

SIGAR

Special Inspector General for Afghanistan Reconstruction

SIGAR 24-04 Financial Audit

Department of the Army's Support for the Afghan Air Force and Special Mission Wing UH-60 Fleet in Afghanistan: Audit of Costs Incurred by Amentum Services Inc.

In accordance with legal requirements, SIGAR has redacted from this report certain information because it is proprietary, could impact public safety, privacy, or security, or is otherwise sensitive.



NOVEMBER
2023

SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT THE AUDIT REVIEWED

On December 14, 2020, the Department of the Army's Contracting Command (Army) awarded a \$15,408,600 task order with a 12-month base period to DynCorp International LLC to support the Afghan Air Force and Special Mission Wing UH-60 fleet in Afghanistan. DynCorp International LLC later merged with other entities to form Amentum Services Inc. (Amentum); the Army replaced DynCorp International LLC with Amentum in the award. The task order included a base year plus transition periods and options that covered 5 more years. The goal of the task order was to provide logistics support for non-standard rotary wing aircraft in the Afghan air services, including sustainment engineering, supply support maintenance planning, aircraft modifications, technical data, training, and manpower. The Army modified the task order 10 times; the modifications extended the performance period through February 1, 2022, and increased the total funding to \$60,561,022.

SIGAR's financial audit, performed by Crowe LLP (Crowe), reviewed \$23,438,642 in costs charged to the task order from December 14, 2020, through February 1, 2022. The objectives of the audit were to (1) identify and report on material weaknesses or significant deficiencies in Amentum's internal controls related to the task order; (2) identify and report on instances of material noncompliance with the terms of the task order and applicable laws and regulations, including any potential fraud or abuse; (3) determine and report on whether Amentum has taken corrective action on prior findings and recommendations; and (4) express an opinion on the fair presentation of Amentum's Special Purpose Financial Statement (SPFS). See Crowe's report for the precise audit objectives.

In contracting with an independent audit firm and drawing from the results of the audit, auditing standards require SIGAR to review the work performed. Accordingly, SIGAR oversaw the audit and reviewed its results. Our review disclosed no instances wherein Crowe did not comply, in all material respects, with generally accepted government auditing standards issued by the Comptroller General of the United States.

November 2023

Department of the Army's Support for the Afghan Air Force and Special Mission Wing UH-60 Fleet in Afghanistan: Audit of Costs Incurred by Amentum Services Inc.

SIGAR 24-04-FA

WHAT SIGAR FOUND

Crowe did not identify any material weakness or significant deficiencies in Amentum's internal controls, or any instances of noncompliance with the terms of the task order. Accordingly, the auditors did not find any questioned costs.

Crowe did not identify any prior audit reports relevant to Amentum's activities under the task order. Therefore, no prior reports identified findings that may have a material effect on the Special Purpose Financial Statement or other financial data significant to the audit objectives.

Crowe issued an unmodified opinion on Amentum's SPFS, noting it presents fairly, in all material respects, revenues received, and costs incurred for the period audited

WHAT SIGAR RECOMMENDS

Crowe did not report any findings specific to the SPFS of the task order under review. Therefore, SIGAR is not making any recommendations.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

November 28, 2023

The Honorable Lloyd J. Austin III
Secretary of Defense

The Honorable Christine Wormuth
Secretary of the Army

Brigadier General Christine A. Beeler
Commanding General, U.S. Army Contracting Command

We contracted with Crowe LLP (Crowe) to audit the costs incurred by Amentum Services Inc. (Amentum) under a task order awarded by the Department of the Army's Contracting Command to support the Afghan Air Force and Special Mission Wing UH-60 fleet in Afghanistan.¹ The goal of the task order was to provide logistics support for non-standard rotary wing aircraft in the Afghan air services, including sustainment engineering, supply support maintenance planning, aircraft modifications, technical data, training, and manpower. Crowe reviewed \$23,438,642 in costs charged to the task order from December 14, 2020, through February 1, 2022. Our contract with Crowe required that the audit be performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

Based on the results of the audit, Crowe did not report any findings or question any costs related to the task order under review. Therefore, SIGAR is not making any recommendations.

Crowe discusses the results of the audit in detail in the attached report. We reviewed Crowe's report and related documentation. We also inquired about Crowe's conclusions in the report and the firm's compliance with applicable standards. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on Amentum's Special Purpose Financial Statements, or conclusions about the effectiveness of internal control over financial reporting or on compliance with laws and other matters. Crowe is responsible for the attached auditor's report, dated October 4, 2023, and the conclusions expressed therein. However, our review disclosed no instances in which Crowe did not comply, in all material respects, with U.S. generally accepted government auditing standards issued by the Comptroller General of the United States.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

(F-258)

¹ The task order no. is W58RGZ21F0138 under contract no. W58RGZ18D0031.



Amentum Services, Inc.

Contractor Logistics Support for Afghan Air Force and Special Mission Wing UH-60 Program.

Task Order W58RGZ21F0138

Contract Number W58RGZ18D0031

Special Purpose Financial Statement

For the Period December 14, 2020 – February 1, 2022.

(With Independent Auditor's Report Thereon)

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In accordance with applicable professional standards, some firm services may not be available to attest clients.

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TRANSMITTAL LETTER

October 13, 2023

To the Board of Directors and Management of Amentum Services, Inc.
20501 Seneca Meadows Parkway, Suite 300
Germantown, MD 20876

To the Office of the Special Investigator General for Afghanistan Reconstruction
2530 Crystal Drive
Arlington, Virginia 22202

We appreciate the opportunity to provide to you our report regarding the procedures that we have completed during the course of our audit of the special purpose financial statement ("SPFS") applicable to Amentum Services, Inc. ("Amentum") task order number W58RGZ21F0138 under contract W58RGZ18D0031, funded by the U.S., Department of Defense, Army ("Army"), to provide Afghanistan aircraft maintenance and training, for the period December 14, 2020 through February 1, 2022.

Within the pages that follow we have provided a brief summary of the work performed. Following the summary, we have incorporated our report on the Special Purpose Financial Statement, our report on internal control and our report on compliance. We do not express an opinion on the summary or any information preceding our reports.

When preparing our report, we considered comments, feedback, and interpretations of Amentum, Army, and the Office of the Special Inspector General for Afghanistan Reconstruction ("SIGAR") provided both in writing and orally throughout the audit planning and fieldwork phases.

Thank you for providing us the opportunity to work with you and to conduct the financial audit of Amentum Services, Inc.'s task order.

Sincerely,

A handwritten signature in black ink that reads "Crowe LLP".

Bert Nuehring, CPA
Partner
Crowe LLP

Summary

Background

On December 14, 2020, the U.S. Army (“Army”) awarded task order number W58RGZ21F0138 under contract W58RGZ18D0031 to DynCorp International, LLC (“DynCorp”) which would later merge with Pacific Architects and Engineers (“PAE”) and AECOM to become Amentum Services, Inc. (“Amentum”). The contract was novated to Amentum on May 17, 2021. The task orders were in support of the Afghan Air Force (“AAF”) and Special Mission Wing (“SMW”) UH-60 fleet in Afghanistan. The task award was a cost type task order consisting of Cost-Plus-Fixed-Fee (“CPFF”) term (level of effort) for Transition Services, CLS Labor, Other Direct Costs (“ODC”) and Material Services; and Cost-No-Fee (“CNF”) for Travel; and Firm-Fixed-Price (“FFP”) for Over and Above tasks. The initial obligated amount was \$15,408,600 with an unfunded value of \$538,687,842 for a total of \$554,096,442. The estimated cost was [REDACTED] with a Fixed Fee of [REDACTED]. The transition in period was from March 1, 2021 to May 31, 2022 and the base year of performance was from June 1, 2021, through May 31, 2022, with a transition in period of January 1, 2021, through March 31, 2021. The contract period of performance was six years with a twelve-month base period and four 12-month option periods between January 2021 and June 2026. However, due to the United States military withdrawal from Afghanistan in August 2021, the contract was terminated early, ending the period of performance on February 1, 2022. The total amount of costs incurred under the period was \$23,438,642.

The purpose of the task order was to provide logistics support for non-standard rotary-wing aircraft system. Amentum provided sustainment engineering, supply support, maintenance planning and management, aircraft modifications, component overhauls, technical data, training and training support, manpower and personnel, facilities and infrastructure, packaging, handling, storage and transportation, and computer resources.

Amentum was established on February 1, 2020, from AECOM’s federal business department. In November 2020, Amentum acquired DynCorp and, in February of 2022, PAE was acquired. Amentum provided technical and engineering services to the defense, security, intelligence, energy and environmental sectors, and is headquartered in Chantilly, Virginia.

The modifications are summarized below:

Modification	Purpose
P00001	<ul style="list-style-type: none"> • Incorporated revised attachments • Realigned the period of performance: <ul style="list-style-type: none"> ○ To add an additional transition period of March 1, 2021, to 31 May 2021 ○ To modify the base period to be June 1, 2021, to May 31, 2022 ○ To modify all option periods after to be from June 1 to May 31 instead of April 1 to March 31. • Incorporated FAR Clause 52.251-1 • Incorporated DFARS Clause 252.251-7000.
P00002	<ul style="list-style-type: none"> • Changed the period of performance <ul style="list-style-type: none"> ○ Change the transition out period from June 1, 2026, to August 31, 2026, to May 15, 2021, to June 21, 2021 • Provided funding for SLINs 0013AB and 0013BB

(Continued)

Modification	Purpose
P00003	<ul style="list-style-type: none"> • Incorporated Unpriced Change Order • Incorporated the Over the Horizon change as proposed by the Not to Exceed Estimate. The Not to Exceed Estimate was established as [REDACTED].
P00004	<p>Updated Attachments</p> <ul style="list-style-type: none"> • Incorporated reviewed Attachments • Realigned the period of performance <ul style="list-style-type: none"> ○ Updated the Transition In period to February 8, 2021, to February 28, 2021, from January 1, 2021, to March 31, 2021 • Incorporated FAR Clause 52.251-1 • Incorporated DFARS Clause 252.251-7000 • Add a Contractor Acquired Property Sub Line-Item Number (“SLIN”) 0013AC and 0013BC
P00005	<ul style="list-style-type: none"> • Increased the limitation of the Government liability • Provided additional funding amount of \$29,978,151 • P03240 Extends DynCorp Demobilization Extension and Over the Horizon dated June 25, 2021
P00006	<ul style="list-style-type: none"> • Increased the limitation of Government liability • Provided additional funding amount of \$1,688,670.00 • Task order funded amount has been increased from \$92,154,114 to \$93,842,784
P00007	<ul style="list-style-type: none"> • Definitize the Unpriced Change Order • Extension of Contractor Logistics Support and Over the Horizon CLS Updated attachments for task order and prep to initiate logistics of UH-60 equipment storage and equipment for disposition • Task order funded amount has been decreased from \$93,842,784 to \$60,561,022
P00008	<ul style="list-style-type: none"> • Transferred the Government Property • Transferred GFP Inventory and Materials
P00009	<ul style="list-style-type: none"> • Termination of the Contract effective on convenience of FAR 52.249-6
P00010	<ul style="list-style-type: none"> • End the period of performance from May 31, 2022, to February 1, 2022. • Accept all Contractor Acquired Property deliveries including termination inventories identified in the termination notice

After 10 modifications to the ask order, the funding increased to \$60,561,022 and period of performance was extended from June 1, 2021 through February 1, 2022. Our audit procedures included a review of total costs incurred of \$23,438,642 for the period December 14, 2020, to February 1, 2022.

(Continued)

Work Performed

The Office of the Special Inspector General for Afghanistan Reconstruction (“SIGAR”) engaged Crowe LLP (“Crowe” or “we” or “our”) to conduct a financial audit of task order number W58RGZ21F0138 under contract W58RGZ18D0031 awarded to Amentum Services, Inc. (“Amentum”) on December 14, 2020. Crowe’s audit encompassed the period December 14, 2020, through February 1, 2022. During this span, Amentum reported \$23,438,642 in costs. Crowe’s audit of Amentum was limited in scope to the activities and expenditures associated with the task order. Crowe’s audit incorporated closeout audit procedures.

Objectives Defined by SIGAR

The following audit objectives were defined within the *Performance Work Statement for Financial Audits of Costs Incurred by Organizations Contracted by the U.S. Government for Reconstruction Activities in Afghanistan*:

Audit Objective 1 – Special Purpose Financial Statement

Expressed an opinion on whether the Special Purpose Financial Statement for the award presents fairly, in all material respects, revenues received, costs incurred, items directly procured by the U.S. Government, and balance for the period audited in conformity with the terms of the award and generally accepted accounting principles or other comprehensive basis of accounting.

Audit Objective 2 – Internal Controls

Evaluated and obtained a sufficient understanding of auditee’s internal control related to the award; assessed control risk; and identified and reported on significant deficiencies, including material internal control weaknesses. Crowe issued our Independent Auditor’s Report on Internal Control.

Audit Objective 3 – Compliance

Performed tests to determine whether auditee complied, in all material respects, with the award requirements and applicable laws and regulations; and identified and reported on instances of material noncompliance with terms of the award and applicable laws and regulations, including potential fraud or abuse that may have occurred.

Audit Objective 4 – Corrective Action on Prior Findings and Recommendations

Determined and reported on whether auditee has taken adequate corrective action to address findings and recommendations from previous engagements that could have a material effect on the special purpose financial statement or other financial data significant to the audit objectives.

(Continued)

Scope

The scope of the audit included total reported revenue and costs incurred of \$23,438,642, during the period December 14, 2020, through February 1, 2022. The audit was limited to those matters and procedures pertinent to the task order that could have a direct and material effect on the SPFS. The audit also included an evaluation of the presentation, content, and underlying records of the SPFS. Further, the audit included reviewing the financial records that support the SPFS to determine if there were material misstatements and if the SPFS was presented in the format required by SIGAR. In addition, the following areas were determined to be direct and material and, as a result, were included within the audit program for detailed evaluation:

- Allowable Activities;
- Allowable Costs;
- Cash Management;
- Equipment and Property;
- Procurement; and
- Reporting.

Methodology

To meet the aforementioned objectives, Crowe completed a series of tests and procedures to audit the SPFS, tested compliance and considered the auditee's internal controls over compliance and financial reporting and determined if adequate corrective action was taken in response to prior audit, assessment, and review comments, as applicable.

To address Audit Objective 1, which pertains to Amentum Services, Inc.'s SPFS, transactions were selected from the financial records underlying the SPFS and were tested to determine if the transactions were recorded accurately and were consistent with the terms and conditions of the award; were incurred within the period covered by the SPFS and in alignment with specified cutoff dates; were appropriately allocated to the award if the cost benefited multiple objectives; and were adequately supported.

In order to address Audit Objective 2, which relates to Amentum Services, Inc.'s internal controls, Crowe requested, and the auditee provided, copies of policies and procedures to provide Crowe with an understanding of the system of internal control established by Amentum Services, Inc. during the period of performance. To the extent documented policies and procedures were unavailable, Crowe conducted interviews with management to obtain an understanding of the processes that were in place during the period of performance. The system of internal control is intended to provide reasonable assurance of achieving reliable financial reporting and compliance with applicable laws and regulations. Crowe corroborated the internal controls and tested them where compliance issues could arise.

Audit Objective 3 required that tests be performed to obtain an understanding of Amentum's compliance with requirements applicable to the award. Crowe identified – through review and evaluation of the task order executed by and between the Army and Amentum Services, Inc. – the criteria against which to test the SPFS and supporting financial records and documentation. Using various sampling techniques, including, but not limited to, audit sampling guidance for compliance audits provided by the American Institute of Certified Public Accountants, Crowe selected transactions, cash requests, equipment, procurements, and reports for testing. Supporting documentation was provided by the auditee and subsequently evaluated to assess Amentum's compliance. Testing of indirect costs was limited to determining whether indirect costs were calculated and charged to the U.S. Government in accordance with the applicable regulations and the contract with the Army.

Regarding Audit Objective 4, Crowe inquired of Amentum Services, Inc., SIGAR, and the Army personnel participating in the audit entrance conference to understand whether there were prior audits, reviews, or assessments that were pertinent to the audit scope. Crowe also conducted an independent search of publicly available information to identify audit and review reports. As a result of the aforementioned efforts, no prior audit reports were identified as Amentum Services, Inc. was established in 2020.

Summary of Results

Upon completion of Crowe's procedures, Crowe did not identify any findings that met one or more of the following criteria: (1) significant deficiencies in internal control; (2) material weaknesses in internal control; (3) noncompliance with rules, laws, regulations, or the terms and conditions of the task order; and/or (4) questioned costs resulting from identified instances of noncompliance.

Crowe issued an unmodified opinion on the SPFS.

Crowe also reported on both Amentum Services, Inc.'s internal controls over financial reporting and compliance with applicable laws, rules, regulations, and the terms and conditions of the contract agreement. Crowe did not identify any material weakness, deficiencies, or instances of noncompliance.

SIGAR requires that questioned costs be classified as either "ineligible" or "unsupported." SIGAR defines unsupported costs as those that are not supported with adequate documentation or did not have required prior approvals or authorizations. Ineligible costs are those that are explicitly questioned because they are unreasonable; prohibited by the audited agreement or applicable laws and regulations; or are unrelated to the award. Crowe did not identify questioned costs in association with this task order.

In performing our testing, we considered whether the information obtained during our testing resulted in either detected or suspected material fraud, waste, or abuse, which would be subject to reporting under Government Auditing Standards.

Crowe also requested from Amentum, SIGAR, and Army copies of prior audits, reviews, and evaluations pertinent to Amentum's activities under the task order. There were no prior audit reports identified that may be direct and material to the Special Purpose Financial Statement or other financial information significant financial data to the audit objectives, as Amentum was established in 2020.

The following summary is intended to present an overview of the audit results and is not intended to be a representation of the audit's results in their entirety.

Schedule of Findings and Questioned Costs

Crowe had no findings or questioned costs.

Summary of Management Comments

Crowe did not request management comments as there were no findings or questioned costs.

Reference to Appendices

The auditor's reports are supplemented by two appendices, **Appendix A**, which contain management's responses to the audit findings; and **Appendix B**, which contains the auditor's rebuttal.

INDEPENDENT AUDITOR'S REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENT

To the Board of Directors and Management of Amentum Services, Inc.
20501 Seneca Meadows Parkway, Suite 300
Germantown, MD 20876

To the Office of the Special Investigator General for Afghanistan Reconstruction
2530 Crystal Drive
Arlington, Virginia 22202

Report on the Special Purpose Financial Statement**Opinion**

We have audited the Special Purpose Financial Statement (the "Statement") of Amentum Services, Inc. ("Amentum") with respect to the task order W58RGZ21FO138 under contract W58RGZ18D0031, a Cost-Plus-Fixed-Fee ("CPFF") term (level of effort) for Transition Services, CLS Labor, Other Direct Costs ("ODC") and Material Services; and Cost-No-Fee ("CNF") for Travel; and Firm-Fixed-Price ("FFP") for Over and Above tasks order for the Afghan Air Force ("AAF") and Special Mission Wing ("SMW") UH-60 fleet in Afghanistan, funded by the U.S. Army ("Army"), which comprises the revenues earned, costs incurred and balance for the period December 14, 2020 through February 1, 2022, and the related notes to the Statement.

In our opinion, the accompanying Statement presents fairly, in all material respects, the revenues earned, costs incurred, and balance of Amentum, for the period December 14, 2020 through February 1, 2022, in accordance with the financial reporting provisions of the Office of the Special Inspector General for Afghanistan Reconstruction ("SIGAR") and the terms and conditions of task order W58RGZ21FO138 under contract W58RGZ18D0031.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statement section of our report. We are required to be independent of Amentum, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Basis of Presentation and Accounting

We draw attention to Notes 1 and 2 of the Statement, which describes the basis of presentation and accounting. As described in Notes 1 and 2 to the Statement, the Statement is prepared by Amentum on the accrual basis of accounting according to generally accepted accounting principles (GAAP) in the United States of America and the financial reporting provisions of SIGAR and the terms and conditions of task order W58RGZ21FO138 under contract W58RGZ18D0031, to meet the requirements of SIGAR and the terms and conditions of the task order. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special Purpose Financial Statement

Management is responsible for the preparation and fair presentation of the Statement in accordance with the financial reporting provisions of SIGAR and the terms and conditions of task order W58RGZ21FO138 under contract W58RGZ18D0031. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Amentum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Statement.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of Amentum, the Army, and SIGAR and is not intended to be and should not be used by anyone other than these specified parties. Financial information in this report may be privileged. The restrictions of 18 U.S.C. 1905 should be considered before any information is released to the public.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2023, on our consideration of Amentum's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Amentum's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amentum's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

October 4, 2023
Washington, D.C.

Amentum Services, Inc.
Special Purpose Financial Statement
Task Order Number W58RGZ21F0138
For the Period December 14, 2020, to February 1, 2022

Amentum Services, Inc.					
Special Purpose Financial Statement					
Contract No. W58RGZ-18-D-0031 TO W58RGZ21F0138					
For the Period December 14, 2020 TO February 1, 2023					
			Questioned Costs		
	Budget	Actual	Ineligible	Unsupported	Notes
<i>Revenues</i>					
Contract Number W58RGZ-18-D-0031 TO W58RGZ21F0138					
Total Revenue					1,2,4,5
<i>Costs Incurred / Fixed Fee</i>					
					1,2,4,5
CLIN 0002 Cost					
GL Cost					
Indirect Costs					
CLIN 0002 Fee					
CLIN 0005 Cost					
GL Cost					
Indirect Costs					
CLIN 0005 Fee					
CLIN 0007 Cost					
GL Cost					
Indirect Costs					
CLIN 0007 Fee					
CLIN 0009 Cost					
GL Cost					
Indirect Costs					
CLIN 0009 Fee					
CLIN 0013 Cost					
GL Cost					
Indirect Costs					
CLIN 0013 Fee					
Total Costs Incurred	\$ 60,561,020	\$ 23,438,642			
<i>Balance</i>	\$ -	\$ -			6

Note 1. Basis of Presentation

The accompanying Special Purpose Financial Statement (the "Statement") includes costs incurred under contract number W58RGZ-18-D-0031 task order W58RG21F0138 for the period December 14, 2020, to February 1, 2022. Because the Statement presents only a selected portion of the operations of Amentum it is not intended to and does not present the financial position, changes in net assets, or cash flows of Amentum. The information in this Statement is presented in accordance with the requirements specified by the Office of the Special Inspector General for Afghanistan Reconstruction ("SIGAR") and is specific to the contract. Therefore, some amounts presented in this Statement may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Basis of Accounting

Revenues and expenditures reported on the Statement are reported on the accrual basis of accounting according to generally accepted accounting principles (GAAP) in the United States of America. Expenditures are recognized following the cost principles contained in Federal Acquisition Regulation ("FAR") Part 31 – Contracts with Commercial Organizations.

Note 3. Foreign Currency Translation Method

All amounts presented are shown in U.S. dollars, the reporting currency of Amentum. Amentum converts any expenses that were paid in Afghanis (local currency) into U.S. dollars (reporting currency) by using the current exchange rate obtained from the local Afghan bank. The only payments made in Afghanis were regulatory and/or VAT related.

Note 4. Revenues

As of February 1, 2022, Amentum has reported Revenues of [REDACTED] on the Statement representing the amount of funds to which Amentum is entitled to receive from the Army Contracting Command-Redstone for allowable, eligible costs incurred and fixed fee awarded under the Contract during the period of performance.

Note 5. Costs Incurred by Budget Category

The budget categories presented, and associated amounts reflect the budget line items presented within the final, approved award budget adopted as a component of Contract W58RGZ-18-D-0031, Task Order W58RGZ-21-F-0138 to the base award, which was awarded on December 14, 2020.

Note 6. Balance

NA

Note 7. Currency

All amounts presented are shown in U.S. dollars.

Note 9. Program Status

The Department of Defense (DOD), Army Contracting Command- Redstone, awarded Task Order number W58RGZ21F0138 under Contract Number W58RGZ-18-D-0031, for the period of December 14, 2020 – February 1, 2022, to DynCorp International, LLC (DynCorp) for the purpose of providing Contractor Logistics Support (CLS) in support of the Afghan Air Force (AAF) and Special Mission Wing (SMW) UH-60 fleet in Afghanistan.

The scope of this Contract was for DynCorp-provided critical equipment, material, and services to be performed predominantly Outside the Continental United States (OCONUS) as required to support the United States (US) Army Multi-National Aviation Special Projects Office (MASPO) PMO. These services provide for Contractor Logistics Support (CLS) for non-standard rotary wing aircraft systems. CLS services include sustainment engineering; supply support; maintenance planning and management; furnishing or maintaining support equipment; aircraft modifications; component overhauls; technical data; training and training support; manpower and personnel; facilities and infrastructure; packaging, handling, storage, and transportation; and computer resource.

The Contract was for an original Transition In period of January 1 2021 to 31 March 2021 and an original base period of twelve months from April 1 2021 to 31 March 2022, but the Contract was later terminated for convenience effective on February 1, 2022.

Management has performed an analysis of the activities and transactions subsequent to the January 01, 2021 to February 1, 2022. Management has performed their analysis through October 4, 2023.

Note 10. Reconciliation to Cumulative Draw Amounts

N/A

Note 11. Subsequent Events

NA

NA

All amounts presented are shown in U.S. dollars.

Amentum Services, Inc.
Notes to the Questioned Costs
Task Order Number W58RGZ21FO138
For the Period December 14, 2020, to February 1, 2022

NA

Crowe had no questioned costs associated with this task order.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

To the Board of Directors and Management of Amentum Services, Inc.
20501 Seneca Meadows Parkway, Suite 300
Germantown, MD 20876

To the Office of the Special Inspector General for Afghanistan Reconstruction
2530 Crystal Drive
Arlington, Virginia 22202

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Special Purpose Financial Statement (the "Statement") of Amentum Services, Inc. ("Amentum"), and related notes to the Statement, with respect to the task order W58RGZ21FO138 under contract W58RGZ18D0031, a Cost-Plus-Fixed-Fee ("CPFF") term (level of effort) for Transition Services, CLS Labor, Other Direct Costs ("ODC") and Material Services; and Cost-No-Fee ("CNF") for Travel; and Firm-Fixed-Price ("FFP") for Over and Above tasks order for the Afghan Air Force ("AAF") and Special Mission Wing ("SMW") UH-60 fleet in Afghanistan, funded by the U.S. Army ("Army") for the period December 14, 2020 to February 1, 2022. We have issued our report thereon dated October 4, 2023.

Internal Control over Financial Reporting

Amentum Services, Inc.'s management is responsible for establishing and maintaining effective internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the task order; and transactions are recorded properly to permit the preparation of the Statement in conformity with the basis of accounting and presentation described in Notes 1 and 2 to the Statement. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the Statement, we considered Amentum Services, Inc.'s internal controls over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Statement, but not for the purpose of expressing an opinion on the effectiveness of Amentum Services Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Amentum Services, Inc.'s internal control.

(Continued)

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

We noted certain matters that we are required to report to management of Amentum Services, Inc. in a separate written communication. These matters are described in our Management Letter dated October 4, 2023.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

Restriction on Use

This report is intended for the information of Amentum Services, Inc., the United Army, and the Office of the Special Inspector General for Afghanistan Reconstruction. Financial information in this report may be privileged. The restrictions of 18 U.S.C. 1905 should be considered before any information is released to the public.


Crowe LLP

October 4, 2023
Washington, D.C.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the Board of Directors and Management of Amentum Services, Inc.
20501 Seneca Meadows Parkway, Suite 300
Germantown, MD 20876

To the Office of the Special Investigator General for Afghanistan Reconstruction
2530 Crystal Drive
Arlington, Virginia 22202

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Special Purpose Financial Statement (the "Statement") of Amentum Services, Inc. ("Amentum"), and related notes to the Statement, with respect to the Afghan Air Force ("AAF") and Special Mission Wing ("SMW") UH-60 fleet in Afghanistan, funded by the U.S., Department of Defense, Army ("Army") task order W58RGZ21FO138 under contract W58RGZ18D0031 for the period December 14, 2020 to February 1, 2022. We have issued our report thereon dated October 4, 2023.

Management's Responsibility for Compliance

Compliance with Federal rules, laws, regulations, and the terms and conditions applicable to the task order is the responsibility of the management of Amentum Services, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amentum's Financial Statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

(Continued)

Restriction on Use

This report is intended for the information of Amentum Services, Inc., the United States Department of Defense, Army, and the Office of the Special Inspector General for Afghanistan Reconstruction. Financial information in this report may be privileged. The restrictions of 18 U.S.C. 1905 should be considered before any information is released to the public.

Crowe LLP
Crowe LLP

October 4, 2023
Washington, D.C.

Amentum Services, Inc.
Section I: Summary Schedule of Findings and Questioned Costs
Task Order Number W58RGZ21FO138
For the Period December 14, 2020, to February 1, 2022

Crowe did not identify any findings or questioned costs associated with the audit.

Amentum Services, Inc.
Section II: Summary Schedule of Prior Audit, Review, and Assessment Findings
Task order number W58RGZ21FO138
For the Period December 14, 2020, to February 1, 2022

Crowe also requested from Amentum, SIGAR, and Army copies of prior audits, reviews, and evaluations pertinent to Amentum's activities under the task order. Based on Crowe's communications with Amentum, SIGAR, and the Army, there were no prior audit reports identified that may be direct and material to the Special Purpose Financial Statement or other financial information significant financial data to the audit objectives as Amentum was established in 2020.

Appendix A: Views of Responsible Officials

Crowe did not obtain the view of responsible officials as there were no findings associated with this task order.

Appendix B: Auditor's Rebuttal

Crowe did not obtain the view of responsible officials as there were no findings associated with this task order.

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SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

Obtaining Copies of SIGAR Reports and Testimonies

To obtain copies of SIGAR documents at no cost, go to SIGAR's Web site (www.sigar.mil). SIGAR posts all publicly released reports, testimonies, and correspondence on its Web site.

To Report Fraud, Waste, and Abuse in Afghanistan Reconstruction Programs

To help prevent fraud, waste, and abuse by reporting allegations of fraud, waste, abuse, mismanagement, and reprisal, contact SIGAR's hotline:

- Web: www.sigar.mil/fraud
- Email: sigar.pentagon.inv.mbx.hotline@mail.mil
- Phone International: +1-866-329-8893
- Phone DSN International: 312-664-0378
- U.S. fax: +1-703-601-4065

SIGAR's Mission

Public Affairs Officer

- Phone: 703-545-5974
- Email: sigar.pentagon.ccr.mbx.public-affairs@mail.mil
- Mail: SIGAR Public Affairs
2530 Crystal Drive
Arlington, VA 22202