

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

SIGAR 21-11 Audit Report

Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles



DECEMBER
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SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT SIGAR REVIEWED

Since 2001 the United States has made training and equipping the Afghan National Defense and Security Forces (ANDSF) a priority of its reconstruction efforts in Afghanistan. To support this priority, from fiscal year (FY) 2002 through FY 2017 (the most recent year for which data are available), the U.S. government transferred to the Afghan government more than \$28 billion worth of defense articles and services, including weapons, ammunition, vehicles, night-vision devices, aircraft, and surveillance systems.

Congress has mandated that the U.S. government ensure that countries receiving defense articles and services appropriately use and secure them through a program called end-use monitoring (EUM).

Although the Department of State (State) is responsible for general oversight of efforts to provide military assistance to other countries, the Department of Defense (DOD) is responsible for implementing EUM for government-to-government transfers of defense articles. DOD has established two levels of EUM: (1) routine, covering most transferred items; and (2) enhanced, more stringent monitoring for sensitive articles. DOD must report potential end-use violations to State and help it investigate them.

The objectives of this audit were to determine the extent to which DOD, from the beginning of FY 2017 through April 2020, (1) conducted required routine and enhanced post-delivery EUM of defense articles transferred to the ANDSF; and (2) reported and investigated potential end-use violations in Afghanistan, and took steps to ensure that corrective actions occurred, when applicable.

December 2020

Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles

SIGAR 21-11 AUDIT REPORT

WHAT SIGAR FOUND

The Defense Security Cooperation Agency (DSCA) and U.S. Central Command oversee EUM activities for defense articles transferred to the Afghan government, and the Combined Security Transition Command-Afghanistan (CSTC-A) implements the activities.

SIGAR found that DOD did not meet enhanced EUM requirements to account for all sensitive defense articles transferred to the Afghan government; the requirements are designed to minimize national security risks by preventing the diversion or misuse of defense articles that incorporate sensitive technology.

SIGAR also found that DOD did meet the more general requirements for its routine oversight of nonsensitive defense articles, but had weaknesses with data reconciliation related to its EUM activities in Afghanistan.

DSCA, the DOD agency responsible for overseeing the department's worldwide EUM program, requires that enhanced EUM efforts include inventorying 100 percent of applicable articles by serial number every 365 days. SIGAR found that CSTC-A did not meet this requirement because it inventoried only 40 percent of applicable articles during the 365-day period from May 2019 through April 2020. Additionally, SIGAR found that CSTC-A had not inventoried at least 678 (about 5 percent) of the 12,681 active items subject to enhanced EUM requirements since the beginning of FY 2017.

According to CSTC-A officials, the command has never met its 100-percent inventory requirement and is unlikely to ever do so because the security situation in Afghanistan prevents some inventories from taking place. DSCA and CSTC-A officials also agreed that DOD's EUM program was not designed to operate in combat environments, such as Afghanistan.

Without required inventories of approximately 60 percent of enhanced EUM-designated transferred articles—among the most sensitive of all defense articles transferred to the Afghan government—CSTC-A lacks a complete account of articles in use by the ANDSF. Consequently, sensitive technology remains susceptible to theft or loss and CSTC-A is less able to verify that ANDSF units are using these articles in accordance with their transfer agreements. For example, according to information ANDSF units submitted to CSTC-A, 19 of the 48 enhanced EUM-designated night-vision devices for which the ANDSF requested the U.S. government's approval for end-use changes in FY 2019 were captured by enemy forces, and 29 were recorded as destroyed, damaged, or lost.

CSTC-A is not required to complete enhanced EUM inspections when security conditions prevent it from doing so, but not conducting all of the inspections limits the command's ability to verify reported numbers of lost and destroyed articles, and discover additional broken or missing articles the ANDSF may not have reported. Further, by not fully completing enhanced EUM inventories, CSTC-A is missing additional opportunities to evaluate facility security and identify potential end-use violations.

Separate from its enhanced EUM efforts, CSTC-A's routine EUM efforts met requirements for conducting periodic checks of certain types of nonsensitive defense articles transferred to the Afghan government. CSTC-A also met additional requirements for general EUM that are not specifically associated with either the routine or enhanced monitoring levels. For example, CSTC-A reported quarterly on the quantities of lethal defense articles transferred and conducted quarterly inspections of major weapons storage facilities, as required by DOD policies. CSTC-A also certified the security of three ANDSF storage sites used for certain articles and established procedures to register small arms transferred to the ANDSF.

Additionally, SIGAR found that CSTC-A did not consistently update and reconcile information uploaded to the Security Cooperation Information Portal (SCIP), DSCA's online database that is used, in part, for EUM data. By not doing so, CSTC-A limited its ability to detect missing or misused transferred articles. For example, the command's EUM standard operating procedures require CSTC-A to upload EUM data into SCIP for all transferred articles and update the status of each one lost or destroyed, also in SCIP. However, CSTC-A cannot update the status of all transferred articles that are subject to routine EUM requirements because not all of these items are added to the database's EUM module when they are transferred to the Afghan government.

CSTC-A's standard operating procedures also require it to reconcile discrepancies between its EUM inspection reports and the data in SCIP. However, SIGAR found discrepancies between data from CSTC-A and data in SCIP. Records for 33 routine EUM checks conducted since the beginning of FY 2017 were included in SCIP, but CSTC-A's documentation showed that at least 62 checks took place. Similarly, the data in SCIP show that enhanced EUM checks covered at least 6,012 articles in FY 2019, but CSTC-A's records showed that its enhanced EUM checks covered only 4,253 articles during this period. By not updating and reconciling SCIP data with CSTC-A documentation, the command may lack access to an accurate, readily available inventory of all active articles that are supposed to be in the ANDSF's possession. As a result, it may be difficult for CSTC-A to account for potential theft, loss, or misuse of these items.

Finally, SIGAR found that a lack of communication between DOD and State hindered reporting and investigation into a potential end-use violation in Afghanistan. State is the lead agency for investigating potential violations and determining whether they are substantial violations that must be reported to Congress. Both DSCA's EUM requirements and CSTC-A's standard operating procedures require the agencies to report potential violations to State and support State in its investigations.

Although DSCA's records included only one potential violation, reported in August 2019, SIGAR found that neither CSTC-A nor State was initially aware of the potential violation's existence, and none of the three agencies was initially aware of its status or any corrective actions that may have been taken. State told SIGAR in January 2020 that it never received any communication from DSCA about the potential violation and, as a result, did not initiate an investigation. In February 2020 DSCA officials said they would contact State to discuss the potential violation. Subsequent to SIGAR's initial conversations with the agencies, DSCA notified SIGAR in May 2020 that it and State jointly closed the potential violation in October 2019. Yet State informed SIGAR later that month that it still had not received any additional information from DSCA about the potential violation and would defer to DSCA regarding the status of it—even though State is responsible for investigating and determining whether it should be reported to Congress. Although DSCA and State meet regularly to discuss potential end-use violations reported worldwide, communication at these meetings did not ensure that State was informed of the potential violation in Afghanistan.

In response to a discussion of our preliminary findings in June 2020, State wrote that it requires entities reporting potential violations to provide substantive evidence of their claims to validate the information. The department further stated that it did not initiate an investigation into the potential violation or determine whether it must be reported to Congress because of a lack of information about the allegation.

By not sharing sufficient information with State about potential end-use violations in Afghanistan, DSCA and CSTC-A risk that potential violations will not be investigated and reported to Congress. Additionally, without investigations into potential violations, the agencies may not be able to identify gaps in accountability or security, or take corrective actions needed to mitigate the risk of future violations and the potential loss of U.S.-funded defense articles, including sensitive technology. However, SIGAR is not making a recommendation about this issue because SIGAR observed only one instance of it.

WHAT SIGAR RECOMMENDS

To ensure that there is more effective oversight and greater accountability of sensitive U.S. defense articles transferred to the Afghan government, SIGAR recommends that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to:

- 1. Implement modifications to enhanced EUM procedures or requirements applicable to Afghanistan that take into account the country's combat environment, for example by requiring that sensitive equipment rotate regularly through maintenance facilities or other central hubs where U.S. personnel have increased opportunities for oversight.**

To ensure that there is more effective oversight and greater accountability of nonsensitive U.S. defense articles transferred to the Afghan government, SIGAR recommends that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to:

- 2. Determine whether changes in the end-use status of defense articles transferred to the Afghan government that are subject to routine EUM should be tracked in SCIP's EUM module.**
- 3. If DOD decides to use SCIP's EUM module to track such changes, modify EUM procedures or requirements applicable to Afghanistan to require tracking.**

To improve the accuracy of data in SCIP, SIGAR recommends that the CSTC-A Commander:

- 4. Modify CSTC-A's EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command's EUM checks.**

SIGAR provided a draft of this report to DOD and State for review and comment. SIGAR received written comments on a draft of this report from the Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs, DSCA, and CSTC-A, which are reproduced in appendices IV, V, and VI, respectively. The Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs noted that DOD concurred with all four recommendations. DSCA concurred with the first three recommendations, but did not offer a specific response to the fourth recommendation, which was directed to CSTC-A. CSTC-A concurred with the fourth recommendation, but did not offer specific responses to the first, second, or third recommendations, which were directed to DSCA. State did not provide official comments, but provided technical comments, which SIGAR incorporated into this report, as appropriate.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

December 11, 2020

The Honorable Michael R. Pompeo
Secretary of State

The Honorable Christopher C. Miller
Acting Secretary of Defense

General Kenneth F. McKenzie Jr.
Commander, U.S. Central Command

General Austin Scott Miller
Commander, U.S. Forces-Afghanistan and
Commander, Resolute Support

Lieutenant General E. John Deedrick Jr.
Commander, Combined Security Transition Command-Afghanistan

Ms. Heidi H. Grant
Director, Defense Security Cooperation Agency

This report discusses the results of SIGAR's audit of the Department of Defense's (DOD) end-use-monitoring (EUM) activities in Afghanistan. Between fiscal years 2002 and 2017, the most recent year for which data are available, the U.S. government transferred more than \$28 billion worth of defense articles and services to the Afghan government. To verify that recipients use and secure the articles appropriately, Congress requires that the U.S. government oversee them through an EUM program, which the Combined Security Transition Command-Afghanistan (CSTC-A) implements in Afghanistan. This program involves two levels of EUM: (1) routine, covering most transferred articles; and (2) enhanced, more stringent monitoring for sensitive items. CSTC-A also must complete additional requirements for EUM that are not associated specifically with either the routine or enhanced monitoring levels.

We found that CSTC-A did not conduct required enhanced EUM oversight for sensitive defense articles, but met the more general requirements for routine EUM oversight of nonsensitive articles and its general EUM activities. Additionally, we found that CSTC-A did not reconcile data consistently with information uploaded to the Security Cooperation Information Portal (SCIP), the Defense Security Cooperation Agency's (DSCA) database that serves, in part, as a repository for EUM data. We also found that a lack of communication between DOD and the Department of State (State) hindered reporting and investigation into a potential end-use violation in Afghanistan. However, we are not making a recommendation about this issue because we observed only one instance of it.

We are making four recommendations. We recommend that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to (1) implement modifications to enhanced EUM procedures or requirements applicable to Afghanistan that take into account the country's combat environment, for example by requiring that sensitive equipment regularly rotate through maintenance facilities or other central hubs where U.S. personnel have increased opportunities for oversight; (2) determine whether changes in the end-use status of defense articles transferred to the Afghan government that are subject to routine EUM should be



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tracked in SCIP's EUM module; and (3) if DOD decides to use SCIP's EUM module to track such changes, modify EUM procedures or requirements applicable to Afghanistan to require tracking. We also recommend that the CSTC-A Commander (4) modify CSTC-A's EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command's EUM checks.

We provided a draft of this report to DOD and State for review and comment. We received written comments on a draft of this report from the Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs, DSCA, and CSTC-A, which we reproduced in appendices IV, V, and VI, respectively. State did not submit official comments, but provided technical comments, which we incorporated into this report as appropriate. The Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs noted that DOD concurred with all four recommendations. DSCA concurred with the first three recommendations, but did not offer a specific response to our fourth recommendation, which was directed to CSTC-A. CSTC-A concurred with the fourth recommendation, but did not offer specific responses to our first, second, or third recommendations, which were directed to DSCA. We determined that the DOD responses were sufficient to close our second and fourth recommendations as implemented upon issuance of this report.

We will close our first and third recommendations upon receipt of documentation showing the corrective actions taken by the department. Please provide your responses and any additional information on the corrective actions to sigar.pentagon.audits.mbx.recommendation-follow-up@mail.mil within 60 days from the issue date of this report.

SIGAR conducted this work under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended, and in accordance with generally accepted government auditing standards.

A handwritten signature in black ink, appearing to read "John F. Sopko".

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

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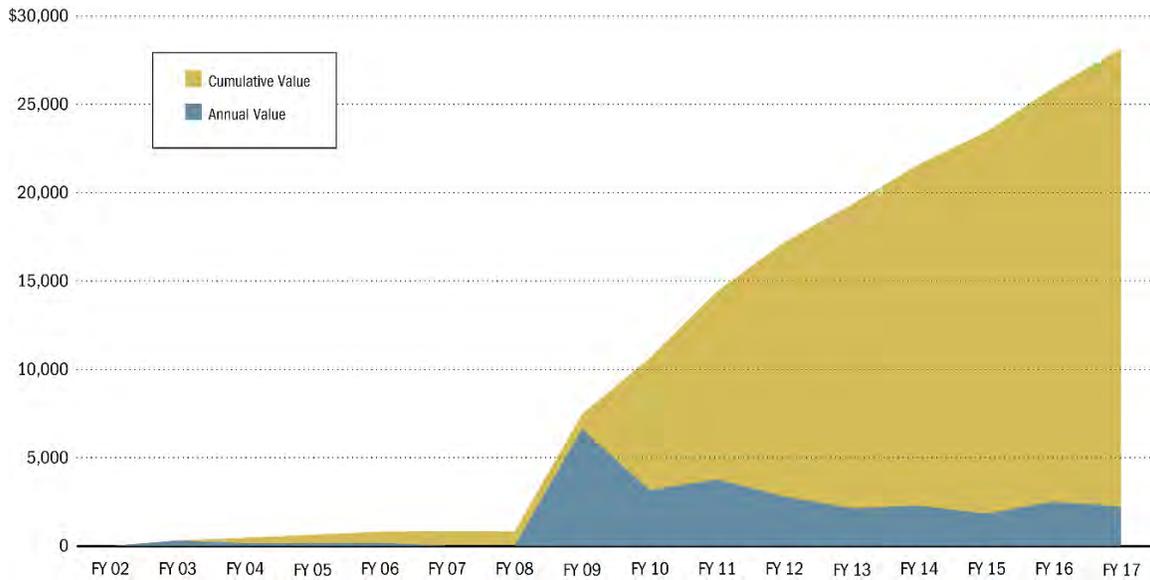
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ABBREVIATIONS

| | |
|--------|--|
| ANDSF | Afghan National Defense and Security Forces |
| CSTC-A | Combined Security Transition Command-Afghanistan |
| DSCA | Defense Security Cooperation Agency |
| DOD | Department of Defense |
| EUM | end-use monitoring |
| FY | fiscal year |
| SAMM | <i>Security Assistance Management Manual</i> |
| SCIP | Security Cooperation Information Portal |
| State | Department of State |

Since 2001, the United States has made training and equipping the Afghan National Defense and Security Forces (ANDSF) a priority of its efforts to secure Afghanistan. To support this priority, from fiscal year (FY) 2002 through FY 2017, the most recent year for which data are available, the U.S. government transferred defense articles and services worth more than \$28 billion to the Afghan government.¹ Figure 1 shows the value of these articles and services over time.

Figure 1 - Value of Defense Articles and Services Transferred to the Afghan Government by Fiscal Year (in Millions)



Source: SIGAR analysis of data from the Defense Security Cooperation Agency.

Note: Data are as of September 30, 2017.

To oversee the defense articles and services, Congress has mandated that the U.S. government make sure recipient countries appropriately use and secure the items transferred to them through a program called end-use monitoring (EUM).²

Our prior reports and those of other oversight agencies have questioned the effectiveness of the Department of Defense’s (DOD) EUM program in Afghanistan. For example, both the U.S. Government Accountability Office and the DOD Office of Inspector General reported in 2009 that DOD could not fully account for the weapons it provided to the ANDSF.³ In 2012 the DOD Office of Inspector General found that the department did not maintain complete accountability of night-vision devices procured for the ANDSF.⁴ Also in 2012, we reported that although the Combined Security Transition Command-Afghanistan (CSTC-A) met EUM requirements for

¹ Defense articles include weapons, ammunition, vehicles, night-vision devices, aircraft, and surveillance systems. Defense services include training and military assistance. According to the Defense Security Cooperation Agency, the \$28 billion consists of nonconstruction defense articles and services delivered to Afghanistan through both foreign military sales and other sales permitted by the Foreign Assistance Act of 1961 and the National Defense Authorization Acts. The data do not differentiate between amounts transferred for defense articles and those for defense services.

² Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2785.

³ U.S. Government Accountability Office, *Afghanistan Security: Lack of Systematic Tracking Raises Significant Accountability Concerns about Weapons Provided to Afghan National Security Forces*, GAO-09-267, January 30, 2009; and DOD Office of Inspector General, *Afghanistan Security Forces Fund Phase III—Accountability for Weapons Distributed to the Afghanistan National Army*, D-2009-075, May 21, 2009.

⁴ DOD Office of Inspector General, *Accountability of Night Vision Devices Procured for the Afghan National Security Forces Needs Improvement*, DODIG-2012-103, June 18, 2012.

vehicles the U.S. government provided to the ANDSF, the command did not have a system in place to address issues its vehicle EUM teams found.⁵ Two years later, we reported that the DOD and ANDSF inventory systems used to track weapons transferred to the Afghan government were unreliable and incomplete.⁶

This audit focuses on EUM of defense articles that the U.S. government transferred to the Afghan government. The objectives were to determine the extent to which DOD, from FY 2017 through April 2020, (1) conducted required routine and enhanced post-delivery EUM of defense articles transferred to the ANDSF; and (2) reported and investigated potential end-use violations in Afghanistan and took steps to ensure that corrective actions occurred, when applicable.⁷

To accomplish our objectives, we reviewed public laws, policies, procedures, and other documentation governing EUM, and examined DOD data regarding the quantities and types of defense articles transferred to the Afghan government. We also reviewed and compared documentation CSTC-A generated through its EUM activities and similar information recorded in DOD's EUM database. As part of this review, and to determine whether CSTC-A met specific requirements, we examined data for May 2019 through April 2020. We interviewed officials from DOD's Defense Security Cooperation Agency (DSCA), CSTC-A, North Atlantic Treaty Organization's Special Operations Component Command-Afghanistan, and the Department of State's (State) Office of Regional Security and Arms Transfers. We also interviewed contractors in Afghanistan charged with maintaining and overseeing ANDSF night-vision devices, and Afghan government officials from the Ministries of Defense and Interior. We conducted our work in Kabul, Afghanistan; Washington, D.C.; and Arlington, Virginia, from August 2019 through July 2020 in accordance with generally accepted government auditing standards. Appendix I has a more detailed discussion of our scope and methodology.

BACKGROUND

The Arms Export Control Act requires the U.S. government to establish a program to conduct EUM of defense articles transferred to other countries, and DOD is responsible for implementing the program for government-to-government transfers.⁸ According to the act, the program should provide reasonable assurance that recipients of transferred defense articles are complying with requirements imposed by the U.S. government regarding the articles' use, transfer, and security.⁹ For example, the act requires countries receiving transferred articles to agree that they will not (1) use them for purposes other than those originally intended, (2) sell or give the articles to third parties, or (3) store the articles in locations with security inferior to the security that the United States would provide.¹⁰ DOD's EUM program also aims to minimize national security risks by preventing the diversion or misuse of defense articles that incorporate sensitive technology.

⁵ SIGAR, *DOD Improved Its Accountability for Vehicles Provided to the Afghan National Security Forces, but Should Follow Up on End-Use Monitoring Findings*, SIGAR Audit 12-4, January 12, 2012.

⁶ SIGAR, *Afghan National Security Forces: Actions Needed to Improve Weapons Accountability*, SIGAR Audit 14-84-AR, July 18, 2014.

⁷ Although this audit's scope is FY 2017 through April 2020, we focused on different periods within this timeframe for specific analyses depending on the relevant data available at the time. For example, we used data from FY 2017 through FY 2019 when reviewing CSTC-A's routine EUM checks because FY 2019 was the most recent complete fiscal year for which we could get this information. Similarly, we used data from May 2019 through April 2020 when evaluating CSTC-A's enhanced EUM activities because this represented the most recent 365-day period for which data were available in DOD's EUM database.

⁸ Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2785(a)(1). In addition to DOD's EUM program, State is generally responsible for conducting EUM of defense articles and services exported through commercial channels, and the Department of Commerce is generally responsible for conducting EUM of certain articles exported through commercial channels that have both military and civilian applications.

⁹ Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2785(a)(2)(B).

¹⁰ Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2753(a). The terms and conditions associated with the transfers of defense articles to Afghanistan are also in letters of offer and acceptance that DSCA issues, and in the

Congress established additional EUM requirements for defense articles transferred to the Afghan government through the FY 2010 National Defense Authorization Act.¹¹ The act, which DOD implemented in part through DOD Instruction 4140.66, requires DOD to monitor the end-use of all lethal defense articles transferred to the Afghan government and implement a process to register the serial numbers of all transferred small arms.¹²

To implement these requirements, DOD tasked DSCA with managing and enforcing the department's EUM program.¹³ In Afghanistan, CSTC-A's Security Assistance Office is responsible for implementing the program with oversight from DSCA and U.S. Central Command. The Security Assistance Office has used two versions of EUM standard operating procedures since the beginning of FY 2017: one that took effect in March 2016 and a revised version used since April 2019. These procedures largely conform to or exceed the standards in DSCA's *Security Assistance Management Manual (SAMM)*, in which the agency specifies worldwide EUM requirements for country-level oversight.

DSCA uses the Security Cooperation Information Portal (SCIP) as a worldwide repository for certain data related to transfers of defense articles and services, including EUM information and data relating to potential end-use violations. This online database consists of different modules for tracking transferred defense articles, including one designed specifically to support EUM activities. Individuals with access to SCIP can include representatives of DSCA, State, military commands, contractors, and foreign governments that receive transferred defense articles.

Requirements for EUM Activities in Afghanistan

The SAMM establishes two levels of oversight for transferred defense articles: routine EUM and enhanced EUM. Unless specifically designated as subject to enhanced EUM standards, all defense articles, such as vehicles and small arms, transferred through government-to-government assistance programs are subject to routine EUM requirements. DSCA maintains a list of 18 categories of defense articles subject to enhanced EUM requirements.¹⁴ In Afghanistan, most transferred articles subject to the enhanced requirements are night-vision devices, as shown in Photo 1; others include surveillance systems and computer controls for laser-guided bombs.

For articles subject to routine EUM standards, the SAMM requires DOD personnel to observe and report potential misuse or unauthorized transfers of U.S.-provided defense articles

at every available opportunity in conjunction with other security cooperation functions, during visits to the partner nation's installations, through interaction with other assigned embassy personnel, and from any other readily available or opportune source of information.¹⁵

Afghan government's agreement formally accepting defense articles and services from the U.S. government. See Islamic Republic of Afghanistan Ministry of Foreign Affairs, "Afghanistan Response Note to the U.S. Note No. 17-1153," Diplomatic Note No. 548, June 25, 2018.

¹¹ National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84, § 1225, 123 Stat. 2190, 2523 (2009).

¹² DOD Instruction 4140.66, "Registration and End-Use Monitoring of Defense Articles and/or Defense Services," September 7, 2010. DOD updated and reissued the instruction on May 24, 2017.

¹³ According to its mission statement, DSCA leads U.S. security cooperation efforts to train, educate, advise, and equip foreign partners. In doing so, the agency stated that its activities include providing guidance to DOD entities that implement security cooperation programs and overseeing the financial and program management of foreign military sales.

¹⁴ The 18 categories of items subject to enhanced EUM standards include certain types of missiles, advanced threat infrared countermeasures systems, communication security equipment, joint standoff weapons, large aircraft infrared countermeasures, certain portable night-vision devices, terminal high altitude area defense missiles or radar systems, and certain unmanned aerial systems.

¹⁵ DSCA Manual 5105.38-M, *Security Assistance Management Manual*, § C8.3.1, <https://www.samm.dsca.mil>, accessed August 1, 2019.

The SAMM specifies that personnel should perform routine EUM checks at least quarterly, but does not specify how many articles personnel should observe during the checks or where the checks should occur. CSTC-A's EUM standard operating procedures effective between March 2016 and April 2019 stated that the command's Security Assistance Office should conduct two routine EUM inspections per quarter, if feasible: one for Afghan National Army facilities and one for Afghan National Police facilities.¹⁶ Additionally, both the March 2016 and April 2019 versions of the procedures state that during the command's quarterly routine EUM inspections, CSTC-A personnel should select one type of defense article and verify the presence of about 10 percent of that article's total inventory that is supposed to be at the inspection site. For example, if CSTC-A personnel selected M4 rifles, they would determine how many M4 rifles are supposed to be at the inspection site and inventory 10 percent of them.

For articles subject to enhanced EUM standards, the SAMM also requires that DOD personnel assess the physical security of the facilities where the recipient country stores the articles and conduct serial number-based inventories of 100 percent of the articles at least once every 365 days. Additionally, CSTC-A's April 2019 EUM standard operating procedures state that the command's personnel may have to conduct multiple visits to ANDSF sites to inspect all of the items.

DSCA has approved exceptions or modifications to its global standards for some situations in Afghanistan. For example, it permits CSTC-A to use certain information that the ANDSF provides and contractor photographs as part of EUM activities.¹⁷

In addition to DOD's role in EUM, both the Arms Export Control Act and the Foreign Assistance Act of 1961 designate State as responsible for "continuous supervision and general direction" of activities such as security assistance and related transfers of defense articles.¹⁸ The Arms Export Control Act also requires that the president report to Congress all "substantial" violations of end-use requirements, such as those indicating that a recipient country has used, transferred, or stored U.S.-provided defense articles inappropriately.¹⁹ State is the lead agency responsible for investigating allegations of end-use violations and determining which allegations warrant referral to Congress.²⁰ Accordingly, the SAMM requires DSCA and CSTC-A to report potential violations to State and support State's investigation efforts, and CSTC-A's EUM standard operating

Photo 1 - Night-Vision Devices Presented for an Enhanced EUM Inventory at an ANDSF Facility



Source: SIGAR, February 18, 2020.

¹⁶ CSTC-A updated the procedures in April 2019, and they did not include this language.

¹⁷ CSTC-A officials said they only use information from the ANDSF as additional data to help confirm the status of articles, not to replace verification by U.S. government personnel.

¹⁸ Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2752(b); and Foreign Assistance Act of 1961, Pub. L. No. 87-195, as amended, 22 U.S.C. § 2382(c).

¹⁹ According to the act, a violation is determined to be substantial in relation to the "quantities [involved] or in terms of the gravity of the consequences regardless of the quantities involved." See Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2753(c)(1).

²⁰ The Arms Export Control Act tasks the president with investigating and reporting to Congress potential violations; the president in turn delegated these functions to State. See Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2753(c); and Executive Order No. 13,637, 3 C.F.R. 13637 (2014).

procedures require that CSTC-A personnel report any potential violations through DSCA to State for investigation. The procedures also require CSTC-A to report losses of equipment to DSCA, State, and U.S. Central Command.

In addition to investigating potential violations and reporting substantial violations to Congress, State is responsible for giving the U.S. government's official consent authorizing changes in transferred articles' end-use, including transferring articles to a third party and destroying or disposing of the articles.²¹ Table 1 lists the roles DSCA, U.S. Central Command, CSTC-A, and State have in EUM activities in Afghanistan.

Table 1 - U.S. Entities Involved in the EUM Program in Afghanistan

| Entity | Primary EUM Roles |
|--|--|
| DOD | |
| DSCA | <ul style="list-style-type: none"> • Establishes worldwide standards and procedures for EUM activities • Oversees country-level EUM programs • Maintains the SCIP database • Reports potential end-use violations to State and supports resulting investigations |
| U.S. Central Command | <ul style="list-style-type: none"> • Provides funding for performance of country-level EUM activities • Ensures that country-level EUM activities are conducted in accordance with DOD policies and procedures • Ensures that all accountability and physical security checks are recorded in SCIP's EUM module |
| Security Assistance Office, CSTC-A | <ul style="list-style-type: none"> • Establishes standards and procedures for EUM activities in Afghanistan • Implements the EUM program in Afghanistan, including routine and enhanced EUM activities • Uploads data and documentation to SCIP • Reports potential end-use violations to DSCA, U.S. Central Command, and State, and supports resulting investigations |
| State | |
| Office of Regional Security and Arms Transfers, Bureau of Political-Military Affairs | <ul style="list-style-type: none"> • Investigates potential end-use violations, with the support of DSCA and CSTC-A • Reports substantial end-use violations to Congress • Adjudicates and provides formal approval for requests from countries that received U.S.-provided defense articles to either transfer an article to a third party or change its authorized end-use |

Source: DOD and State.

Note: Applicable to EUM for government-to-government transfers of defense articles.

²¹ The Arms Export Control Act tasks the president with providing consent for changes in end-use, who in turn delegated this function to State. See Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2753(a)(2); and Executive Order No. 13,637, 3 C.F.R. 13637 (2014).

DOD DID NOT CONDUCT REQUIRED OVERSIGHT OF SENSITIVE DEFENSE ARTICLES, BUT MET MORE GENERAL REQUIREMENTS FOR ROUTINE OVERSIGHT OF NONSENSITIVE ARTICLES

We determined that CSTC-A did not inventory 60 percent of enhanced EUM-designated defense articles—those considered to contain sensitive technology—between May 2019 and April 2020 because of security constraints and travel limitations, but it met more general requirements for its routine EUM checks of nonsensitive articles transferred to the Afghan government.²² CSTC-A officials said they have never achieved 100-percent accountability of sensitive articles subject to enhanced EUM requirements in Afghanistan and do not anticipate ever being able to do so. According to DSCA and CSTC-A officials, DSCA did not design its EUM program for Afghanistan’s combat environment and associated movement restrictions. By not fully inventorying enhanced EUM-designated articles transferred to the ANDSF, CSTC-A risks losing track of this sensitive equipment, leaving the articles and their underlying technology susceptible to theft or loss.

We also determined that CSTC-A does not consistently reconcile its records with data uploaded to SCIP, despite the standard operating procedures requiring it to do so, resulting in discrepancies between the two sources. Additionally, we found that CSTC-A cannot make changes in SCIP to the status of articles subject to routine EUM standards because not all routine EUM-designated articles are added to SCIP’s module for EUM upon transfer. Accordingly, stakeholders using the database for purposes such as conducting EUM checks or investigating potential violations may have to rely on inaccurate or incomplete information, and CSTC-A may have less ability to detect missing articles during its inventories and inspections of ANDSF facilities.

CSTC-A Did Not Inventory 60 Percent of Sensitive Defense Articles from May 2019 through April 2020, Increasing Their Susceptibility to Theft or Loss

The SAMM and CSTC-A’s EUM standard operating procedures require CSTC-A to conduct serial number-based inventories of 100 percent of all sensitive defense articles subject to enhanced EUM within 365 days of their last inventory date and record that data in SCIP. To accomplish this, CSTC-A relies on physical inventories performed by military personnel and contractors, photos and other records provided by contractors, and maintenance facility records.²³

We analyzed SCIP data available for the 365-day period from May 2019 through April 2020 to determine the extent to which CSTC-A had conducted required enhanced EUM inventories.²⁴ We found that CSTC-A inventoried 5,088 of the 12,681 total articles (about 40 percent) during this period.²⁵ The remaining 7,593 articles (about 60 percent) either had inventory dates listed before May 2019 or did not have any associated inventories recorded in SCIP. This means that DOD did not account for all the sensitive defense articles transferred to the Afghan government as required.

Our analysis also showed that CSTC-A has not inventoried some items for multiple 365-day periods, increasing the chance that they could be lost or stolen. According to the SCIP data, CSTC-A has not inventoried at least 678 items (about 5 percent of the total) since the beginning of FY 2017, a gap of more than 3 years. Moreover,

²² In June 2020, CSTC-A wrote that constraints related to the coronavirus pandemic also limited the number of enhanced EUM inventories the command conducted during this period.

²³ In February 2014, DSCA authorized CSTC-A to use reports from the ANDSF as part of its annual inventories, in part, because of the security constraints and travel limitations in certain areas of Afghanistan, and specified that CSTC-A had to perform the inspections only “as conditions and security posture allow.” CSTC-A officials said they do not substitute ANDSF-provided reports for the command’s own inspections.

²⁴ We used data from May 2019 through April 2020 when evaluating CSTC-A’s enhanced EUM efforts because this represented the most recent 365-day period for which data were available in SCIP at the time of our analysis.

²⁵ Of the total 12,681 articles, 11,066 (about 87 percent) are night-vision devices. The remaining 1,615 (about 13 percent) include defense articles such as surveillance systems and computer guidance and control equipment.

the deficiency observed during this 365-day window is not uncommon. CSTC-A officials told us they have never achieved 100-percent accountability of items subject to enhanced EUM requirements in Afghanistan and do not anticipate ever being able to do so.

Officials from both CSTC-A and DSCA stated that DOD did not design its EUM program to operate in combat environments, such as Afghanistan. In response to the challenges of operating in such an environment, DSCA approved some modifications to EUM policies, such as designating some night-vision devices to be subject to routine EUM requirements instead of those for enhanced EUM, and allowing reports from the ANDSF to supplement CSTC-A's inventories and inspections.²⁶

Yet even with these modifications in place, CSTC-A officials said travel restrictions and security constraints limited their ability to fulfill EUM requirements. For example, in a March 2020 memorandum to DSCA, CSTC-A's Security Assistance Office wrote that accountability for night-vision devices subject to enhanced EUM requirements had declined for several reasons. These include restrictions on movements outside of coalition bases for missions that the command considered to be neither essential nor urgent, decreases in the number of EUM personnel, and "a rapidly receding" U.S. military presence attached to ANDSF units.²⁷

Additionally, CSTC-A officials said they use information from the ANDSF only for "confidence-building" purposes and never as a substitute for verification by U.S. personnel. However, we found that the ANDSF's information may not be accurate or reliable, thus limiting its utility. For example, CSTC-A's agreements with the Afghan Ministries of Defense and Interior require them to report quarterly inventories to CSTC-A of enhanced EUM-designated articles, along with their locations and the ANDSF units responsible for them. In December 2017 CSTC-A found "a serious deficiency in [night-vision device] accountability" resulting from discrepancies between the ministries' reports and data that U.S. government personnel collected.²⁸ CSTC-A said the command worked to instruct the ANDSF in proper accountability efforts for these devices and other enhanced EUM-designated articles, but its instruction did not lead to improved accuracy or reliability of the ministries' reports. Additionally, a Ministry of Interior official said the ministry's reporting is backlogged, and CSTC-A officials said the command does not receive regular reporting from the Ministries of Defense and Interior.

Furthermore, although CSTC-A officials said the command uses reports from contractor maintenance facilities as part of its inventory and accountability efforts, DSCA officials said there are no requirements for enhanced EUM-designated equipment to rotate through these facilities at set intervals to provide opportunities for inspection and taking inventory. Absent this type of alternative for accounting for enhanced EUM-designated articles, CSTC-A's options remain limited when attempting to conduct enhanced EUM in a combat environment where movement is severely restricted.

The large number of enhanced EUM-designated articles in the ANDSF's possession may further compound the difficulties CSTC-A personnel face from travel and security restrictions. According to its March 2020 memorandum to DSCA, CSTC-A's Security Assistance Office found that the amount of these articles in Afghanistan presents "a unique challenge" to its EUM efforts.²⁹ DSCA officials said more than half of all global enhanced EUM-designated articles are in countries within U.S. Central Command's area of responsibility.³⁰ Enhanced EUM efforts in these countries have sometimes faced delays similar to those we found in

²⁶ Night-vision devices are generally subject to enhanced EUM requirements, but some may be subject to routine EUM standards depending on their technical capabilities.

²⁷ CSTC-A memorandum to DSCA, "[Security Assistance Office] Compliance Assessment Visit 15-22 September 2018," March 23, 2020.

²⁸ CSTC-A memorandum to SIGAR, "DoD End-Use Monitoring Efforts for Defense Articles Provided to the Afghanistan National Defense and Security Forces (ANDSF) SIGAR 136A Request for Information 3," April 19, 2020.

²⁹ CSTC-A memorandum to DSCA, "[Security Assistance Office] Compliance Assessment Visit 15-22 September 2018," March 23, 2020.

³⁰ U.S. Central Command's area of responsibility consists of 20 countries: Afghanistan, Bahrain, Egypt, Iraq, Iran, Jordan, Kazakhstan, Kyrgyzstan, Kuwait, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia, Syria, Tajikistan, Turkmenistan, the United Arab Emirates, Uzbekistan, and Yemen.

Afghanistan. For example, the U.S. Government Accountability Office reported in December 2019 that DOD's enhanced EUM inventories in Lebanon were not sufficient to meet timeliness standards in nearly one-third of cases.³¹

Without required inventories of approximately 60 percent of enhanced EUM-designated defense articles—among the most sensitive of all articles the U.S. government transfers to the Afghan government—CSTC-A lacks a complete account of articles in use by the ANDSF. Consequently, sensitive technology remains susceptible to theft or loss, and CSTC-A is less able to verify that ANDSF units are using these articles in accordance with their transfer agreements. For example, according to information ANDSF units submitted to CSTC-A, 19 of the 48 enhanced EUM-designated night-vision devices for which the ANDSF requested end-use changes in FY 2019 were captured by enemy forces and 29 were recorded as destroyed, damaged, or lost.³²

CSTC-A is not required to complete enhanced EUM inspections when security conditions prevent it from doing so, but not conducting all of the inspections limits the command's ability to verify reported numbers of lost and destroyed articles, and discover additional broken or missing articles the ANDSF may not have reported. In addition, by not fully completing enhanced EUM inventories, CSTC-A is missing additional opportunities to evaluate facility security and identify potential end-use violations.

CSTC-A Met Requirements for Its Routine EUM Checks of Nonsensitive Articles and General EUM Activities

The SAMM and CSTC-A's EUM standard operating procedures require CSTC-A to perform routine EUM for all nonsensitive defense articles the U.S. government transfers to the Afghan government, and CSTC-A personnel to observe and report any potential misuse of transferred articles. They also direct CSTC-A personnel to perform routine EUM checks in conjunction with their regular activities and visits to Afghan government facilities, and through their review of any other readily available sources of information. The SAMM's standards for routine EUM checks are general and do not specify requirements for numbers, types, or locations of articles to be checked. However, the SAMM and CSTC-A's standard operating procedures specify that CSTC-A must conduct and document routine EUM checks at least quarterly.

Additionally, the FY 2010 National Defense Authorization Act, DOD Instruction 4140.66, the SAMM, and CSTC-A's EUM standard operating procedures require CSTC-A to conduct general EUM activities beyond inspections specific to routine or enhanced EUM.³³ Specifically, CSTC-A must

- Report quarterly the quantities of lethal defense articles transferred to the Afghan government;³⁴
- Document and submit to State for approval or disapproval ANDSF change-in-end-use requests for items transferred to the Afghan government;
- Visit and certify the security of storage sites for lethal defense articles, night-vision devices, and other enhanced EUM-designated articles transferred to the Afghan government;

³¹ U.S. Government Accountability Office, *Security Assistance: Actions Needed to Assess U.S. Activities and Ensure Timely Inspections of Equipment Transferred to Lebanon*, GAO-20-176, December 18, 2019.

³² In FY 2019, the ANDSF also requested end-use changes for 76 night-vision devices subject to routine EUM requirements and 3 night-vision devices for which we could not determine whether routine or enhanced EUM requirements applied.

³³ National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84, § 1225, 123 Stat. 2190, 2523 (2009).

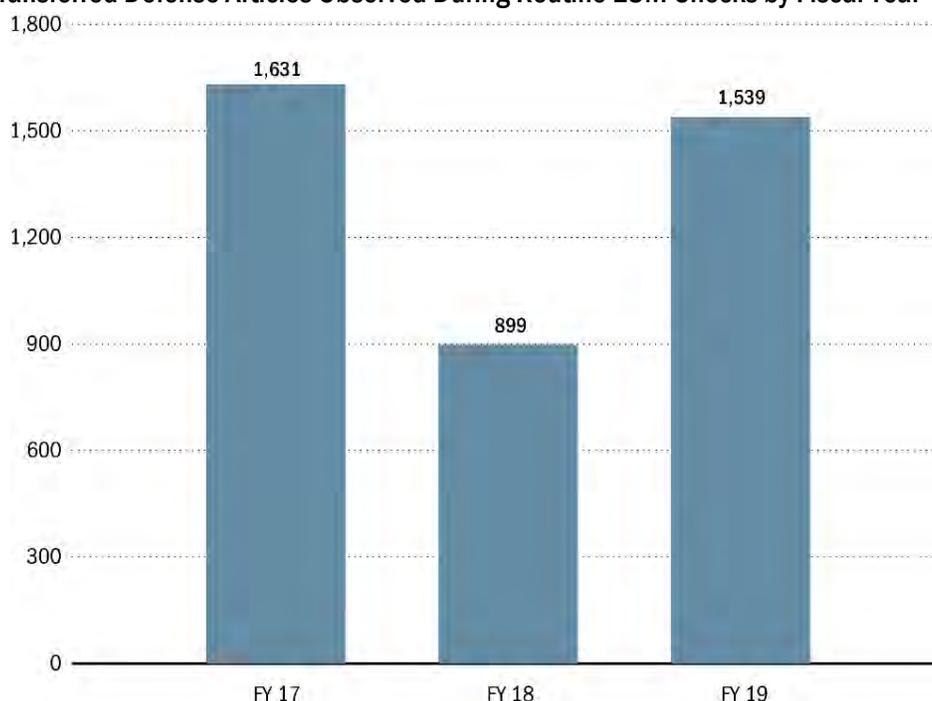
³⁴ DOD Instruction 4140.66 defines lethal defense articles as items provided to the Iraqi, Afghan, or Pakistani governments that are in Categories I or II of the U.S. Munitions List—such as firearms, automatic shotguns, artillery, and certain other armaments—that are capable of firing or launching items in Category III—such as ammunition and other ordnance—or Category IV—such as missiles, rockets, bombs, mines, and other items. The definition also includes all Category IV items, and any vessel, vehicle, or aircraft that is fitted with, designed for, or modified to accommodate any of the included items. For the U.S. Munitions List, see 22 C.F.R. § 121.1, “The United States Munitions List.”

- Conduct quarterly inspections of major weapons facilities storing transferred articles, including reviewing the facilities' written inventories, visually verifying a selection of articles, and resolving any resulting discrepancies;³⁵ and
- Register all small arms transferred to the Afghan government.³⁶

CSTC-A Met Routine EUM Requirements for Oversight of Nonsensitive Articles

We reviewed CSTC-A's routine EUM reports and determined that the command met requirements for its routine EUM checks of nonsensitive articles since the beginning of FY 2017. For example, CSTC-A conducted routine EUM checks every quarter from FY 2017 through FY 2019.³⁷ Those quarterly checks accounted for 4,069 transferred items through activities such as direct inspections of storage facilities, observations made during enhanced EUM inventory inspections, reviews of maintenance records, and reviews of ANDSF records.³⁸ Figure 2 shows the number of items CSTC-A observed through its routine EUM checks during this period.

Figure 2 - Transferred Defense Articles Observed During Routine EUM Checks by Fiscal Year



Source: SIGAR analysis of data from CSTC-A's routine EUM reports.

Note: Data do not include 8,033 repair parts observed during routine EUM checks in the second quarter of FY 2019.

³⁵ In February 2014, DSCA approved a modification to the EUM requirements in Afghanistan that authorizes CSTC-A's Security Assistance Office to perform facility inspections "as conditions and security posture allow." See DSCA memorandum to CSTC-A, "Request for Change of End-Use Monitoring Criteria for Defense Articles and Services Transferred to Afghanistan," February 6, 2014.

³⁶ DOD Instruction 4140.66 does not specify where or how CSTC-A is to register small arms transferred to the Afghan government. CSTC-A's March 2016 and April 2019 EUM standard operating procedures state that the command's Security Assistance Office is responsible for confirming compliance with the registration requirements and recording origin, shipping, distribution, and title transfer data in SCIP. However, the procedures also state that the Operational Verification of Reliable Logistics Oversight Database is the office's system-of-record for meeting equipment registration requirements. The standard operating procedures state that this database was officially phased out of operation in 2014 in favor of SCIP.

³⁷ We used data from FY 2017 through FY 2019 when reviewing CSTC-A's routine EUM checks because FY 2019 was the most recent complete fiscal year for which we could obtain this information.

³⁸ CSTC-A's routine EUM checks during this period also accounted for 8,033 repair parts.

requests for changes in the status of transferred articles, certify the security of sites storing lethal defense articles or other sensitive articles subject to enhanced EUM requirements, inspect major weapons storage facilities, and register small arms transferred to the Afghan government.

Our analysis found that CSTC-A met general EUM requirements. For example, it documented requests for changes in the end-use status of transferred articles.⁴⁰ After reviewing this documentation and other data obtained from SCIP, we found that in FY 2019, ANDSF units sent CSTC-A change-in-end-use requests for 3,206 transferred articles.⁴¹ Of these, enemy forces in combat captured 1,559 (about 49 percent).⁴² An additional 1,422 articles (about 44 percent) were destroyed, damaged, or lost.⁴³ Appendix III provides more details on our review of the reported changes in end-use.

We also determined that CSTC-A certified the security of three ANDSF storage sites used for certain articles subject to enhanced EUM requirements since the beginning of FY 2017.⁴⁴ However, none of the sites CSTC-A certified stored night-vision devices, which, according to SCIP data, comprised about 87 percent of all active articles transferred to the Afghan government that were subject to enhanced EUM and require site certifications. Accordingly, CSTC-A may lack insight into whether security is sufficient to prevent theft or loss at the ANDSF facilities storing the majority of the sensitive articles transferred to the Afghan government.

Additionally, we found that CSTC-A completed 11 of 12 major weapons facility quarterly inspections from FY 2017 through FY 2019. In FY 2018, CSTC-A did not complete 1 of the 12 inspections because of “other priority missions, personnel shortages, and logistical challenges.”⁴⁵ However, DSCA’s modifications to EUM requirements in Afghanistan permit CSTC-A to conduct these inspections “as conditions and security posture allow.”⁴⁶

Finally, DSCA’s 2018 assessment of CSTC-A’s compliance with EUM standards found that the command had procedures in place to meet requirements that it register all small arms transferred to the Afghan government. To confirm this, we requested documentation related to CSTC-A’s registration efforts. CSTC-A did not provide any documentation but stated that it requests that the U.S. Army Tank-Automotive and Armaments Command upload serial numbers into SCIP for small arms transferred to the Afghan government after CSTC-A completes the inventory verification process.⁴⁷ According to CSTC-A, these serial numbers are also sent to the U.S. Army

⁴⁰ Changes in end-use status can occur when weapons are captured or destroyed in battle or when vehicles are no longer in working condition and must be disposed of.

⁴¹ SCIP data also included records for 106 change-in-end-use requests for laser guidance kits, which are used to transform unguided weapons into guided ones and were subject to enhanced EUM requirements. According to the requests, all 106 end-use changes resulted from the items being used, such as when a weapon was fired.

⁴² These consisted of 176 rifles, 72 night-vision devices, 66 machine guns, 60 grenade launchers, 7 mortar systems, 5 high mobility multipurpose wheeled vehicles, and 1,173 other defense articles. In this same period, CSTC-A’s records show that the U.S. government transferred to the ANDSF a total of 4,167 rifles, 680 night-vision devices, 3,831 machine guns, 869 grenade launchers, 37 mortar systems, 1,842 high mobility multipurpose wheeled vehicles, and 174,224 additional items other than miscellaneous, illuminating, and artillery ammunition.

⁴³ The remaining 225 articles (about 7 percent) had end-use statuses described only in Dari, without accompanying translations, or were listed in a manner that prevented us from determining their final status.

⁴⁴ We requested copies of CSTC-A’s site certifications for all locations that have stored lethal defense articles, night-vision devices, or other enhanced EUM-designated articles since the beginning of FY 2017. The three site certifications CSTC-A provided took place in December 2016, December 2017, and May 2018, and all three sites were for persistent surveillance system rapid aerostat initial deployment towers.

⁴⁵ CSTC-A memorandum to DSCA, “3rd Quarter Fiscal Year 2018 Lethal Assets Visibility Report,” August 6, 2018. CSTC-A’s documentation for the relevant quarter does not specify the nature of the other missions or logistical challenges that prevented the inspection from occurring.

⁴⁶ DSCA memorandum to CSTC-A, “Request for Change of End-Use Monitoring Criteria for Defense Articles and Services Transferred to Afghanistan,” February 6, 2014.

⁴⁷ According to CSTC-A, if the serial numbers are not uploaded in a timely manner, the command will upload the serial numbers into SCIP itself.

Materiel Command's Logistics Support Activity quarterly for registration.⁴⁸ However, we could not verify CSTC-A's process because CSTC-A did not provide documentation of the registered serial numbers.⁴⁹

CSTC-A Did Not Consistently Reconcile SCIP Data with Its Own Records, Potentially Limiting DOD's Ability to Monitor Transferred Defense Articles through Inspections and Other EUM Activities

CSTC-A's EUM standard operating procedures require CSTC-A to upload EUM information into SCIP and reconcile discrepancies between its EUM reports and the data in SCIP. According to DSCA officials, SCIP data are only as reliable as the data that CSTC-A uploads.

After reviewing information in SCIP and documentation from CSTC-A, including EUM reports, we determined that the command does reconcile and update some data, but discrepancies exist between the two data sources. For example, the SAMM requires U.S. Central Command to ensure that CSTC-A records all accountability and physical security checks in SCIP's EUM module. We determined that SCIP has records for 33 routine EUM checks performed during our scope, but CSTC-A provided documentation indicating that it conducted 62 routine EUM checks. Similarly, SCIP data show that enhanced EUM checks in FY 2019 included 6,012 articles, but CSTC-A's documentation shows that enhanced EUM checks covered only 4,253 articles during this period. These discrepancies between SCIP data and CSTC-A's records highlight potential data reliability problems that CSTC-A officials or other stakeholders may face when attempting to use the information to account for defense articles the U.S. government transferred to the Afghan government.

CSTC-A's EUM procedures also require CSTC-A to update the status of articles no longer in use in SCIP's EUM module. To confirm whether CSTC-A followed these procedures, we reviewed copies of ANDSF change-of-end-use requests for transferred defense articles that Afghan units reported as captured by enemy forces, damaged, destroyed, or lost. We also reviewed SCIP's EUM module to determine whether CSTC-A had annotated these articles' entries in the database to show that they were no longer in active use. We found that CSTC-A cannot update the status of all routine EUM-designated articles in SCIP because not all articles subject to routine EUM requirements are added to the database's EUM module upon transfer to the Afghan government.

DSCA stated—and our review confirmed—that SCIP does not track status changes for routine EUM-designated items in its EUM module. DSCA said DOD faces broad challenges in tracking materiel, and those challenges have affected data consistency related to Afghanistan security assistance and cooperation activities.⁵⁰ Although the SAMM and CSTC-A's EUM standard operating procedures do not explicitly require routine EUM-designated articles to be added to SCIP's EUM module, CSTC-A cannot update the articles' statuses at a later date, if needed, without first entering all transferred articles into the database.

Maintaining information in SCIP related to EUM serves several purposes. For example, DSCA officials said they periodically review SCIP to determine what EUM activities CSTC-A has carried out. Additionally, CSTC-A officials said they use SCIP data to determine which articles should be present during an inventory. Accordingly, not updating all articles' statuses in SCIP may impair CSTC-A's ability to track the number of articles that have been destroyed and disposed of, potentially leaving CSTC-A unaware of whether the command has surpassed the number of disposals that State has authorized.⁵¹

⁴⁸ In February 2019, the U.S. Army changed the name of the Logistics Support Activity to the Logistics Data Analysis Center.

⁴⁹ CSTC-A's response instead directed us to review a section of SCIP that has title transfer documents for articles transferred to the Afghan government.

⁵⁰ According to DSCA, the agency is in the first phase of a three-phase materiel-tracking project intended to address some of these challenges, such as those related to exchanging transferred article data among the SCIP modules.

⁵¹ According to the EUM process, State is responsible for giving the U.S. government's official approval for status changes and has provided this through blanket approval letters. These letters enable State to authorize the destruction and disposal

Additionally, by not updating the statuses of all inactive items in SCIP, such as those expended or destroyed in combat, CSTC-A does not have access to a readily available inventory of all active transferred articles that are in the ANDSF's possession or a list of their locations. This information is available only as written reports that must be individually reviewed, rather than compiled in a more usable, accessible format for users in different locations, potentially restricting CSTC-A's ability to oversee transferred defense articles. As a result, CSTC-A may have difficulty accurately accounting for theft, loss, or misuse of these articles. Because CSTC-A is not ensuring that officials record accurate, timely information in SCIP, the database is less able to serve its purpose as a repository for EUM data. Therefore, stakeholders and policy makers have access to less useful—and possibly inaccurate or misleading—information to guide their EUM activities and future procurement decisions.

LACK OF COMMUNICATION BETWEEN DOD AND STATE HINDERED REPORTING AND INVESTIGATING A POTENTIAL END-USE VIOLATION

Section 3 of the Arms Export Control Act requires the president to report substantial end-use violations to Congress.⁵² According to the act, an end-use violation occurs when a receiving nation

- Uses transferred defense articles for purposes not authorized by their transfer agreements;
- Transfers the articles to, or allows them to be used by, anyone who is not a representative of the recipient country without the president's consent; or
- Fails to maintain the security of the transferred articles.⁵³

The president delegated reporting responsibility in March 2013 to State, which is the lead agency for investigating allegations of potential end-use violations, determining any needed corrective actions, and determining whether it must report the violations to Congress.⁵⁴ State officials said that upon receipt of a potential violation, they request evidence to support the claim, determine whether a violation took place, and, if necessary, report the violation to Congress. CSTC-A's EUM standard operating procedures require it to report potential violations to State through DSCA, and the SAMM specifies that DSCA and CSTC-A should report all potential end-use violations to State and support State's investigations.⁵⁵ Figure 4 outlines the usual reporting process for potential end-use violations in Afghanistan.

of a predetermined number of specified articles, or disposal of the specified articles until a predetermined date before additional permission is required. State has issued blanket approvals authorizing the future disposal of transferred articles for several categories, including vehicles, small arms, certain weapon accessories, and communications equipment.

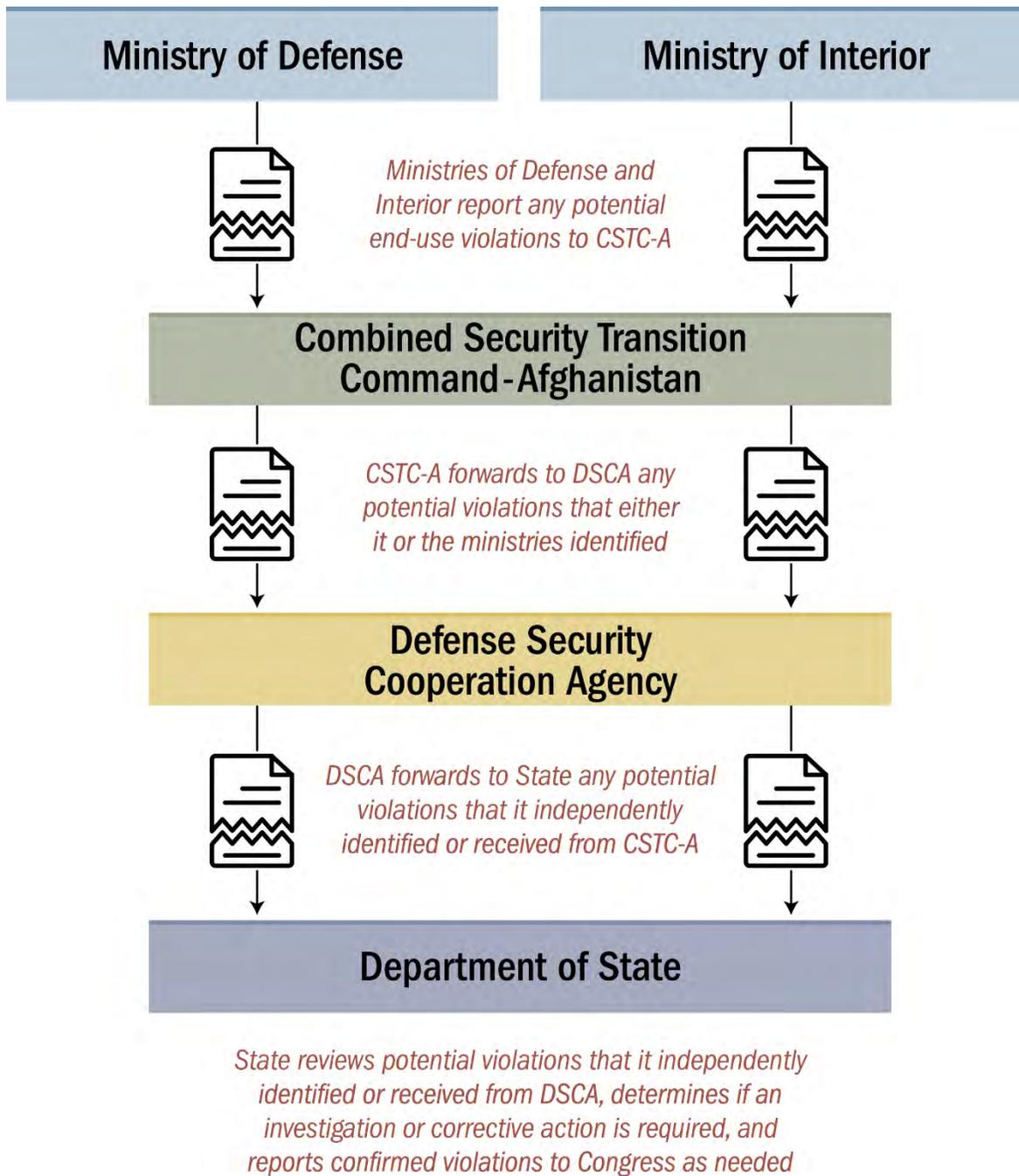
⁵² Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2753(c)(2).

⁵³ Arms Export Control Act, Pub. L. No. 90-629, as amended, 22 U.S.C. § 2753(c)(1).

⁵⁴ Executive Order No. 13,637, 3 C.F.R. 13637 (2014).

⁵⁵ Reports of potential end-use violations may come from multiple sources, including members of the ANDSF, DOD, and contractors throughout the country.

Figure 4 - Reporting Process for Potential End-Use Violations in Afghanistan



Source: SIGAR analysis of DOD documents.

Notes: According to the SAMM, CSTC-A also is required to report potential violations to U.S. Central Command. Additionally, DSCA and State maintain email inboxes to receive reports of potential end-use violations, and may receive allegations directly from other individuals or entities through the inboxes or other sources.

According to the DOD section of State's most recent annual report to Congress regarding EUM activities, in FY 2019, DSCA and State updated the policy, procedures, and mechanisms related to reporting and tracking potential end-use violations.⁵⁶ The report stated that these updates included clarifying agency roles and responsibilities, defining violation tracking and reporting procedures in greater detail, and establishing new mechanisms for doing so. Additionally, the report stated that DSCA added a tool to SCIP's EUM module in FY 2019 that would enable users to track potential violations.⁵⁷

We requested information from CSTC-A, DSCA, and State about any potential end-use violations in Afghanistan since the beginning of FY 2017. DSCA told us it had a record of one potential violation, which also appeared in a tracker within SCIP. According to DSCA and SCIP information, the only potential end-use violation reported during our scope involved the loss of two M240B machine guns in May 2019. DSCA and SCIP information indicated that personnel from U.S. Forces-Afghanistan reported the incident to an end-use violations email inbox, and that DSCA and State received the allegation in August 2019. However, CSTC-A and State informed us in separate written responses that they were unaware of any potential violations during our audit's scope, including the one recorded in SCIP.⁵⁸ Additionally, in January and February 2020, the three agencies said they did not know whether anyone had investigated the potential violation.

Although DSCA and State regularly coordinate about EUM issues, we found that the agencies were unaware of the potential violation's status when we first asked them about it. DSCA and State officials said that as part of their normal coordination process, they regularly discuss potential violations from around the world through scheduled monthly teleconferences.⁵⁹ The officials also said they periodically speak with CSTC-A representatives and have a good relationship with them.⁶⁰

However, in January 2020, State wrote that it never received any communication from DSCA about the potential violation and had no records indicating that the department ever opened an investigation into it. When we asked State about the potential violation, it requested any information DSCA may have provided to us so it could follow up. In February 2020 DSCA officials said they were unsure whether State investigated the potential violation or issued any corrective actions because of it. They added that due to our inquiries, they would follow up with State about the potential violation.

Subsequent to our initial conversations with the agencies, in May 2020 DSCA said it and State had jointly closed the potential violation in October 2019, with the intention of continuing to monitor the situation for additional or developing information. Yet State informed us later that month that it still had not received any additional information from DSCA about the potential violation. In a June 2020 response to a discussion of our preliminary findings, State wrote that it requires entities reporting potential violations to provide substantive evidence of their claims to validate the information. The department further stated that it did not initiate an investigation into the potential violation or determine whether it must report it to Congress because of a lack of information about the allegation from DOD. In its October 2020 response to a draft of this report, State clarified that it did not investigate because it did not receive enough information about the incident to confirm

⁵⁶ DOD, *End-Use Monitoring of Defense Articles and Services: Government-to-Government Services*. The document DOD provided us was undated, but covered EUM performed during FY 2019.

⁵⁷ According to the report, the tool also allows users to track findings from DSCA assessments of country-level EUM activities, audit recommendations, and site certification shortfalls. The report states that the new tool will enhance accountability, improve follow-up, and promote transparency and communication within DOD's EUM activities.

⁵⁸ State officials also said SCIP would contain information only about potential violations reported through DOD channels. According to the officials, State may also receive allegations of potential violations from other sources, such as other U.S. government personnel or media reports. State told us its internal tracker did not include any potential violations in Afghanistan within the scope of our audit.

⁵⁹ According to DSCA, the teleconferences are scheduled to occur monthly but often take place quarterly.

⁶⁰ CSTC-A officials said that although they speak directly with State officials, formal communication between the agencies goes through U.S. Central Command.

that a violation had occurred. State further wrote that improving communication and procedures between the agencies is a priority for the department's team that oversees investigations into potential violations.

Although DSCA, CSTC-A, and State coordinate to share information about potential violations—and recently updated their procedures and mechanisms for doing so—these procedures were insufficient to ensure that State knew of the potential violation reported during our audit's scope or its investigation status. Additionally, the agencies' insufficient communication increases the risk that future potential violations may not be investigated and reported to Congress. Without these investigations into the circumstances surrounding potential end-use violations, the agencies (1) may be unable to identify gaps in their accountability and security efforts, and (2) may not implement corrective actions to mitigate the risk of future violations and the potential loss of defense articles, including sensitive technology, transferred to the Afghan government.

CONCLUSION

DOD's EUM efforts in Afghanistan are intended to give reasonable assurance that the Afghan government is appropriately using and storing defense articles transferred by the U.S. government, and that national security risks are reduced through the protection of sensitive technology. However, DOD did not meet its own oversight requirements for monitoring sensitive defense articles transferred to the Afghan government, leaving them susceptible to theft or loss. Although DOD has fulfilled requirements for routine EUM checks and other general EUM activities, its oversight of these transferred articles is limited because of security constraints, issues with data reconciliation, and weaknesses in interagency communication.

Specifically, travel limitations for CSTC-A personnel, resulting from Afghanistan's restrictive combat environment, prevented the command from completing all of its required enhanced EUM inventories. Because CSTC-A's personnel often cannot travel to ANDSF storage sites, DOD has instituted some actions that may help mitigate the impact of these restrictions, such as reviewing maintenance records when they are available. However, the department has not pursued other potentially helpful actions, such as requiring that sensitive articles regularly rotate through maintenance facilities where CSTC-A representatives would be better positioned to account for them. Accordingly, DOD faces gaps in its accountability efforts for certain types of articles in the Afghan government's possession that incorporate sensitive technology, leaving them susceptible to theft or loss.

DOD's oversight efforts for nonsensitive articles also are restricted in part because SCIP's configuration does not fully allow for tracking them, despite requirements for CSTC-A to update the articles' status in the database. Similarly, discrepancies between SCIP data and CSTC-A's EUM records limit SCIP's accuracy and usefulness. As a result, the database that CSTC-A and DSCA use to guide and inform their EUM activities may not contain the most up-to-date, accurate information about the status of transferred defense articles. These inaccuracies could potentially lead to wasteful spending on unnecessary replacement defense articles.

Finally, despite DOD's and State's efforts to improve coordination procedures and mechanisms, the existing communication between DOD and State was insufficient to ensure that a potential end-use violation was fully investigated and, if necessary, reported to Congress. We are not making a recommendation about this issue because we observed only one instance of it. However, without strong interagency communication, more robust oversight activities, and accurate data, DOD may be unable to fulfill its EUM mission, thereby creating additional opportunities in Afghanistan for the theft or loss of defense articles, including weapons and technology deemed potentially damaging to national security.

RECOMMENDATIONS

To ensure that there is more effective oversight and greater accountability of sensitive U.S. defense articles transferred to the Afghan government, we recommend that the Director of DSCA work with the Commanders of U.S. Central Command and CSTC-A to:

- 1. Implement modifications to enhanced EUM procedures or requirements applicable to Afghanistan that take into account the country's combat environment, for example by requiring that sensitive equipment regularly rotate through maintenance facilities or other central hubs where U.S. personnel have increased opportunities for oversight.**

To ensure that there is more effective oversight and greater accountability of nonsensitive U.S. defense articles transferred to the Afghan government, we recommend that the Director of DSCA work with the Commanders of U.S. Central Command and CSTC-A to:

- 2. Determine whether changes in the end-use status of defense articles transferred to the Afghan government that are subject to routine EUM should be tracked in SCIP's EUM module.**
- 3. If DOD decides to use SCIP's EUM module to track such changes, modify EUM procedures or requirements applicable to Afghanistan to require tracking.**

To improve the accuracy of data in SCIP, we recommend that the Commander of CSTC-A:

- 4. Modify CSTC-A's EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command's EUM checks.**

AGENCY COMMENTS

We provided a draft of this report to DOD and State for review and comment. We received written comments from the Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs, DSCA, and CSTC-A, which we reproduced in appendices IV, V, and VI, respectively. In its comments, the Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs concurred with all four recommendations. DSCA concurred with the first three recommendations, but did not offer a specific response to our fourth recommendation, which was directed to CSTC-A. CSTC-A concurred with the fourth recommendation, but did not offer specific responses to our first, second, or third recommendations, which were directed to DSCA. State did not submit official comments, but provided technical comments that we incorporated as appropriate.

The Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs wrote that the security environment in Afghanistan makes it challenging to fully comply with EUM requirements. However, the office also noted that EUM efforts are not the only method through which DOD maintains accountability over transferred defense articles. For example, the office stated that DOD works to develop professional logisticians and enhance the logistic automation system used by the Afghan Ministries of Defense and Interior. Doing so improves the ministries' and CSTC-A's abilities to track inventory at national warehouses and regional depots.

DSCA emphasized the importance it places on ensuring that it implements an effective process for tracking and following up on potential violations in response to our finding that a lack of communication between DOD and State hindered reporting and investigation into a potential end-use violation in Afghanistan. DSCA noted that it worked with State in 2018 and 2019 to revise policies to clarify DOD's and State's roles and responsibilities for reporting and processing potential violations, and has developed a repository to track reported violations that State, CSTC-A, and the U.S. Central Command can access. DSCA also stated that it will continue to evaluate improvements with State. Similarly, State informed us in its technical comments that improving communication and procedures between the agencies is a priority for State's team that oversees investigations into potential EUM violations.

Both the Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs and DSCA concurred with our first recommendation that they implement modifications to enhanced EUM procedures or requirements applicable to Afghanistan that take into account the country's combat environment, for example by requiring that sensitive equipment regularly rotate through maintenance facilities or other central hubs where U.S. personnel have increased opportunities for oversight. The Office of the Assistant Secretary stated that DSCA was pursuing "creative solutions to modify end-use monitoring (EUM) procedures" in places such as Afghanistan where conditions prevent physical verification of inventories.

DSCA's comments were similar to those of the Office of the Assistant Secretary and stated that DSCA was working to modify procedures that would allow EUM under combat conditions in Afghanistan. DSCA also wrote that it would conduct biannual conference calls with the U.S. Central Command and CSTC-A to discuss EUM-related issues and promote the rotation of defense articles from deployment to repair facilities. However, DSCA did not note what specific actions it would take as part of either of the new policies, or how it would ensure the rotation of defense articles to repair facilities. Accordingly, we will keep this recommendation open until we receive and review DSCA's updated procedures.

The Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs and DSCA concurred with our second and third recommendations that they determine whether changes in the end-use status of defense articles transferred to the Afghan government that are subject to routine EUM should be tracked in SCIP's EUM module, and, if DOD decides to use SCIP's EUM module to track such changes, modify EUM procedures or requirements applicable to Afghanistan to require tracking. Their comments were similar and included actions DSCA would take to implement the recommendations. DSCA stated that it will use SCIP's EUM module to track defense articles subject to both routine and enhanced EUM requirements.

DSCA also stated that it is developing a materiel-tracking tool within SCIP that the agency expects will eliminate data gaps. According to DSCA, the first phase of the tool's development will result in improvements to SCIP that will increase DSCA's ability to track defense articles subject to routine EUM requirements. DSCA expects to complete phase one of the tool's development by September 30, 2021. DSCA wrote that the second phase—which it expects to complete by March 31, 2022—would establish automatic data feeds to collect information from systems throughout DOD. DSCA stated that these automatic feeds would allow for better oversight of sensitive defense articles transferred to the Afghan government.

DSCA stated that it will modify EUM policies and procedures to require that CSTC-A use the tracking tool to document changes in end-use status and other applicable information. Because DSCA stated that it will use SCIP's EUM module to track defense articles subject to routine EUM requirements, we will close our second recommendation as implemented upon issuance of this report. We will keep our third recommendation open until we receive and review evidence that DSCA implemented changes to its EUM procedures and requirements applicable to Afghanistan, including any that may result from its efforts to develop the new materiel-tracking tool.

The Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs and CSTC-A concurred with our fourth recommendation that CSTC-A modify its EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command's EUM checks. The comments from both offices were similar and stated that CSTC-A has updated its EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with documentation generated through its EUM checks. We reviewed a copy of CSTC-A's updated EUM procedures and confirmed that it met the intent of our recommendation. Accordingly, we will close this recommendation as implemented upon issuance of this report.

APPENDIX I - SCOPE AND METHODOLOGY

This report discusses the results of our audit of the Department of Defense's (DOD) end-use-monitoring (EUM) activities in Afghanistan. Our objectives were to determine the extent to which DOD, from fiscal year (FY) 2017 through April 2020 (1) conducted required routine and enhanced post-delivery EUM of defense articles that the U.S. government transferred to the Afghan National Defense and Security Forces (ANDSF), and (2) reported and investigated potential end-use violations in Afghanistan and took steps to ensure corrective actions occurred, when applicable.⁶¹

To determine the extent to which DOD conducted required routine and enhanced post-delivery EUM of defense articles for the ANDSF, we examined DOD data regarding quantities and types of defense articles transferred to the Afghan government. We then reviewed information generated through EUM activities, such as routine and enhanced EUM reports, that the Combined Security Transition Command-Afghanistan (CSTC-A) conducted. We also reviewed EUM data stored within the Security Cooperation Information Portal (SCIP)—an online database DOD's Defense Security Cooperation Agency (DSCA) manages as a repository for worldwide EUM information—to get information, such as ANDSF requests for changes in articles' end-use and inventories of articles subject to enhanced EUM requirements. We compared the SCIP data with information in CSTC-A's documentation to identify any gaps in available data and any potential discrepancies between the two data sources. As part of these reviews, we determined the extent to which CSTC-A met annual inventory requirements for transferred articles subject to enhanced EUM standards by reviewing SCIP data during a 365-day period from May 2019 through April 2020. We selected this period to provide a recent example of CSTC-A's inventory efforts.

To determine the extent to which DOD reported and investigated potential end-use violations in Afghanistan and took steps to ensure that corrective actions occurred, when applicable, we reviewed DOD and SCIP data regarding potential violations. We also requested information from the Department of State (State), the lead agency responsible for investigating and reporting to Congress potential end-use violations, about any applicable potential end-use violations for which it had records.

For both objectives, we reviewed public laws, policies, procedures, and other documentation that govern EUM activities in Afghanistan. For example, we reviewed the Arms Export Control Act, the Foreign Assistance Act of 1961, the National Defense Authorization Act for FY 2010, DSCA's *Security Assistance Management Manual*, and CSTC-A's internal EUM standard operating procedures. Additionally, we interviewed officials from DSCA, CSTC-A, North Atlantic Treaty Organization's Special Operations Component Command-Afghanistan, and State's Office of Regional Security and Arms Transfers. We also interviewed contractors in Afghanistan charged with overseeing ANDSF night-vision devices and senior Afghan government officials from the Ministries of Defense and Interior.

We used computer-processed data from SCIP to get information about EUM activities in Afghanistan and the extent to which DOD complied with requirements to upload data and documentation to the database. We assessed the data's reliability by comparing them to EUM reports from CSTC-A, reviewing prior audit reports that also used SCIP data in their analyses, and interviewing officials responsible for maintaining, using, and contributing to the database. We determined that the SCIP data were sufficiently reliable for the purposes of this report. However, in the report we included instances where we noted discrepancies between SCIP data and information included in documentation DOD gave us, and discussed potential implications of these discrepancies.

⁶¹ Although this audit's scope is FY 2017 through April 2020, we focused on different periods within this timeframe for specific analyses depending on the relevant data available at the time. For example, we used data from FY 2017 through FY 2019 when reviewing CSTC-A's routine EUM checks because FY 2019 was the most recent complete fiscal year for which we could obtain this information. Similarly, we used data from May 2019 through April 2020 when evaluating CSTC-A's enhanced EUM activities because this represented the most recent 365-day period for which data were available in DOD's EUM database.

We assessed the significance of internal controls and compliance with laws and regulations necessary to satisfy the audit objectives. We determined that DOD's EUM-related control activities and control environment were significant to the audit objectives. Specifically, we determined the extent to which (1) DOD's EUM activities are designed to achieve objectives and respond to risks, and (2) DOD's EUM-related organizational structure, assignment of responsibility, and delegation of authority exist to achieve objectives. The results of our assessment are included in this report. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

We conducted our audit work in Kabul, Afghanistan; Washington, D.C.; and Arlington, Virginia, from August 2019 through July 2020, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. SIGAR performed this audit under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

APPENDIX II - DEFENSE ARTICLES TRANSFERRED TO THE AFGHAN GOVERNMENT FROM FISCAL YEARS 2017 THROUGH 2019

As part of its security assistance efforts, the U.S. government has transferred defense articles to the Afghan National Defense and Security Forces (ANDSF) for its use. Department of Defense (DOD) policy requires the Combined Security Transition Command-Afghanistan (CSTC-A) to report quarterly the quantities and types of all small arms and lethal defense articles transferred to the ANDSF.⁶² Table 2 lists items CSTC-A reported as part of this requirement from fiscal year (FY) 2017 through FY 2019, regardless of whether they meet the policy's definition of a lethal article, and identifies whether those articles were subject to routine or enhanced end-use monitoring (EUM) requirements.

Table 2 - Defense Articles Transferred to the ANDSF from FY 2017 through FY 2019, Reported by CSTC-A

| Defense Article Category | Type of Required EUM | FY 2017 | FY 2018 | FY 2019 ^a | Total |
|---|----------------------|---------|---------|----------------------|--------|
| Ambulances | Routine | 16 | | | 16 |
| Artillery Accessories | Routine | | | 50 | 50 |
| Bombs | Routine | | | 2,520 | 2,520 |
| Bomb Accessories | Routine | | | 10,920 | 10,920 |
| Grenade Launchers | Routine | | 525 | 869 | 1,394 |
| Grenade Machine Guns | Routine | 105 | | 60 | 165 |
| Hand Grenades | Routine | | | 20,040 | 20,040 |
| Helicopters | Routine | | | 10 | 10 |
| High Mobility Multipurpose Wheeled Vehicles | Routine | 920 | 1,940 | 1,842 | 4,702 |
| Laser Guidance Kits | Enhanced | 120 | | 270 | 390 |
| Light Tactical Vehicles | Routine | | | 1 | 1 |
| Machine Guns | Routine | 889 | 2,315 | 3,831 | 7,035 |
| Machine Gun Accessories | Routine | 78 | | | 78 |
| Medium Tactical Vehicles | Routine | 22 | 760 | 202 | 984 |

Continued on the next page

⁶² DOD Instruction 4140.66, "Registration and End-Use Monitoring of Defense Articles and/or Defense Services," September 7, 2010. DOD updated and reissued the policy on May 24, 2017. The policy defines lethal defense articles as items provided to the Afghan, Iraqi, or Pakistani governments that are in Categories I or II of the U.S. Munitions List—such as firearms, automatic shotguns, artillery, and certain other armaments—that are capable of firing or launching items in Category III of the list—such as ammunition and other ordnance—or Category IV—such as missiles, rockets, bombs, mines, and other items. The definition also includes all Category IV items and any vessel, vehicle, or aircraft that is fitted with, designed for, or modified to accommodate any of the included items. For the U.S. Munitions List, see 22 C.F.R. § 121.1, "The United States Munitions List."

| Defense Article Category | Type of Required EUM | FY 2017 | FY 2018 | FY 2019 ^a | Total |
|--|----------------------------------|---------------|---------------|----------------------|----------------|
| Mortar Systems | Routine | | | 37 | 37 |
| Mortars | Routine | | | 73,728 | 73,728 |
| Night-Vision Devices | Routine or Enhanced ^b | 3,099 | | 680 | 3,779 |
| Pistols | Routine | 146 | 5,454 | 6,479 | 12,079 |
| Rapid Aerostat Initial Deployment Tower Computers and Components | Enhanced | 16 | | | 16 |
| Rifles | Routine | 24,919 | 7,111 | 4,167 | 36,197 |
| Rifle Accessories | Routine | | | 2,148 | 2,148 |
| Rocket Launchers | Routine | | | 70 | 70 |
| Rocket-Propelled Grenades | Routine | | | 21,456 | 21,456 |
| Rockets | Routine | | | 35,680 | 35,680 |
| Shotguns | Routine | | 10 | | 10 |
| Other Noncombat Vehicles and Equipment ^c | Routine | 71 | 30 | 590 | 691 |
| Totals | | 30,401 | 18,145 | 185,650 | 234,196 |

Source: SIGAR analysis of CSTC-A data.

Notes:

^a According to CSTC-A, it mistakenly included certain articles in its FY 2019 reports that do not meet the policy definition of a lethal defense article. We included some of them here to present as much information as possible about the quantities of transferred items. However, we did not include 35.3 million rounds of miscellaneous ammunition; 101,558 rounds of illuminating ammunition, such as flares; or 10,462 rounds of artillery ammunition that the United States transferred to the ANDSF in FY 2019 and that CSTC-A included in its reports about transferred lethal defense articles.

^b Night-vision devices are subject to either routine or enhanced EUM requirements, depending on their technical capabilities.

^c This category includes motorcycles, trucks, construction vehicles, and trailers.

APPENDIX III - REPORTED CHANGES IN END-USE OF TRANSFERRED DEFENSE ARTICLES FOR FISCAL YEAR 2019

To receive defense articles from the United States, the Afghan government has agreed to inform the U.S. government about, and receive approval for, changes in the end-use of transferred items.⁶³ To do so, the Afghan government submits change-of-end-use requests to the Combined Security Transition Command-Afghanistan (CSTC-A). We reviewed change-of-end-use requests CSTC-A gave us for articles subject to routine end-use-monitoring (EUM) requirements and got similar documentation from the Security Cooperation Information Portal (SCIP) for articles subject to enhanced EUM standards.

The requests include information about the transferred article and the circumstances regarding its change in end-use. For example, some requests include descriptions of an article as damaged or destroyed in combat or other situations. In other cases, the requests state that enemy forces captured the transferred articles. We compiled this change-of-end-use information for fiscal year (FY) 2019 and categorized it by the type of defense article and the reason for the change, as shown in Table 3.

Table 3 - Reported Changes in End-Use of Defense Articles for FY 2019

| Defense Article Category | Lost | Damaged or Destroyed | Captured by the Enemy | Undetermined End-Use Change ^a | Total |
|---------------------------------|------|----------------------|-----------------------|--|-------|
| Ambulances | | 19 | | | 19 |
| Amplifiers | | 2 | | | 2 |
| Armored Combat Vehicles | | 7 | | | 7 |
| Artillery | | | | 1 | 1 |
| Binoculars | | 3 | 6 | | 9 |
| Body Armor | | 12 | 86 | 13 | 111 |
| Body Armor Accessories | | | 1 | | 1 |
| Chain Guns | | | 1 | | 1 |
| Computers | | 26 | 1 | | 27 |
| Computer Accessories | | 2 | | | 2 |
| Generators | | | 5 | | 5 |
| Grenade Launchers | | 23 | 60 | 22 | 105 |
| Grenade Machine Guns | | 1 | 1 | | 2 |
| Handheld Threat Warning Systems | | | 3 | | 3 |

Continued on the next page

⁶³ Islamic Republic of Afghanistan Ministry of Foreign Affairs, "Afghanistan Response Note to the U.S. Note No. 17-1153," Diplomatic Note No. 548, June 25, 2018.

| Defense Article Category | Lost | Damaged or Destroyed | Captured by the Enemy | Undetermined End-Use Change ^a | Total |
|---|----------|----------------------|-----------------------|--|--------------|
| Helmets | | 8 | 87 | 13 | 108 |
| High Mobility Multipurpose Wheeled Vehicles | | 228 | 5 | 27 | 260 |
| Jammers | | 11 | 7 | | 18 |
| Light Tactical Vehicles | | 205 | 4 | 3 | 212 |
| Machine Guns | | 63 | 66 | 43 | 172 |
| Machine Gun Accessories | | 3 | 3 | | 6 |
| Medium Tactical Vehicles | | 28 | | | 28 |
| Mine Accessories | | | 1 | | 1 |
| Mine Detectors | | 17 | 11 | 1 | 29 |
| Mortar Systems | | 7 | 7 | 9 | 23 |
| Mortar System Accessories | | 17 | 2 | | 19 |
| Night-Vision Devices ^b | | 54 ^c | 72 ^d | 1 ^e | 127 |
| Pistols | | | 30 | 4 | 34 |
| Pistol Accessories | | | 3 | | 3 |
| Radios | 2 | 39 | 58 | | 99 |
| Radio Accessories | | 3 | 9 | | 12 |
| Rifles | | 121 | 176 | 79 | 376 |
| Rifle Accessories | | 50 | 820 | | 870 |
| Satellites | | | 2 | | 2 |
| Other Noncombat Vehicles and Equipment ^f | | 251 | 25 | 5 | 281 |
| Undetermined ^g | | 220 | 7 | 4 | 231 |
| Totals | 2 | 1,420 | 1,559 | 225 | 3,206 |

Source: SIGAR analysis of FY 2019 Afghan National Defense and Security Forces change-in-end-use requests obtained from CSTC-A and SCIP.

Notes: Unless otherwise noted, all articles listed were subject to routine EUM requirements. SCIP data also included records for 106 change-in-end-use requests for laser guidance kits, which are used to transform unguided weapons into guided ones and were subject to enhanced EUM requirements. According to the requests, all 106 end-use changes resulted from the articles being used, such as firing a weapon.

^a This category includes instances when an article's listed end-use change was unclear or otherwise did not include enough information to place it in another category. The category also includes three articles where the description of the end-use change was written in Dari.

^b A night-vision device can be subject to either routine or enhanced EUM requirements, depending on its technological capabilities.

^c This amount consists of 29 devices subject to enhanced EUM requirements, 24 subject to routine EUM requirements, and 1 for which we could not determine which level of monitoring applied.

^d This amount consists of 19 devices subject to enhanced EUM requirements, 51 subject to routine EUM requirements, and 2 for which we could not determine which level of monitoring applied.

^e This device was subject to routine EUM requirements.

^f This category includes defense articles such as trucks, construction vehicles, phones, cameras, and navigational equipment.

^g This category includes instances when an article's description was incomplete or otherwise unreadable. The category also includes 205 articles with descriptions in Dari.

APPENDIX IV - COMMENTS FROM THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR INDO-PACIFIC SECURITY AFFAIRS



INDO-PACIFIC
SECURITY AFFAIRS

OFFICE OF ASSISTANT SECRETARY OF DEFENSE
2700 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2700

The Honorable John Sopko
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, 9th Floor
Arlington, VA 22202

Dear Mr. Sopko:

Thank you for the opportunity to comment on the Special Inspector General for Afghanistan Reconstruction's (SIGAR) audit report, "Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles." This letter and its enclosures comprise the Department of the Defense (DoD) response to the draft audit.

I also want to thank the members of your team who worked on this audit for their collaboration and for incorporating some of our comments and feedback into the draft. Per the attached responses from the Defense Security Cooperation Agency and Combined Security Transition Command–Afghanistan (CSTC-A), DoD concurs in all four recommendations and has corrective action plans to address the findings and has implemented one plan already.

DoD recognizes the importance of providing the greatest possible accountability for U.S.-funded equipment provided to the ANDSF. As you note in the report, one part of DoD's approach to accountability—gaining full compliance with end-use monitoring (EUM) and enhanced EUM requirements—is very challenging in Afghanistan because of the security environment. EUM and EEUM are not the only means by which accountability of equipment is maintained. For example, DoD also has focused on building Afghan institutional capacity to account for its U.S.-funded equipment and supplies through continually enhancing the logistic automation system used by the Afghan Ministries of Defense and Interior and by developing a professional logistician cadre. These efforts are continually improving the ministries' as well as CSTC-A's ability to track inventory at national warehouses and regional depots while expanding capacity to account for equipment at lower echelons.

We appreciate your continued efforts to ensure the Department is a good steward of Federal resources as we implement the President's strategy for the region.

Sincerely,

A handwritten signature in blue ink that reads "Tom Croci, for" with "1 Dec 20" written in the upper right corner of the signature.

Thomas Croci
Deputy Assistant Secretary of Defense for
Afghanistan, Pakistan, and Central Asia



Enclosures:

DoD Comments on the SIGAR Recommendations

DSCA's Response

DSCA's Corrective Action Plans

CSTC-A's Response

CSTC-A's Updated EUM SOP

**SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION
(SIGAR) DRAFT REPORT 139A**

**“MILITARY EQUIPMENT TRANSFERRED TO THE AFGHAN GOVERNMENT: DOD
DID NOT CONDUCT REQUIRED MONITORING TO ACCOUNT FOR SENSITIVE
ARTICLES”
NOVEMBER 2020**

**DEPARTMENT OF DEFENSE COMMENTS
ON THE SIGAR RECOMMENDATIONS**

To ensure that there is more effective oversight and greater accountability of sensitive U.S. defense articles transferred to the Afghan government, SIGAR recommends that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to:

Recommendation 1: Implement modifications to enhanced EUM procedures or requirements applicable to Afghanistan that take into account the country’s combat environment, for example by requiring that sensitive equipment rotate regularly through maintenance facilities or other central hubs where U.S. personnel have increased opportunities for oversight.

DoD Response: Concur. The Defense Security Cooperation Agency (DSCA) continues to pursue creative solutions to modify end-use monitoring (EUM) procedures to facilitate execution of Golden Sentry program requirements under combat conditions in Afghanistan. DSCA is also updating the April 12, 2013, Memorandum, “Post Delivery Verification (Inventory Criteria) for NVDs,” to create a process to reduce significantly the number of enhanced EUM-designated night-vision devices in Afghanistan. In addition, DSCA is developing Observation Codes and policy guidance to facilitate recording Partner Nation Enhanced EUM inventories in Security Cooperation Information Portal (SCIP) EUM. This process provides an alternate method to establishing EUM accountability compliance, under conditions where the United States cannot physically verify the inventories.

To ensure that there is more effective oversight and greater accountability of nonsensitive U.S. defense articles transferred to the Afghan government, SIGAR recommends that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to:

Recommendation 2. Determine whether changes in the end-use status of defense articles transferred to the Afghan government that are subject to routine EUM should be tracked in SCIP’s EUM module.

DoD Response: Concur. DSCA agrees that changes in the end-use of routine defense articles transferred to the Government of Afghanistan should be tracked in SCIP. To facilitate this,

DSCA is developing a Materiel Tracking Tool in SCIP to eliminate current data gaps caused by a lack of interface between SCIP and various other information technology tools and applications used to track and maintain Security Cooperation data. After addressing the interface issue, SCIP will auto-populate with the routine items that are transferred to the Government of Afghanistan, which will enable better visibility and accountability of those items. Security Cooperation Offices (SCOs) at U.S. Embassies around the world or Combined Security Transition Command – Afghanistan (CSTC-A) will be required to update the status of each routine item listed, as appropriate.

Recommendation 3. If the decision is made to use SCIP’s EUM module to track such changes, modify EUM procedures or requirements applicable to Afghanistan to require tracking.

DoD Response: Concur. DSCA is developing the Materiel Tracking Tool in the SCIP EUM module to collect transfer data for routine and enhanced defense articles across the entire DoD.. We ultimately intend to establish automatic feeds between various DoD data systems into this tool to enable better oversight of sensitive U.S. defense articles transferred to the Government of Afghanistan. Once the tool is fully implemented, it will enable automatic tracking of routine and enhanced defense articles transferred to Afghanistan. Additionally, DSCA will update EUM policies and Standard Operating Procedures to require SCOs to use the tool to document any changes in end-use and other relevant information pertaining to the items being tracked.

To improve the accuracy of data in SCIP, SIGAR recommends that the CSTC-A Commander:

Recommendation 4. Modify CSTC-A’s EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command’s EUM checks.

DoD Response: Concur. CSTC-A has already updated the EUM SOP to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command’s EUM checks. See page 17 of the attached copy of CSTC-A’s EUM SOP for the updates.

APPENDIX V - COMMENTS FROM THE DEFENSE SECURITY COOPERATION AGENCY



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

NOV 12 2020

The Honorable John Sopko
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, 9th Floor
Arlington, VA 22202

Dear Mr. Sopko:

Thank you for the opportunity to comment on the Special Inspector General for Afghanistan Reconstruction (SIGAR) draft audit report, "Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles." Enclosed are DSCA's responses and corrective actions to remedy the findings in the report. I appreciate the thorough and comprehensive work that went into this report. I have directed my staff to monitor the implementation of corrective actions identified in this report.

Though SIGAR ultimately did not draft a recommendation related to this, I also want to take this opportunity to address SIGAR's observation of a lack of communication between DoD and the Department of State (DoS) which could be impacting the reporting and investigation of potential end-use monitoring (EUM) violations. I want to emphasize the importance DSCA places on ensuring we have in place and are implementing procedures conducive to a robust, accountable, effective, and efficient process for tracking and following-up on reports of potential third party transfer (TPT) violations. DSCA consistently works with all communities to refine and add rigidity to the introduction and closure of potential TPT violations and any associated investigations.

For example, in 2018 and 2019, DSCA, in close partnership with DoS, revised EUM policy in the Security Assistance Management Manual to clarify roles and responsibilities between DoD and State and to better define potential violation reporting requirements and processes. Additionally, DSCA developed a central repository accessible to DoS (and in this case also CTSC-A and CENTCOM) which tracks the status of reported potential TPT violations to foster and standardize information sharing. We also adjusted our DSCA/DoS synchronization meeting cadence from quarterly to monthly to facilitate more timely and effective communication. DSCA will continue to work with DoS to identify and evaluate improvements to ensure TPT and other related processes best support transfer agreements.

Please direct any questions or comments regarding this response to my primary action officers for this matter:

[Redacted]

Sincerely,

[Redacted Signature]

Enclosure:
Corrective Action Plan

DEFENSE SECURITY COOPERATION AGENCY (DSCA)

Recommendation 1: To ensure that there is more effective oversight and greater accountability of sensitive U.S. defense articles transferred to the Afghan government, SIGAR recommends that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to: Implement modifications to enhanced EUM procedures or requirements applicable to Afghanistan that take into account the country’s combat environment, for example by requiring that sensitive equipment rotate regularly through maintenance facilities or other central hubs where U.S. personnel have increased opportunities for oversight.

DoD Position: Concur

Estimated Completion Date: 01/29/2021

Status/Comments: DSCA continues to pursue creative solutions to modify EUM procedures to facilitate execution of Golden Sentry program requirements under combat conditions in Afghanistan. DSCA is currently updating the “Post Delivery Verification (Inventory Criteria) for NVDs.” Memorandum, DTG: April 12, 2013, to create a process to significantly reduce the number of EEUM designated NVDs in Afghanistan. DSCA is also developing Observation Codes and policy guidance to facilitate recording Partner Nation EEUM inventories in SCIP-EUM. This process provides an alternate method to establishing EUM accountability compliance, under conditions where U.S. eyes on inventories is not achievable.

Recommendation Follow-up POC: [REDACTED]

Budget Implication: None

Budget Implication Explanation: NA

Potential Monetary Benefit: None

Estimated/Actual Monetary Benefit Amount: None

Potential Monetary Benefit Type: None

| Key Corrective Actions | Estimated Completion Dates | Actual Completion Date | Measure(s) Capturing Demonstrated Results | Clarifying Comments |
|---|----------------------------|------------------------|--|---------------------|
| 1. Establish updated guidance for the newly created Partner Nation Observation Code (PN) in the SCIP-EUM module to facilitate adding PN documentation when US observations are not possible in the combat environment. | 01/29/2021 | | Use of the PN observation code provides accountability status, updated on a 24 hour cycle. | None |
| 2. Conduct Bi-annual conference calls to inform COCOM/SCO/CSTC-A all things EUM and promote defense item rotation from deployment into repair facilities as highlighted in “Adjusted Criteria” memo and previous CAV report. | 02/22/2021 | | Overall baseline accountability with US (SCO/US contractor) observation is measurable. | None |
| 3. DSCA is currently updating the “Post Delivery Verification (Inventory Criteria) for NVDs,” Memorandum, DTG: April 12, 2013, to create a process to significantly reduce the number of EEUM designated NVDs in Afghanistan. | 01/29/2021 | | | |

CAP for Report No. SIGAR-21-XX
 “Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles”
 October 2020 (SIGAR 136A)

DEFENSE SECURITY COOPERATION AGENCY (DSCA)

Recommendation 2: To ensure that there is more effective oversight and greater accountability of sensitive U.S. defense articles transferred to the Afghan government, SIGAR recommends that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to: Determine whether changes in the end-use status of defense articles transferred to the Afghan government that are subject to routine EUM should be tracked in SCIP’s EUM module.

DoD Position: Concur

Estimated Completion Date: 09/30/2021 (Phase 1)

Status/Comments: We agree that changes of end-use to routine defense articles transferred to the Afghan government should be tracked in SCIP. To facilitate this, DSCA is developing a Materiel Tracking Tool in SCIP to eliminate current data gaps caused by a lack of interface between SCIP and various other information technology tools and applications used to track and maintain SC data. After addressing the interface issue, SCIP will auto-populate with the routine items transferred to the Afghan government, which will enable better visibility and accountability of those items. SCOs will be required to update the status of each Routine item listed, as appropriate

Recommendation Follow-up POC: [REDACTED]

Budget Implication: None

Budget Implication Explanation: Programmed via DSCA’s Portfolio Investment Resource Board (PIRB), Feb 2020

Potential Monetary Benefit: Reduces intensive manpower now require for compliance/countless manual spread sheets with minimum internal SCIP interface among data silos.

Estimated/Actual Monetary Benefit Amount: TBD. Compliance like physical security does not have an exact formula to calculate technology protection and security.

Potential Monetary Benefit Type: TBD

WHS AMD GAO CAP Template 8/15/2019

| Key Corrective Actions | Estimated Completion Dates | Actual Completion Date | Measure(s) Capturing Demonstrated Results | Clarifying Comments |
|--|----------------------------|------------------------|--|---|
| <p><u>Materiel Tracking Phase 1:</u></p> <ul style="list-style-type: none"> - Enables tracking of Routine Items change of end-use documentation by serial number. - Eliminates data silos internal to SCIP. The “root cause” (data gaps) highlights insufficient documentation interface among: SCMS, EUM, EFTS, and case information. | 06/31/2021 | | Incremental software programming based on initial/internal SCIP cross-walk analysis. | DSCA is implementing Phase 1. Started Aug 2019/PIRB programed, Feb 2020 |
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CAP for Report No. SIGAR-21-XX
 “Military Equipment Transferred to the Afghan Government: DOD Did Not Conduct Required Monitoring to Account for Sensitive Articles”
 October 2020 (SIGAR 136A)

DEFENSE SECURITY COOPERATION AGENCY (DSCA)

Recommendation 3: To ensure that there is more effective oversight and greater accountability of sensitive U.S. defense articles transferred to the Afghan government, SIGAR recommends that the DSCA Director work with the Commanders of U.S. Central Command and CSTC-A to: If the decision is made to use SCIP’s EUM module to track such changes, modify EUM procedures or requirements applicable to Afghanistan to require tracking

DoD Position: Concur

Estimated Completion Date: 03/31/2022 (Phase 2)

Status/Comments: DSCA is developing the Materiel Tracking Tool in the SCIP EUM module to collect transfer data for routine and enhanced defense articles DoD-wide. We ultimately intend to establish automatic feeds between various DoD data systems into this tool to enable better oversight of sensitive U.S. defense articles transferred to the Afghan government. Once the tool is fully implemented, it will enable automatic tracking of routine and enhanced defense articles transferred to Afghanistan. Additionally, DSCA will update EUM policies and SOPs to require SCOs to use the tool to document any changes in end-use and other relevant information pertaining to the items being tracked.

Recommendation Follow-up POC: [REDACTED]

Budget Implication: Unknown at this time.

Budget Implication Explanation: Materiel Tracking Phase 2, is dependent on external software inter-operability requirements.

Potential Monetary Benefit: Reduces manpower currently required to manually input and validate data in SCIP and reconcile data between several data sources.

Estimated/Actual Monetary Benefit Amount: TBD.

Potential Monetary Benefit Type: TBD

WHS AMD GAO CAP Template 8/15/2019

| Key Corrective Actions | Estimated Completion Dates | Actual Completion Date | Measure(s) Capturing Demonstrated Results | Clarifying Comments |
|--|----------------------------|------------------------|--|--|
| 1. Establish the Materiel Tracking (Phase 2): end-to-end, system-to-system automatic feeds enabling SCIP interface DoD-wide and in-transit visibility for greater oversight and accountability of defense articles transferred to Afghanistan. | 03/31/2022 | | Incremental software programming based on initial/external SCIP cross-walk analysis. | DSCA will cross-walk 22 DoD-wide systems for software reprogramming requirements, as the initial part of Phase 2 Materiel Tracking project. At the completion, the Materiel Tracking team will present to DSCA’s PIRB the cost estimate as done in Phase 1. |
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APPENDIX VI - COMMENTS FROM THE COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN

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HEADQUARTERS RESOLUTE SUPPORT
COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN
KABUL, AFGHANISTAN
APO, AE 09320

CSTC-A

28 September 2020

MEMORANDUM THRU

United States Forces – Afghanistan DCDR-S, APO AE 09356
United States Central Command (CCIG), MacDill Air Force Base, FL 33621

FOR Department of Defense Inspector General, 4800 Mark Center drive, Alexandria, VA 22350-1500

SUBJECT: Combined Security Transition Command – Afghanistan's (CSTC-A) Response to SIGAR's Draft Report "*Military Equipment Transferred to the Afghan Government: DoD Did Not Conduct Required Monitoring to Account for Sensitive Articles*," project code SIGAR 136A

1. The purpose of this memorandum is to provide the CSTC-A response to the SIGAR's Draft Report "*Military Equipment Transferred to the Afghan Government: DoD Did Not Conduct Required Monitoring to Account for Sensitive Articles*."
2. CSTC-A appreciates the hard work of the SIGAR audit team in their review of DoD's End-Use Monitoring (EUM) and will continue to work with DoD to ensure effective oversight.
3. CSTC-A concurs with Recommendation 4: *Modify CSTC-A's EUM standard operating procedures to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command's EUM checks.*
4. CSTC-A has already taken action and updated the EUM standard operating procedure, Enclosure 1, page 17, to require that SCIP data be reconciled in a timely manner with information from documentation generated through the command's EUM checks. Therefore, CSTC-A respectfully requests that the recommendation be closed.
5. Point of contact is [REDACTED]

Encl

1. CSTC-A EUM SOP, August 2020

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APPENDIX VII - ACKNOWLEDGMENTS

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This performance audit was conducted
under project code SIGAR-136A.

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- 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;
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- prevent fraud, waste, and abuse; and
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