CTF activities, is required to serve as a facilitator and proponent for the CCMDs, focusing on aligning transnational objectives, priorities, and disruption efforts with interagency partners and respective CCMDs. The USSOCOM Commander is required to lead and coordinate DoD CTF activities, establish a dedicated DoD CTF capability that integrates intelligence and operations, analyze financial intelligence, coordinate the execution of DoD CTF activities, and coordinate with USD(I&S) through DIA to support CCMD theater strategy and operational priorities. Additionally, the USSOCOM Commander facilitates and coordinates DoD CTF activities with the heads of the DoD Components and other Government agencies.

(U) Finding

(U) USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM Are Conducting Counter Threat Finance Activities Without Required Guidance From OSD and Established Command Procedures

~~(S//NF)~~ USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM planned and executed CTF activities to support their respective missions. [REDACTED]

(U) Although the CCMDs we reviewed planned and executed CTF activities, the CCMD CTF branches did not establish and maintain formalized command procedures for DoD CTF activities. This occurred because the CCMDs relied upon the institutional knowledge of their CTF staff to develop and manage their respective CTF programs, resulting in non-standardized processes and procedures across CCMDs. In addition, CCMD CTF officials stated that it was difficult to retain qualified CTF personnel, that CTF processes and procedures were shared verbally, and that CTF was an “on the job training” type of activity.

(U) Additionally, OSD Components could improve governance of the CTF program to enable CCMDs to more effectively plan and execute CTF activities in their area of responsibility. Specifically, there were two main shortfalls: (1) the USD(P) in coordination with the USD(I&S), USD(P&R), and USD(A&S), did not oversee the full implementation of the DoD CTF policy, and (2) the USD(P) did not issue a DoD instruction for executing CTF, as outlined in an approved JROC change recommendation. Specifically, the following issues occurred.

- (U) The USD(P) did not oversee the implementation of the DoD CTF policy to ensure that all DoD components performed their roles and responsibilities in accordance with DoDD 5205.14. This occurred because the USD(P) was unable to successfully coordinate with other DoD components listed in DoDD 5205.14 and ensure that those

(U) components fulfilled their DoD CTF program-related roles and responsibilities. According to the Global Threats Director within the office of the DASD(CN>), the USD(P) does not have the authority to direct or task other DoD components to coordinate their efforts or fulfill their CTF-related roles or responsibilities.

- (U) The USD(P) did not issue a CTF-specific DoD Instruction that details a common lexicon for CTF, target nomination procedures, and guidance for defining measures of performance for CTF activities in accordance with the 2014 DoD CTF Joint Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities, and Policy (DOTmLPF-P) Change Recommendation. The DASD(CN>) provided a draft CTF-specific DoD Instruction to the Joint Staff in December 2017, which closed the JROC Memorandum task. However, as of November 2020, the USD(P) has not finalized and issued the CTF DoD Instruction because DASD(CN>) officials are assessing whether or not it is necessary to develop and issue a CTF-specific DoDI. According to the Global Threats Director within the office of the DASD(CN>) and the USD(P), the DASD(CN>) office will begin a review in early 2021 to determine whether there are gaps in CTF policy guidance that are not sufficiently covered by existing issuances, publications, and guidance documents. If the DASD(CN>) office determines that there are gaps in CTF policy, they will begin developing a CTF-specific DoDI.

(S//NF)

Although the CCMDs planned and executed CTF activities to support their respective geographical commands, the DoD Components listed in DoDD 5205.14 did not fully develop or implement the DoD CTF program in accordance with DoDD 5205.14. Without DoD Components providing program oversight, performing their roles and responsibilities, and further developing the program, the CTF program may not achieve its full effectiveness of impacting adversaries' ability to use financial networks to negatively affect U.S. interests.

(U) The CCMDs Planned and Executed CTF Activities to Support Their Missions

(U) USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM planned and executed CTF activities to support their respective missions. In accordance with DoDD 5205.14, the CCMDs are required to designate an office of primary responsibility for coordinating all DoD CTF activities by establishing a dedicated DoD CTF capability, supporting interagency threat finance efforts, and establishing mechanisms with other nations to affect adversary funding activities. Additionally, the CCMDs are required to establish DoD threat finance intelligence as an area of critical intelligence focus, establish and maintain command procedures and resources, and integrate DoD CTF activities into operational exercises and training. Furthermore, the CCMDs are required to:

- submit all DoD CTF activities and requirements annually,
- coordinate to develop standards for training DoD CTF personnel,

- establish lines of communication among the CCMDs and deployed task forces,
- notify USSOCOM upon commencement of all DoD CTF activities,
- focus interagency support on CCMD DoD CTF theater strategy, and
- foster the development of active collaborative relationships with all CCMDs and interagency partners.

(U) USAFRICOM CTF Activities

(U) USAFRICOM conducted CTF activities through its CTF Branch located within the Directorate for Strategy, Engagement, and Program. USAFRICOM CTF analysts coordinated with Special Operations Command Africa as well as various interagency partners – the Department of Homeland Security’s Homeland Security Investigation, the Department of State, Department of the Treasury, and the Federal Bureau of Investigation – to deny, disrupt, destroy, or defeat threat finance activities. With CTF analysts located in the United Kingdom, Djibouti, and Bahrain, USAFRICOM’s CTF branch works to counter adversarial financial networks by developing potential leads. These leads were further developed by USAFRICOMs Directorate of Intelligence before being presented to the Joint Targeting Coordination Board to determine possible kinetic or non-kinetic actions against an identified target. In addition, the USAFRICOM CTF Branch integrated CTF-related activities into operational exercises.

(S//NF) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(U) USCENTCOM CTF Activities

(U) USCENTCOM conducts CTF activities through CTF personnel assigned to branches within the Directorate for Operations (CCJ3) Interagency Action Group and the Interagency Coordination and Targeting Division. USCENTCOM CTF analysts coordinate CTF activities with subcomponent commands, Joint Task Forces, and various interagency partners, including the Departments of State, Treasury, Commerce, and Energy; the Federal Bureau of Investigation; the Drug Enforcement Administration; Customs and Border Protection; and the National Ground Intelligence Center.

(S//NF) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(S//NF) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(U) USEUCOM CTF Activities

(S//NF) USEUCOM conducted CTF activities through its CTF Branch located within the J9 Directorate in its Joint Interagency Counter Trafficking Center (JICTC). [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(S) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(S) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(U) USINDOPACOM CTF Activities

(CUH) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(S//NF) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. According to USINDOPACOM CTF analysts, the USINDOPACOM CTF Branch developed a database called TETRIS to support CTF operations and provide a means to track CTF operations across all Combatant Commands. In October 2019, the USINDOPACOM CTF Branch analysts continued updating TETRIS by entering 26 new entities, 18 suspect financial transactions, and 8 identified CTF actions. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(U) The Combatant Commands Did Not Establish and Maintain Formalized Command Procedures for DoD CTF Activities

(U) The CCMD CTF Branches did not establish and maintain formalized command procedures for planning and executing DoD CTF activities in accordance with DoDD 5205.14. According to DoDD 5205.14, Combatant Commanders are required to establish and maintain command procedures and resources for DoD CTF activities. We determined that USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM did not establish and maintain formalized command procedures.

(U) According to JP 3-31, a standard operating procedure (SOP) is a “set of instructions applicable to those features of operations that lend themselves to a definite or standardized procedure without loss of effectiveness.”¹⁰ Joint Publication 3-31 also states that the manner in which geographic combatant commanders organize operational areas and forces within their areas of responsibilities directly affects command and control, responsiveness, and versatility of joint force operations. It also states that centralized planning and direction are key considerations to accomplish mission related tasks. The purpose of an SOP is to standardize how a unit operates through the use of organizational best practices to preserve the efficacy of the organization. Additionally, procedures that are consolidated and established in writing provide a single point reference for personnel.

(U) In June 2020, USCENTCOM CCJ3 personnel stated that USCENTCOM was updating its CTF Command Procedures and CTF Training SOPs. A USCENTCOM CCJ3 official stated that USCENTCOM established and maintained command procedures for planning and executing DoD CTF activities. USCENTCOM personnel sent us numerous documents, including a list of recommended training for CTF analysts, a military order regarding CTF processes, and PowerPoint slides on DoD targeting doctrine. None of the documents provided by USCENTCOM included a formalized SOP for their CTF functions.

(U) While none of the CCMDs had formalized command procedures, personnel from each CCMD stated that they believed that they were complying with the requirements of DoDD 5205.14 because they built relationships with other CCMDs and interagency partners; focused interagency support on CCMD DoD CTF theater strategy; and submitted all DoD CTF activities and requirements annually to the USD(P)—all of which are required by DoDD 5205.14. For example, according to personnel from each CCMD,

¹⁰ Joint Publication 3-31, Joint Land Operations, October 3, 2019.

(U) the CCMD CTF Branches conducted monthly coordination with and received reports from entities involved in CTF efforts in accordance with DoDD 5205.14. Additionally, CCMDs fostered collaborative relationships with interagency partners in accordance with DoDD 5205.14.

(U) CCMD CTF branches did not formalize or standardize CTF procedures to ensure continuity of the CTF program and instead relied upon institutional knowledge and informal relationships to execute the CTF program. CCMD CTF officials stated that it was difficult to retain qualified CTF personnel, that CTF processes and procedures were shared verbally, and that CTF was an “on the job training” type of business. CCMD CTF personnel also stated that CTF procedures are different at each CCMD to accommodate the needs of each geographical region and combatant commander. Furthermore, a 2018 Joint Staff J7 study reported that CCMD CTF personnel work in their position for a short period of time and then transition to their next assignment. The study also stated that the Services do not track trained CTF personnel that rotate to different geographic locations. The Director of Global Threats, stated that there “are frequent cases of CTF team leaders and analysts moving from one CCMD to another” and when CTF personnel move, they “bring their knowledge, skills, and experience (including experience in command procedures) with them.” However, frequent changes in CTF personnel resulted in CTF staff relying on their personal experience and knowledge of CTF methods and procedures instead of establishing and relying on formalized or standardized command procedures.

(U) We also determined that not all CCMD CTF branches were using standardized metrics to measure performance or effectiveness of actions taken against adversarial financial networks. For example, CTF branch personnel at USINDOPACOM stated the CTF metrics do not exist. Additionally, CTF branch personnel at USAFRICOM stated that there was no guidance regarding measures of effectiveness. According to the DoD Framework to Counter Drug Trafficking and Other Illicit Threat Networks, dated May 2019, CCMDs are required to measure and report annual performance in accordance with guidance issued by the DASD (CN>).¹¹ The DoD Framework also states that the CCMDs are responsible for reporting on performance metrics that most accurately represent the tasks they perform and the progress they achieve toward the desired end-states. The DoD Framework explained that effective performance metrics have several benefits including: (1) aligning programs and initiatives with strategic priorities and objectives; (2) supporting mission execution by defining the parameters of mission success and by measuring progress toward objectives; (3) framing program expectations in support of common strategic stakeholder objectives; (4) identifying gaps in program performance and determining opportunities for improvement early in

¹¹ (U) Under Secretary of Defense for Policy, “Department of Defense Framework to Counter Drug Trafficking and other Illicit Threat Networks,” May 16, 2019.

(U) a process to avoid expending resources on underperforming programs; and
(5) providing a means to monitor activities for policy compliance.

(U) As a result of our interviews with USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM personnel, CTF branch personnel developed draft CTF command procedures in an effort to comply with DoDD 5205.14 requirements. On September 24, 2020, USAFRICOM sent us their finalized CTF procedure and training SOPs. On March 10, 2021, USEUCOM sent us their finalized CTF SOP. However, USCENTCOM and USINDOPACOM have not finalized their CTF command procedures.

(U) The OSD(P), in Coordination with the OSD(I&S), OSD(P&R), and OSD(A&S), Did Not Oversee Implementation of the DoD CTF Policy

(U) The OSD(P) did not oversee the implementation of the DoD CTF policy that was executed by the CCMDs to ensure that the OSD(I&S), OSD(P&R), and OSD(A&S) performed their DoD CTF program-related roles and responsibilities because the OSD(P) was unable to successfully coordinate with the other OSD components listed in DoDD 5205.14.

(U) The OSD(I&S) Did Not Provide Evidence That the Defense Intelligence Enterprise Was Able to Support DoD TFI Missions and Requirements

(U) The OSD(I&S) did not ensure that the Defense Intelligence Enterprise was organized, trained, equipped, and structured to support DoD TFI missions and requirements, as required by DoDD 5205.14. We were unable to identify a point of contact within the OSD(I&S) that was aware of CTF or TFI efforts. According to DASD(CN>) representatives, while the DASD(CN>) had points of contact within the OSD(I&S), OSD(I&S) support for CTF efforts was lacking. In a meeting with OSD(I&S) personnel, the OSD(I&S) representative was unable to identify anyone in the OSD(I&S) working on CTF or TFI efforts. In addition, OSD(I&S) personnel stated that the OSD(I&S) was aware of its CTF responsibilities but that the OSD(I&S) was not resourced appropriately, nor did the OSD(I&S) know what CTF responsibilities it was specifically required to carry out. In addition, OSD(I&S) personnel stated that CTF was considered a minor project and those that worked CTF within the OSD(I&S) were reallocated to work other intelligence priority issues. Furthermore, according to OSD(I&S) and DIA personnel, the OSD(I&S) permitted the DIA to stop funding its basic and advanced CTF training courses in August 2019 – effectively ending the sole DoD CTF-related training available to military and DoD civilian personnel performing CTF activities.

(U) The USD(P&R) Did Not Monitor Military and Civilian Personnel as Required

(U) The USD(P&R) did not identify and monitor military and civilian personnel experienced or trained in CTF as required by DoDD 5205.14. DoDD 5205.14 states that the USD(P&R), in coordination with the Secretaries of the Military Departments, must ensure policies and procedures are in place to identify and monitor military and civilian personnel who have been trained and are experienced in CTF. However, according to OUSD(P&R) personnel, they were unaware of these requirements.

(U) Specifically, OUSD(P&R) officials stated that they were not aware of any requirement to annually assess the sufficiency and readiness of civilian and uniformed personnel to meet CTF-related obligations. OUSD(P&R) officials further stated that, because they were unaware of these requirements, they were not tracking CTF personnel. OUSD(P&R) officials also stated it would have been difficult to track CTF personnel when specific datasets are not reported in the Defense Readiness Reporting System. The officials from the OUSD(P&R) added that it was incumbent on the OUSD(P) to follow up and ensure responsibilities were being accomplished. However, the Director of Global Threats stated that the OUSD(P&R) was aware of its CTF responsibilities because the Office of Global Threats discussed the OUSD(P&R)'s CTF responsibilities with them on multiple occasions.

(U) The USD(A&S) Did Not Coordinate With the USD(I&S) on Innovative Uses of Technology for CTF as Required

(U) The USD(A&S) did not coordinate with the USD(I&S) on innovative uses of technology to address intelligence-related CTF issues, as required by DoDD 5205.14. According to DoDD 5205.14, the USD(A&S) is required to coordinate with the USD(I&S) on innovative uses of technology to address intelligence-related CTF issues. According to OUSD(A&S) personnel, the OUSD(A&S) was not fulfilling its CTF responsibilities. Specifically, OUSD(A&S) personnel provided a signed memorandum, dated December 5, 2019, stating that the OUSD(A&S) has no documentation that interaction with the OUSD(I&S) was ever conducted regarding the innovative uses of technology to address intelligence-related CTF issues.¹² However, the memorandum from the USD(A&S) also stated that the USD(A&S) is willing to partner with the USD(I&S) to address intelligence-related CTF issues.

(U) Additionally, the USD(A&S) memorandum showed that the OUSD(A&S) was not fulfilling its requirement of establishing policies related to the capability of U.S. defense

¹² (U) This memorandum was signed by the Acting Principal Director, Defense Pricing and Contracting, Office of the Under Secretary of Defense for Acquisition and Sustainment on December 5, 2019.

(U) contractors to meet DoD CTF mission needs. The USD(A&S) memorandum stated that, while the USD(A&S) establishes acquisition rules and guidance that govern contractual relationships with defense industry partners, the USD(A&S) does not have a policy specific to CTF defense contractor capabilities. The USD(A&S) memorandum also stated that the USD(A&S) believes the USD(P) is responsible for developing policy specific to CTF defense contractor capabilities because it is the owner of the global contract that governs CTF contractor capabilities.

(U) OUSD(P) Personnel Stated They Do Not Have the Authority to Direct Other Components to Comply With DoDD 5205.14

(U) The DASD(CN>) office performs its responsibilities at the direction of the USD(P) and is responsible for coordinating and overseeing the implementation of policy and plans for DoD CTF activities and capabilities. However, according to the Director of Global Threats, the USD(P) does not have the authority to direct or task other DoD components to fulfill their CTF-related responsibilities. In addition, according to the Director of Global Threats, the DoD's Office of General Counsel confirmed that the USD(P) does not have the authority, direction, or control to direct or enforce compliance with DoDD 5205.14.

(U) Without the authority to direct other components, the DASD(CN>) relied on coordination efforts to implement DoDD 5205.14; however, these efforts were not successful. The DASD(CN>) Director stated that they were unable to get cooperation from other DoD Components. For example, in January 2020, USSOCOM hosted an annual CTF Conference in Tampa, Florida. USSOCOM is designated in the DoDD 5205.14 as the DoD CTF lead component for coordinating DoD CTF activities and is required to serve as a facilitator and proponent for the CCMDs. Representatives from the various CCMDs, Military Services, Joint Staff, combat support agencies, interagency partners, academia, and contract companies attended the conference. Absent from the conference were representatives from the OUSD(I&S), OUSD(P&R), OUSD(A&S), and the Service Secretaries.

(U) The CTF conference included a discussion panel of past, present, and future CTF efforts, an overview of tools available by contract companies, and a panel providing an update on a CTF initiative – CTF 2.0 – being pursued by the DASD(CN>) to update the DoD CTF program and to address gaps in personnel mobility, tracking of personnel, and relationships with intelligence components. According to DASD(CN>) personnel, the CTF 2.0 initiative is an effort to maintain and improve upon the DoD CTF program and activities. The CTF 2.0 initiative was started in August 2019 by the DASD(CN>) to solicit input from key DoD CTF stakeholders and to mobilize other DoD components'

(U) fulfillment of their CTF responsibilities. The CTF 2.0 initiative consisted of four groups focusing on personnel mobility, professional education, Intelligence Community relationships, and information technology.

(U) The Director of Global Threats stated that despite efforts to coordinate with other DoD components listed in DoDD 5205.14, the Global Threats office was unable to coordinate compliance with the CTF directive. The Director of Global Threats also stated that in their discussions with the other DoD components, the DoD components stated that CTF is not a priority for them and that they lack sufficient staff to devote to CTF issues. For example, the Director of Global Threats stated that personnel from the OUSD(P&R) declined to participate in the task force on personnel mobility for the CTF 2.0 initiative because the OUSD(P&R) was “overextended.” When we asked DASD(CN>) management whether they advised senior leaders that they were unable to coordinate with DoD components responsible for CTF activities, the director of Global Threats stated that they did not because the DASD(CN>) first tries to resolve issues at the lowest level and through coordination with other DoD colleagues. Therefore, the DASD(CN>) and the other DoD components listed in DoDD 5205.14 did not coordinate to fulfill their CTF-related responsibilities.

(U) The Military Services and Joint Staff Were Unable to Identify CTF Points of Contact

(U) While we interviewed personnel from the OUSD(I&S), OUSD(P&R), and OUSD(A&S) to determine why they had not fulfilled their CTF responsibilities, we were unable to identify the appropriate CTF points of contact for the Army, Navy, and Air Force. The Army, Navy, and Air Force responded and provided us with points of contact, but we determined through discussions with these offices that the contacts were not the offices responsible for CTF and did not have information on their respective Service’s implementation of the CTF program. We made several attempts to identify the appropriate offices but were unable to do so. The Marine Corps was the only Military Service to provide a substantive response to our request for information.

(U) According to the Marine Corps’ response, the Marine Corps has been actively involved in the DoD CTF program for several years. In 2014, the Marine Corps led the effort to author Joint Publication 3-25. In this effort, the Marine Corps collected information from disparate Joint Publications that detailed information on CTF to create a CTF appendix in Joint Publication 3-25. This information was used to aid in the training of individuals attending CTF courses when held at the DIA and the Joint Special Operations University. In addition, since 2010, the Marine Corps has been active in various working groups and steering committees in an effort to assist in solving the DoD’s ongoing CTF issues.

(U) Additionally, DASD(CN>) officials stated that the Joint Staff Operations Directorate and Joint Force Development Directorate had roles in facilitating CTF activities and provided us with points of contact. We made several attempts to meet with the Joint Staff and discuss its role in the CTF Program; however, the Joint Staff did not schedule a meeting with us. While a Joint Staff J7 representative initially conveyed interest in meeting with the team, they did not respond to our subsequent requests to schedule a meeting. The Joint Staff J3 also conveyed interest in meeting with the team following an introduction at the 2020 CTF Conference held in Tampa, Florida. After several unsuccessful attempts to meet with the Joint Staff directorates, we chose to pursue interviews with points of contact at the DASD(CN>) and other CCMD CTF branches. We gathered enough evidence to determine that there was a lack of coordination between the OUSD(P) and the Joint Staff regarding the Joint Staff's DoD CTF program responsibilities. For example, on October 16, 2020, the DASD(CN>) office sent a memo to the Director of the Joint Staff requesting Joint Staff coordination and asking the Joint Staff to identify a point of contact for CTF and for assistance from the Joint Staff in working with CCMDs.

(U) The USD(P) Did Not Finalize and Issue the DoD CTF Instruction That Was Outlined in an Approved JROC Change Recommendation

(U) The USD(P) did not finalize and issue the DoD CTF instruction that was outlined in an approved JROC change recommendation. In 2014, the JROC approved a DOTmLPP-P Change Recommendation that designated the OUSD(P) as the office of primary responsibility to develop a CTF-specific DoD Instruction (DoDI) to establish policy direction and guidance for planning, synchronizing, and executing CTF activities in accordance with DoDD 5205.14. The JROC change recommendation also stated that the DoDI should include a common lexicon for CTF, target nomination procedures, and guidance in defining measures of performance for CTF activities. The DASD(CN>) provided a draft CTF DoDI to the Joint Staff in December 2017, which closed the JROC memorandum task. However, as of November 2020, the USD(P) has not issued the instruction for publication.

(U) According to DASD(CN>) officials, the USD(P) delayed issuing the instruction to develop a Counterdrug/Counter Transnational Organized Crime policy, which is meant to serve as an overarching framework for DoDI-type guidance on all Counterdrug/Counter Transnational Organized Crime programs that include counterdrug-funded CTF. The Counterdrug/Counter Transnational Organized Crime Policy, DoDI 3000.14, was issued on August 28, 2020. DASD(CN>) officials stated that with the completion of DoDI 3000.14, the office would decide whether there is a need for a CTF-specific DoDI. They further stated that the office would review whether

(U) there are any gaps in CTF policy guidance not sufficiently covered by existing issuances, publications, and guidance documents. If the DASD(CN>)'s office determines there are gaps in CTF policy, it will use the 2017 draft CTF DoDI as a starting point. Alternatively, if the DASD(CN>)'s office determines that CTF policy can be sufficiently addressed by other existing issuances, publications, and guidance documents, it will not develop or issue a CTF-specific DoDI.

(U) We reviewed the Counterdrug/Counter Transnational Organized Crime Policy, DoDI 3000.14, and determined that it does not address the requirements for a CTF-specific DoDI outlined in the 2014 JROC DOTmLPF-P Change Recommendation. DoDI 3000.14 does not detail a common lexicon for CTF, describe target nomination procedures, or provide guidance in defining measures of performance for CTF activities. Therefore, DoDI 3000.14 does not sufficiently address CTF policy.

(U) We reviewed the 2017 draft DoD CTF Instruction and determined that it addresses the requirements for a CTF-specific DoDI outlined in the 2014 JROC DOTmLPF-P Change Recommendation. The 2017 draft DoD CTF Instruction includes guidance to all DoD CTF components enabling them to more efficiently conduct CTF-related activities at the CCMD level, with interagency partners, and with partnered nations. The draft DoD CTF Instruction also includes a common lexicon that enables all users to understand the difference between CTF and TFI and provides interagency partners with a single document to better understand the DoD CTF vernacular. In addition, the draft DoD CTF Instruction details procedures for nominating targets commonly used by interagency partners resulting in a smoother transition of target nomination between the CCMDs and interagency partners. Finally, the draft DoD CTF Instruction will aid DoD CTF components in developing clearly stated objectives, defining measures of performance, and determining how the DoD is deterring adversarial terrorism finance activities.

(U) The CCMDs May Not Achieve CTF Goals Because DoD Components Have Not Fully Developed or Implemented the CTF Program

(S//NF)

Although the CCMDs planned and executed CTF activities to support their respective geographical commands, the USD(P) and other DoD components listed in DoDD 5205.14 did not fully develop or implement the DoD CTF program. The DoD established the CTF program in 2008 with the implementation of Directive-Type Memorandum 08-034. The memorandum was cancelled in 2010 when DoDD 5205.14, DoD CTF Policy, was published. Since then, the DoD CTF Policy has undergone three changes and the DoD has issued the following three reports identifying deficiencies with the CTF program.

(U) A 2011 CTF Efficiencies Report Established USSOCOM as the Lead Component for CTF

~~(U//FOUO)~~ In September 2011, the USD(P) reviewed the DoD CTF programs for efficiencies regarding the role of the CTF lead component. The report examined three options: (1) streamline USSOCOM lead component responsibilities, (2) transfer lead component responsibilities to the Joint Staff, and (3) develop a disaggregated model with no functional lead component. [REDACTED]

[REDACTED]

USSOCOM has maintained its role as the lead component for the DoD CTF program since the USD(P) published this report.

(U) A 2013 Shortfall Analysis Report for DoD CTF Capabilities Indicated That Effectiveness and Efficiency of the Program Suffered Because of Inadequate Training and Education for CTF Analysts

~~(C)~~ In May 2013, the DASD(CN>) sponsored a DoD capabilities assessment of its CTF program. [REDACTED]

[REDACTED]

13 (U) USD(P) and USD(I) Action Memorandum, "Counter Threat Finance (CTF) Efficiencies Recommendation," September 26, 2011.

(U) The JROC Memorandum 091-14 Designated the USD(P) as the Lead for Implementing Recommended Changes to Standardize the CTF Program

(U) The DoD CTF Joint DOTmLPPF-P Change Recommendation designated the USD(P) as the lead for implementing the recommended changes identified within the memorandum, with the Joint Staff and DoD Components implementing the requested actions. These actions included integration of CTF into joint doctrinal publications; incorporating CTF capabilities into Theater Campaign Plans; adding discussions of CTF capabilities and limitations to appropriate professional military education and training courses; developing a standardized CTF analyst education curriculum; and developing a DoD Instruction to establish policy direction and guidance for planning, coordinating, and executing CTF activities.

(U) [REDACTED]
[REDACTED]
[REDACTED].¹⁴ Without all DoD components providing program oversight, performing their roles and responsibilities, and further developing the program, the CTF program may not achieve its overall goal of impacting adversaries' ability to use financial networks to negatively affect U.S. interests.

(U) Management Comments on the Finding and Our Response

(U) The Acting DASD(CN>), responding on behalf of the USD(P), provided a series of comments on the report findings. A summary of those comments and our response is in Appendix B of this report and the full text of managements' comments are in Appendix C.

¹⁴ (U) The 2020 DoD Counter Threat Finance (CTF) Conference, hosted by USSOCOM, was held in Tampa, Florida, January 28-30 2020.

(U) Recommendations, Management Comments, and Our Response

(U) Recommendation 1

(U) We recommend that the Commanders of U.S. Africa Command, U.S. European Command, U.S. Central Command, and U.S. Indo-Pacific Command develop and issue formalized Counter Threat Finance command procedures in accordance with DoD Directive 5205.14 to ensure continuity of their Counter Threat Finance operations and compliance with the Directive.

(U) Combatant Command Management Actions Taken

(U) USCENTCOM and USINDOPACOM began developing draft standard operating procedures to address the lack of formalized command procedures identified during our evaluation. In addition, in response to a discussion draft of this report, USAFRICOM and USEUCOM sent us final formalized standard operating procedures for their CTF programs. Combatant Command efforts to address our recommendation included the following actions.

(U) USAFRICOM Actions Taken

(U) In June 2020, USAFRICOM provided us with a draft copy of its CTF SOP and CTF Training SOP. On September 24, 2020, USAFRICOM sent us its finalized USAFRICOM CTF SOP and USAFRICOM CTF Training Manual. The USAFRICOM CTF SOP includes strategic goals, an operational approach, strategic measures of effectiveness, and internal and external branch processes for CTF analysts. The CTF Training SOP contains a list of required training, recommended CTF-related readings, and anti-money laundering practices. Additionally, the CTF Branch stated that it continued to coordinate with the CTF 2.0 Task Force. We reviewed the standard operating procedures and determined the procedures meet the intent of our recommendation. Therefore, the recommendation for USAFRICOM is considered resolved and closed.

(U) USCENTCOM Actions Taken

(U) In January and March 2020, USCENTCOM sent us numerous documents that included lists of training and power point slides on DoD targeting doctrine and a military order regarding CTF processes. However, none of these documents were formalized. The Division Chief for the Interagency Coordination and Targeting Division stated that the training procedures were being updated in collaboration with the DASD(CN>) CTF 2.0 effort. The CTF 2.0 effort is long standing and would most likely not be implemented in a short period of time. In addition, in June 2020, the Division Chief noted that both the CTF Command Procedures and the CTF training program were still in the process of being updated. Efforts to manage the COVID-19 pandemic have

(U) lengthened the timeline to complete these updates. As of April 2021, USCENTCOM had not sent us a formalized SOP regarding CTF procedures or training for CTF analysts. Therefore, the recommendation is resolved but remains open. We will close the recommendation once we receive and review the USCENTCOM's formalized CTF procedures.

(U) USEUCOM Actions Taken

(U) On December 11, 2020, USEUCOM provided us the Joint Interagency Counter Trafficking Center draft operating procedure as evidence it was working on developing formalized command procedures. On February 12, 2020, USEUCOM sent us its Internal Training Checklist that includes a list of training events and documents to read for CTF analysts. In addition, on March 10, 2021, USEUCOM sent us its finalized Joint Interagency Counter Trafficking Center SOP. This document includes a description of the USEUCOM CTF Branch mission, responsibilities of CTF specialists and interagency analysts, and business rules. We reviewed the standard operating procedures and determined the procedures meet the intent of our recommendation. Therefore, the recommendation for USEUCOM is considered resolved and closed.

(U) USINDOPACOM Actions Taken

(U) In June 2020, the USINDOPACOM J357 CTF Branch Chief provided us draft copies of the CTF SOP, the CTF Training Checklist, and several other CTF-related documents. The USINDOPACOM CTF Branch Chief also stated that he would provide additional sections of USINDOPACOM's updated policies when completed. Therefore, the recommendation for USINDOPACOM is resolved but remains open. We will close the recommendation once we receive and review the USINDOPACOM's formalized CTF procedures.

(U) Recommendation 2

(U) We recommend that the Chairman of the Joint Chiefs of Staff, in conjunction with the Under Secretary of Defense for Policy and U.S. Special Operations Command, develop a standard Counter Threat Finance training program for the development of Counter Threat Finance analysts.

(U) Chairman of the Joint Chiefs of Staff

(U) The Deputy Director for Global Operations, J39, responding on behalf of the Chairman of the Joint Chiefs of Staff, agreed with the recommendation and stated that the Joint Staff will coordinate with and assist the DASD(CN>) and USSOCOM in the development of a plan of action and milestones to implement a standard CTF training program.

(U) USD(P)

(U) The Acting DASD(CN>), responding on behalf of the USD(P), agreed with the recommendation, stating that in 2020, the OUSD(P) and USSOCOM began designing a new standard CTF training program for the development of CTF analysts. The Acting DASD also stated that USSOCOM's new online CTF Basic Course is scheduled to be available on Joint Knowledge Online in July 2021.

(U) USSOCOM

(U) The USSOCOM Chief of Staff, responding on behalf of the USSOCOM Commander, agreed with the recommendation and stated that the USSOCOM CTF online Basic Course will be completed in July 2021. The Chief of Staff also stated that the program will be a 40-hour certificate course designed to be the DoD standard for CTF basic education.

(U) Our Response

(U) The comments by the Deputy Director, Acting DASD(CN>), and USSOCOM Chief of Staff were responsive to the recommendation. Therefore, the recommendation is resolved but will remain open. We will close the recommendation when we receive documentation from DASD(CN>) or USSOCOM verifying that USSOCOM's CTF Basic Course is available on the Joint Knowledge Online website.

(U) Recommendation 3

(U) We recommend that the Under Secretary of Defense for Intelligence and Security, in conjunction with the Under Secretary of Defense for Policy and U.S. Special Operations Command,

a. (U) Develop a plan of action and milestones to:

- 1. (U) Develop a DoD Threat Finance Intelligence policy that includes providing oversight of Threat Finance Intelligence to ensure that the Defense Intelligence Enterprise is organized, trained, equipped, and structured to support DoD Threat Finance Intelligence missions and requirements of the Office of the Secretary of Defense, the Joint Staff, the Combatant Commands, and the Military Departments.**
- 2. (U) Enhance and extend DoD Threat Finance Intelligence capabilities to support policy, acquisition, DoD Counter Threat Finance activities, military operations, the Office of the Director of National Intelligence, and other Government agencies.**

b. (U) Develop oversight guidance for:

- 1. (U) Implementing Defense Intelligence Enterprise policy, plans, programs, required capabilities, and resource allocations.**
- 2. (U) Exercising responsibility for DoD Components within the National Intelligence Program and the Military Intelligence Program in accordance with Director of National Intelligence guidance.**
- 3. (U) Establishing priorities to ensure conformance with Secretary of Defense and Director of National Intelligence policy guidance associated with DoD Threat Finance Intelligence.**

(U) USD (I&S)

(U) The USD(I&S) did not respond to the recommendation in the report. Therefore, the recommendation is unresolved. We request that the USD(I&S) provide comments on the final report.

(U) USD(P)

(U) The Acting DASD(CN>), responding on behalf of the USD(P), agreed with the recommendation and stated that the OUSD(P) will collaborate with and support the OUSD(I&S) as it works to implement the recommendation in accordance with its responsibilities under DoD Directive 5205.14. The Acting DASD(CN>) also stated that the DIA is changing its Advanced Threat Finance Intelligence Course to the new Threat Finance Intelligence Course, scheduled to begin in the second quarter of FY 2022.

(U) USSOCOM

(U) The USSOCOM Chief of Staff, responding on behalf of the USSOCOM Commander, agreed with the recommendation and stated that USSOCOM will support the USD(I&S) in development of a plan of action and milestones and develop oversight guidance.

(U) Our Response

(U) The comments from the Acting DASD(CN>) and the USSOCOM Chief of Staff were responsive to the recommendation. However, the recommendation remains unresolved until the USD(I&S) provides comments to the final report on how it will implement the recommendation.

(U) Recommendation 4

(U) We recommend that the Defense Intelligence Agency Director, in conjunction with the Under Secretary of Defense for Policy and U.S. Special Operations Command, develop a plan of action and milestones to:

- a. (U) Establish and maintain a Threat Finance Intelligence capability to facilitate Threat Finance Intelligence integration and collaboration across the Defense Intelligence Enterprise and the Intelligence Community with the Office of the Director of National Intelligence.**
- b. (U) Advance DoD Threat Finance Intelligence sharing and partnerships with other United States Government agencies and partner nations.**
- c. (U) Plan, manage, and execute DoD Threat Finance Intelligence operations during peacetime, crisis, and war.**
- d. (U) Serve as the intelligence conduit for the Combatant Commands within the other United States Government agencies and as the DoD lead for coordinating DoD Threat Finance Intelligence support to meet Combatant Command requirements; lead efforts to align analysis, collection, and intelligence, surveillance, and reconnaissance activities with operations; and link and synchronize defense and national intelligence capabilities.**
- e. (U) Periodically review Threat Finance Intelligence gaps, shortfalls, and capabilities and recommend improvements to the Under Secretary of Defense for Intelligence.**

(U) Defense Intelligence Agency

(U) The DIA Director did not respond to the recommendation in the report. Therefore, the recommendation is unresolved. We request that the DIA Director provide comments on the final report.

(U) USD(P)

(U) The Acting DASD(CN>), responding on behalf of the USD(P), agreed with the recommendation and stated that the OUSD(P) will collaborate with and support the OUSD(I&S) as it works to implement the recommendation in accordance with its responsibilities under DoD Directive 5205.14. The Acting DASD(CN>) further stated that it has coordinated with the DIA and that the DIA is changing its Advanced Threat Finance Analysis Course to the new Threat Finance Intelligence Course, which is scheduled to begin in the second quarter of FY 2022.

(U) Our Response

(U) The Acting DASD(CN>)'s comments were responsive to the recommendation. However, the recommendation remains unresolved until the DIA Director provides comments to the final report on how it will implement the recommendation and evidence that the DIA's Threat Finance Intelligence Course is available for DoD CTF analysts.

(U) Recommendation 5

(U) We recommend that the Under Secretary of Defense for Personnel and Readiness, in conjunction with the Under Secretary of Defense for Policy and U.S. Special Operations Command, develop a plan of action and milestones to:

- a. (U) Provide guidance on personnel policy issues related to DoD Counter Threat Finance.**
- b. (U) In coordination with the Secretaries of the Military Departments, ensure policies and procedures are in place to identify and monitor military and civilian personnel who have been trained or are experienced in Counter Threat Finance.**
- c. (U) In conjunction with the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments, annually assess the sufficiency and readiness of civilian and uniformed personnel to meet DoD Counter Threat Finance-related requirements and address any deficiencies or readiness issues discovered.**

(U) USD(P&R)

(U) The USD(P&R) did not respond to the recommendation in the report. Therefore, the recommendation is unresolved. We request that the USD(P&R) provide comments on the final report.

(U) USD(P)

(U) The Acting DASD(CN>), responding on behalf of the USD(P), agreed with the recommendation and stated that the OUSD(P) will collaborate with and support the OUSD(P&R) as it works to implement the recommendation in accordance with its responsibilities under DoD Directive 5205.14.

(U) USSOCOM

(U) The USSOCOM Chief of Staff, responding on behalf of the USSOCOM Commander, agreed with the recommendation and stated that USSOCOM can utilize existing Personnel and Readiness systems to inform the USD(P&R) on personnel issues, training

(U) metrics, and personnel assessment data for the recommendation. The Chief of Staff stated that implementation support would require additional and/or repurposing of USSOCOM CTF personnel.

(U) Our Response

(U) The comments from the Acting DASD(CN>) and the USSOCOM Chief of Staff were responsive to the recommendation. However, the recommendation remains unresolved until the USD(P&R) provides comments to the final report on how it will implement the recommendation.

(U) Recommendation 6

(U) We recommend that the Under Secretary of Defense for Acquisition and Sustainment, in conjunction with the Under Secretary of Defense for Policy and U.S. Special Operations Command, develop a plan of action and milestones to:

- a. **(U) Establish policies related to the capability of United States defense contractors to meet DoD Counter Threat Finance mission needs.**
- b. **(U) Coordinate with the Under Secretary of Defense for Intelligence on innovative uses of technology to address intelligence-related Counter Threat Finance issues.**

(U) USD(A&S)

(U) The Director, Contract Policy, Defense Pricing and Contracting, Acquisition and Sustainment, responding on behalf of the USD(A&S), agreed with the recommendation and stated that the Defense Pricing and Contracting will collaborate with the USD(P) to develop the DoDI to establish policies and guidance relative to the DoD CTF mission.

(U) USD(P)

(U) The Acting DASD(CN>), responding on behalf of the USD(P), agreed with the recommendation and stated that the OUSD(P) will collaborate with and support the OUSD(A&S) as it works to implement the recommendation in accordance with its responsibilities under DoD Directive 5205.14.

(U) USSOCOM

(U) The USSOCOM Chief of Staff, responding on behalf of the USSOCOM Commander, agreed with the recommendation and stated that USSOCOM will support the OUSD(A&S) as it works to implement the recommendation.

(U) Our Response

(U) The Director's comments partially address the recommendation. Therefore, the recommendation remains unresolved. We request further comments on how the Director will develop a plan of action and milestones to establish policies related to United States defense contractors to meet DoD CTF mission needs and coordinate with the USD(I&S) on innovative uses of technology to address intelligence-related CTF issues.

(U) Recommendation 7

(U) We recommend that the Under Secretary of Defense for Policy, in conjunction with U.S. Special Operations Command, develop a plan of action and milestones to implement the Counter Threat Finance Department of Defense Instruction as outlined in the approved Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities, and Policy Change recommendation, which includes:

- 1. (U) Developing a common lexicon for Counter Threat Finance.**
- 2. (U) Establishing procedures for nominating targets for sanctions and designations.**
- 3. (U) Establishing procedures for coordinating and executing Counter Threat Finance activities across organizational and geographic boundaries.**
- 4. (U) Developing clearly stated objectives for use in defining measures of performance.**
- 5. (U) Establishing procedures for engaging interagency and foreign partners with building partnership capacity efforts**

(U) USD(P)

(U) The Acting DASD(CN>), responding on behalf of the USD(P), agreed with the recommendation and stated that the office of DASD(CN>) will use the following plan of action and milestones regarding the development of a DoDI for CTF:

- April 2021 to June 2021: The USD(P) will undertake and complete an internal review of the existing draft DoDI for CTF and the existing draft CJCS Instruction (CJCSI) for CTF and identifies updates and edits to drafts.
- July 2021: In consultation with the Joint Staff, Combatant Commands, and other Components, the USD(P) will determine whether to proceed with formal coordination of the draft DoDI and the draft CJCSI.

- August 2021 to December 2021: The USD(P) will formally coordinate the draft DoDI and the Joint Staff will formally coordinate the draft CJCSI, if required.
- January 2022: Target for approval and issuance of the DoDI and CJCSI, as necessary.

(U) USSOCOM

(U) The USSOCOM Chief of Staff, responding on behalf of the USSOCOM Commander, agreed with the recommendation and stated that USSOCOM will work with the USD(P) to implement the DoD CTF instructions when they are finalized.

(U) Our Response

(U) The comments from the Acting DASD(CN>) and the USSOCOM Chief of Staff were responsive to the recommendation. Therefore, the recommendation is resolved but will remain open. We will close the recommendation when we receive and review either the DoDI or CJCSI for CTF.

(U) Appendix A

(U) Scope and Methodology

(U) We conducted this evaluation from October 2020 through March 2021 in accordance with the “Quality Standards for Inspection and Evaluation,” published January 2012 by the Council of Inspectors General on Integrity and Efficiency. The evaluation was suspended from March 17, 2020, to October 12, 2020, because of the coronavirus disease 19 pandemic. The Quality Standards for Inspection and Evaluation require that we adequately plan the evaluation to ensure that objectives are met and that we perform the evaluation to obtain sufficient, competent, and relevant evidence to support the findings, conclusions, and recommendations. We believe that the evidence obtained was sufficient and relevant to lead a reasonable person to sustain the findings, conclusions, and recommendations.

(U) To gain an understanding of the CCMD authority to conduct CTF activities, we reviewed the following criteria.

- FY 2004-2019 National Defense Authorization Act, section 1022, “Authority for Joint Task Forces to Provide Support to Law Enforcement Agencies Conducting Counter-Terrorism Activities”
- DoDD 5205.14, “DoD Counter Threat Finance (CTF) Policy,” August 19, 2010
- Joint Publication 3-25, “Countering Threat Networks,” December 21, 2016

(U) We conducted interviews and requested information from officials at the DASD(CN>), OUSD(I&S), OUSD(P&R), OUSD(A&S), and the DIA. The interviews and requests for information focused on the support provided to the CCMDs and the DoD’s development of the CTF program in accordance with DoDD 5205.14. We attended a USSOCOM-sponsored CTF Conference in Tampa, Florida, in January 2020 to determine the state of the CTF program.

(U) We conducted site visits to USSOCOM and USCENTCOM in Tampa, Florida; USEUCOM and USAFRICOM in Stuttgart, Germany; and USINDOPACOM in Camp Smith, Hawaii. We interviewed officials from USSOCOM to determine their involvement in the CTF program and understand their roles and responsibilities as the coordinators for CTF activities. We requested documentation that supported the statements made. We interviewed CTF officials at USCENTCOM, USEUCOM, USAFRICOM, and USINDOPACOM and requested supporting documentation to determine whether the commands:

- established a dedicated CTF capability,

- supported interagency threat finance efforts,
- established and maintained command procedures and resources, and
- integrated DoD CTF activities into operational exercises and training.

(U) In addition, we conducted interviews with officials from the Department of Treasury, Department of State, and the Federal Bureau of Investigation to understand how the DoD engages with and supports CTF interagency collaboration.

(U) Use of Computer-Processed Data

(U) We did not use computer-processed data to perform this evaluation.

(U) Use of Technical Assistance

(U) We did not require technical assistance to perform this evaluation.

(U) Prior Coverage

(U) During the last 5 years, the Department of Defense Inspector General (DoD IG) issued one report discussing counter threat finance related topics. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/reports.html/>.

(U) DoD OIG

(U) Report DoDIG-2018-059, “U.S. Central and U.S. Africa Command’s Oversight of Counternarcotics Activities,” December 26, 2017

(U) The DoD OIG determined that U.S. Central Command (USCENTCOM) and U.S. Africa Command (USAFRICOM) did not provide effective oversight of counternarcotics activities in FYs 2014 through 2016, and neither USCENTCOM nor USAFRICOM maintained reliable data for the completion status and funding of training, equipping, and construction activities.

(U) Appendix B

(U) Management Comments on the Findings and Our Response

(U) USD(P) Comments to the Finding That the USD(P) Did Not Effectively Oversee Implementation of the DoD CTF Program

(U) The Acting DASD(CN>), responding on behalf of the USD(P), stated that the draft report did not substantiate the finding that “the USD(P), in coordination with USD(I&S), USD(P&R), and USD(A&S), did not effectively oversee implementation of the DoD CTF program.” The Acting DASD(CN>) stated that the OUSD(P) conducts planning, programming, budgeting, and execution system processes for the DoD Counterdrug Program. The Acting DASD(CN>) also stated that the DASD(CN>) office receives monthly CTF activity summaries from the Combatant Commands and other teams. The Acting DASD(CN>) also stated that there is a “new CNGT-led initiative...to promote knowledge management, information sharing and efficiencies across DoD’s CD-funded program (including CTF).”

(U) The Acting DASD(CN>) also said that the only evidence to support the finding is that “USD(P) was unable to successfully coordinate with the other DoD components listed in DoDD 5205.14.” The Acting DASD further stated that the USD(P) does not have authority, direction, or control over other DoD Components and cannot compel their compliance with their responsibilities in DoDD 5205.14.

(U) Additionally, the Acting DASD(CN>) stated that the draft report did not identify or define the criteria used to determine whether USD(P) oversight was “effective” and, therefore, the finding cannot be evaluated, verified, or sustained.

(U) Finally, the Acting DASD(CN>) requested that the finding “OUSD(P) Personnel Stated They Do Not Have the Authority to Direct Other Components to Comply With DoDD 5205.14” be revised to read, “OUSD(P) Personnel Do Not Have the Authority to Direct Other Components to Comply With DoDD 5205.14.” The Acting DASD(CN>) stated that the wording of the finding implies that USD(P)’s lack of authority is an opinion rather than a fact.

(U) Our Response

(U) We acknowledge the comments received from the Acting Deputy Assistant Secretary. Based on the comments received, we removed the term “effectively” from the language of the report to be more specific and address the Acting DASD(CN>)’s

(U) concern that the term was not defined. We modified the language on page 7 of the report to read, “the USD(P), in coordination with USD(I&S), USD(P&R), and USD(A&S), did not oversee the full implementation of the DoD CTF policy.”

(U) However, we did not make additional revisions to the report regarding the comments on unsuccessful coordination and authority because of the following:

- (U) According to DoD Directive 5205.14, the DoD CTF policy, the USD(P) is responsible for developing, coordinating, and overseeing the implementation of policy and plans for DoD CTF activities and capabilities that include planning, coordination, implementation, support, and compilation of lessons learned, to include interagency deconfliction and adherence to all existing authorities and regulations.
- (U) DoDD 5205.14 outlines the USD(P)’s responsibility to oversee the implementation of the DoD CTF policy. DoDD 5205.14 also discusses the USD(P)’s responsibilities relating to coordination efforts with other DoD Components listed in the directive. We acknowledge the ongoing communication between the OUSD(P) and the CCMDs; however, this finding specifically refers to the continued lack of coordination between the OUSD(P) and OUSD(I&S), OUSD(P&R), and OUSD(A&S). Throughout the evaluation, OUSD(P) personnel stated that the OUSD(I&S) was not adequately supporting the DoD CTF program. Furthermore, OUSD(I&S) personnel stated that they were not working on DoD CTF-related efforts and that they did not know what CTF responsibilities OUSD(I&S) was specifically required to carry out. Additionally, when we interviewed personnel from the OUSD(P&R), they stated that they did not know about their CTF-related responsibilities. Similarly, OUSD(A&S) officials submitted a memorandum that stated that they were not fulfilling their CTF responsibilities. Throughout the entirety of this evaluation, there was little evidence of coordination between the OUSD(P) and the other OSD Components listed in DoDD 5205.14.
- (U) The Acting DASD(CN>) stated that the DoD Office of General Counsel confirmed that the USD(P) does not have the authority, direction, or control over DoD Components and cannot compel their compliance with their responsibilities in DoDD 5205.14. However, the report focuses on the OUSD(P)’s inability to successfully coordinate with the other DoD Components and oversee the implementation of DoDD 5205.14. In addition, the report highlights that DASD(CN>) did not elevate coordination problems to senior leadership.

- (U) The report acknowledges the challenges the OUSD(P) faced regarding coordination and lack of responsiveness from the other OSD components. We also acknowledge that the USD(P) does not have the authority to compel other DoD Components to fulfill their CTF responsibilities. However, the language in DoDD 5205.14 establishes the OUSD(P) as the entity responsible for taking appropriate action to coordinate with the other DoD Components and oversee the implementation of the DoD CTF policy.
- (U) OUSD(P) personnel were aware that the other DoD Components were not fulfilling their DoD CTF program responsibilities. While the USD(P) may not be able to require compliance with the directive, the OUSD(P)'s inability to successfully coordinate with the other DoD components should have been reported to senior leadership to promote fulfillment of the other DoD Components' responsibilities. When we asked OUSD(P) personnel if they brought these problems to senior leadership's attention, they stated that they had not because they try to resolve these issues at the lowest level first. As the entity responsible for the oversight of implementation of the DoD CTF program, OUSD(P) personnel could have raised the lack of responsiveness from other OSD Components to senior leadership to help facilitate coordination and implementation of the DoD CTF program. Therefore, despite the OUSD(P)'s efforts to coordinate with these components, the USD(P) did not fully oversee the implementation of all elements of DoDD 5205.14.

(U) USD(P) Comments to the Finding That CCMDs Are Conducting CTF Without Required Guidance From OSD

(U) The Acting DASD(CN>), responding on behalf of the USD(P), disagreed with the finding that "USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM are conducting counter threat finance activities without required guidance from OSD and established command procedures." The Acting DASD(CN>) stated that the wording of the finding implies that Combatant Commands do not receive any guidance from OSD. The Acting DASD stated that the OUSD(P) provides extensive guidance to the Combatant Commands regarding their CTF programs.

(U) Our Response

(U) We acknowledge the comments received from the Acting DASD (CN>) that he disagreed with the finding title that "USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM are Conducting Counter Threat Finance Activities Without Required Guidance From OSD and Established Command Procedures." However, the title as written is accurate. The USD(P), USD(P&R), USD(A&S), and USD(I&S) did not provide sufficient guidance for the CCMDs. First, the OUSD(P&R), OUSD(A&S), and OUSD(I&S)

(U) had little involvement in the CTF program and have not provided the required guidance to the combatant commands. Furthermore, the USD(P) did not issue a CTF-specific DoDI that details a common lexicon for CTF, target nomination procedures, and guidance for defining measures of performance for CTF activities as outlined in the 2014 DOTmLPF-P Change Recommendation.

(U) USD(P) Comments to the Finding That the Same Shortfalls in the DoD CTF Program Have Persisted for Years

(U) The Acting DASD(CN>), responding on behalf of the USD(P), disagreed with the statement in the report that read “the same shortfalls persist and have remained unresolved for years” in the DoD’s CTF program. The Acting DASD requested the language be removed from the report. The Acting DASD(CN>) stated that the statement is an opinion and not substantiated by the content of the report.

(U) Our Response

(U) We acknowledge the comments received from the Acting DASD(CN>). To address the Acting DASD(CN>)’s concerns regarding the statement about DoD CTF program shortfalls, we modified the statement in the final report on page 21 to read, “some of the same shortfalls persist and have remained unresolved for years” to be more precise. This statement is a conclusion drawn by the evaluation team and supported by reports and presentations regarding DoD CTF program deficiencies developed between the years 2011 and 2019, statements made by OUSD(P) personnel and Combatant Command CTF personnel at the 2020 CTF conference, along with various interviews throughout this evaluation.


(U) The reports indicated that many of the same issues in the CTF program related to lack of training, a common basis for understanding CTF, lack of metrics, tracking of trained personnel, and institutional barriers restricting personnel mobility have persisted and remained unresolved throughout the years.¹⁵ Furthermore, during the 2020 CTF conference, CTF personnel participating in the CTF 2.0 initiative acknowledged that many of the same issues related to training, tracking of trained personnel, and personnel mobility. Additionally, the Director of Global Threats stated at the conference that the “CTF community has talked about these issues for many years, now it is time to put plans into action.” Finally, during interviews with CTF personnel throughout the course of this evaluation, personnel identified training, hiring, lack of metrics, and personnel mobility as issues existing within the DoD CTF program.

¹⁵ (U) A summary of the reports can be found on pages 20-22 of this report.

(U) Therefore, we determined that issues related to training, hiring, personnel mobility, and tracking trained personnel have persisted in the DoD CTF program since 2011.

(U) Management Comments

(U) Under Secretary of Defense for Policy

<p style="text-align: center;">SECRET//NOFORN</p> <p style="text-align: center;">UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT</p> <div style="display: flex; justify-content: space-between;"><div style="text-align: center;"><p>POLICY</p></div><div style="text-align: center;"><p>OFFICE OF THE UNDER SECRETARY OF DEFENSE 2000 DEFENSE PENTAGON WASHINGTON, D.C. 20301-2000</p></div><div style="text-align: right;"><p>APR 07 2022</p></div></div>	
<p>MEMORANDUM FOR OFFICE OF THE DOD INSPECTOR GENERAL</p> <p>SUBJECT: Draft of "Evaluation of Combatant Command Counter Threat Finance Activities" (Project No. D2020-DEV0PD-0026.000)</p> <p>This memorandum summarizes the Office of the Under Secretary of Defense (Policy) (OUSD(P))'s comments to the above-referenced draft. In addition to this summary, we are providing a copy of the draft evaluation that contains our detailed comments.</p> <p>OUSD(P) agrees with the seven recommendations contained in the draft evaluation.</p> <ul style="list-style-type: none">• Regarding Recommendation 1, we note the Combatant Commands' work to further develop and finalize counter-threat finance (CTF) command procedures.• Regarding Recommendation 2, although this recommendation is directed toward the Chairman of the Joint Chiefs of Staff, we note that in 2020, OUSD(P) and U.S. Special Operations Command (USSOCOM) began designing a new standard CTF training program for the development of CTF analysts, and coordinated with the Defense Intelligence Agency (DIA). USSOCOM's new online CTF Basic Course is scheduled to be available on Joint Knowledge Online in July 2021. DIA is changing its Advanced Threat Finance Analysis Course to the new Threat Finance Intelligence Course, which is scheduled to begin in the second quarter of FY 2022. USSOCOM and DIA can provide additional details.• Regarding Recommendations 3, 4, 5, and 6, OUSD(P) will collaborate with and support OUSD(I&S), OUSD(P&R), and OUSD(A&S), as they work to implement these recommendations in accordance with their responsibilities under DoD Directive 5205.14.• Regarding Recommendation 7, OUSD(P) will use the following plan of action and milestones regarding a DoD Instruction (DoDI) for CTF:<ul style="list-style-type: none">○ April 2021-June 2021: OUSD(P) undertakes and completes internal review of existing draft DoDI for CTF, and existing draft CJCS Instruction (CJCSI) for CTF, and identifies updates/edits to drafts.○ July 2021: In consultation with the Joint Staff, Combatant Commands, and other Components, OUSD(P) determines whether to proceed with formal coordination of the draft DoDI and/or the draft CJCSI.○ August 2021-December 2021: OUSD(P) formally coordinates the draft DoDI, and/or the Joint Staff formally coordinates the draft CJCSI.○ January 2022: Target for approval and issuance of the DoDI and/or CJCSI. <p style="text-align: center;">UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT</p> <p style="text-align: center;">SECRET//NOFORN</p>	

(U) Under Secretary of Defense for Policy (cont'd)

~~SECRET//NOFORN~~
UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT

Notwithstanding OUSD(P)'s agreement to the recommendations, OUSD(P) non-concurs with several findings listed in the report, as follows:

1. OUSD(P) strongly disagrees and does not concur with the finding that "The USD(P), in Coordination with USD(I&S), USD(P&R), and USD(A&S), Did Not Effectively Oversee Implementation of the DoD CTF Program." The draft evaluation does not substantiate this finding. OUSD(P)'s oversight has been effective.
 - The draft evaluation does not reflect or acknowledge the many examples of OUSD(P)'s extensive and active oversight that OUSD(P) shared with OIG, in the forms of documents, in-person and telephone interviews, and e-mail correspondence. Examples of OUSD(P)'s oversight of DoD CTF include:
 - Planning/Programming/Budgeting/Execution System process for the DoD Counterdrug Program (which funds almost all of DoD's dedicated CTF capability, including the COCOM CTF teams).
 - Annual Program Management Reviews
 - Annual POM briefings and reviews
 - POM decision memoranda
 - Counterdrug Program personnel reviews
 - DoD Instruction 3000.14, CD and CTOC Policy (issued in 2020)
 - Monthly CTF activity summaries submitted by COCOMs and other teams to OUSD(P)
 - Strategic guidance documents, such as:
 - The 2019 DoD Framework to Counter Drug Trafficking and Other Illicit Threat Networks
 - DASD (Counternarcotics & Global Threats) Intelligence Priorities
 - Guidance memoranda issued by the Secretary of Defense, USD(P), and DASD (Counternarcotics & Global Threats). Examples include:
 - The Secretary's February 2021 guidance memo (drafted and coordinated by OUSD(P)) on Counterdrug intelligence analysis
 - USD(P)'s 2015 and 2019 guidance memos on providing support under Section 1022 of the FY 2004 National Defense Authorization Act
 - Annual report to Congress on DoD support provided under Section 1022
 - The monthly DoD CTF Community SVTC, hosted by USSOCOM
 - The monthly CD/CTOC/CTF Community of Interest SVTC, hosted by DIA
 - Contributions to development and updates of joint doctrinal publications (e.g., Joint Publication 3-25, Countering Threat Networks)

UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT
~~SECRET//NOFORN~~

(U) Under Secretary of Defense for Policy (cont'd)

~~SECRET//NOFORN~~**UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT**

- A new CNGT-led initiative, now underway, to promote knowledge management, information sharing, and efficiencies across DoD's CD-funded program (including CTF)
- Biweekly telephone conferences on oversight of the CTF Global Contract
- CTF Working Group and CTF Leadership Roundtable meetings, hosted by USSOCOM
- Special initiatives (e.g., the CTF 2.0 initiative, including meetings and VTCs; "surge" efforts against identified threat networks; the 2014 Joint Requirements Oversight Council DCR process, which OUSD(P) initiated)
- Standalone briefings and updates provided by CTF teams and by OUSD(P) (for example, on 10 U.S.C. 284 and on Section 1022)
- Visits to CTF teams at their headquarters and working locations
- Daily communications (e.g., via e-mail, telephone, and videoconference) between OUSD(P) personnel and DoD CTF teams, including at the COCOMs
- Without OUSD(P)'s oversight, guidance, and support, the Combatant Commands would not have the CTF capabilities they possess today, nor would they be able to use these capabilities in support of National Defense Strategy priorities. OUSD(P)'s oversight, guidance, and support have enabled the many successes that COCOM CTF teams have achieved in helping to disrupt financial networks and activities of terrorist groups and transnational criminal organizations that threaten U.S. national security.
- In the draft evaluation, underneath this finding, all of the examples and deficiencies listed pertain to other OSD components (specifically, I&S, P&R, and A&S), not to OUSD(P). The only evidence given to support this finding that pertains to OUSD(P) is that "USD(P) was unable to successfully coordinate with the other DoD components listed in DoDD 5205.14." As noted elsewhere in the draft evaluation, USD(P) does not have authority, direction, or control over other DoD components, and cannot compel their compliance with their responsibilities in DoDD 5205.14. Thus, the draft evaluation does not provide evidence to support this finding.
- The draft evaluation does not identify or define the criteria that OIG used to determine whether OUSD(P) oversight was "effective." Without specifying the criteria used for measuring "effectiveness," this finding cannot be evaluated, verified, or sustained.

OUSD(P) requests that OIG reexamine this finding and replace it (and all reiterations of this finding in the draft) with a revised finding that is sustained by the evidence in the report and by the information provided previously by OUSD(P). For

UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT~~SECRET//NOFORN~~

(U) Under Secretary of Defense for Policy (cont'd)

~~SECRET//NOFORN~~

UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT

example, a sustainable finding would be: "DoD Components have not fulfilled all of their responsibilities as outlined in DoDD 5205.14." OUSD(P) would concur with such a finding.

2. Similarly, OUSD(P) also strongly disagrees and does not concur with the finding that "USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM Are Conducting Counter Threat Finance Activities Without Required Guidance From OSD and Established Command Procedures." This wording implies that Combatant Commands do not receive any guidance from OSD. As noted above, OSD (specifically, OUSD(P)) provides extensive guidance to the Combatant Commands regarding their CTF programs, and has shared extensive documentation with OIG to illustrate examples of this guidance. OUSD(P) requests that for accuracy, OIG adjust this finding to read: "USAFRICOM, USCENTCOM, USEUCOM, and USINDOPACOM Are Conducting Counter Threat Finance Activities Without Established Command Procedures."
3. OUSD(P) requests that the finding, "USD(P) Personnel Stated They Do Not Have the Authority to Direct Other Components to Comply With DoDD 5205.14" be revised to read, "OUSD(P) Personnel Do Not Have the Authority to Direct Other Components to Comply With DoDD 5205.14." As currently worded, the finding conveys the impression that USD(P)'s lack of authority is a viewpoint or matter of opinion. However, USD(P)'s lack of authority, direction, and control over other DoD components' compliance with a DoD issuance is factual, and should be reflected as such in the finding. OUSD(P) suggests that OIG may confirm this fact with the Office of the DoD General Counsel.

Finally, OUSD(P) non-concurs with and requests removal the unattributed statement on page 22 of the draft evaluation that "the same shortfalls persist and have remained unresolved for years" in DoD's CTF program. This statement, which appears to be offered as an opinion, is not substantiated by the content of the report, or by the extensive documentation and information that OUSD(P) has shared with the OIG.


- During the past several years, OUSD(P) and other DoD components have successfully addressed shortfalls in areas such as authorities, policy, resourcing, planning, training and education, and information technology.
- OUSD(P)'s extensive oversight mechanisms for the Counterdrug-funded CTF programs at the Combatant Commands, as well as other OUSD(P)-led efforts such as the CTF 2.0 Initiative and the implementation of DoD's Irregular Warfare Annex to the National Defense Strategy, will continue to address needs and opportunities within DoD CTF to ensure that DoD can rely on this capability in the future.

Accordingly, OUSD(P) requests that the sentence on page 22 be revised and replaced with a statement that can be substantiated, such as, "While DoD components have addressed some longstanding shortfalls of the CTF program in recent years, other shortfalls remain unresolved and require action to address."

UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT

~~SECRET//NOFORN~~

(U) Under Secretary of Defense for Policy (cont'd)

<p style="text-align: center;">SECRET//NOFORN</p> <p style="text-align: center;">UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT</p> <p>In addition to these comments, my office has provided additional, detailed comments in the copy of the draft report transmitted with this memorandum. My office requests a follow-up discussion with the OIG evaluation team to explain the rationale for these detailed comments and to request their incorporation in the final report.</p> <p>[REDACTED] if you have any questions or need additional information. We appreciate the opportunity to review the draft.</p> <p style="text-align: center;"> [REDACTED] Acting Deputy Assistant Secretary of Defense Counternarcotics and Global Threats</p> <p>Attachment: Copy of draft report (containing OUSD(P) comments and requested changes)</p> <p style="text-align: center;">UNCLASSIFIED WHEN SEPARATED FROM ATTACHMENT SECRET//NOFORN</p>
--

(U) The Joint Staff



UNCLASSIFIED

THE JOINT STAFF
WASHINGTON, DC 20318

Reply Zip Code:
20318-

MEMORANDUM FOR Department of Defense Office of Inspector General

SUBJECT: Review of draft report D2020-DEV0PD-0026.00

1. The Joint Staff J-39 Special Actions Division received a request to provide official management comments to the draft Department of Defense Office of Inspector General report "Evaluation of Combatant Command Counter Threat Finance Activities." The J-39 Counter Threat Finance Action Officer completed a review of the draft report and provided comments and recommendations for my approval.
2. I agree with all of the recommendations in the draft report. Comments for recommendations specific to the CJCS are as follows:
 - a. I agree with Recommendation 2 that the CJCS, in conjunction with the USD(P) and USSOCOM, should develop a standard Counter Threat Finance training program for the development of Counter Threat Finance analysts. The Joint Staff will coordinate with and assist DASD(CN>) and USSOCOM in the development of a plan of action and milestones to implement a standard Counter Threat Finance training program.
 - b. I agree with Recommendation 5c. that in conjunction with USD(P&R), USD(P), USSOCOM, and the Secretaries of the Military Departments, the CJCS should annually assess the sufficiency and readiness of civilian and uniformed personnel to meet DoD Counter Threat Finance-related requirements and address any deficiencies or readiness issues discovered. The Joints Staff will coordinate with and assist relevant stakeholders in the development of a plan of action and milestones for an assessment framework.
3. The request for security marking review is included as an attachment to this memorandum.


Rear Admiral USN
Deputy Director for Global Operations, J-39

Attachments:
Request for Security Marking Review

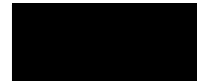
UNCLASSIFIED

(U) Under Secretary of Defense for Acquisition and Sustainment



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000



MEMORANDUM FOR DODIG OVERSEAS CONTINGENCY OPERATIONS

SUBJECT: Department of Defense Office of the Inspector General Evaluation of Counter Threat Finance Activities

Defense Pricing and Contracting's (DPC) Contract Policy Directorate and Industrial Policy's Office of Foreign Investment Review (FIR) appreciate the opportunity to review the draft DoDIG report that evaluated the DoD's Counter Threat Finance (CTF) activities.

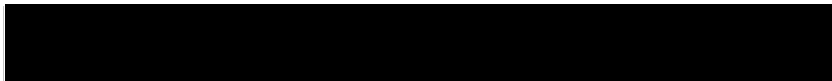
FIR is responsible for addressing the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S), previously USD(AT&L)) responsibilities described in Request for Information (RFI) Project No. D2020-DEVOPD-0026.000 (4 November 2019) items 7a and 7b. DPC will provide contract policy-related support that stems from those responsibilities. Together, DPC and FIR submit the following responses to the DoDIG report:

DPC Contract Policy Management Response:

DPC will work collaboratively with the Under Secretary of Defense for Policy (USD(P)) on the development of the DoDI to establish policies and guidance relative to the DoD CTF mission. Of course dependent on the specifics of the DoDI, A&S may need to implement the requirements needed to outline the role of contractors in meeting the DoD CTF mission and work as needed with USD(I) on innovative uses of technology to address intelligence related CTF issues.

FIR Management Response:

Thank you for giving the Office of Foreign Investment Review time to review the DoD OIG Evaluation of Counter Threat Finance Activities. From FIR's perspective within A&S, we have no objections or comments to the report as written. FIR's Strategic Capital Operations Research (SCOR) sub directorate specializes in tracking nefarious networks, actors, and relationships in commercial enterprises and would be more than happy to support any future activities in those domains. FIR, with SCOR support, also serves as the Department's representative on the Committee on Foreign Investment in the United States (CFIUS). Should an entity appear to have overlap with the Committee's jurisdiction we are also more than happy to support in seeking CFIUS remediation of national security threats posed by such nefarious actors. Thanks again for providing FIR the time to review this Document.



Director, Contract Policy,
Defense Pricing and Contracting

(U) United States Special Operations Command



UNITED STATES SPECIAL OPERATIONS COMMAND
OFFICE OF THE CHIEF OF STAFF
7701 TAMPA POINT BOULEVARD
MACDILL AIR FORCE BASE, FLORIDA 33621-5323

20 April 2021

MEMORANDUM FOR OFFICE OF THE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE, 4800 MARK CENTER DRIVE, ALEXANDRIA, VA 22350-1500

SUBJECT: Response to Department of Defense Inspector General Counter-Threat Finance Recommendations

1. REFERENCES:

a. Draft of Department of Defense (DoD) Inspector General Report, subject "Evaluation of Combatant Command Counter Threat Finance Activities (CTF)" (Project No. D2020-DEV0PD-0026.000), dated 24 March 2021.

b. DoD Directive 5205.14 Counter Threat Finance Policy, dated 4 May 2017

2. U.S. Special Operations Command (USSOCOM) reviewed the findings outlined in reference (a), and USSOCOM concurs with all six recommendations pertaining to responsibilities or equities:

a. Regarding Recommendation 2. Concur, the USSOCOM CTF On-line Basic Course will be completed on or about July 2021. The program will be a 40-hour on-line certificate course designed to be the DoD standard for CTF basic education.

b. Regarding Recommendation 3. Concur, USSOCOM will support the lead agency, Under Secretary of Defense for Intelligence & Security, in development of the Plan of Action & Milestones (POA&M) and oversight guidance.

c. Regarding Recommendation 5. Concur, USSOCOM can utilize existing Personnel and Readiness systems to inform Under Secretary of Defense for Personnel & Readiness on personnel issues, training metrics, and personnel assessment data for recommendations 5.a, 5.b, and 5.c; however, implementation support would require additional and/or repurposing USSOCOM CTF personnel.

d. Regarding Recommendation 6.

(1) 6.a. - Concur, USSOCOM will support the Under Secretary of Defense Acquisition & Sustainment (USD(A&S)) with the POA&M and recommendation development to ensure contractors are qualified to accomplish the CTF mission.

(2) 6.b. - Concur, USSOCOM will support USD (A&S) to identify innovative uses of technology to support intelligence related CTF issues.

(U) United States Special Operations Command (cont'd)

SOCS

SUBJECT: Response to Department of Defense Inspector General Counter-Threat
Finance Recommendations

e. Regarding Recommendation 7. Concur, USSOCOM will work with the Under
Secretary of Defense for Policy to implement DoD CTF instructions, when finalized.

[REDACTED]

[REDACTED]

Rear Admiral, U.S. Navy
Chief of Staff

(U) Sources of Classified Information

(U) **Source 1:** (U) U.S. Africa Command J592 Counter Threat Finance Monthly Report (January 2019) (SECRET//NOFORN)
Declassification Date: January 2044
Date of Source: January 2019

(U) **Source 2:** (U) U.S. Africa Command J592 Counter Threat Finance Monthly Report (February 2019) (SECRET//NOFORN)
Declassification Date: February 2044
Date of Source: February 2019

(U) **Source 3:** (U) U.S. Africa Command J592 Counter Threat Finance Monthly Report (May 2019) (SECRET//NOFORN)
Declassification Date: May 2044
Date of Source: May 2019

(U) **Source 4:** (U) DASD(CN>) Funding History (Counter Threat Finance Contract) (SECRET//NOFORN)
Declassification Date: March 16, 2045
Date of Source: March 16, 2020

(U) **Source 5:** (U) USCENTCOM Interagency Action Group Interagency Coordination and Targeting Division (IAG-ICTD) Monthly Report – August 2019 (SECRET//NOFORN)
Declassification Date: September 1, 2045
Date of Source: September 1, 2020

(U) **Source 6:** (U) EUCOM Counter Threat Finance Activity Report (February 7, 2019) (SECRET//NOFORN)
Declassification Date: February 7, 2044
Date of Source: February 7, 2019

(U) **Source 7:** (U) EUCOM Fusion Branch Weekly Activity Report (January 28, 2020) (SECRET//NOFORN//LES)
Declassification Date: January 28, 2045
Date of Source: January 28, 2020

(U) **Source 8:** (U) United States Indo-Pacific Command Counter Threat Finance Monthly Activity Report (October 2019) (SECRET//NOFORN)
Declassification Date: October 2044
Date of Source: October 2019

(U) **Source 9:** (U) Secretary of Defense Counter Threat Finance (CTF) Efficiencies Recommendation (SECRET//NOFORN)

Declassification Date: September 26, 2036

Date of Source: September 26, 2011

(U) **Source 10:** (U) Shortfall Analysis Report for the Department of Defense Counter Threat Finance Capabilities-Based Assessment (SECRET//NOFORN)

Declassification Date: May 8, 2038

Date of Source: May 8, 2013

(U) Acronyms and Abbreviations

(U) CCMD	Combatant Command
(U) CN	Counternarcotics
(U) CTF	Counter Threat Finance
(U) DASD(CN&GT)	Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats
(U) DIA	Defense Intelligence Agency
(U) DOTmLPF-P	Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities, and Policy
(U) JROC	Joint Requirements Oversight Council
(U) USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment
(U) USD(I&S)	Under Secretary of Defense for Intelligence and Security
(U) USD(P)	Under Secretary of Defense for Policy
(U) USD(P&R)	Under Secretary of Defense for Personnel and Readiness
(U) TFI	Threat Finance Intelligence
(U) USAFRICOM	U.S. Africa Command
(U) USCENTCOM	U.S. Central Command
(U) USEUCOM	U.S. European Command
(U) USINDOPACOM	U.S. Indo-Pacific Command
(U) USSOCOM	U.S. Special Operations Command

Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

Whistleblower Protection safeguards DoD employees against retaliation for protected disclosures that expose possible waste, fraud, and abuse in government programs. For more information, please visit the Whistleblower webpage at <http://www.dodig.mil/Components/Administrative-Investigations/Whistleblower-Reprisal-Investigations/Whistleblower-Reprisal/> or contact the Whistleblower Protection Coordinator at Whistleblowerprotectioncoordinator@dodig.mil

For more information about DoD OIG reports or activities, please contact us:

Congressional Liaison
703.604.8324

Media Contact
public.affairs@dodig.mil; 703.604.8324

DoD OIG Mailing Lists
www.dodig.mil/Mailing-Lists/

Twitter
www.twitter.com/DoD_IG

DoD Hotline
www.dodig.mil/hotline

~~SECRET//NOFORN~~



DEPARTMENT OF DEFENSE | OFFICE OF INSPECTOR GENERAL

4800 Mark Center Drive
Alexandria, Virginia 22350-1500
www.dodig.mil
Defense Hotline 1.800.424.9098

~~SECRET//NOFORN~~