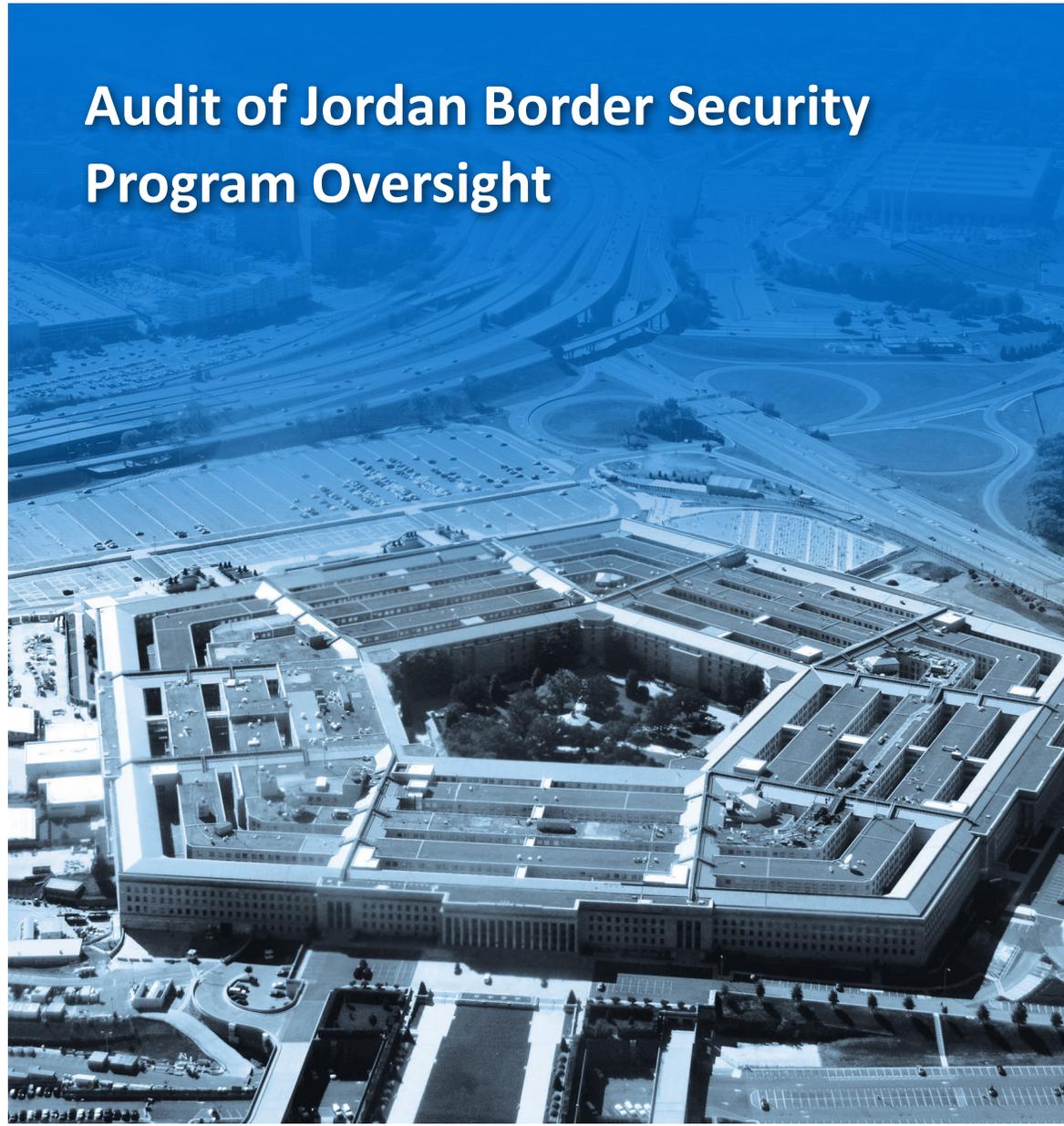




INSPECTOR GENERAL

U.S. Department of Defense

DECEMBER 20, 2019



Audit of Jordan Border Security Program Oversight

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





Results in Brief

Audit of Jordan Border Security Program Oversight

December 20, 2019

Objective

The objective of this audit was to determine whether the Defense Threat Reduction Agency (DTRA) ensured that contractor-provided equipment and training met the requirements for the Jordan Border Security Program (JBSP).

Background

DTRA, through the Weapons of Mass Destruction Proliferation Prevention Program, oversees the implementation of the JBSP. The JBSP is intended to enhance the capability of the Government of the Hashemite Kingdom of Jordan to deter, detect, and interdict weapons of mass destruction and related materials crossing its border. As a critical part of this effort, DTRA is responsible for ensuring that the contractor provides preventive and corrective maintenance, supply acquisition and management support, technical documentation for system architecture design, warranties, and training to the Jordanian Armed Forces (JAF) to achieve self-sustainment of the JBSP, which includes the Jordan Border Security System (JBSS). The JBSS consists of forward-looking infrared cameras, surveillance radars, fencing sensors, and intrusion detection devices.

To achieve the objectives of the JBSP, DTRA issued task orders 0006 and 0012 under the Cooperative Threat Reduction Integrating Contract II. The task orders provide JBSS capabilities along the Jordan-Syria and Jordan-Iraq borders.

Finding

DTRA personnel ensured the contractor provided training in the operation, administration, and maintenance of the JBSS, as well as performed maintenance of JBSS equipment to seek to meet the JBSP requirements. Additionally, DTRA personnel ensured the contractor provided equipment that complied with JBSS system requirements before formal acceptance and delivery to JAF.

However, DTRA personnel did not comply with DTRA internal guidance when providing oversight over the contractor performing inspection and inventory of the equipment transferred to JAF under task orders 0006 and 0012.

Specifically, DTRA officials did not:

- oversee the inspection of transferred equipment or properly document JAF's acceptance of transferred equipment; or
- request JAF to conduct annual inventories of the transferred equipment.

This occurred because DTRA's quality assurance surveillance plan lacked specific methods for contracting officer's representatives to provide effective surveillance over the transfer of equipment. Further, DTRA did not request that JAF conduct annual inventories because DTRA officials stated that it was unreasonable to ask JAF to undertake this effort due to the difficulty of accessing equipment integrated into the system and limited JAF manpower. In addition, DTRA stated that the conditions outlined on the Transfer of Property form are unenforceable because DTRA has no authority to direct a sovereign foreign government to perform the tasks outlined, such as conducting annual inventories.

As a result, DTRA officials did not have an accurate record of the exact type, quantity, or condition of \$37 million of the \$39.5 million in JBSS equipment that the DoD provided through the contractor to JAF between 2014 and 2019.



Results in Brief

Audit of Jordan Border Security Program Oversight

Finding (cont'd)

Without knowing the exact type, quantity, and condition of the equipment transferred to JAF, DTRA risks not being able to accurately determine whether JAF has sufficient equipment, including spare parts, to maintain full functionality of the JBSS moving forward.

Recommendations

We recommend that the Defense Threat Reduction Agency, Cooperative Threat Reduction Contracting Officer update the existing quality assurance surveillance plan with oversight plans for specific methods for the inspection, acceptance, and accountability of the property transferred to the Jordanian Armed Forces, including any remaining transfers in task order 0012.

We also recommend that the Cooperative Threat Reduction Director request the Jordanian Armed Forces to perform a full annual inventory of equipment received to support the Jordan Border Security System during task order 0012. If this request is refused, pursue consultation or negotiation through appropriate channels between the U.S. Government and the Government of the Hashemite Kingdom of Jordan under the terms of the Transfer of Property form. If this condition is ultimately determined to be either unreasonable or unenforceable, remove it from the form for future equipment transfers. In addition, DTRA should conduct a statistically significant sample of task order 0012 equipment to perform a physical inventory.

Management Comments and Our Response

The Cooperative Threat Reduction Director partially agreed with the recommendation to update the QASP. The Director stated that although the QASP for task order 0012 was updated to reflect the oversight the COR exercised for property transfers, DTRA disagreed

with the finding that a lack of U.S. Government presence at the time of property transfer precludes DTRA officials from having an accurate knowledge of the equipment transferred. The Director further stated that the JBSP system underwent independent Government testing and evaluation after installation, confirming receipt and installation of the equipment.

Comments from the Director did not address the specifics of the recommendation; therefore, the recommendation is unresolved. DTRA updated its QASP to include steps the COR should take when performing oversight of equipment transfers to the JAF; however, the updates did not include methods for the inspection, acceptance, and accountability of property transferred to JAF. The QASP references an updated Cooperative Threat Reduction Directorate SOP, which includes a revised Transfer of Property form. However, the updated QASP does not include methods for examinations or audits cited in a provision found in the revised ToP form. We will resolve this recommendation once we verify that the QASP includes methods for conducting examinations or audits established by the aforementioned provision.

The Director agreed with the recommendation to conduct a physical inventory of property previously transferred to JAF, stating that the DTRA COR plans to conduct a statistically significant physical inventory of property previously transferred under task order 0012 to the JAF by the summer of 2020. The Director also stated that the physical inventory is subject to JAF approval.

Comments from the Director addressed the specifics of the recommendation; therefore, the recommendation is resolved, but remains open. We will close this recommendation once we verify that DTRA has conducted a statistically significant inventory of property.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Cooperative Threat Reduction Contracting Officer	1	None	None
Cooperative Threat Reduction Director	None	2	None

Please provide Management Comments by January 21, 2020.

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

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



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

December 20, 2019

MEMORANDUM FOR DIRECTOR OF DEFENSE THREAT REDUCTION AGENCY

SUBJECT: Audit of Jordan Border Security Program Oversight (Report No. DODIG-2020-043)

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

This report contains one recommendation that is considered unresolved because the Cooperative Threat Reduction Director, DTRA, did not fully address the recommendation. Therefore, as discussed in the Recommendations, Management Comments, and Our Response section of this report, the recommendation will remain unresolved until an agreement is reached on the actions to be taken to address the recommendation. Once an agreement is reached, the recommendation will be considered resolved but will remain open until adequate documentation has been submitted showing that the agreed upon action has been completed. Once we verify that the action is complete, the recommendation will be closed.

This report contains one recommendation that is considered resolved. Therefore, as discussed in the Recommendations, Management Comments, and Our Response section of the report, the recommendation will remain open until adequate documentation has been submitted showing that the agreed-upon action has been completed. Once we verify that the action is complete, the recommendation will be closed.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. For the unresolved recommendation, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendation. Your response should be sent to followup@dodig.mil if unclassified.

Please direct questions to me at [REDACTED]. We appreciate the cooperation and assistance received during the audit.

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

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

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Introduction

Objective

The objective of this audit was to determine whether the Defense Threat Reduction Agency (DTRA) ensured that contractor-provided equipment and training met the requirements for the Jordan Border Security Program (JBSP).

Background

According to the U.S. State Department, Jordan's security and internal stability is an important national security interest of the United States. Jordan is a U.S. ally in countering the Islamic State in Iraq and Syria and shares its border with Syria and Iraq, where Syrian regime forces and insurgency groups have used weapons of mass destruction (WMD).

The Cooperative Threat Reduction (CTR) program, established in 1991, provided funding and expertise to secure and dismantle nuclear, chemical, and biological weapons and delivery systems in former Soviet Union states. DoD Directive 5105.62 directed DTRA to implement CTR.¹ DTRA implements CTR through various programs. The focus of this audit was the WMD-Proliferation Prevention Program (WMD-PPP).² The mission of the WMD-PPP is to deny access to WMD by assisting partners in strengthening their ability to prevent, deter, detect, and interdict (ban) illicit trafficking of WMD and related materials. In June 2013, the Deputy Assistant Secretary of Defense for Countering WMD and the Deputy Assistant Secretary of Defense for Threat Reduction and Arms Control issued a memorandum that tasked DTRA to expand CTR's efforts in Jordan, resulting in implementation of the JBSP.³

The JBSP is intended to enhance the capability of the Government of the Hashemite Kingdom of Jordan to deter, detect, and interdict WMD and related materials crossing its border. As a critical part of this effort, DTRA is responsible for ensuring that the contractor provides preventive and corrective maintenance, supply acquisition and management support, technical documentation for system architecture design, warranties, and training to the Jordanian Armed Forces (JAF) to achieve self-sustainment of the JBSP, which includes the Jordan Border Security System (JBSS). The JBSS consists of forward-looking infrared cameras, surveillance radars, fencing sensors, and intrusion detection devices.

¹ DoD Directive 5105.62, "Defense Threat Reduction Agency (DTRA)," April 24, 2013.

² When the report refers to DTRA, the report is referring to the specific department DTRA WMD-PPP.

³ Threat Reduction and Arms Control Memorandum, "Policy and Implementation Guidance for Cooperative Threat Reduction Activities in Jordan," June 25, 2013.

The U.S. Army Communications-Electronics Command (CECOM) and DTRA implemented the JBSP in four phases.

- Phase 1
 - Administered by CECOM
 - Spanned the surveillance area of 110 kilometers along the northwestern border with Syria
 - Provided oversight from April 2008 through February 2014⁴
- Phases 2, 3
 - DTRA issued task order 0006 to implement Phases 2 and 3 of the JBSP⁵
 - Spanned the surveillance area of 472 kilometers along Jordan's borders with Iraq and Syria
 - Phase 2 covers 256 kilometers of Jordan's northeastern border with Syria
 - Awarded in February 2013, DTRA completed Phase 2 in April 2015 with sustainment provided until June 2017
 - Phase 3 covers 186 kilometers of Jordan's eastern border with Iraq
 - Awarded in November 2013, DTRA completed the system in August 2015 with sustainment provided until June 2017
- Phase 4
 - DTRA issued task order 0012 to provide border security capabilities for Phase 4⁶
 - Phase 4 covers 30 kilometers of Jordan's westernmost border with Syria
 - Awarded in September 2015, DTRA completed Phase 4 in December 2018, with sustainment continuing through October 2020

⁴ Phase 1 was administered by CECOM and not funded by the Cooperative Threat Reduction Integrating Contract II, therefore, Phase 1 is not in the scope of this audit.

⁵ Cooperative Threat Reduction Integrating Contract, HDTRA1-11-D-0007, task order 0006. The period of performance was February 28, 2013 through September 3, 2017. As of October 2019, the value is \$88 million.

⁶ Cooperative Threat Reduction Integrating Contract, HDTRA1-11-D-0007, task order 0012. The period of performance is September 29, 2015 through October 31, 2020. As of October 2019, the value is \$59 million.

Defense Threat Reduction Agency Roles and Responsibilities for the JBSP

DTRA is a Combat Support and Defense Agency that counters threats to the United States. DTRA WMD-PPP is a CTR Program. DTRA:

- collaborates with JAF and the contractor to develop the requirements for the JBSP;
- determines the scope of work and requirements and addresses other issues with significant impact to project completion, cost, and capabilities;
- provides contract oversight, including inspection and acceptance responsibilities for work carried out by the contractor, by designating contracting officer's representatives (CORs) and using in-country personnel assigned to the Defense Threat Reduction Office based out of Embassy-Amman;
- ensures that the contractor meets the requirements established by the statement of work for each phase of the JBSP;
- verifies that the contractor's property management system accurately tracked the equipment; and
- accounts for all equipment provided and ensures equipment is used for its intended purpose.

Cooperative Threat Reduction Integrating Contract II

In April 2011, DTRA awarded an indefinite-delivery indefinite-quantity base contract, the Cooperative Threat Reduction Integrating Contract (CTRIC) II.⁷ The CTRIC II is a single-agency, multiple-award contract. As of October 2019, DTRA has awarded a total of \$146.9 million to develop the JBSP across Phases 2, 3, and 4.⁸

During the initial period of performance on both task orders the contractor was required to:

- provide border security equipment that complied with JBSS system requirements before formal acceptance and delivery to JAF;
- provide maintenance for JBSS equipment;
- develop training materials and provide training to JAF personnel in operation, administration, and maintenance of the JBSS while implementing a train-the-trainer approach.

⁷ Cooperative Threat Reduction Integrating Contract, HDTRA1-11-D-0007, April 27, 2011.

⁸ The maximum dollar amount the Government may order under the JBSP is \$950 million and the minimum amount per task order is \$500,000.

Following the initial period of performance for each task order, DTRA exercised option years that required the contractor to provide 2 years of spares and maintenance support to JAF. Following this 2-year period, JAF is responsible for operating and maintaining the JBSS, with no additional assistance from the contractor.

Oversight Controls for the JBSP

DTRA used the following oversight controls to monitor and evaluate the contractor's performance for the CTRIC II.

- **Quality Assurance Surveillance Plan (QASP)** – defines the process that the Government uses to evaluate the contractor's execution of the statement of work.⁹ In January 2019, DTRA developed a QASP for the CTRIC II, task order 0012. This action was in response to a DoD OIG report issued in February 2018 that found DTRA did not have a QASP established for task order 0011 of the CTRIC II.¹⁰
- **Contractor Performance Assessment Report** – evaluates contractor performance in the Contractor Performance Assessment Reporting System, the Government-wide reporting tool for past performance on contracts, as required by the FAR. DTRA conducted annual performance assessment reports for the CTRIC II.
- **Contract Data Requirements List (CDRL)** – provides a contractual method to direct the contractor to prepare and deliver data that meets specific approval and acceptance criteria, including format, frequency, and dates of submissions. DTRA personnel reviewed and approved the following CDRL action items the CTRIC II required from the contractor to ensure compliance.
 - Prepare and submit a Master Equipment List quarterly to establish and maintain accurate inventory records.
 - Prepare a monthly status report summarizing the progress of the project work, report on cost and schedule issues, and identify existing or potential problems.
 - Provide and update training materials.
 - Provide the Integrated Logistics Support Plan (ILSP).¹¹
- **Quarterly Program Management Review (QPMR)** – quarterly meetings in which DTRA, JAF, and contractor personnel review program status, identify significant risks and opportunities, and review open/in-progress trouble reports through a structured process.

⁹ Department of Defense Contracting Officer's Representative Handbook, March 22, 2012.

¹⁰ DODIG-2018-64, "Defense Threat Reduction Agency Cooperative Threat Reduction Contract in the U.S. Pacific Command Area of Responsibility," February 1, 2018.

¹¹ Integrated Logistics Support plan is the contractor's baseline sustainment plan.

- **Acceptance Testing** – verifies whether the JBSS complied with system requirements before formal acceptance and delivery to JAF. DTRA oversaw the contractor conduct a series of acceptance tests for the JBSS for both JBSP task orders. DTRA uses U.S. Army Testing and Evaluation Command to conduct third-party independent validation and verification of the JBSS system testing for Phases 2, 3, and 4.

Property Management Procedures of the JBSP

DTRA Property Management Standard Operating Procedure

DTRA established a standard operating procedure (SOP) for property management that provides guidance for the management and accountability of CTR-funded equipment.¹² The SOP applies to all international cooperative projects under the CTR Program, including the WMD Proliferation Prevention Program. The SOP assigns responsibilities, outlines the required procedures for property management from procurement to disposition, and outlines specific CDRLs that must be included in all CTR contracts with property deliverables.

According to the SOP, the process for the transfer of U.S. Government property to JAF begins when the equipment arrives in Jordan from the shipping agent to the transferring contractor (sub-contractor). Before its arrival in Jordan, the contractor procures the equipment. The shipping agent receives the equipment in the United States, inventories the equipment against the shipment request submitted by the contractor, prepares the required shipping documentation, packages the equipment for international shipment, and sends all of the shipping documentation to the DTRA COR. Once the shipment arrives in Jordan, a sub-contractor collects the shipment and transports it to the end user (JAF) at the JBSP warehouse in Jordan.

To carry out the transfers of property, the CTRIC II contractor utilized a Jordanian based sub-contractor. When the equipment arrives in Jordan, the transferring contractor inspects it and completes a Transfer of Property (ToP) form and an associated inventory spreadsheet. The inventory spreadsheet includes information related to the transfer, such as item descriptions, serial numbers, and quantities of individual pieces of equipment. The DTRA Procurement Officer, Contracting Officer, or COR signs the ToP form, accepting the property listed on the inventory spreadsheet from the transferring contractor who, in turn, completes the transfer to the JAF. The transferring contractor and JAF representative then complete inventory and inspection of the property. The transferring contractor and JAF official signs the form, verifying the inventory is correct and complete.

¹² Cooperative Threat Reduction Program “Property Management,” July 2015.

At this point, the property is now JAF equipment and the transfer is complete. The ToP form also outlines the conditions for the transferred equipment. For example, one of the conditions states that JAF must complete a full annual inventory report, detailing equipment quantities, conditions, and locations, and submit the report to DTRA.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.¹³ We identified internal control weaknesses with DTRA's oversight of the transfer of equipment to JAF. Specifically, DTRA officials did not oversee the sub-contractor perform inspections or inventories conducted during the transfers of property to JAF or properly document JAF's acceptance of equipment. Additionally, DTRA did not follow internal guidance directing that they request JAF conduct annual inventories of equipment provided. We will provide a copy of the report to the senior official responsible for internal controls within DTRA.

¹³ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

DTRA Ensured That the Jordan Border Security Program Met Requirements but Did Not Consistently Oversee the Transfer of Equipment to Jordanian Armed Forces

DTRA personnel ensured the contractor provided training in the operation, administration, and maintenance of the JBSS, as well as performed maintenance of JBSS equipment to seek to meet the JBSP requirements. Additionally, DTRA personnel ensured the contractor provided equipment that complied with JBSS system requirements before formal acceptance and delivery to JAF.

However, DTRA personnel did not comply with DTRA internal guidance when providing oversight over the contractor performing inspections and inventory of the equipment transferred to JAF under task orders 0006 and 0012. Specifically, DTRA officials did not:

- oversee the inspection of transferred equipment or properly document JAF's acceptance of the transferred equipment; or
- request JAF to conduct annual inventories of the transferred equipment.

This occurred because DTRA's QASP lacked specific methods for CORs to provide effective surveillance over the transfer of equipment. Further, DTRA did not request JAF to conduct annual inventories because DTRA officials stated that it was unreasonable to ask JAF to undertake this effort due to the difficulty of accessing equipment integrated into the system and limited JAF manpower. In addition, DTRA stated that the ToP form conditions are unenforceable, because DTRA has no authority to direct a sovereign government to perform the tasks outlined, such as conducting annual inventories.

As a result, DTRA officials did not have an accurate record of the exact type, quantity, or condition of \$37 million of the \$39.5 million in JBSS equipment that the DoD provided through the contractor to JAF between 2014 and 2019. Without knowing the exact type, quantity, and condition of the equipment transferred to JAF, DTRA risks not being able to accurately determine whether JAF has sufficient equipment, including spare parts, to maintain full functionality of the JBSS moving forward.

DTRA Ensured That the Contractor Provided Training and Maintenance to Meet Jordan Border Security Program Requirements

DTRA ensured that the contractor provided JAF officials training materials and classes in the operation, administration, and maintenance of the JBSS by first reviewing training materials and then by attending the contractor's training classes. In addition, DTRA ensured that the maintenance of the JBSS met the requirements of the JBSP by approving preventative and corrective maintenance procedures, and providing oversight of the maintenance performed. DTRA reviewed and tracked corrective maintenance trouble reports, preventative maintenance logs, and discussed maintenance activities in weekly, monthly, and quarterly meetings with the contractor. Furthermore, DTRA ensured that the equipment met testing requirements by verifying CDRLs, reviewing independent testing, and conducting physical surveillance.

DTRA Ensured the Contractor Trained JAF Officials

DTRA ensured that the contractor provided JAF officials sufficient training to operate, administer, and maintain the JBSP. Specifically, DTRA personnel reviewed the contractor's training materials, observed the training courses, and provided additional training as necessary. Task orders 0006 and 0012 CDRLs required the contractor to submit training materials, such as instructor guides, student guides, and testing packages, to DTRA for review and approval. The training curriculum included courses focused on the operation, maintenance, system administration, and network management of the JBSS. Once DTRA personnel approved the training materials, the contractor used the materials to provide classroom instruction to JAF officials through training courses delivered using a "train-the-trainer" approach. The DTRA COR attended the training held at the contractor's facilities in New Mexico and the Maintenance and Training Center in Jordan to verify that the contractor used the DTRA-approved materials. As of September 2019, the contractor has conducted 6 training courses and trained nearly 100 JAF officials.

Furthermore, DTRA ensured the contractor provided additional training, as necessary. For example, there were a number of failures of infrared cameras, resulting in a negative impact on JAF operational capability. The contractor was not required to train JAF personnel on how to repair the deficiencies; instead, JAF officials had to ship the cameras to the manufacturer for maintenance. According to JAF officials, shipping the infrared cameras caused long delays in maintenance times. In response, DTRA hosted infrared camera maintenance training for JAF personnel, which included requesting the contractor coordinate and provide additional training on infrared cameras. Six JAF personnel attended

a 15-day training course focused on infrared camera maintenance, which included 5 days at the manufacturer's facility in Sweden, followed by 10 days at the DTRA-provided infrared camera repair facility at the Maintenance and Training Center in Jordan. Because of this training, JAF personnel can now repair the infrared cameras at their Maintenance and Training Center, resulting in reduced maintenance times.

Lastly, DTRA oversaw a user acceptance test for all phases of the JBSS. This testing determined the functionality of JBSS sensors installed in the operational environment while being operated by trained JAF soldiers. The testing was conducted successfully with trained operators demonstrating the capability of the JBSP to detect, track, identify, monitor, intercept, and report on potential threats.

DTRA Ensured the Contractor Met Maintenance Requirements

DTRA ensured that the contractor provided maintenance for the JBSP. The task orders required the contractor to provide 2 years of preventative and corrective maintenance on the JBSS.

The contractor was required to develop an ILSP for both task orders to maintain the operational readiness of equipment and systems. The ILSP included multiple annexes to address the key elements of maintaining the JBSP, including preventative and corrective maintenance procedures. The contractor developed a preventive maintenance schedule to assist JAF in inspecting, cleaning, and repairing specific items. In addition, the contractor developed a corrective maintenance plan for all of the items that support the JBSP.

DTRA officials reviewed the ILSP and associated schedules for completeness. Following the approval of the corrective and preventative maintenance plans, DTRA provided oversight of the contractor's maintenance activities. For example, when a part failed, the corrective maintenance process started with the JAF submitting a trouble report to the contractor. DTRA received trouble reports, and tracked the status of the corrective maintenance through weekly calls with the contractor, as well as monthly status reports, and quarterly program management reviews.

The DTRA-approved preventative maintenance schedules included quarterly, semiannual, and annual maintenance checks. During the first year of maintenance, the contractor is required to perform these maintenance checks, and conduct on-the-job-training with the JAF. Preventative maintenance for task order 0012 is currently ongoing. DTRA received the completed preventative maintenance logs from the contractor, and held weekly, monthly, and quarterly meetings with the contractor to discuss the ongoing maintenance.

DTRA Ensured That Equipment Provided Met the System Acceptance Test

DTRA used verification of CDRLs, independent testing, and physical surveillance to ensure that the equipment met JBSP requirements for task orders 0006 and 0012. Before testing, the contractor submitted, and DTRA reviewed and approved CDRLs, which included test plans and procedures that would demonstrate the system met the statement of work requirements. In addition, DTRA used an independent third-party, the Army Test and Evaluation Command, to verify the results of the system and user acceptance tests.¹⁴ The Army Test and Evaluation Command provided DTRA with an independent report summarizing the procedures and results of the tests. The Army Test and Evaluation Command, accompanied by DTRA personnel, verified that the installed equipment met all statement of work requirement for both task orders 0006 and 0012.

DTRA also used physical surveillance to ensure that the installed equipment met JBSP requirements. Throughout the development of the JBSS, DTRA CORs conducted site visits to oversee the progress of the JBSP. DTRA CORs prepared trip reports and site visit notes to document the oversight that they performed while observing the JBSS. For example, during a site visit in 2018, DTRA's COR documented work performed on the fencing installed along the Syrian border. The COR documented physical observations and testing performed by DTRA and contractor personnel.

DTRA Did Not Provide Oversight of Equipment Transferred to JAF

DTRA did not provide oversight of equipment transferred to the JAF. Specifically, DTRA officials did not oversee the inspection of transferred equipment, properly document JAF's acceptance of equipment, or request JAF conduct an annual inventory of equipment.

DTRA CORs Did Not Oversee the Inspection or Properly Document JAF's Acceptance of Equipment

The DTRA CORs did not oversee the contractor perform the inspections and inventories of property transferred to the JAF, as required by the COR designation letter. Additionally, the DoD COR Handbook states that effective contract surveillance requires appropriate and immediate onsite monitoring of the services being performed, which can include random sampling, 100-percent inspection, and

¹⁴ The Army Test and Evaluation Command was responsible for test planning, execution, data analysis, and reporting as a third party, independent U.S. Government entity to verify requirements and document/track any deficiencies observed during testing.

periodic inspections. DTRA CORs did not verify that the contractor performed the required inspections of all property transferred to the JAF, to ensure the condition and quantities of property transferred. From April 2014 through April 2019, DTRA completed 390 transfers of property from DTRA to JAF under task orders 0006 and 0012, valued at \$39.5 million. However, DTRA officials did not document that CORs or DTRA representatives were present for those transfers. For example, the current DTRA COR acknowledged that she was not present to verify if the equipment was received and not damaged for the 67 transfers that occurred since her appointment as the COR on January 13, 2017. Being present for the equipment transfers would allow the CORs to provide onsite verification of the serial number and condition of each piece of equipment, which will ensure the sub-contractor provided the correct quantity and quality of equipment to JAF.

Furthermore, the DTRA CORs did not properly document the transfer of equipment to JAF. For each piece of equipment transferred to JAF, DTRA's SOP required the use of the ToP form. To complete the form, authorized U.S. Government, contractor, and JAF officials are required to sign the document to transfer and accept each piece of equipment. To determine whether DTRA properly documented the transfers of property, we reviewed 390 ToP forms (the entire file) for task orders 0006 and 0012. We documented which parties signed the forms, as well as, the dates and dollar amounts of the transfers. Only 5 of 390 forms, totaling \$2.4 million of equipment, were signed by all three parties. For example, DTRA transferred \$1.2 million of equipment to the JAF on April 16, 2014, and the ToP form contained the required signatures of a DTRA, JAF, and contractor representative. However, 337 of the 390 ToP forms did not contain the signature of the contractor responsible for completing the inspection and transfer of equipment with the JAF. For example, DTRA transferred over \$920,000 of equipment to the JAF on February 20, 2017. The accompanying ToP form only contained a signature of a JAF representative, with neither DTRA nor the contractor, signing the form as required. Instead, DTRA officials stated that if the transfer of equipment included inaccurate quantities or damaged equipment, JAF officials would notify DTRA. However, in this scenario, JAF, instead of DTRA, would provide oversight of the contractor's performance. JAF, as the recipient of the equipment, should not be tasked with providing oversight of the contractor. Further, without all three required signatures, DTRA does not have sufficient evidence in the case of a contractual dispute between the contractor and DTRA over the amount and type of equipment provided.

DTRA's Newly Developed QASP Lacked Specific Criteria to Provide Effective Surveillance

DTRA officials did not develop a QASP for either task order prior to January 2019. In January 2019, in response to Report No. DODIG-2018-064, DTRA developed a QASP to monitor task order 0012.¹⁵ DTRA initiated this action in response to a February 2018 DoD OIG audit that found DTRA did not have a QASP established for task order 0011 of the CTRIC II. However, DTRA's newly developed QASP for task order 0012 is generic and does not include specific surveillance steps to monitor the transfer of equipment to JAF. According to the COR Handbook, at a minimum, a QASP should include an inspection or surveillance schedule, specific surveillance methods, and how the surveillance will be documented. It further states that the COR must schedule each inspection, and the results must be documented for further reference, audit, and proof of inspection. Having documented surveillance methods and inspections help ensure DTRA is verifying contractor requirements. However, the QASP did not include specific inspection schedules, surveillance methods, or how the COR must document surveillance. For example, the COR Handbook states that if 100-percent inspections cannot be done, then periodic inspections or planned sampling should be used. Therefore, the QASP could provide a schedule and the surveillance method for DTRA in-country representative to use when providing oversight of transfers of equipment.

DTRA's program director stated that DTRA created a generic QASP in response to the previous DoD OIG audit; however, DTRA originally developed the QASP to be used as a baseline for future contracts. Since the CTRIC II contract ends in 2020, DTRA did not anticipate using the newly developed QASP on this contract; however, in January 2019, DTRA decided to use the QASP for this contract, and did not modify it with specific surveillance steps to address overseeing the sub-contractor conduct transfers of equipment.

The Contracting Officer for Defense Threat Reduction Agency, Cooperative Threat Reduction Program should update the existing quality assurance surveillance steps to include specific oversight plans for the inspection and acceptance of equipment by Jordanian Armed Forces.

¹⁵ Task order 0006 was already completed by January 2019 and therefore did not have the required QASP in place. DODIG-2018-64, "Defense Threat Reduction Agency Cooperative Threat Reduction Contract in the U.S. Pacific Command Area of Responsibility," February 1, 2018.

DTRA Did Not Request JAF's Annual Inventory Report

One of the conditions of the ToP form states that JAF is required to complete a full annual inventory report, detailing equipment quantities, conditions, and locations. An annual inventory report would provide DTRA with an additional method to verify the accuracy of the information contained in the ToP form (for example, quantities, serial numbers, and condition of equipment) and ensure that all equipment, including sensitive items, are still being used for their intended purpose.

According to DTRA officials, JAF has never completed an annual inventory report. However, DTRA officials acknowledged that they never requested JAF to complete the annual inventory report. DTRA officials stated that, in their opinion, it was unrealistic to believe that JAF could undertake this effort due to the difficulty involved with accessing installed and integrated equipment along the nearly 500 kilometers of Jordan's border with Iraq and Syria and would divert limited JAF manpower away from keeping the system operational. However, based on preventive maintenance schedules, JAF will have to climb surveillance towers to perform checks on the mounted cameras periodically, which would allow JAF the opportunity to document the location and condition of the equipment. In addition, JAF officials now operate all the equipment provided; therefore, they should be able to access it and document the serial number, location, and condition of each piece of equipment.

According to DTRA's program director, DTRA has no authority to direct a sovereign foreign government to do anything, such as conducting annual inventories. Additionally, the memorandum of agreement includes a provision stating that any differences concerning the interpretation or implementation of the agreement shall be resolved through consultation or negotiation between the U.S. Government and the Government of the Hashemite Kingdom of Jordan, which makes ToP form conditions unenforceable. Therefore, if JAF refused to comply with one of the conditions, any resolution would involve the State Department and the Government of the Hashemite Kingdom of Jordan. However, on all 390 ToP forms, JAF officials signed for each piece of equipment with the condition that they would be responsible for conducting the annual inventory. In addition, DTRA does not know if JAF will refuse to comply with the ToP condition and whether the condition can be enforced through consultation or negotiation until it requests JAF's compliance.

The Cooperative Threat Reduction Director should request the Jordanian Armed Forces to complete an annual inventory report, as outlined in the Transfer of Property form. If this request is refused, pursue consultation or negotiation through appropriate channels between the U.S. Government and the Government

of the Hashemite Kingdom of Jordan under the terms of the transfer of property form. In addition, DTRA should conduct a statistically significant sample of task order 0012 equipment to perform a physical inventory.

DTRA Lacked Sufficient Documentation Supporting the Transfer of Property to the JAF

During our March 2019 site visit, we visited Phases 2, 3, and 4 and met with senior JAF officials and JBSS operators who stated that the system worked well and that they appreciated DTRA's assistance. JAF officials stated that the fencing included in Phase 4 is an immense contribution, which assists JAF soldiers in avoiding the use of unnecessary force against certain individuals approaching their border.

Although the JBSS appeared to follow the requirements of the contract, DTRA officials did not have an accurate record for the exact type, quantity, or condition of \$37 million of \$39.5 million of JBSS equipment that the contractor provided to JAF from 2014 through 2019. Without knowing the exact type, quantity, and condition of the equipment DTRA risks not being able to accurately determine whether JAF had sufficient equipment, including spare parts, to maintain full functionality of the JBSS moving forward. For example, while conducting the on-site visit, JAF could not confirm locations, amounts, or status of equipment because the contractor-provided, JAF-maintained inventory database had lost all inventory data prior to our visit. However, the system was restored after our visit with previously saved back-up data and manually maintained Excel spreadsheets.

During the audit, DTRA requested JAF to conduct an inventory check of equipment transferred during JBSP Phase 4. Additionally, DTRA conducted visual verification of items located in the JBSP equipment storage warehouse. Out of the 62 items listed, DTRA verified 8 were in the warehouse as expected and 4 were not. Due to time constraints, DTRA personnel could not verify the remaining 50 items and requested JAF personnel collect photos of the serial numbers and send them to DTRA. As of November 2019, JAF personnel have not provided DTRA with photos of the serial numbers needed to complete the inventory.

Having an on-site representative during equipment transfers will also provide DTRA with information to evaluate the contractor's performance. For example, DTRA did not accurately rate the contractor's performance. In its two most recent Contractor Performance Assessment Reports for task order 0012, DTRA stated that the contractor "diligently coordinated transfer of equipment to the end user, obtaining necessary signatures and providing signed copies of the paperwork to government," despite the fact that none of 55 ToP forms were signed by the contractor during the review period.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Defense Threat Reduction Agency, Cooperative Threat Reduction Contracting Officer update the existing quality assurance surveillance plan with oversight plans for specific methods for inspections, acceptance, and accountability of the property transferred to the Jordanian Armed Forces including any remaining transfers in task order 0012.

Cooperative Threat Reduction Director Comments

The Cooperative Threat Reduction Director partially agreed with the recommendation, stating that the QASP associated with task order 0012 was updated to reflect oversight the COR exercised for property transfers. However, the Director disagreed with the report finding that a lack of U.S. Government presence at the time of property transfer precluded DTRA officials from having an accurate knowledge of the type, quantity, or condition of the equipment transferred to the JAF. The Director contends that because the COR exercised oversight for tracking the inventory and transporting contractor acquired property between the contractor, the shipping agent, and ultimately provided the equipment to the JAF, DTRA has oversight of the equipment. The Director further stated that the JBSP system underwent independent government testing and evaluation after installation, which confirmed receipt and installation of the equipment.

Our Response

Comments from the Director did not address the specifics of the recommendation; therefore, the recommendation is unresolved. DTRA updated its QASP to include steps the COR should take when performing oversight of equipment transfers to the JAF; however, the updates did not include methods for the inspection, acceptance, and accountability of property transferred to JAF. The QASP references an updated Cooperative Threat Reduction Directorate SOP, which includes a revised ToP form. The updated ToP form states:

The Government of [INSERT COUNTRY] intends to grant access to the United States of America or its designated Executive Agent or representative, to the equipment listed in Attachment 1 for the duration of the Agreement and 3 years thereafter in order to examine the use of any equipment, supplies, materials, technology, or services provided by the United States of America at sites of their location or use in accordance with [INSERT ARTICLE/SECTION] of the Agreement. The United States retains the right to audit and examine all records and documents related to the use of the items and equipment provided.

We acknowledge that there are constraints to providing oversight of property transfers to JAF, such as a lack of government personnel in Jordan; however, DTRA can meet the intent of this recommendation by developing within its QASP steps to carry out oversight of the provision established in the updated ToP form. The updated QASP does not include methods for examinations or audits cited in the aforementioned provision. For example, DTRA needs to determine the frequency of the property examinations, the type of property to inspect, and how it will address any lost or missing property. We will resolve this recommendation once we verify that the QASP includes methods for conducting examinations or audits established by the aforementioned provision.

Recommendation 2

We recommend that the Cooperative Threat Reduction Director request the Jordanian Armed Forces to perform a full annual inventory of equipment received to support the Jordan Border Security System during task order 0012. If this request is refused, pursue consultation or negotiation through appropriate channels between the U.S. Government and the Government of the Hashemite Kingdom of Jordan under the terms of the Transfer of Property form. If this condition is ultimately determined to be either unreasonable or unenforceable, remove it from the form for future equipment transfers. In addition, DTRA should conduct a statistically significant sample of task order 0012 equipment to perform a physical inventory.

Cooperative Threat Reduction Director Comments

The Cooperative Threat Reduction Director agreed with the recommendation, stating that DTRA determined it was unreasonable to request JAF conduct a full inventory and DTRA would no longer require the receiving partner nation to conduct an annual inventory. The Director also stated the DTRA COR plans to conduct a statistically significant physical inventory of property previously transferred under task order 0012 to the JAF by summer of 2020 and that this inventory would be conducted in a way that does not involve disassembly of the system or reduced mission availability. The Director stated that the physical inventory is subject to JAF approval because the equipment is already its property.

Our Response

Comments from the Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but remains open. We will close this recommendation once we verify that DTRA has conducted a statistically significant inventory of property.

Appendix

Scope and Methodology

We conducted this performance audit from January 2019 through November 2019 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.

We reviewed the following Federal and DoD criteria.

- DoD Directive 5105.62, “Defense Threat Reduction Agency (DTRA),” April 24, 2013
- DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013
- Defense Federal Acquisition Regulation Supplement, Procedures, Guidance, and Information Part 245, “Government Property,” Subpart 245.402, “Title to contractor-acquired property” Section 245.402-70, “Policy”
- Federal Acquisition Regulation 52.245-1 “Government Property,” January 2017
- Federal Acquisition Regulation Part 52, “Solicitation Provisions and Contract Clauses,” Subpart 52.2, “Text of Provisions and Clauses,” 52.245-1, “Government Property”

We interviewed personnel from the Undersecretary of Defense for Acquisition and Sustainment (Policy), DTRA, and U.S. Central Command to identify their roles and responsibilities for implementing and overseeing the JBSP. We continued to meet with personnel from DTRA to determine whether the COR provided sufficient oversight of equipment and training, the contractor met the requirements provided in the statement of work, and the Contracting Officer appropriately managed the contract in accordance with DoD and Federal policy.

We conducted a site visit to the Hashemite Kingdom of Jordan from March 3 through March 7, 2019. The purpose of the site visit was to interview representatives from the Jordanian Armed Forces who were overseeing and executing the implementation of the JBSP, and conduct observations at locations where JBSP equipment had been implemented. Additionally, we met with the COR to establish their roles and responsibilities while in Jordan.

We reviewed contractual information for task orders 0006 and 0012, such as the statements of work, the contracts, and the signed CDRLs to establish contractual requirements and determine whether the contractor met the requirements for training and equipment. Additionally, in order to verify DTRA oversaw contractor performance of trouble report resolution and preventative maintenance, we reviewed trouble report logs, monthly status reports, weekly meeting minutes, and quarterly program management reviews that DTRA provided.

We reviewed DTRA's SOP documentation to determine whether DTRA followed established operating procedures governing processes, such as property transfers and oversight. We analyzed the monthly status reports to determine whether DTRA performed sufficient oversight of training and CDRLs. We also reviewed Quarterly Program Management Reviews to determine whether training was addressed. We received and reviewed the system acceptance tests and the user acceptance tests for Phases 2, 3, and 4 to determine whether the equipment and training the contractor provided to JAF for the JBSP met all requirements established by the statement of work and the contract.

Use of Computer-Processed Data

We did not use computer-processed data to perform this audit.

Prior Coverage

During the last 5 years, the DoD Office of Inspector General (DoD OIG) issued one report discussing the DTRA Cooperative Threat Reduction Contract II. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

DoD OIG

Report No. DODIG-2018-64, "Defense Threat Reduction Agency Cooperative Threat Reduction Contract in the U.S. Pacific Command Area of Responsibility," February 1, 2018

The DoD OIG determined whether DTRA adequately monitored contract performance and conducted sufficient invoice reviews for goods and services provided under the Cooperative Threat Reduction contract task order 11. The finding was the DTRA adequately monitored contractor performance; however the DTRA contracting officer did not prepare a QASP to document the work requiring surveillance, the method of surveillance, or the process used to review invoices.

Management Comments

Office of the Defense Threat Reduction Agency



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FORT BELVOIR, VA 22060-6201

NOV 26 2019

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL READINESS AND CYBER
OPERATIONS, OFFICE OF INSPECTOR GENERAL

SUBJECT: SUBJECT: Follow-up on Department of Defense Inspector General (DoD IG)
Project No. D2019-D000RJ-0073.000, "Audit of Jordan Border Security Program
Oversight," (November 15, 2019)

Recommendation 1: The DoD IG recommended that "the Defense Threat Reduction Agency, Cooperative Threat Contracting Officer update the existing quality assurance surveillance plan with oversight plans for specific methods for inspections, acceptance, and accountability of the property transferred to the Jordanian Armed Forces (JAF) including any remaining transfers in task order 12."

Management Update: Partially concur. The Cooperative Threat Reduction (CTR) Contracting Officer's Representative (COR) and Contracting Officer (KO) updated the quality assurance surveillance plan (QASP) associated with task order 12 to include additional language to reflect the oversight the COR exercised for Contractor Acquired Property (CAP) transfers and disposition throughout the performance of the task order. The COR uploaded the QASP into the contract file on November 23, 2019. DTRA does not agree with the finding that a lack of U.S. government presence at the time of property transfer precludes DTRA officials from having an accurate knowledge of the type, quantity, or condition of \$37 million out of \$39.5 million in equipment because the COR exercised oversight for tracking the inventory and transport of CAP between the prime contractor, the shipping agent and ultimate disposition to the JAF as described in the updated QASP. Additionally, the JBSP system as a whole underwent rigorous independent government test and evaluation after installation, confirming receipt and installation of the CAP. The fact that the system reached full operating capability in 2014 and the JAF continues to operate and maintain the Phase 2 and 3 systems with limited contractor assistance since May 2017 supports DTRA's effective accountability of the property transferred to the JAF. The IG report states that DTRA ensured that the equipment provided met the systems acceptance test and that DTRA ensured that the contractor adequately maintained the system prior to the JAF assuming full responsibility. The deliverable from the USG to the JAF is a functional system that included both material and non-material assistance that resulted in JAF ownership of the system and is not simply delivery and turnover of CAP.

Recommendation 2: The DoD IG recommended that "the Director for Defense Threat Reduction Agency request the Jordanian Armed Forces to perform a full annual inventory of equipment received to support the Jordan Border Security System during task order 0012. If this request is refused, pursue consultation or negotiation through appropriate channels between the U.S. Government and the Government of the Hashemite Kingdom of Jordan under the terms of the Transfer of Property form. If this condition is ultimately determined to be either unreasonable or unenforceable, remove it from the form for future equipment transfers. In addition, DTRA should conduct a statistically significant sample of task order 0012 equipment to perform a physical inventory."

Office of the Defense Threat Reduction Agency (cont'd)

Management Update: Concur. DTRA determined that requesting the JAF to conduct a full inventory would be unreasonable. This would require the JAF to divert already limited manpower away from keeping the system operational and involve bringing video surveillance towers along an area over 440 km offline. On November 8, 2019, CTR finalized an updated Property Management Standard Operating Procedure (SOP) and Transfer of Property forms to no longer require the receiving partner nation to conduct an annual inventory. The DTRA COR plans to conduct a statistically significant physical inventory of CAP previously transferred to the JAF by summer of 2020 under task order 12 in a way that does not involve disassembly of the system or reduced mission availability. The physical inventory is subject to JAF approval as the equipment is already their property.



Robert S. Pope, Ph.D., SES
Director
Cooperative Threat Reduction

Acronyms and Abbreviations

CDRL	Contract Data Requirements List
CECOM	U.S. Army Communications–Electronics Command
COR	Contracting Officer’s Representative
CTRIC	Cooperative Threat Reduction Integrating Contract
CTR	Cooperative Threat Reduction
DTRA	Defense Threat Reduction Agency
ILSP	Integrated Logistics Support Plan
JAF	Jordanian Armed Forces
JBSP	Jordan Border Security Program
JBSS	Jordan Border Security System
PPP	Proliferation Prevention Program
QASP	Quality Assurance Surveillance Plan
SOP	Standard Operating Procedure
ToP	Transfer of Property
WMD	Weapon of Mass Destruction



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