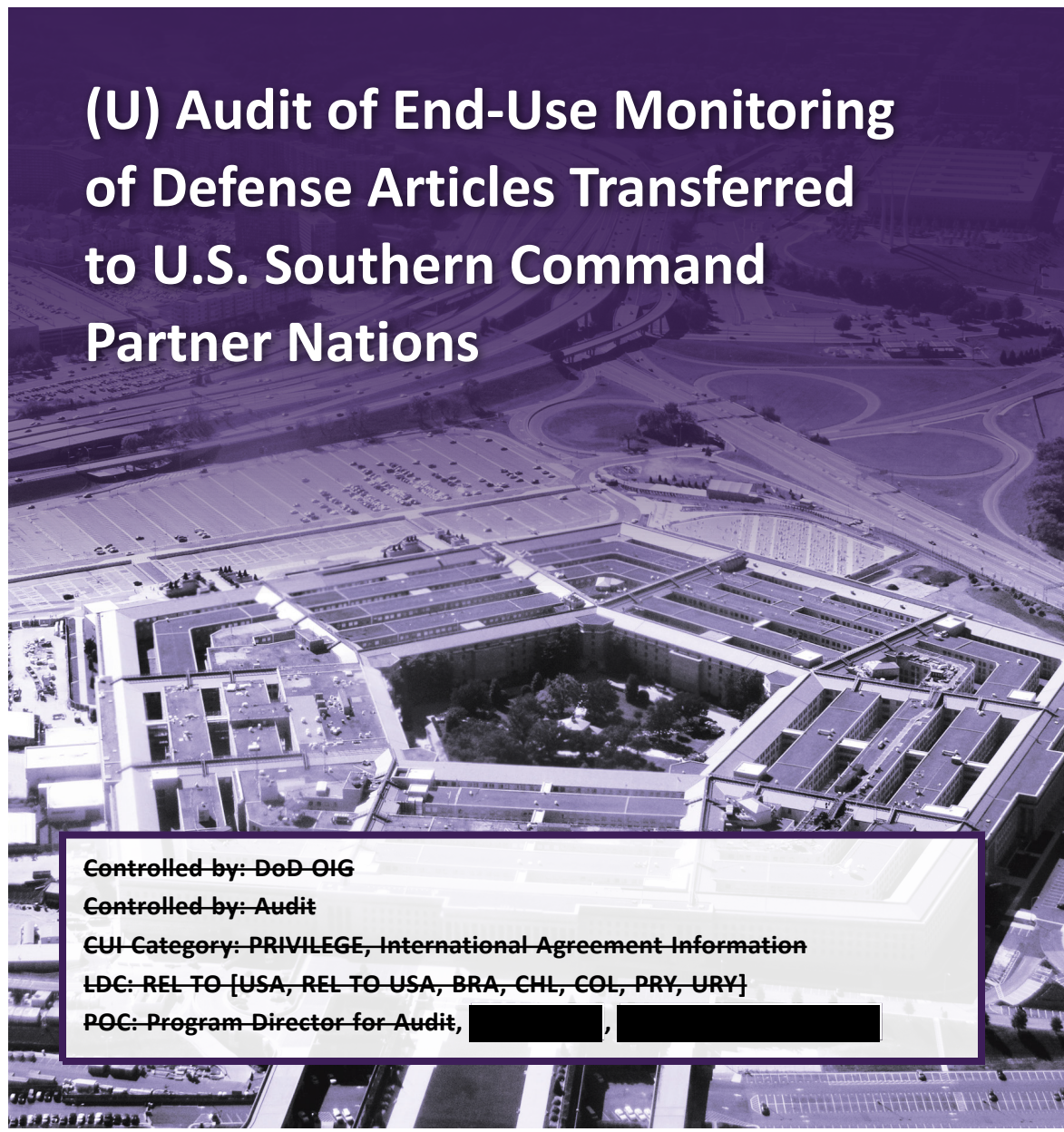CUI//REL TO USA, BRA, CHL, COL, PRY, URY

INSPECTOR GENERAL

U.S. Department of Defense

MARCH 14, 2025

(U) Audit of End-Use Monitoring of Defense Articles Transferred to U.S. Southern Command Partner Nations

Controlled by: DoD OIG
Controlled by: Audit
CUI Category: PRIVILEGE, International Agreement Information
LDC: REL TO [USA, REL TO USA, BRA, CHL, COL, PRY, URY]
POC: Program Director for Audit, ████████, ████████████████

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY

(U) Results in Brief

(U) Audit of End-Use Monitoring of Defense Articles Transferred to U.S. Southern Command Partner Nations

March 14, 2025

(U) Objective

(U) The objective of this audit was to determine whether the DoD conducted end-use monitoring (EUM) of defense articles transferred to U.S. Southern Command (USSOUTHCOM) partner nations in accordance with Federal laws, DoD regulations, and transfer agreements.

(U) We focused our review on the DoD's oversight of routine EUM and enhanced end-use monitoring (EEUM)-designated defense articles in the partner nations of Brazil, Chile, Colombia, Paraguay, and Uruguay from FY 2018 through FY 2022 to cover the period before and after the height of the COVID-19 pandemic.

(U) Background

(U) The DoD developed the Golden Sentry EUM program to monitor EUM-designated defense articles transferred to foreign recipients. The Defense Security Cooperation Agency (DSCA) establishes guidance for conducting EUM in its Security Assistance Management Manual (SAMM), including requirements for Security Cooperation Organizations (SCOs) to maintain oversight of defense articles requiring EUM.

(U) According to the SAMM, with the exception of hostile environments, SCO personnel are required to conduct annual EEUM inventories, physical security inspections, and quarterly routine EUM checks, and they upload the results of their reviews into the Security Cooperation Information Portal (SCIP)-EUM database. For hostile environments, the SAMM established

(U) Background (cont'd)

(U) procedures for partner nation self-reporting of EEUM inventories annually by serial number and annual physical security inspections of facilities storing EEUM-designated defense articles.

(U) Finding

(U) The DoD did not consistently conduct EUM of defense articles transferred to the selected USSOUTHCOM partner nations in accordance with Federal laws, DoD regulations, and transfer agreements. The DoD did not consistently ensure that defense articles transferred to Brazil, Chile, Colombia, Paraguay, and Uruguay from FY 2018 through FY 2022 were accounted for and securely stored as required by DoD regulations and transfer agreements. Specifically, USSOUTHCOM SCOs did not correctly conduct and document annual EEUM inventories, physical security inspections, and quarterly routine EUM checks of defense articles transferred to Brazil, Chile, Colombia, Paraguay, and Uruguay as required by Golden Sentry EUM policies.

(U) These problems occurred because some requirements in the DSCA's policies and procedures related to SCOs conducting and documenting annual EEUM inventories, physical security inspections, and quarterly routine EUM checks were unclear, too broad, or incomplete. Moreover, the DSCA did not establish comprehensive policies and procedures to guide the combatant command Golden Sentry primary points of contact when completing the quarterly reviews of the SCIP-EUM database. Lastly, DSCA and USSOUTHCOM officials did not provide sufficient oversight to ensure that SCO personnel conducted routine EUM and EEUM in accordance with Golden Sentry EUM program policy and procedures.

(CUI) Without adequate oversight and comprehensive policies and procedures, the DoD will be unable to fully comply with the Golden Sentry EUM program requirements to account for and properly secure EUM-designated defense articles, valued at ▇▇▇▇▇▇▇, transferred from the U.S. Government to Brazil, Chile, Colombia, Paraguay, and Uruguay.

(U) Results in Brief

(U) Audit of End-Use Monitoring of Defense Articles Transferred to U.S. Southern Command Partner Nations

(U) Recommendations

(CUI) We recommend that the DSCA Director update the current EEUM physical security checklists for the ██████████████████████████████████ ██████████████████████████ to ensure those checklists are clear and consistent with Golden Sentry EUM policies and procedures. We also recommend that the DSCA Director update the current EEUM checklist policy guidance and procedures to include detailed guidance on how SCO personnel, when conducting physical security inspections, should verify each of the requirements from the physical security checklists that are not currently listed and explained.

(U) We recommend that the DSCA Director update chapter 8 of the SAMM to include requirements for the combatant commands to develop alternate procedures for SCO personnel to conduct or obtain EUM checks during pandemics, natural disasters, and extended travel restrictions, and to include additional requirements for combatant command quarterly reviews of the SCIP-EUM database.

(U) We recommend that the USSOUTHCOM Commander update the USSOUTHCOM EUM Program Standard Operating Procedure memorandum to include alternate procedures for SCO personnel on how to execute required annual EEUM inventories, physical security inspections, and quarterly routine EUM reviews based on in-country or regional limitations due to pandemics, natural disasters, and extended travel restrictions. Additionally, we recommend that the USSOUTHCOM Commander include guidance outlining specific requirements for how the USSOUTHCOM primary point of contact will conduct, document, and maintain records of the quarterly SCIP-EUM database reviews.

(CUI) We recommend that the Deputy Under Secretary of the Air Force for International Affairs, in coordination with the DSCA Director, conduct and complete site certifications of two ████████ storage facilities in Chile. In addition, we recommend that the Deputy Under Secretary of the Air Force for International Affairs,

(CUI) in coordination with the DSCA Director, ensure these site certifications are uploaded to the site certification repository within the SCIP-EUM database.

(U) Management Comments and Our Response

(U) The DSCA Division Chief, Global Execution Directorate, responding for the DSCA Director, agreed with 9 recommendations and disagreed with 2 of the 12 recommendations. The DSCA Division Chief did not provide a response for one recommendation. Although the DSCA Division Chief agreed with nine recommendations, only five are considered resolved and will remain open until we receive documentation that corrective actions have been completed to close the recommendations. The remaining seven recommendations are unresolved. We request that the DSCA Director reconsider their position and provide comments on the unresolved recommendations within 30 days of the final report.

(U) The USSOUTHCOM Deputy Director, Strategy, Policy, and Plans, responding for the USSOUTHCOM Commander, agreed with our recommendations; therefore, these recommendations are resolved but will remain open until we receive documentation that corrective actions have been completed to close the recommendations.

(U) The Director of Policy, Programs, and Strategy, Deputy Under Secretary of the Air Force for International Affairs, responding for the Deputy Under Secretary of the Air Force for International Affairs, agreed with our recommendations; therefore, these recommendations are resolved but will remain open until we receive documentation that corrective actions have been completed to close the recommendations. Please see the Recommendations Table on the next page for the status of recommendations.

(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Director, Defense Security Cooperation Agency	2.a, 2.b, 2.c, 2.d, 2.e, 3.a, 3.b	1.a, 1.b, 1.c, 1.d, 4	None
Commander, U.S. Southern Command	None	5.a, 5.b, 5.c	None
Deputy Under Secretary of the Air Force, International Affairs Office	None	6.a, 6.b	None

(U)

(U) Please provide Management Comments by April 14, 2025.

(U) Note: The following categories are used to describe agency management's comments to individual recommendations.

- **(U) Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.

- **(U) Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.

- **(U) Closed** – The DoD OIG verified that the agreed-upon corrective actions were implemented.

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

March 14, 2025

MEMORANDUM FOR COMMANDER, U.S. SOUTHERN COMMAND
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
DEPUTY UNDER SECRETARY OF THE AIR FORCE,
INTERNATIONAL AFFAIRS OFFICE DIRECTOR
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: (U) Audit of End-Use Monitoring of Defense Articles Transferred to
U.S. Southern Command Partner Nations (Report No. DODIG-2025-078)

(U) 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. These comments are included in the report.
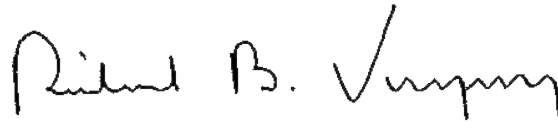
(U) Of the 17 recommendations, this report contains 7 recommendations that are considered unresolved because the Defense Security Cooperation Agency Division Chief, Global Execution Directorate for the Office of International Operations, did not fully address 6 recommendations and did not provide a response for 1 recommendation presented in the report.

(U) Therefore, these seven recommendations remain unresolved and open. We will track these recommendations until management has agreed to take actions that we determine to be sufficient to meet the intent of the recommendations and management officials submit adequate documentation showing that all agreed-upon actions are completed.

(U) Of the remaining 10 recommendations, the Defense Security Cooperation Agency Division Chief, Global Execution Directorate for the Office of International Operations; Deputy Director, Strategy, Policy, and Plans for the U.S. Southern Command; and Director of Policy, Programs, and Strategy, Deputy Under Secretary of the Air Force for International Affairs agreed to address the recommendations presented in the report; therefore, we consider the recommendations resolved and open. We will close the recommendations when you provide us documentation showing that all agreed-upon actions to implement the recommendations are completed.

(U) DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. For the unresolved recommendations, please send your response to either ▮▮▮▮▮▮▮▮▮▮ if unclassified or ▮▮▮▮▮▮▮▮▮▮ if classified SECRET. For the resolved recommendations, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response for the resolved recommendations to either ▮▮▮▮▮▮▮▮▮▮ if unclassified or ▮▮▮▮▮▮▮▮▮▮ if classified SECRET.

(U) If you have any questions, please contact me at ███████████████████.

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

(U) Contents

Contents (cont'd)

(U) Management Comments

(U) Acronyms and Abbreviations

(U) Introduction

(U) Objective

(U) The objective of this audit was to determine whether the DoD is conducting end-use monitoring (EUM) of defense articles transferred to U.S. Southern Command (USSOUTHCOM) partner nations in accordance with Federal laws, DoD regulations, and transfer agreements.[1]

(U) We focused our review on the DoD's oversight of routine EUM and enhanced end-use monitoring (EEUM)-designated defense articles in the partner nations of Brazil, Chile, Colombia, Paraguay, and Uruguay from FY 2018 through FY 2022. We announced this audit in July 2022. We established the 5-year review period when we announced the audit so that we could review the Golden Sentry EUM program before and after the height of the COVID-19 pandemic. See Appendix A for scope, methodology, and criteria. See Appendix B for prior coverage related to the objective.

(U) The duration of this audit was prolonged due to the large scope of the audit that included the review of five USSOUTHCOM partner nations, the number of locations visited within three partner nations, and the quantity of items and volume of information from the Security Cooperation Information Portal (SCIP)-EUM database that we reviewed. In addition, we had extensive coordination related to the logistics of traveling to 11 different locations in the three USSOUTHCOM partner nations we visited. Although these circumstances extended the time needed to complete this audit, based on discussions with DSCA and USSOUTHCOM officials, the findings, conclusions, and recommendations identified in this report remain relevant.

(U) Background

(U) The National Defense Strategy focuses on integrated deterrence across domains and theaters using the entirety of government and abilities of partner nations to address national security threats from adversaries while increasing collaboration with allies and partners. USSOUTHCOM is a joint combatant command responsible for providing contingency planning, operations, and security cooperation in its assigned area of responsibility (AOR), which includes Central America, South America, and the Caribbean.

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[1]   (U) This report contains information that has been redacted because it was identified by the Department of Defense as Controlled Unclassified Information (CUI) that is not releasable to the public. CUI is Government-created or owned unclassified information that allows for, or requires, safeguarding and dissemination controls in accordance with laws, regulations, or Government-wide policies.

(U) USSOUTHCOM uses security cooperation and assistance programs aimed at building partner capacity to conduct counterterrorism, counter drug, and counterinsurgency operations. USSOUTHCOM also supports U.S. military and stability operations, as well as multilateral peace operations. These programs are crucial tools used by the DoD in promotion of U.S. national security objectives. The programs allow the United States and partner nations to support multinational efforts to combat transnational organized crime and uphold U.S. interests in the region. To build partner capacity, the United States provides defense articles to partner nations. The defense articles provided to partner nations are differentiated by the statutes for which they were authorized and funded.

(U) The Arms Export Control Act

(U) In 1976, Congress enacted the Arms Export Control Act, which requires the President to establish an EUM program to improve accountability of U.S. defense articles sold, leased, or exported to recipient countries.[2] According to the Arms Export Control Act, the United States may sell or transfer defense articles and services to foreign countries and international organizations when the President determines that doing so will strengthen the security of the United States and promote world peace. The Arms Export Control Act mandates that such decisions must also factor in the potential for contributing to an arms race, developing weapons of mass destruction, increasing the risk of terrorism, or other undesirable outcomes, such as conflicts. The U.S. Government and a foreign government enter into a government-to-government transfer agreement with a Letter of Offer and Acceptance (LOA), or other transfer agreement, which defines the accountability and security requirements the receiving government must follow.

(U) The Golden Sentry EUM Program

(U) The DoD developed the Golden Sentry EUM program to comply with Arms Export Control Act requirements and to monitor EUM-designated defense articles transferred to foreign recipients. The program is designed to verify that foreign recipients use defense articles or services transferred in accordance with the terms and conditions of the LOAs or other transfer agreements. The Golden Sentry EUM program's objective is to ensure compliance with technology control requirements to minimize security risks to the United States, partner nations, and allies. DoD EUM must be conducted by U.S. Government personnel assigned to Security Cooperation Organizations (SCOs) or deployed to the recipient countries in support of SCO functions. According to Joint Publication 3-20, "Security Cooperation," a SCO is a DoD element that is part of the U.S. diplomatic mission located in a foreign

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[2]   (U) Public Law 90-629, "Arms Export Control Act," December 22, 2023.

(U) country to carry out security assistance and cooperation management functions.[3] EUM includes all actions to prevent misuse or unauthorized transfer of defense articles from title transfer until disposal. The type of defense article generally determines the level of monitoring required.

(U) The DoD designed the Golden Sentry EUM program to ensure that recipient countries:

- (U) use the defense articles only for their intended purpose;
- (U) do not transfer title to, or possession of, any defense article to anyone without prior written consent of the U.S. Government;
- (U) maintain the security of any defense article with substantially the same degree of protection afforded to it by the U.S. Government;
- (U) permit U.S. observation and review of the defense articles; and
- (U) furnish necessary information to U.S. representatives on the use of the defense articles.

(U) The Defense Security Cooperation Agency (DSCA) is the primary agency responsible for overseeing the Golden Sentry EUM program. There are two types of EUM—routine and enhanced. The Military Departments (MILDEPs), in coordination with the DSCA, identify if defense articles provided under the Golden Sentry EUM program require EEUM during the interagency release process or by DoD policy as a result of consultations with Congress. In addition, the MILDEPs, in coordination with the DSCA, are required to develop EEUM physical security and accountability checklists based on requirements included in DoD Manual 5100.76, "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)," LOAs, or other transfer agreements.[4] The DSCA is required to establish guidance for conducting EUM in its Security Assistance Management Manual (SAMM), including requirements for SCOs to maintain oversight of defense articles requiring EUM.[5]

(U) EUM Requirements from the SAMM

(U) The SAMM is the authoritative policy governing how the U.S. Government executes security cooperation and security assistance programs. The SAMM outlines specific procedures and requirements to conduct routine EUM and EEUM, and it identifies what EUM documentation should be stored in the SCIP-EUM

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[3] (U) Joint Publication 3-20, "Security Cooperation," May 23, 2017. For the purposes of this report, when discussing U.S. Government SCO personnel conducting DoD EUM functions, we will refer to the partner nation SCO as "Brazil SCO," "Chile SCO," or "Colombia SCO."

[4] (U) DoD Manual 5100.76, "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)," April 17, 2012.

[5] (U) DSCA Manual 5105.38-M, "Security Assistance Management Manual (SAMM)," April 30, 2012.

(U) database. In addition, the SAMM establishes the roles and responsibilities for the organizations responsible to ensure SCO compliance with EUM Golden Sentry policy and procedures.

(U) Routine End-Use Monitoring

(U) Routine EUM is required for all defense articles, transferred by the U.S. Government to a partner nation, that are designated as having a lower level of sensitivity compared to EEUM-designated defense articles. Examples of defense articles requiring routine EUM include armored combat vehicles, fixed and rotary wing aircraft, standard ammunition, and military vessels. According to the SAMM, SCOs must perform quarterly routine EUM checks and document those checks in the SCIP-EUM database. The SAMM does not require SCOs to complete a specific quantity of routine EUM checks per quarter. However, the SAMM states that routine EUM checks should be completed at every available opportunity in conjunction with other security cooperation functions, such as during visits to partner nation installations and from any other readily available or opportune source of information. Performance of routine EUM checks includes verification of routine EUM-designated defense articles by SCOs conducting visual observations; verification by other U.S. Government employees, military members, or contractors; review of partner nation records; and observations through open-source media, such as television or newspapers. The DSCA developed a routine EUM report located in the SCIP-EUM database to assist SCOs in documenting quarterly routine EUM checks. See Appendix E for an example of a blank routine EUM report template.

(U) Enhanced End-Use Monitoring

(U) The SAMM requires EEUM for all defense articles designated by the MILDEPs or DoD policies as requiring additional layers of verification and protections. This includes defense articles: (1) that incorporate sensitive technology, (2) that are particularly vulnerable to diversion or other misuse, or (3) whose diversion or other misuse could have significant consequences. Examples of EEUM-designated defense articles include man-portable night vision devices; Tomahawk missiles; Communication Security Equipment; Advanced Medium Range Air-to-Air Missiles; Harpoon missiles; and Unmanned Aerial Systems. According to the SAMM, with the exception of hostile environments, designated DoD personnel are required to perform a 100-percent visual initial inventory of EEUM-designated defense articles within 90 days of transfer to the partner nation and annually thereafter.[6]

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[6] (U) On December 20, 2022, the DSCA updated the SAMM to establish policy and procedures for conducting EEUM in a hostile environment. Specifically, the update established procedures for partner nation self-reporting of EEUM inventories annually by serial number and annual physical security inspections of facilities storing EEUM-designated defense articles.

(U) The SAMM requires SCO personnel to conduct annual inventories by serial number and annual physical security assessments of EEUM-designated defense article storage facilities to verify the recipient nation's compliance with the accountability and security conditions of the LOAs or other transfer agreements. Upon completion of the annual inventories and security assessments, SCOs are required to update the inventory date and status of the defense articles inventoried and upload EEUM physical security checklists into the SCIP-EUM database.

(U) The SAMM requires the MILDEPs, in coordination with the DSCA, to develop EEUM physical security checklists that align with the LOA and DoD security requirements for use during EEUM physical security inspections. The EEUM physical security checklists include requirements for storage, physical security, and accountability controls of EEUM-designated defense articles and facilities. The SAMM requires SCOs to use the EEUM physical security checklists and the EEUM checklist policy guidance and procedures found in the SCIP-EUM database to conduct the annual physical security and accountability inspections where EEUM-designated defense articles are stored.[7] According to the SAMM, use of these checklists by SCOs during EEUM physical security inspections ensures that security and accountability conditions of transferred EUM-designated defense articles provide substantially the same degree of protection afforded to them by the U.S. Government. See Appendixes C and D for examples of EEUM physical security checklists.

(U) The Security Cooperation Information Portal

(U) The SCIP is an online database established and managed by the DSCA that enables authorized personnel to access the information in security cooperation programs, such as EUM. Transferred defense articles requiring routine EUM and EEUM are required to be tracked in the SCIP-EUM database. The SAMM requires all routine EUM and EEUM documentation to be stored in the SCIP-EUM database, including the partner nation's plans to comply with physical security and accountability requirements for EEUM-designated defense articles.

(U) The SCIP-EUM database also includes information relating to routine EUM-designated defense articles, such as article description, LOA numbers, and quantities of articles.[8] The SCIP-EUM database includes routine EUM reports by partner nation, listing the types and quantities of routine EUM-designated defense articles that partner nations have received.

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[7] (U) For consistency within this report, the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" developed by the DSCA will be referred to as "EEUM checklist policy guidance and procedures."

[8] (U) The SCIP-EUM database includes data labeled as "Foreign Military Sales (FMS) Case or Record ID." The data matched the numbers on the LOAs or other transfer agreements documented in the audit team's analysis. For the purposes of this report, "FMS Case or Record ID" data will be referred to as "LOA number."

(U) In addition, the SCIP-EUM database includes information related to EEUM-designated defense articles, such as inventory location (if not classified), serial number, inventory due date, and LOA number. The SCIP-EUM database maintains the data from the time an EEUM-designated item is received by the partner nation until that item's final disposition. The SCIP-EUM database provides reports that help designated officials within the DSCA and the respective SCOs plan future EEUM inspections and identify articles not inspected within required time frames.

(U) The DSCA uploaded the EEUM checklist policy guidance and procedures in the SCIP-EUM database to help SCOs use the EEUM physical security checklists when completing physical security inspections at locations that store EEUM-designated defense articles. The EEUM checklist policy guidance and procedures provide instructions on how to use the physical security checklists to verify accountability and security requirements for EEUM-designated defense articles. The EEUM checklist policy guidance and procedures also include examples and pictures to illustrate how to use EEUM physical security checklists to assess some of the physical security and accountability procedures for enhanced storage facilities.

(U) End-Use Monitoring Roles and Responsibilities in USSOUTHCOM Partner Nations

(U) The DSCA, USSOUTHCOM, and MILDEPs have responsibilities for implementing the Golden Sentry EUM program and ensuring that SCOs conduct EUM within their respective partner nations.

(U) The Defense Security Cooperation Agency

(U) Chapter 8 of the SAMM states that the DSCA manages the Golden Sentry EUM program and has the responsibility to:

- (U) develop and distribute EUM policy guidance within the DoD;
- (U) develop computer-based and in-residence training to educate SCO personnel on the Golden Sentry EUM program;
- (U) ensure LOAs and other government-to-government agreements include the appropriate EUM notes, provisions, and transfer conditions;
- (U) work with the MILDEPs in the development of EEUM controls and checklists to ensure they contain appropriate accountability and security controls outlined in the LOAs to verify compliance;

- (U) notify U.S. Government in-country teams when articles in their AOR are designated as enhanced in the SCIP-EUM database;

- (U) conduct compliance assessment visits (CAVs) and virtual compliance assessments (VCAs) to review and evaluate SCO compliance with Golden Sentry EUM policy, as well as partner nation compliance with specific physical security and accountability agreements; and

- (U) draft and submit CAV reports to the appropriate combatant command and SCO.[9]

(U) Military Departments

(U) MILDEPs act as implementing agencies that provide support to the DSCA within their respective fields of responsibility. The following offices from the Departments of the Army, Navy, and Air Force assist in planning, implementing, and executing EUM in the USSOUTHCOM AOR.

- (U) U.S. Army Security Assistance Command

- (U) Navy International Programs Office

- (U) Office of the Deputy Under Secretary of the Air Force for International Affairs

(U) According to the SAMM, the responsibilities of these MILDEP offices include:

- (U) providing input to EUM policy;

- (U) designating defense articles as requiring EEUM;

- (U) drafting requirements included in LOAs of transferred defense articles;

- (U) conducting site certifications of partner nation facilities that store weapons and defense systems designated for EEUM;

- (U) ensuring site certification reports are uploaded to the site certification repository within the SCIP-EUM database; and

- (U) developing physical security checklists and submitting them to the DSCA for review and standardization.[10]

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[9] (U) During a CAV or VCA, DSCA personnel may perform facility visits, review records, review routine and enhanced EUM policies and procedures, and inventory EUM-designated defense articles. The DSCA may conduct a VCA remotely when circumstances exist that impede travel, such as budget constraints, heightened security risks, and other limitations for which the DSCA deems a VCA is necessary.

[10] (CUI) According to the SAMM, facilities storing ███████████████ do not require a site certification.

(U) U.S. Southern Command

(U) USSOUTHCOM plays a key role in the oversight of the Golden Sentry EUM program within its AOR, which includes the landmass of Latin America south of Mexico, the waters adjacent to Central and South America, and the Caribbean. The SAMM requires USSOUTHCOM to have a Golden Sentry primary point of contact (POC). The Golden Sentry primary POC responsibilities include:

- (U) reviewing the SCIP-EUM database quarterly to ensure SCOs are conducting and documenting routine EUM checks;

- (U) performing annual accountability and physical security checks of EEUM in accordance with Golden Sentry EUM policy and procedures;

- (U) supporting DSCA CAVs by requiring SCOs to correct discrepancies identified by the DSCA during the CAV;

- (U) assisting the DSCA in distributing EUM policy;

- (U) developing standard operating procedures and compliance plans to support the execution of the Golden Sentry EUM program; and

- (U) ensuring that EUM functions required by Golden Sentry EUM policies are assigned as one of the primary responsibilities to SCOs in their AORs and that SCO personnel complete the EUM online training provided by the DSCA.[11]

(U) Security Cooperation Organizations Within the USSOUTHCOM AOR

(U) SCO personnel within each USSOUTHCOM partner nation are responsible for conducting routine EUM and EEUM duties required by the DoD's Golden Sentry EUM program in their designated partner nation. In addition to the SAMM requirements discussed previously, USSOUTHCOM SCOs must provide a formal notification to the partner nations of all findings related to the EEUM-designated defense article storage facilities noted during the SCO's annual inventories and physical security assessments.

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[11] (U) The requirement related to the SCIP-EUM database quarterly reviews was updated in the SAMM due to recommendations from Report No. DODIG-2021-102, "Audit of the DoD's Management of Global Train and Equip Program Resources provided to U.S. Africa Command Partner Nations," July 21, 2021. The update to the SAMM was implemented on March 28, 2022, through DSCA Memorandum, "Update Security Assistance Management Manual (SAMM), Table C8.T2, 'DoD End-Use Monitoring (EUM) Responsibilities,' DSCA Policy 22-16 [SAMM E-Change-558]."

(U) The DoD OIG Review of EUM-Designated Defense Article Inventories and Physical Security Inspections of EUM Storage Facilities in USSOUTHCOM

(CUI) The DSCA provided the universe of EUM-designated defense articles, valued at ███████████, transferred to 23 USSOUTHCOM partner nations from FY 2013 through FY 2022.[12] From the provided USSOUTHCOM universe, we selected Brazil, Chile, Colombia, Paraguay, and Uruguay to review the routine and EEUM defense articles transferred to those five partner nations with a total dollar value of ███████████. We selected these five partner nations based on several categories, including the defense article total value, corruption index, and other factors. The five partner nations selected have routine EUM-designated defense articles valued at ███████████ and EEUM-designated defense articles valued at ███████████.

(U) For the five selected USSOUTHCOM partner nations, we selected 15 partner nation military installations to review based on regional security information, travel limitations, a mix of the types of EEUM-designated defense articles available at the locations, and sites with the largest quantities of EEUM-designated defense articles.[13] We conducted site visits at 11 locations in Brazil, Chile, and Colombia from December 2022 through March 2023.[14] At the 11 locations we visited in Brazil, Chile, and Colombia, we conducted reviews of 14 EEUM-designated defense article storage facilities.[15]

(CUI) While onsite, we conducted inventories of EEUM-designated defense articles at each location and in-person physical security inspections using physical security checklists to determine compliance with EEUM storage standards and SCO compliance with EUM policy. Specifically, we reviewed 629 EEUM-designated defense articles, such as ███, at the 14 facilities we reviewed from the 11 locations we visited.[16] In addition, we reviewed routine EUM-designated defense articles identified by SCO personnel onsite because the routine EUM-designated defense articles in the SCIP-EUM database did not include where these articles were located within each partner nation.

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[12] (U) The total amount does not include the dollar value of EEUM-designated defense articles purchased outside the Foreign Military Sales program using counterterrorism or counternarcotics funds. These enhanced defense articles were input manually into the SCIP-EUM database by DSCA personnel, but procurement information and dollar value are not in the SCIP-EUM database and were not provided to the DoD OIG. The DoD OIG rounded the total dollar value. For the exact total dollar value, see Table 6 in this report.

[13] (U) For the purposes of this report, the term "partner nation military installations" will be referred to as "locations."

[14] (U) Due to the low quantities of EUM-designated defense articles located in Paraguay and Uruguay, we conducted virtual reviews of routine EUM and EEUM documentation within the SCIP-EUM database.

[15] (U) We reviewed 14 EEUM-designated facilities at the 11 locations we visited because 3 locations, 1 in Brazil and 2 in Colombia, had 2 EEUM-designated facilities located onsite.

[16] (CUI) The type of ████ that we reviewed were ███████████. For the purposes of this report, when discussing ███████████, we will refer to them as ████.

(U) Furthermore, we conducted a review of the SCIP-EUM database of routine EUM and EEUM documentation from FY 2018 through FY 2022 for the five selected partner nations. Our SCIP-EUM database review was limited to verifying SCO documentation of annual EEUM inventories, physical security inspections, and quarterly routine EUM checks uploaded in the SCIP-EUM database. See Appendix A for a detailed description of how we selected the five USSOUTHCOM partner nations, the 15 locations within the selected partner nations, the audit sample to review, and additional information about the reviews of the EUM that we performed in the USSOUTHCOM AOR.

(U) Finding

(U) The DoD Did Not Consistently Conduct EUM of Defense Articles Transferred to Selected USSOUTHCOM Partner Nations in Accordance with DoD Regulations and Transfer Agreements

(U) The DoD did not consistently conduct EUM of defense articles transferred to the selected USSOUTHCOM partner nations in accordance with Federal laws, DoD regulations, and transfer agreements. The DoD did not consistently ensure that defense articles transferred to Brazil, Chile, Colombia, Paraguay, and Uruguay from FY 2018 through FY 2022 were accounted for and securely stored as required by DoD regulations and transfer agreements. Specifically, USSOUTHCOM SCOs did not correctly conduct and document annual EEUM inventories, physical security inspections, and quarterly routine EUM checks of defense articles transferred to Brazil, Chile, Colombia, Paraguay, and Uruguay as required by Golden Sentry EUM policies.

(U) These problems occurred because some requirements in the DSCA's policies and procedures related to SCOs conducting and documenting annual EEUM inventories, physical security inspections, and quarterly routine EUM checks were unclear, too broad, or incomplete. Moreover, the DSCA did not establish comprehensive policies and procedures to guide the combatant command Golden Sentry primary POCs when completing quarterly reviews of the SCIP-EUM database.

(U) Lastly, DSCA and USSOUTHCOM officials did not provide sufficient oversight to ensure that SCOs conducted routine EUM and EEUM in accordance with Golden Sentry EUM program policy and procedures. Specifically, DSCA officials did not complete enough CAVs and VCAs in the selected USSOUTHCOM partner nations or identify and correct deficiencies with SCO EUM performance to ensure SCO compliance with routine EUM and EEUM requirements from the SAMM.

(CUI) Without adequate oversight and comprehensive policies and procedures, the DoD will be unable to fully comply with the Golden Sentry EUM program requirements to account and properly secure EUM-designated defense articles, valued at ▮▮▮▮▮▮, transferred from the U.S. Government to Brazil, Chile,

(CUI) Colombia, Paraguay, and Uruguay.[17] If the EUM-designated defense articles are not properly accounted for and secured, the DoD is at an increased risk that recipient countries could misuse or improperly transfer routine and enhanced EUM-designated defense articles in violation of the transfer agreement terms and conditions. Misuse or improper transfer could compromise the technological advantages and security of the United States and partner nations. Although the purpose of our audit was not to identify whether there was any misuse or improper transfer of EUM-designated defense articles, the lack of accountability and physical security measures could compromise and jeopardize the safety and security of DoD and partner nation personnel, missions, and installations.

(U) The DoD Did Not Fully Comply with the Requirements for Ensuring Security and Accountability of EUM-Designated Defense Articles Transferred to USSOUTHCOM Partner Nations

(U) The DoD did not consistently conduct EUM of defense articles transferred to the selected USSOUTHCOM partner nations in accordance with Federal laws, DoD regulations, and transfer agreements. Specifically, the DoD did not ensure that defense articles transferred to Brazil, Chile, Colombia, Paraguay, and Uruguay from FY 2018 through FY 2022 were accounted for and securely stored as required by DoD regulations and transfer agreements.

(U) From the 14 site visits conducted and the review of the SCIP-EUM database, we found that USSOUTHCOM SCOs did not correctly conduct and document annual EEUM inventories, physical security inspections, and quarterly routine EUM checks of defense articles transferred to Brazil, Chile, Colombia, Paraguay, and Uruguay as required by Golden Sentry EUM policies.[18]

- (U) The Brazil, Chile, and Colombia SCOs did not correctly assess all EEUM physical security conditions and accountability procedures according to EUM physical security checklist requirements for 10 (71 percent) of the 14 EEUM-designated defense article storage facilities selected for review.

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[17] (U) The total estimated dollar value of EUM-designated defense articles could be understated because there were EEUM-designated defense articles purchased for all five partner nations using counterterrorism or counternarcotics funds, which are outside of the Foreign Military Sales program. The dollar values of those EEUM-designated defense articles are not in the SCIP-EUM database and were not provided by the DSCA. In addition, the total estimated dollar value of EUM-designated defense articles could be overstated because the total value included multiple trainings, manuals, and services that are considered EUM-designated defense articles. Our audit only focused on equipment, but the DSCA was not able to provide the dollar value of the universe of EUM-designated defense articles without including the trainings, manuals, and services.

[18] (U) As of November 2024, the DSCA and USSOUTHCOM have not implemented any policy changes that would impact or address the issues identified in this report.

- (U) The Colombia SCO did not conduct annual EEUM inventories or physical security inspections at all locations where EEUM-designated articles were stored. Specifically, 177 (65 percent) of the 274 EEUM-designated defense articles in our sample at the three Colombian facilities we reviewed were not located at the facilities listed in the SCIP-EUM database.

- (U) The Brazil, Chile, Colombia, Paraguay, and Uruguay SCOs did not conduct EEUM inventory and physical security inspections within required annual time frames.

- (U) The Brazil, Chile, Colombia, and Uruguay SCOs did not document EEUM physical security inspections in the SCIP-EUM database.

- (U) The Chile, Colombia, Paraguay, and Uruguay SCOs did not conduct required quarterly routine EUM checks in 22 (22 percent) of the 100 quarters reviewed.[19]

(U) SCOs Did Not Correctly Assess All EEUM Checklist Physical Security and Accountability Requirements

(CUI) The Brazil, Chile, and Colombia SCOs did not correctly assess all EEUM physical security checklist requirements when conducting EEUM inspections for 10 (71 percent) of the 14 EEUM-designated defense article storage facilities we reviewed. The SAMM requires SCOs to use the checklists to assess and document observations made of physical security and accountability procedures at partner nation facilities that store ████████████████████████.

(U) The Brazil, Chile, and Colombia SCOs did not correctly assess all EEUM physical security checklist requirements when conducting EEUM inspections.

The annual physical security inspections are designed to verify the recipient nation's compliance with the transfer conditions listed in the LOAs and other transfer agreements. The EEUM physical security checklists used for annual EEUM physical security inspections include requirements for physical security and accountability, such as fencing, doors and locks, lighting, and inventory accountability procedures. See Appendixes C and D for examples of the ████████ ████████ EEUM physical security checklists and associated physical security and accountability requirements.

(CUI) During our site visits, we used the ████████████████████ ████ EEUM physical security checklists to assess the physical security requirements at the 14 EEUM-designated defense article storage facilities we visited in Brazil, Chile, and Colombia. Then, we compared our assessments to the prior inspections completed by the SCOs. We determined that the SCOs did

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19   (U) For the routine EUM checks, we reviewed 20 quarters from FY 2018 through FY 2022 for each of the five selected USSOUTHCOM partner nations, resulting in a total of 100 quarters reviewed.

(CUI) not correctly assess and document EEUM physical security requirements on their checklists at two (40 percent) of five facilities in Brazil, four (100 percent) of four facilities in Chile, and four (80 percent) of five facilities in Colombia. Specifically, we found the following.

- (CUI) The Brazil and Chile SCOs did not correctly assess whether three facilities storing ████████████████████████ had site certifications.

- (CUI) The Brazil and Chile SCOs did not correctly assess whether accountability requirements for ████████████████████████ were in accordance with the EEUM physical security checklists when assessing ████ storage facilities.

- (CUI) The Brazil and Chile SCOs did not correctly assess whether four facilities storing ████████████████████ met exterior lighting requirements.

- (U) The Chile and Colombia SCOs did not correctly assess or fully understand door requirements at five EEUM storage facilities.

- (CUI) The Brazil SCO did not correctly assess whether one ████ storage facility had a roster of partner nation personnel who were authorized to access the ████ storage facility.

- (CUI) The Brazil and Chile SCOs did not correctly assess whether ██████ were being stored in their original containers and whether the ██████ were either banded or sealed at four locations storing █████████ ████████████.

- (CUI) The Chile and Colombia SCOs did not correctly assess whether partner nation personnel completed quarterly inventories by serial number at three facilities storing ████.

- (CUI) The Brazil and Chile SCOs did not correctly assess whether partner nation personnel maintained inventory records at four EEUM storage facilities storing ██████.

(CUI) In addition, we found that the Colombia SCO did not complete separate checklists for each facility, as required by the SAMM, when conducting annual security inspections at locations where ████ were stored. Specifically, the Colombia SCO completed two ████ physical security checklists for four facilities at two locations visited in Colombia instead of completing a separate checklist for each of the four facilities storing ████. Lastly, the physical security checklists the Brazil, Chile, and Colombia SCOs completed were not consistently filled out. Specifically, the SCOs marked items "No" or "not applicable" without adding comments to explain deficiencies found or why the checklist requirement was not applicable. For example, during an August 2022 inspection, the Chile SCO annotated "No" for the site survey/certification checklist requirement but did not annotate why the requirement was not met or if any corrective action was taken.

(U) SCOs Did Not Correctly Assess Facility Site Certifications

(CUI) The Brazil and Chile SCOs did not correctly assess whether three facilities storing ██████████████████████ had site certifications uploaded in the SCIP-EUM database as required by the SAMM. According to the SAMM, MILDEPs are responsible for conducting physical security inspections and certifying ██████ storage facilities as meeting the DoD's physical security requirements prior to the transfer of ██████ to storage facilities. After the MILDEPs complete the site certification process, the SAMM requires the MILDEPs to upload the site certification documentation to the SCIP-EUM database. Additionally, the ████████ ████████████████ physical security checklists require SCOs to verify whether a site certification is in the SCIP-EUM database for each storage facility reviewed. However, we identified issues with the Brazil and Chile SCOs assessments of the ████████████████████ physical security checklists related to the site certification requirement.

(CUI) For example, at the time of our site visits, we found that the site certification uploaded in the SCIP-EUM database for one ██████████ storage facility in Brazil did not include the actual site certification. After multiple requests, the U.S. Navy provided additional documentation to support a complete site certification for this ██████████ storage facility. However, DSCA officials and the Brazil SCO did not coordinate with the U.S. Navy to ensure that a complete site certification was uploaded in the SCIP-EUM database as required by the SAMM.

(CUI) In addition, when completing the ████████ physical security checklists, the Chile SCO annotated that two ████████ storage facilities had completed site certifications. However, we found that site certifications for these two storage facilities did not exist in the SCIP-EUM database. We requested the site certification documentation, but the Chile SCO and DSCA personnel were unable to provide the documentation. As a result of our ongoing audit, the U.S. Air Force issued two temporary site certifications for each location. These temporary site certifications were granted until the U.S. Air Force could conduct new site inspections and complete site certifications to recertify these two ████████ storage facilities. However, the U.S. Air Force has been unable to issue completed site certifications for these two ████████ storage facilities because U.S. Air Force officials found deficiencies during their site visits. Upon completion of corrective actions, new site inspections will need to be conducted to issue permanent site certifications for these two storage facilities.

(CUI) This occurred because the EEUM checklist policy guidance and procedures do not provide guidance to the SCOs on how and which organizations to notify if a site certification of a ████████ storage facility is not available in the SCIP-EUM

(CUI) database when performing physical security inspections.[20] In addition, during the CAV conducted in Chile in 2017, DSCA officials indicated that two ▓▓▓▓▓▓ storage facilities they visited were certified by the U.S. Air Force. However, during our site visits to Chile, we found that those two ▓▓▓▓▓▓ storage facilities did not have completed site certifications. Because the MILDEPs are responsible for conducting site certifications of EEUM storage facilities, we determined that two ▓▓▓▓▓▓ storage facilities in Chile should have completed site certifications. Therefore, the DSCA Director should update the current "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" to include which organizations the SCOs will notify if a site certification of a ▓▓▓▓▓ storage facility is not available in the SCIP-EUM database and procedures for making the notification. In addition, we recommend that the Deputy Under Secretary of the Air Force for International Affairs Office, in coordination with the DSCA Director, conduct and complete site certifications at the two ▓▓▓▓▓▓ storage facilities in Chile and upload these site certifications to the site certification repository within the SCIP-EUM database.

(CUI) SCOs Did Not Always Correctly Assess Accountability Requirements for ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓

(CUI) We found that the Brazil and Chile SCOs did not correctly account for ▓▓▓ in accordance with the EEUM physical security checklists when assessing ▓▓▓▓▓▓ ▓▓▓▓▓▓▓▓▓▓ storage facilities. The SAMM lists ▓▓▓▓▓▓▓▓▓▓▓▓▓ ▓▓▓▓▓▓▓▓ as EEUM-designated articles.[21] The ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓ EEUM checklists require all ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓ serial numbers to be accounted for in the SCIP-EUM database. In addition, the ▓▓▓▓▓▓▓▓▓▓▓▓▓▓ ▓▓▓ physical security checklists require that all ▓▓▓ serial numbers need to be matched to the corresponding ▓▓▓▓▓▓▓▓▓▓▓▓ logbooks. The ▓▓▓ must be accounted for by matching the ▓▓▓ serial numbers listed in the SCIP-EUM database to the serial numbers on the ▓▓▓▓▓ by physically viewing the ▓▓▓▓ and ensuring the ▓▓▓▓▓▓▓ serial numbers match in each ▓▓▓▓ logbook.[22] However, at one ▓▓▓▓▓▓▓▓▓ storage facility in Brazil, we identified that two ▓▓▓ were onsite, but their serial numbers were associated with the wrong ▓▓▓▓▓▓▓▓▓▓ in the SCIP-EUM database.

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[20] (U) For consistency within this report, the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" developed by the DSCA will be referred to as "EEUM checklist policy guidance and procedures."

[21] (CUI) According to the EEUM checklist policy guidance and procedures developed by the DSCA, ▓▓▓ may be called ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓ depending on the type of ▓▓▓▓. For consistency within this report, we will refer to this EEUM-designated defense article as "▓▓▓" for both ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓.

[22] (CUI) Each ▓▓▓▓▓▓▓▓▓▓▓▓▓▓ has a logbook that contains documentation related to its components, including the serial number of the ▓▓▓ installed in the ▓▓▓.

(CUI) On June 10, 2022, the SCO did not answer the requirement to account for ██ serial numbers in the SCIP-EUM database on the ████████ EEUM physical security checklist. Therefore, the Brazil SCO failed to identify that these two ██ serial numbers were associated with the incorrect ████████ in the SCIP-EUM database.

(CUI) In addition, the Chile SCO did not follow Golden Sentry EUM policies when assessing ██ accountability requirements at three ████ storage facilities. During a site visit to one ████████ storage facility in Chile, the ██ serial numbers for the ████████ were not visible on the ████; therefore, the audit team asked the Chile SCO how to verify the ██ serial numbers. Although the EEUM checklist and policy guidance and procedures for the ██ accountability requirements were clear, the Chile SCO did not know that ██ had serial numbers and had to ask partner nation personnel to explain to them what the ██ serial numbers were and where they could be verified. The Chile SCO did not know how to assess and complete the ████████ and ██ inventories as required by the ████████ physical security checklist. However, the Chile SCO had answered "Yes" to the ██ accountability requirements in previous annual physical security inspections for this ████████ storage facility and at two other ████████ storage facilities.

(CUI) Furthermore, the Chile SCO did not ensure all ████████ and ██ serial numbers matched the logbooks and were accounted for in the SCIP-EUM database. The ██████ EUM checklist requires all ████████ and ██ serial numbers to be accounted for in the SCIP-EUM database. As part of the assessment of the accountability procedures, the EEUM checklist guidance requires SCOs to ensure each ████ contains a ██, verify all ████████ and ██ serial numbers match the ██████ logbooks, and ensure that all ████████ and ██ serial numbers are correct in the SCIP-EUM database. During our site visit to the ████████ storage facility, the Chile SCO concurrently conducted the required annual EEUM inventory and physical security inspection. We observed that 80 of the 81 ████████ at the facility had a ██ installed. However, the SCO did not ensure the serial numbers of the 81 ████████ and 80 ██ available for observation matched the serial numbers recorded in the logbooks. The Chile SCO only reviewed a sample of the 81 ████████ logbooks, which is not in accordance with the checklist requirement to ensure all ██ serial numbers match the logbooks. Additionally, the Chile SCO did not have the ██ serial numbers on hand from the SCIP-EUM database that corresponded to the 81 ████████ and did not write the serial numbers down to compare them to the SCIP-EUM database later. Therefore, the Chile SCO did not properly complete the EUM physical security checklist assessments to ensure all ████████ and ██ serial numbers matched the logbooks and were accounted for in the SCIP-EUM database.

(CUI) This occurred because DSCA officials did not provide sufficient oversight to ensure that the SCOs conducted EEUM physical security inspections in accordance with Golden Sentry EUM policies and procedures as required by the SAMM. Specifically, the DSCA did not ensure the Brazil and Chile SCOs followed EUM policies and procedures when assessing and documenting ▮▮▮▮ and ▮▮ accountability requirements. The ▮▮▮▮ and ▮▮ accountability requirements were explained in the EEUM checklist policy guidance and procedures, and the SAMM requires the use of this document published in the SCIP-EUM database when conducting EEUM physical security inspections. During our site visits, we observed that the SCOs did not use the EEUM policy guidance and procedures when conducting the EEUM physical security inspections. Consistently using the EEUM checklist policy guidance and procedures when conducting annual inspections would have helped to ensure the correct assessment of ▮▮▮▮ and ▮▮ accountability requirements of ▮▮▮▮ storage facilities. In addition, at the time of our site visits to two ▮▮▮▮▮ storage facilities in Chile, the SCO did not have the ▮▮▮▮▮▮▮ serial numbers on hand from the SCIP-EUM database and stated that they were unaware of where to find the ▮▮ serial numbers that corresponded to the ▮▮▮▮▮ in the SCIP-EUM database. Therefore, the DSCA Director should update the current ▮▮▮▮▮▮▮▮▮▮▮▮▮▮ physical security checklists by adding a statement requiring SCO personnel to use the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" when completing annual enhanced inventories and physical security inspections. Furthermore, the DSCA Director should update the current "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" to include details on how SCO personnel can find the ▮▮ serial numbers of ▮▮▮▮▮ in the SCIP-EUM database.

(U) The Chile SCO Disregarded Golden Sentry EUM Requirements

(U) We found that the Chile SCO disregarded the SAMM and EEUM physical security checklist requirements when assessing EEUM-designated defense article storage facilities. During our site visits in Chile, we observed multiple times that the Chile SCO had to rely on partner nation personnel to answer the audit team's questions regarding the SCO assessment of the EEUM physical security checklist requirements. In addition, the Chile SCO did not always physically verify whether all EEUM requirements were being met and sometimes only asked partner nation personnel if their security and accountability measures were the same as a previous location we visited. Furthermore, the Chile SCO stated multiple times that the SCO copied

> *(U) We observed multiple times that the Chile SCO had to rely on partner nation personnel to answer the audit team's questions.*

(U) assessments from previous EEUM physical security inspection checklists performed by prior SCOs and only assessed storage facility requirements that were previously assessed as not meeting requirements rather than assessing all EEUM requirements at the time of the SCO annual inspections. Specifically, we found that the Chile SCO disregarded EUM requirements for the following assessments.

- **(CUI)** ██████ **Storage Facility Specifications.** During a site visit to one ████████ storage facility in Chile, we observed that the facility was not entirely built of concrete because it had a metal roof; was a square structure and not an arch-type; and was not fully earth-covered, as required by the ████████ physical security checklist. However, on a previous inspection, the Chile SCO did not correctly assess this ████████ storage facility and determined it was constructed with reinforced concrete; was an arch-type structure; and was earth-covered, which was not an accurate assessment of the ██████ storage facility.

- **(CUI)** ██████ **Storage Facility Fencing.** We observed the lack of any type of fencing around one ████████████ storage facility and that sections of the perimeter fence at an ████████ storage facility did not meet the 6-foot height requirement. However, the Chile SCO incorrectly assessed that the perimeter fence met all five physical security requirements for fencing on the EEUM checklist at these ██████ storage facilities.

- **(CUI)** **Key Control.** The EEUM checklist policy guidance and procedures require SCOs to assess procedures for partner nations assigning at least two personnel to control storage facility keys and to determine whether the keys are stored separately in a secured box or safe. However, during our site visit to an ████████ storage facility, while the Chile SCO was performing the annual EEUM physical security inspection, the Chile SCO only asked Chilean military personnel about these requirements rather than physically verifying the key controls and assessing how the ████████ storage facility keys were stored.

- **(CUI)** ████████ **Accountability Requirements.** The Chile SCO was not aware of partner nation accountability procedure requirements included in the ████████ LOAs. The ████████ EEUM physical security checklist directs SCOs to verify that partner nations conduct inventories in accordance with the LOA, which requires the partner nation to conduct semiannual inventories by serial number. However, according to the Chile SCO, the requirement was for the SCO to conduct the EEUM inventory during the annual EEUM inspections.

(CUI) This occurred because USSOUTHCOM officials did not provide sufficient oversight or hold the Chile SCO accountable for disregarding Golden Sentry EUM policies and procedures as required by the SAMM. During site visits, we discussed Golden Sentry EUM policies and procedures with the Chile SCO, such as the SAMM requirements and EEUM physical security checklist requirements. We also observed that the Chile SCO used the required EEUM physical security checklists when assessing the EEUM security and accountability requirements during the physical security inspections. However, we found many instances in which the Chile SCO disregarded the SAMM and EEUM physical security checklist requirements when assessing EEUM-designated defense article storage facilities. We questioned the Chile SCO multiple times about why their EEUM physical security assessments of ▮▮▮▮▮ storage facilities were not in accordance with Golden Sentry EUM policies and procedures. In response, the Chile SCO stated on numerous occasions that they copied the inspection results from prior physical security checklists and did not review EEUM storage facility requirements unless they were previously marked in the last annual inspection as not meeting requirements. However, the SAMM requires SCO personnel to complete annual EEUM physical security inspections and assess all the requirements included in the EEUM physical security checklists.

(U) Although we identified many instances in which the Chile SCO disregarded Golden Sentry EUM policies and procedures, we determined that USSOUTHCOM officials did not identify that the Chile SCO was disregarding EUM requirements when conducting annual inventories and physical security inspections of defense articles requiring EEUM. The SAMM requires that the combatant commands assess SCO compliance with Golden Sentry EUM policies and procedures; however, USSOUTHCOM officials did not hold the Chile SCO accountable for disregarding Golden Sentry EUM policies and procedures. During the audit, USSOUTHCOM officials stated that the Chile SCO is no longer in this position or in U.S. Government service as this individual retired in October 2023. Because this individual is no longer in this position or U.S. Government service, we are not making recommendations for USSOUTHCOM officials to take administrative action to hold this individual accountable for failing to execute Golden Sentry EUM policy and procedures. In addition, to address identification of discrepancies related to the EEUM requirements that were not met and that the Chile SCO did not identify due to poor performance, we developed recommendations throughout this report for the DSCA and USSOUTHCOM to ensure that SCOs are conducting and documenting annual EEUM inventory and physical security inspections in accordance with Golden Sentry EUM policy and procedures as required by the SAMM.

(U) EEUM Physical Security Checklists Were Not Clear

(CUI) The DSCA and MILDEPs did not develop clear requirements within the EEUM physical security checklists to guide SCOs when they were assessing physical security conditions of EEUM-designated defense article storage facilities. Specifically, some requirements in the physical security checklists were unclear or broad, which resulted in SCOs making their own interpretations of those requirements. Each MILDEP's responsibilities include developing physical security checklists and submitting them to the DSCA for review and standardization. Standardizing language within and between the various EEUM physical security checklists would help prevent misinterpretations by the SCOs. Specifically, we determined that the checklist sections for ▓▓▓▓ containers, magazines, and inventory requirements needed clarification. For example, the magazines section of the ▓▓▓▓▓▓▓▓ ▓▓▓▓▓▓▓▓▓ physical security checklists requirement is written in a way that caused misinterpretations because it requires the SCOs to assess three separate requirements in a single line item. The Chile SCO stated that they answered "Yes" in the physical security checklist if one of the three requirements were met. The intent of the magazines section is for SCOs to assess the three distinct requirements of whether ▓▓▓▓ storage facilities are: (1) constructed with reinforced concrete; (2) arch-type structures; and (3) earth-covered. However, the three requirements are in one line item separated by forward slashes (Reinforced Concrete/Arch-Type/Earth-Covered), which allows for the SCOs to make misinterpretations when assessing these requirements, such as interpreting these as three options rather than three requirements for the facility.

> *(U) The DSCA and MILDEPs did not develop clear requirements within the EEUM physical security checklists to guide SCOs when they were assessing physical security conditions.*

(CUI) In addition, USSOUTHCOM SCO personnel stated that the current checklists could be improved by having some of the requirements clarified, such as the containers section of the ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓ security checklists, so that the checklists contain the two distinct requirements to determine whether ▓▓▓▓▓ are stored in their original containers and whether ▓▓▓▓ containers are banded or sealed. Including clarifying language in the enhanced physical security checklist requirements would help prevent SCOs from making their own interpretations of the physical security and accountability standards. Therefore, the DSCA Director should update the current ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓ physical security checklists for the ▓▓▓▓ containers, magazines, and accountability procedures requirements to prevent checklist requirement misinterpretations.

(CUI) Moreover, the SAMM and the EEUM checklist policy guidance and procedures state that the SCOs will complete a separate EEUM checklist at each storage facility assessed. However, the Colombia SCO did not complete separate checklists when conducting annual security inspections at locations in two different facilities where ███ were stored. Therefore, the DSCA Director should add language to the current EEUM physical security checklists to indicate the requirement that the SCO must complete separate EEUM checklists for each EEUM storage facility.

(CUI) Lastly, USSOUTHCOM SCO personnel stated that requiring the SCO to make comments for each line item on the checklists would be helpful to provide clarifications or explanations as to why a checklist requirement was not met or not applicable. Therefore, the DSCA Director should update the current EEUM physical security checklists for ████████████████████████ to add a statement requiring the SCOs to annotate explanations in the "comments" column of the checklists for each requirement that the SCOs determine does not meet standards or is not applicable.

(U) The DSCA's EEUM Checklist Policy Guidance and Procedures Checklist Did Not Address All Checklist Requirements

(CUI) The DSCA did not address all checklist requirements listed in the ██████ ██████████████████ physical security checklists in the EEUM checklist policy guidance and procedures. Because the SAMM requires the DSCA to develop and disseminate EUM policy guidance, the DSCA developed and published the EEUM checklist policy guidance and procedures in the SCIP-EUM database as a tool for the SCOs to assess physical and accountability security requirements when conducting physical security inspections. However, the EEUM checklist policy guidance and procedures did not include detailed guidance for how the SCOs should assess multiple standards listed in the ████████████████████ ███ physical security checklists. For example, the EEUM checklist policy guidance and procedures did not describe how to assess whether:

- (CUI) exterior doors at facilities storing ██████ are made of Class V steel;
- (U) access rosters of authorized personnel with access to EEUM storage facilities existed and met standards; and
- (CUI) partner nation personnel completed the required 100-percent quarterly inventories of ████ by serial number.

(U) SCOs supporting two USSOUTHCOM partner nations that we visited cited challenges when conducting physical security inspections due to the subjectivity and lack of clarity when assessing the requirements included in the EEUM physical security checklists.

(CUI) Without comprehensive guidance on how to assess each of the requirements in the EEUM physical security checklists, some of the checklist requirements were open to the interpretation of the individual SCO for each partner nation. Therefore, the DSCA Director should update the current "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" to include detailed guidance on how SCO personnel, when conducting physical security inspections, should verify each of the requirements in the ▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓▓ physical security checklists that are not currently listed and explained. In addition, the updates in the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" should also include requirements for SCO personnel to annotate explanations in the "comments" column of the checklists for each requirement that the SCO personnel determined did not meet standards or was not applicable, and requirements for SCO personnel to have a printed or digital copy of the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" available for reference during physical security inspections.

(CUI) The Colombia SCO Did Not Conduct Annual Inventories and Physical Security Inspections at All Locations Where ▓▓▓▓▓ ▓▓▓▓▓▓▓▓▓▓ Requiring EEUM Were Stored

(CUI) The Colombia SCO did not conduct annual inventories and physical security inspections at all partner nation locations where ▓▓▓▓ requiring EEUM were stored. The SAMM requires SCOs to complete annual inventories and physical security inspections of storage facilities, or other facilities where EEUM-designated defense articles are kept, to verify that partner nations comply with the terms and conditions stated in the LOAs. In addition, the SAMM requires SCOs to perform a 100-percent visual inventory annually for EEUM-designated defense articles that are available for observation. The SAMM requires EEUM-designated defense articles that are not available for observation to be inventoried within 90 days after returning to the storage facility. The Colombia ▓▓▓▓ included in our review were provided through the Golden Sentry EUM program and were assigned in the SCIP-EUM database to three different ▓▓▓ depot maintenance facilities within Colombia. Figure 1 shows examples of ▓▓▓▓ observed at an ▓▓▓ storage facility in Colombia.

(CUI) Figure 1. ▓▓▓▓▓▓▓▓▓▓▓▓ at a Storage Facility in Colombia
(U) Source: The DoD OIG.
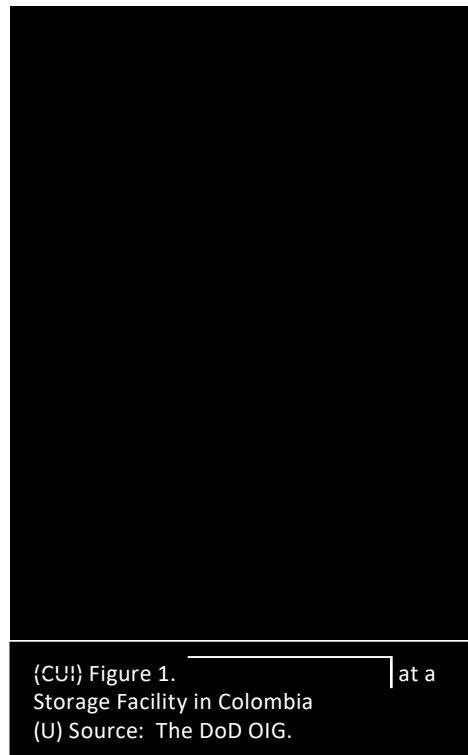
(CUI) During our site visits to three locations in Colombia, we found that the ████ requiring EEUM included in our review were not present and available for observation, and they were not at the locations listed in the SCIP-EUM database. For example, at three depot maintenance locations in Colombia, we observed transfer documents confirming that 177 (65 percent) of 274 ████ that required EEUM had been previously transferred to other storage facilities and were unavailable to be observed. However, the Colombia SCO documented in the SCIP-EUM database that all 274 ████ were inventoried at the three facilities, although the SCO did not observe 177 of the 274 ████ requiring EEUM. The SCO explained that the transferred ████ were stored at other sites, away from the depot maintenance facilities, and returned only when maintenance or repair was required. Table 1 shows the quantity and percentages of ████ requiring EEUM that were not observed or physically located at the three Colombian depot maintenance facilities as listed in the SCIP-EUM database.

(CUI) *Table 1.* ████ *Not Observed or Physically Located at Colombian Depot Maintenance Facilities as Listed in the SCIP-EUM Database by Quantity and Percentage*

(CUI) USSOUTHCOM Partner Nation	Location	Quantity of ████ in the Universe/Sample	Quantity of ████ Observed and Inventoried by Audit Team	Quantity of ████ Not Observed or Stored at the Location Listed in the SCIP-EUM Database	Percentage of ████ Not Observed or Stored at the Location Listed in the SCIP-EUM Database (Percent)
Colombia	████	154	54	100	65
	████	95	38	57	60
	████	25	5	20	80
Total		**274**	**97**	**177**	**65** (CUI)

(U) Source: The DSCA SCIP-EUM database and the DoD OIG.

(U) USSOUTHCOM Officials Did Not Provide Sufficient Oversight in the USSOUTHCOM Partner Nations Reviewed

(U) USSOUTHCOM officials did not provide sufficient oversight to ensure that SCOs conducted annual EEUM inventory and physical security inspections in accordance with Golden Sentry EUM policy and procedures as required by the SAMM. The USSOUTHCOM primary EUM POC is responsible to ensure SCOs conduct routine EUM and EEUM in accordance with Golden Sentry EUM policy and procedures and annotate all accountability and physical security checks in the SCIP-EUM database.

(CUI) We determined that the USSOUTHCOM primary EUM POC did not identify that the Colombia SCO relied on documentation to conduct the annual enhanced inventories instead of observing the ▮▮▮▮ that were transferred to other storage facilities. Specifically, the USSOUTHCOM primary EUM POC did not identify that the Colombia SCO was not conducting the required physical security inspections of the facilities where transferred ▮▮▮▮ requiring EEUM were stored. SCO personnel stated that because of the ongoing fights in different regions of Colombia, conducting EUM inventories and physical security inspections at some locations storing defense articles would risk the life and safety of SCO personnel. The SAMM requires the SCOs to conduct physical security inspections of facilities storing EEUM-designated defense articles and to visually inventory 100 percent of in-country EEUM-designated defense articles, except for those defense articles not available for observation for a valid reason, such as defense articles deployment, defense articles returned to the United States for repair, as stipulated otherwise in the SCIP-EUM database, or by a separate policy memorandum. However, USSOUTHCOM did not provide a separate policy memorandum to indicate that the Colombia SCO could rely on documentation, instead of conducting the required annual EEUM inventories and physical security inspections, at ▮▮▮▮ storage locations with safety concerns. Therefore, the Commander of USSOUTHCOM should issue a policy memorandum, as required by the SAMM, to the Colombia SCO and other USSOUTHCOM partner nation SCOs to indicate which facilities storing transferred ▮▮▮▮ or other EEUM-designated defense articles do not require physical security inspections and a 100-percent visual annual enhanced inventory due to safety concerns or other reasons. In addition, the Commander of USSOUTHCOM should require the Colombia SCO, and other USSOUTHCOM partner nation SCOs, to annually conduct physical security inspections and visually inventory 100 percent of ▮▮▮▮ or other EEUM-designated defense articles transferred to enhanced storage facilities that SCOs have not inspected and were not exempted by the policy memorandum.

(U) SCOs Did Not Conduct Annual EEUM Inventories and Physical Security Inspections in a Timely Manner

(U) SCOs did not conduct annual inventories and physical security inspections of defense articles requiring EEUM within the required annual time frames, in accordance with the SAMM, for the five selected USSOUTHCOM partner nations. Specifically, the Brazil, Chile, Colombia, Paraguay, and Uruguay SCOs did not always conduct EEUM inventories or physical security inspections within 1 year of the previous EEUM inventory and physical security inspections of facilities storing EEUM-designated defense articles.

(U) SCOs Did Not Conduct Annual EEUM Inventories in a Timely Manner

(U) SCOs for the five USSOUTHCOM partner nations selected for review did not always conduct timely annual inventories by serial number for EEUM-designated defense articles. The SAMM requires SCOs to conduct inventories by serial number for 100 percent of EEUM-designated defense articles within 1 year of the last performed inventory. However, we determined that SCOs in the five USSOUTHCOM partner nations did not always conduct EEUM inventories within 1 year of the last inventory date from FY 2018 through FY 2022.

(U) SCOs in the five USSOUTHCOM partner nations did not always conduct EEUM inventories within 1 year of the last inventory date.

(U) We found that USSOUTHCOM SCOs did not conduct EEUM inventories in a timely manner 40 percent of the time. Table 2 shows the timeliness of EEUM inventory completion by percentage from FY 2018 through FY 2022.

(U) Table 2. Timeliness of EEUM Inventories Conducted from FY 2018 Through FY 2022, by Percentage

(U) Partner Nation	Percentage of Annual Inventories Completed on Time	Percentage of Annual Inventories Not Completed on Time		
	365 Days or Less (Percent)	From 366 to 400 Days (Percent)	From 401 to 500 Days (Percent)	More than 501 Days (Percent)
Brazil	48	21	7	24
Chile	30	11	25	34
Colombia	90	9	1	0
Paraguay	76	9	13	2
Uruguay	56	16	29	0
Overall percentage of all five partner nation inventories conducted by SCOs within 1 year or more of the last inventory	**60**	**13**	**15**	**12**
Percentage of EEUM inventories not conducted in a timely manner by the SCOs	**40** **(U)**			

(U) Source: The DSCA SCIP-EUM database and the DoD OIG.

(U) SCOs Did Not Conduct Physical Security Inspections in a Timely Manner

(CUI) SCOs for the five USSOUTHCOM partner nations selected for review did not conduct required physical security inspections of EEUM-designated defense article storage facilities in a timely manner. We determined that the Brazil, Chile, Colombia, Paraguay, and Uruguay SCOs did not conduct physical security inspections of storage facilities, within 1 year of the previous physical security inspection, from FY 2018 through FY 2022. For example, the Paraguay SCO conducted a physical security inspection at one ███ storage facility on September 13, 2019, which was 555 days after the previous inspection. In another instance, the Colombia SCO conducted a physical security inspection at one ███ maintenance facility on January 24, 2022, which was 958 days after the previous inspection. Table 3 summarizes the average number of elapsed days between the physical security inspections completed from FY 2018 through FY 2022 for the 15 locations in the five selected partner nations available in the SCIP-EUM database.

> *(U) SCOs did not conduct physical security inspections of storage facilities, within 1 year of the previous physical security inspection.*

(U) Table 3. Average Elapsed Days Between the Physical Security Inspections Completed from FY 2018 Through FY 2022 from the SCIP-EUM Database

(CUI) USSOUTHCOM Partner Nation	Storage Facility Location	Defense Article Type	Average Number of Days Between Physical Security Inspections
Brazil	███████	██	665 days
	████████	██	430 days
	███	█████████ *	Not Applicable*
	████████	██	575 days
	████████	██	432 days
Chile	█████	█████	594 days
	█████	█████	668 days
	████████	██	930 days
	█████	████████	663 days
Colombia	███████	██	572 days
	████████	██	431 days
	███████	██	628 days
Paraguay	█████	██	392 days
	█████	██	355 days
Uruguay	███████	██	567 days
	███████	██	370 days
			(CUI)

* (CUI) According to the SCIP-EUM database, these ███████████ were transferred to this facility on September 30, 2021, and we found only one EEUM physical security checklist for this storage facility dated June 10, 2022. Therefore, we could not calculate the average number of days.

(U) Source: The DSCA SCIP-EUM database and the DoD OIG.

(U) SCOs Did Not Document EEUM Physical Security Checklists in the SCIP-EUM Database

(CUI) SCOs did not document EEUM physical security checklists in the SCIP-EUM database for four (80 percent) out of five USSOUTHCOM partner nations reviewed. The SAMM requires SCOs to use EEUM physical security checklists to document observations made during physical security inspections of storage facilities and to attach those checklists to inventory records in the SCIP-EUM database. Specifically, from FY 2018 through FY 2022, the Brazil, Chile, Colombia, and Uruguay SCOs did not attach 35 percent of the required EEUM checklists in the SCIP-EUM database. For example, on June 20, 2021, the Colombia SCO conducted an EEUM inventory of 95 ▮▮▮▮ at a storage facility. However, the Colombia SCO did not upload the ▮▮▮▮ EUM physical security checklist in the SCIP-EUM database to document that the annual physical security inspection was conducted at that facility during FY 2021.

(U) For the EEUM inspections without an attached EEUM physical security checklist in the SCIP-EUM database, the SCOs were unable to provide any evidence that they conducted a physical security inspection at the facility. Table 4 shows the summary of EEUM physical security checklists available in the SCIP-EUM database from FY 2018 through FY 2022.

(U) Table 4. SCIP-EUM Database Summary of EEUM Physical Security Checklist Status from FY 2018 Through FY 2022

(CUI) USSOUTHCOM Partner Nation	Storage Facility Location	Defense Article Type	Required EEUM Checklists to be Uploaded in SCIP	Missing EEUM Checklists from SCIP	Percentage of Missing EEUM Checklists from SCIP (Percent)
Brazil	▮▮▮	▮	5	1	20
	▮▮▮	▮	5	1	20
	▮▮▮	▮▮▮	1[1]	0	0
	▮▮▮	▮	5	3	60
	▮▮▮	▮	5	1	20
Chile	▮▮▮	▮▮▮	5	2	40
	▮▮▮	▮▮▮	5	2	40
	▮▮▮	▮	4[1]	2	50
	▮▮▮	▮▮▮	5	2	40

(CUI)

(U) Table 4. SCIP-EUM Database Summary of EEUM Physical Security Checklist Status from FY 2018 Through FY 2022 (cont'd)

(CUI) USSOUTHCOM Partner Nation	Storage Facility Location	Defense Article Type	Required EEUM Checklists to be Uploaded in SCIP	Missing EEUM Checklists from SCIP	Percentage of Missing EEUM Checklists from SCIP (Percent)
Colombia	■	■	5	2	40
	■	■	5	1	20
	■	■	5	2	40
Paraguay	■	■	5	0	0
	■	■	5	0	0
Uruguay	■	■	5	1	20
	■	■	5	3	60
Total			**75**	**23**	**31**
Total Without Paraguay[2]			**65**	**23**	**35** (CUI)

[1] (U) The required total of EEUM checklists varies because EEUM-designated defense articles were transferred or moved during the scope of our review (FY 2018 through FY 2022).

[2] (U) Because the Paraguay SCO uploaded all required EEUM checklists in the SCIP-EUM database, we excluded Paraguay from this total to show the percentage of partner nation SCOs that did not upload the required checklists.

(U) Source: The DSCA SCIP-EUM database and the DoD OIG.

(U) USSOUTHCOM SCOs Did Not Conduct Required Quarterly Routine EUM Checks

(U) The USSOUTHCOM SCOs in four (80 percent) of the five selected partner nations did not always conduct routine EUM of defense articles transferred to selected USSOUTHCOM partner nations in accordance with Federal laws, DoD regulations, and transfer agreements. According to the SAMM, SCOs must conduct routine EUM checks at least quarterly and must document all routine EUM checks in the SCIP-EUM database. However, the SCOs for Chile, Colombia, Paraguay, and Uruguay did not always conduct and document required quarterly routine EUM checks in the SCIP-EUM database. We reviewed whether the routine EUM checks were recorded in the SCIP-EUM database for each of the five selected USSOUTHCOM partner nations for the 20 quarters from FY 2018 through FY 2022 (100 quarters in total). We found that SCOs recorded routine EUM checks for 78 (78 percent) of the 100 quarters.

(U) Based on our analysis of the SCIP-EUM database, we determined that only the Brazil SCO documented the performance of all the required quarterly routine EUM checks from FY 2018 through FY 2022. The SCOs for the other four partner nations did not document the performance of routine EUM checks for at least 2 of the 20 quarters reviewed. For example, the Chile SCO did not document the performance of routine EUM checks for 11 of the 20 quarters reviewed. Table 5 summarizes the SCO quarterly routine EUM checks documented in the SCIP-EUM database from FY 2018 through FY 2022.

(U) The Chile SCO did not document the performance of routine EUM checks for 11 of the 20 quarters reviewed.

(U) Table 5. SCO Quarterly Routine EUM Checks from FY 2018 Through FY 2022, by USSOUTHCOM Partner Nation

(U) Partner Nation SCO	Quarterly Routine EUM Checks by Fiscal Year																				Total of Quarterly Routine EUM Checks Performed (Percent)
	FY 2018				FY 2019				FY 2020				FY 2021				FY 2022				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Brazil	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Chile	✓	✗	✗	✗	✗	✓	✗	✗	✓	✓	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	45
Colombia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	90
Paraguay	✓	✗	✓	✓	✗	✗	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	80
Uruguay	✗	✓	✓	✓	✓	✓	✗	✓	✓	✗	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓	75
Total Percentage of Quarterly Routine EUM Checks Performed by the Five Partner Nations																					**78** (U)

(U) Note: A checkmark indicates that we found routine EUM records in the SCIP-EUM database. An 'x' indicates that we did not find routine EUM records in the SCIP-EUM database, and the SCO was not able to provide any documentation to support that routine EUM records existed outside of the SCIP-EUM database.

(U) Source: The DSCA SCIP-EUM database and the DoD OIG.

(U) See Appendix F, "Other Matters of Interest," for a detailed description of how routine EUM-designated defense articles identified by SCOs at partner nation locations cannot be linked to the specific routine EUM-designated defense articles in the SCIP-EUM database.

(U) The DSCA and USSOUTHCOM Lacked Alternate Procedures When Limitations Existed and Did Not Maintain Continuity for SCOs to Perform Routine EUM and EEUM Duties

(U) The DSCA and USSOUTHCOM did not provide alternate procedures for the SCOs to conduct annual EEUM inventories, physical security inspections, and quarterly routine EUM checks due to pandemics, natural disasters, or extended travel restrictions. We found that the SCOs supporting four of the five USSOUTHCOM partner nations included in our review cited challenges with performing EEUM annual inventories, physical security inspections, and routine EUM checks because of COVID-19 travel

(U) restrictions. In addition, the USSOUTHCOM EUM POC stated that, during the pandemic, they noticed a large amount of delinquent EEUM annual inventories, physical security inspections, and routine EUM checks in the SCIP-EUM database.

(U) Due to COVID-19 restrictions, the DSCA's June 2020 EUM Newsletter included advice for the SCOs to coordinate directly with their respective combatant commands. Specifically, the EUM Newsletter indicated that the SCOs should seek guidance from their combatant commands regarding the execution of required annual EEUM inventories and quarterly routine EUM checks, and the SCOs should follow in-country or regional COVID-19 precautionary guidance. As a result of the COVID-19 restrictions, the Brazil, Chile, and Paraguay SCOs issued waiver memorandums to the DSCA by uploading them into the SCIP-EUM database to announce the postponement of in-country EUM activities due to the COVID-19 pandemic.[23]

(U) Although the DSCA provided informal advice to the SCOs to seek guidance from their combatant commands during the COVID-19 pandemic, we determined that the SAMM must require the combatant commands to develop alternate procedures for when EUM activities cannot be performed by the SCOs due to pandemics, natural disasters, and extended travel restrictions. The SAMM has adopted procedures for conducting EUM in a hostile environment, which include processes to conduct or obtain routine EUM observations, EEUM inventories, and physical security inspections of partner nation storage facilities when force protection limitations exist that could endanger U.S. Government personnel. However, the SAMM does not have procedures for conducting EUM when other limitations exist, such as pandemics, natural disasters, and extended travel restrictions. In addition, the USSOUTHCOM EUM Program Standard Operating Procedure (SOP) memorandum does not have guidance for SCOs on how to execute required annual EEUM inventories, physical security inspections, and quarterly routine EUM checks in accordance with country or regional limitations, such as pandemics, natural disasters, and extended travel restrictions.[24] Therefore, the DSCA Director should update the SAMM to include requirements for the combatant commands to develop alternate procedures for the SCOs to conduct or obtain annual EEUM inventories, physical security inspections, and quarterly routine EUM checks during pandemics, natural disasters, and extended travel restrictions. In addition, the Commander of USSOUTHCOM should update the USSOUTHCOM EUM Program SOP memorandum to include alternate procedures for SCO personnel on how to execute

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[23] (U) The Colombia and Uruguay SCOs did not issue a memorandum postponing the EUM activities due to the COVID-19 pandemic.

[24] (U) Chief of USSOUTHCOM's Security Assistant Branch Memorandum, "USSOUTHCOM End-Use Monitoring (EUM) Program Standard Operating Procedure (SOP)," December 21, 2021. For the purposes of this report, we will refer to this memorandum as the "USSOUTHCOM EUM Program SOP memorandum."

(U) required annual EEUM inventories, physical security inspections, and quarterly routine EUM checks based on in-country or regional limitations due to pandemics, natural disasters, and extended travel restrictions.

(U) Furthermore, due to the frequent rotation of personnel performing SCO duties, we were unable to contact some of the SCOs who completed annual EEUM inventories, physical security inspections, and routine EUM checks we reviewed during our audit. Therefore, we could not always determine why SCOs did not perform or document previous annual EEUM inventories, physical security inspections, and quarterly routine EUM checks. For example, the Chile SCO stated that no routine EUM checks were performed for three quarters in FY 2018 due to a lack of clarity regarding which personnel were responsible for conducting those checks. Additionally, the Colombia SCO did not know the reason for the missing EEUM physical security checklists because those physical security inspections happened before the current Colombia SCO filled the SCO position for that partner nation. Lastly, the Paraguay SCO stated that they did not know the reason for the missing routine EUM checks because those checks occurred prior to their tenure and that most of the personnel assigned to the Office of Defense Cooperation in Paraguay, at the time the checks were required to have been conducted, had since retired. Although we did not speak with prior SCOs that performed EUM duties, we found that the current SCOs also did not perform or document in the SCIP-EUM database previous annual EEUM inventories, physical security inspections, and quarterly routine EUM checks. Therefore, we are not making recommendations to address the frequent rotation of personnel performing SCO duties because we discussed the same discrepancies and developed related recommendations throughout this report.

(U) The DSCA Lacked Guidance for the USSOUTHCOM EUM POC Conducting Quarterly Reviews of the SCIP-EUM Database

(U) The DSCA did not establish comprehensive policies and procedures to guide a combatant command's Golden Sentry primary POC when conducting the quarterly reviews of the SCIP-EUM database. In March 2022, the DSCA updated the SAMM to require combatant commands to review the SCIP-EUM database on a quarterly basis to ensure that SCOs are conducting and documenting routine EUM checks, as well as performing annual EEUM inventories and physical security inspections. To address the SAMM update to perform SCIP-EUM database quarterly reviews, the USSOUTHCOM primary EUM POC created a Microsoft Excel spreadsheet to only track and identify SCOs with overdue annual EEUM inventories, physical security inspections, and quarterly routine EUM checks. However, the USSOUTHCOM primary EUM POC stated that they did not review the SCIP-EUM database to ensure that USSOUTHCOM SCOs uploaded and accurately completed required EEUM physical security checklists, routine EUM reports, and other information from the SCO's routine and EEUM checks.

(U) Although the DSCA updated the SAMM to require the combatant commands to complete quarterly reviews of the SCIP-EUM database, the DSCA did not develop comprehensive guidance on the minimum requirements for combatant command quarterly reviews of the SCIP-EUM database and what the reviews should cover. Without guidance on what the quarterly SCIP-EUM database review should include, the USSOUTHCOM primary EUM POC's quarterly reviews of the SCIP-EUM database did not identify, resolve, or document EUM deficiencies. Specifically, the USSOUTHCOM primary EUM POC did not identify, resolve, or document delinquent routine EUM checks; delinquent annual EEUM inventories; or physical security checklists not uploaded in the SCIP-EUM database. In addition, the USSOUTHCOM primary EUM POC did not document SCO correction of identified deficiencies from the physical security inspections. Therefore, the DSCA Director should update the SAMM to include additional requirements for the combatant command quarterly reviews of the SCIP-EUM database. At a minimum, the updated SAMM should require the Combatant Command Golden Sentry primary POC to verify and ensure that SCOs uploaded the routine EUM check reports and EEUM physical security checklists in the SCIP-EUM database and ensure SCOs properly address EUM deficiencies identified from the physical security inspections. In addition, the updated SAMM should require the Combatant Command Golden Sentry primary POC to document the quarterly reviews; include delinquent routine EUM checks, delinquent annual EEUM inventories, and other EUM identified deficiencies; and maintain records of the combatant command quarterly reviews to ensure a sufficient audit trail exists to support the oversight provided.

(U) The USSOUTHCOM primary EUM POC did not document SCO correction of identified deficiencies from the physical security inspections.

(U) Finally, the Commander of USSOUTHCOM should update the USSOUTHCOM EUM Program SOP memorandum to include guidance outlining specific procedures for how the USSOUTHCOM Golden Sentry primary POC will conduct, document, and maintain records of the quarterly SCIP-EUM database reviews in the USSOUTHCOM AOR.

(U) DSCA Officials Did Not Provide Sufficient Oversight of SCO Compliance with Golden Sentry EUM Policy

(U) SCOs did not always perform EUM of defense articles transferred to USSOUTHCOM partner nations and ensure that they were accounted for and securely stored because DSCA officials did not provide the level of oversight necessary to verify that the SCOs conducted routine EUM and EEUM in accordance with Golden Sentry EUM policies and procedures as required by the SAMM.

(U) Furthermore, DSCA officials did not complete enough compliance assessment visits (CAVs) or virtual compliance assessments (VCAs) in the five USSOUTHCOM partner nations we reviewed to ensure that the SCOs conducted routine EUM and EEUM in accordance with Golden Sentry EUM policy and procedures as required by the SAMM. The SAMM requires that the DSCA conducts CAVs or VCAs to assess SCO compliance with Golden Sentry Policy. According to the SAMM, when determining countries to be scheduled for CAVs or VCAs, the DSCA considers the SCO's history of compliance with Golden Sentry EUM program policies and procedures; types and quantities of EEUM-designated defense articles; a risk assessment; and other factors. Of the five partner nations included in our review, DSCA officials performed only one VCA in Paraguay and one CAV in Uruguay from FY 2018 through FY 2022. However, we also found that those assessments did not effectively assess SCO compliance with the routine EUM and EEUM requirements identified in this report. For example, DSCA officials completed a CAV in Uruguay in September 2018. Within that CAV report, DSCA officials noted that the SCOs documented quarterly routine EUM checks in the SCIP-EUM database without noting any deficiencies related to the routine EUM checks. However, based on our review of the SCIP-EUM database, as documented in Table 5, the Uruguay SCO did not have evidence of performing a routine EUM check for the first quarter of FY 2018 in the SCIP-EUM database.

(U) At the time of our site visits in selected USSOUTHCOM partner nations, DSCA officials had not conducted a CAV in Brazil, Chile, and Colombia to assess SCO compliance with Golden Sentry EUM policies and procedures since FY 2017. In addition, during our audit review time frame from FY 2018 through FY 2022, DSCA officials did not conduct a VCA in Brazil, Chile, and Colombia to identify issues with the SCOs not performing annual EEUM inventories, physical security inspections, and quarterly routine EUM checks. However, in June 2024, the DSCA updated the SCIP-EUM database to document that they completed VCAs in Brazil, Chile, and Colombia in October 2023. In addition, DSCA officials stated that they also completed a recent CAV in Uruguay in August 2024. Subsequently, in October 2024, the DSCA provided the completed VCA reports from Brazil, Chile, and Colombia but did not provide the CAV report for Uruguay because it had not been completed. The VCA reports for Brazil, Chile, and Colombia stated that the DSCA assessed the partner nations' SCO compliance with accountability and physical security assurances for EUM of U.S. defense articles. These VCA reports summarize the findings and observations from the virtual assessments in Brazil, Chile, and Colombia; however, without an in-person CAV to these three partner nations, the DSCA cannot determine if the SCOs are correctly

(U) At the time of our site visits in selected USSOUTHCOM partner nations, DSCA officials had not conducted a CAV in Brazil, Chile, and Colombia since FY 2017.

(U) assessing several physical and accountability security requirements. For example, because the DSCA had not conducted any recent CAVs, they did not identify that the Brazil, Chile, and Colombia SCOs did not follow EEUM physical security and accountability checklist requirements, as identified in previous sections of this report, such as exterior lighting, doors, fencing, and storage facility keys, when assessing EEUM storage facilities.

(U) Therefore, the DSCA Director should require the DSCA USSOUTHCOM EUM Program Manager to schedule a CAV in Brazil, Chile, and Colombia within 1 year of the final publication of this report.

(U) The Golden Sentry EUM Program Risks Not Providing Reasonable Assurance that Transferred Equipment is Accounted for and Properly Secured

(CUI) Without adequate oversight and comprehensive policies and procedures, the DoD will be unable to fully comply with the Golden Sentry EUM program requirements to account for and properly secure the EUM-designated defense articles, valued at ███████, transferred by the U.S. Government to Brazil, Chile, Colombia, Paraguay, and Uruguay. If EUM-designated defense articles are not accounted for and properly secured, the DoD is at an increased risk that recipient countries could misuse or improperly transfer routine and enhanced EUM-designated defense articles in violation of the transfer agreements' terms and conditions.

(CUI) We found instances in which DoD officials did not ensure that USSOUTHCOM partner nation facilities storing ████████████████████████ met security and accountability requirements. In addition, we found that DoD officials did not ensure that the USSOUTHCOM SCOs conducted required quarterly routine EUM checks to verify whether partner nations complied with applicable agreements regarding the use, transfer restrictions, and security of defense articles. Misuse or improper transfer could compromise the technological advantages and security of the United States and partner nations. Although the purpose of our audit was not to identify whether there was any misuse or improper transfer of EUM-designated defense articles, the lack of accountability and physical security measures could compromise and jeopardize the safety and security of DoD and partner nation personnel, missions, and installations.

(U) Recommendations, Management Comments, and Our Response

(U) Recommendation 1

(CUI) We recommend that the Director of the Defense Security Cooperation Agency update the current enhanced End-Use Monitoring physical security checklists for the ███████████████████████████ ██████████████████████ to ensure those checklists are clear and consistent. Specifically, we recommend that the Director of the Defense Security Cooperation Agency update the current enhanced End-Use Monitoring physical security checklists to:

   a. (U) Add a statement requiring Security Cooperation Organization personnel to use the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" when completing annual enhanced inventories and physical security inspections.

(U) Director of the Defense Security Cooperation Agency Comments

(CUI) The DSCA Division Chief, Global Execution Directorate for the Office of International Operations, responding for the DSCA Director, agreed with the recommendation, stating that the DSCA will add a statement and update the existing EUM physical security checklists for the ███████████████████████████. The DSCA Division Chief stated that this update will require SCOs to use the standardized "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" found in the SCIP-EUM database, thereby ensuring consistency and compliance with established procedures.

(U) Our Response

(CUI) Comments from the DSCA Division Chief addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation when we receive copies of the updated EUM physical security checklists for the ███████████████████████████, and we verify that those checklists have a statement requiring the SCOs to use the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" document found in the SCIP-EUM database.

b. (CUI) Update the current ████████████████████ ███████████████ security checklists to prevent checklist requirement misinterpretations, including revisions to:

- (CUI) the container section so that the checklists contain the two distinct requirements to determine whether █████ are stored in their original containers and whether █████ containers are banded or sealed;

- (CUI) the magazine section so that the section has three distinct requirements to determine whether █████ storage facilities are constructed with reinforced concrete; are arch-type structures; and are earth-covered;

- (U) the current inventory requirement, "Conducted IAW the LOA," listed in the accountability procedures section, by adding clarifying language to clearly state that Security Cooperation Organization personnel must assess whether the partner nation is meeting the inventory requirements included in the corresponding Letter of Offer and Acceptance; and

- (CUI) the current inventory records checklist requirement, "Inventory records maintained for 1 year," listed in the accountability procedures section, by adding explicit language to clearly require Security Cooperation Organization personnel to determine whether the inventory records are being maintained by the partner nation storing █████ as specified in the corresponding Letter of Offer and Acceptance.

c. (U) Add language to indicate the requirement that Security Cooperation Organization personnel must complete separate enhanced End-Use Monitoring checklists for each enhanced End-Use Monitoring storage facility.

d. (U) Add a statement requiring Security Cooperation Organization personnel to annotate explanations in the "comments" column of the checklists for each requirement that the Security Cooperation Organization personnel determine does not meet standards or is not applicable.

(U) Director of the Defense Security Cooperation Agency Comments

(CUI) The DSCA Division Chief, Global Execution Directorate for the Office of International Operations, responding for the DSCA Director, agreed with the recommendations, stating that pursuant to established responsibilities, the development of EUM checklists for specific defense articles falls under the purview of the MILDEPs as outlined in the SAMM (C8.T2). Nevertheless, the DSCA will engage

(CUI) in collaborative efforts with the MILDEPs to solicit a review of the ███████ ██████████████████ security checklist requirements to assess the feasibility of adding clarification within the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists."

(U) Our Response

(CUI) Comments from the DSCA Division Chief addressed the specifics of the recommendations; therefore, the recommendations are resolved but will remain open. As explained in this report, some SCO personnel cited challenges with understanding some EEUM checklist requirements. Therefore, it is critical for the DSCA to continue working with the MILDEPs to review and update the EEUM checklists to prevent the outlined checklist requirement misinterpretations. The DSCA Division Chief stated that the DSCA will assess the feasibility of adding clarification within the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists." However, Recommendations 1.b through 1.d do not address updating the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists," rather these recommendations address updating the EEUM checklists. While the MILDEPs are responsible for developing the actual EEUM checklists, the DSCA is responsible for reviewing them and ensuring standardization in accordance with the SAMM (C8.T2). We will close this recommendation when we receive copies of the updated EEUM physical security checklists for the ███████████████████████████████, and we verify that those checklists have been updated to address Recommendations 1.b through 1.d.

(U) Recommendation 2

(U) We recommend that the Director of the Defense Security Cooperation Agency update the current "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" to:

a. (CUI) Include detailed guidance on how Security Cooperation Organization personnel, when conducting physical security inspections, should verify each of the requirements in the ███████ ████████████████████████████████ ████████████ physical security checklists that are not currently listed and explained. These updates should include guidance for all requirements not addressed in the current guidance, including how to assess whether:

- (CUI) exterior doors at facilities storing ████████ are made of Class V steel;

- (U) access rosters of authorized personnel with access to the enhanced End-Use Monitoring storage facilities existed and met standards; and

- ~~(CUI)~~ partner nation personnel completed required 100-percent quarterly inventories of ███████████████ by serial number.

b. (U) Add requirements for Security Cooperation Organization personnel to annotate explanations in the "comments" column of the checklists for each requirement that the Security Cooperation Organization personnel determined did not meet standards or was not applicable.

c. (U) Add requirements for Security Cooperation Organization personnel to have a printed or digital copy of the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" available for reference during physical security inspections.

d. ~~(CUI)~~ Include details on how Security Cooperation Organization personnel can find the ██████████████ serial numbers for █████████████████████████ in the Security Cooperation Information Portal End-Use Monitoring database.

(U) Director of the Defense Security Cooperation Agency Comments

(U) The DSCA Division Chief, Global Execution Directorate for the Office of International Operations, responding for the DSCA Director, agreed with the recommendations, stating that the DSCA will engage in collaborative efforts with the MILDEPs to assess the feasibility of adding clarification and instructions within the physical security checklist, "Policy Guidance and Procedures for Security Cooperation Organization Personnel."

(U) Our Response

(U) Comments from the DSCA Division Chief did not address the specifics of the recommendations; therefore, the recommendations are unresolved. The DSCA Division Chief stated that the DSCA will engage in collaborative efforts with the MILDEPs to assess the feasibility of updating the "physical security checklist, 'Policy Guidance and Procedures for Security Cooperation Organization Personnel.'" However, these recommendations do not address the physical security checklist, rather they address the "Policy Guidance and Procedures Golden Sentry Enhanced End Use Monitoring (EEUM) Checklists." The "Policy Guidance and Procedures Golden Sentry Enhanced End Use Monitoring (EEUM) Checklists" was created by the DSCA to provide instructions on how to use the physical security checklists to verify accountability and security requirements for EEUM-designated defense articles. In addition, the SAMM

(U) states that the DSCA has the responsibility to develop and distribute EUM policy guidance within the DoD. Therefore, the DSCA does not need to collaborate with the MILDEPs to update the policy. The comments provided by the DSCA Division Chief did not clearly indicate whether the DSCA will update the "Policy Guidance and Procedures Golden Sentry Enhanced End Use Monitoring (EEUM) Checklists" to include all the specifics in Recommendations 2.a through 2.d. Therefore, we request that the DSCA Director reconsider their position and provide comments within 30 days to the final report with the actions the DSCA intends to take to update the "Policy Guidance and Procedures Golden Sentry Enhanced End Use Monitoring (EEUM) Checklists" to address the specifics of Recommendations 2.a through 2.d.

    e. **(CUI) Include which organizations the Security Cooperation Organization personnel will notify if a site certification for a ▮▮▮▮ storage facility is not available in the Security Cooperation Information Portal End-Use Monitoring database and procedures for making the notification.**

(U) Management Comments Required

(U) The DSCA Director did not respond to Recommendation 2.e in the draft report; therefore, the recommendation is unresolved. We request that the DSCA Director provide comments within 30 days to the final report with the actions the DSCA intends to take to address Recommendation 2.e.

(U) Recommendation 3

(U) We recommend that the Director of the Defense Security Cooperation Agency update the Security Assistance Management Manual, chapter 8, "End-Use Monitoring," to:

    a. **(U) Include requirements for the combatant commands to develop alternate procedures for Security Cooperation Organization personnel to conduct or obtain annual enhanced inventories, physical security inspections, and quarterly routine End-Use Monitoring checks during pandemics, natural disasters, and extended travel restrictions.**

(U) Director of the Defense Security Cooperation Agency Comments

(U) The DSCA Division Chief, Global Execution Directorate for the Office of International Operations, responding for the DSCA Director, disagreed with the recommendation, stating that the SAMM serves as a general policy guidance document and should not be relied on to address speculative or hypothetical scenarios. Any alternative combatant command procedures or contingency measures should be developed and implemented by the combatant commands, as they are best positioned to assess and respond to unique regional circumstances.

(U) Our Response

(U) Comments from the DSCA Division Chief, Global Execution Directorate for the Office of International Operations, did not address the specifics of the recommendation; therefore, the recommendation is unresolved. The DSCA Division Chief disagreed with the recommendation, stating that the SAMM should not be relied on to address speculative or hypothetical scenarios. However, on March 11, 2020, the World Health Organization announced that the COVID-19 outbreak was a pandemic, so the pandemic was not a speculative or hypothetical scenario. In addition, the DSCA Division Chief stated that any alternative combatant command procedures or contingency measures should be developed and implemented by the combatant commands as they are best positioned to assess and respond to unique regional circumstances. We agree that combatant commands are best positioned to assess and respond to unique regional circumstances. However, the combatant commands are required to follow the SAMM to provide oversight and ensure SCOs comply with the DoD's EUM program policy. As a result of a prior DoD OIG audit, the DSCA revised the SAMM to include language that more accurately describes the combatant command's EUM oversight responsibilities when conducting EUM in a hostile environment. We updated the report to state that, although the DSCA provided informal advice to the SCOs to seek guidance from their combatant commands during the COVID-19 pandemic, we determined that the SAMM must require the combatant commands to develop alternate procedures for when EUM activities cannot be performed by the SCOs due to pandemics, natural disasters, and extended travel restrictions. Therefore, we request that the DSCA Director reconsider their position and provide comments within 30 days to the final report with the actions the DSCA intends to take to update the SAMM, chapter 8, "End-Use Monitoring," to address Recommendation 3.a.

    b. **(U) Include additional requirements for the combatant command quarterly reviews of the Security Cooperation Information Portal End-Use Monitoring database. These additional requirements should direct the Combatant Command Golden Sentry primary point of contact to verify and ensure:**

- **(U) Security Cooperation Organization personnel completed the routine End-Use Monitoring check reports and uploaded enhanced End-Use Monitoring physical security checklists in the Security Cooperation Information Portal End-Use Monitoring database;**

- **(U) Security Cooperation Organization personnel properly address End-Use Monitoring deficiencies identified from the physical security inspections;**

- **(U) quarterly reviews are documented, including delinquent routine End-Use Monitoring checks, delinquent enhanced End-Use Monitoring annual inventories, and other identified End-Use Monitoring deficiencies; and**

- **(U) combatant command quarterly reviews records are maintained to ensure a sufficient audit trail exists to support the oversight provided.**

(U) Director of the Defense Security Cooperation Agency Comments

(U) The DSCA Division Chief, Global Execution Directorate for the Office of International Operations, responding for the DSCA Director, disagreed with the recommendation, stating that, as required by the SAMM (C8.T2), a quarterly review of both enhanced and routine EUM checks is already mandated. The DSCA Division Chief stated that the EUM dashboard provided to the combatant commands currently includes critical information, such as the inclusion of physical security checklists, delinquent EUM checks for both routine and enhanced monitoring, and other pertinent SCIP-EUM records. However, it is the responsibility of the combatant commands to establish and maintain their own audit trail as the dashboard will show current compliance.

(U) Our Response

(U) Comments from the DSCA Division Chief, Global Execution Directorate for the Office of International Operations, did not address the specifics of the recommendation; therefore, the recommendation is unresolved. We agree that the SAMM (C8.T2) requires the combatant commands to review the SCIP-EUM database quarterly to ensure SCOs are conducting and documenting EEUM and routine EUM checks in accordance with Golden Sentry EUM policy and procedures. However, the DSCA did not include guidance on what the combatant command quarterly reviews of the SCIP-EUM database should include. As explained in this report, the USSOUTHCOM primary EUM POC's quarterly reviews of the SCIP-EUM database did not identify, resolve, or document EUM deficiencies. By including guidance in the SAMM on what the quarterly SCIP-EUM database review should include, the combatant command's Golden Sentry primary POCs will provide consistency across combatant commands and more thorough reviews of routine EUM checks, annual EEUM inventories, and identify whether physical security checklists have been uploaded in the SCIP-EUM database. Therefore, we request that the DSCA Director reconsider their position and provide comments within 30 days to the final report with the actions the DSCA intends to take to update the SAMM, chapter 8, "End-Use Monitoring," to address the specifics in Recommendation 3.b.

(U) Recommendation 4

(U) We recommend that the Director of the Defense Security Cooperation Agency require the Defense Security Cooperation Agency U.S. Southern Command End-Use Monitoring Program Manager to schedule a compliance assessment visit in Brazil, Chile, and Colombia within 1 year of the publication of this report.

(U) Director of the Defense Security Cooperation Agency Comments

(U) The DSCA Division Chief, Global Execution Directorate for the Office of International Operations, responding for the DSCA Director, agreed with the recommendation, stating that Golden Sentry CAVs are currently planned for Brazil, Chile, and Colombia in FY 2026.

(U) Our Response

(U) Comments from the DSCA Division Chief addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation when the DSCA provides documentation of the completed Golden Sentry CAV reports for Brazil, Chile, and Colombia.

(U) Recommendation 5

(U) We recommend that the Commander of the U.S. Southern Command:

   a. **(U) Update the U.S. Southern Command End-Use Monitoring Program Standard Operating Procedure memorandum to include:**

   - **(U) alternate procedures for Security Cooperation Organization personnel on how to execute required annual enhanced End-Use Monitoring inventories, physical security inspections, and quarterly routine End-Use Monitoring checks based on in-country or regional limitations due to pandemics, natural disasters, and extended travel restrictions, based on Recommendation 3.a; and**

   - **(U) guidance outlining specific procedures for how the U.S. Southern Command Golden Sentry primary point of contact will conduct, document, and maintain records of the quarterly Security Cooperation Information Portal End-Use Monitoring database reviews in the U.S. Southern Command Area of Responsibility, based on Recommendation 3.b.**

(U) Commander of the U.S. Southern Command Comments

(U) The USSOUTHCOM Deputy Director, Strategy, Policy, and Plans, responding for the USSOUTHCOM Commander, agreed with the recommendation, stating that once the DSCA updates chapter 8 of the SAMM with the requirements outlined in Recommendations 3.a and 3.b, USSOUTHCOM will update the USSOUTHCOM EUM SOP. The updates to the SOP will include alternate procedures for SCO personnel on how to execute required annual EEUM inventories, physical security inspections, and quarterly routine EUM checks based on in-country or regional limitations due to pandemics, natural disasters, and extended travel restrictions. The updates to the USSOUTHCOM EUM SOP will also include guidance outlining specific procedures for how the USSOUTHCOM Golden Sentry primary POC will conduct, document, and maintain records of the quarterly SCIP-EUM database reviews in the USSOUTHCOM AOR. The updated EUM SOP will incorporate compliance checks of SCOs conducted by the USSOUTHCOM EUM Manager. The Deputy Director stated that, in the meantime, the USSOUTHCOM and SCO EUM POCs will be required to conduct monthly meetings to ensure compliance with EUM requirements. The Deputy Director also stated that USSOUTHCOM has started updating the EUM SOP to address Recommendation 5.a and will ensure DSCA updates are incorporated when the SAMM updates are published.

(U) Our Response

(U) Comments from the USSOUTHCOM Deputy Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we receive a copy of the updated USSOUTHCOM EUM SOP memorandum and ensure updates include alternate procedures for SCO personnel on how to execute EUM requirements based on in-country or regional limitations due to pandemics, natural disasters, and extended travel restrictions; and guidance outlining specific procedures for how the USSOUTHCOM Golden Sentry primary POC will conduct, document, and maintain records of the quarterly SCIP-EUM database reviews in the USSOUTHCOM AOR.

  b. **(CUI) Issue a policy memorandum, as required by the Security Assistance Management Manual, chapter 8, to the Colombia Security Cooperation Organization and other U.S. Southern Command partner nation Security Cooperation Organizations to indicate which facilities storing transferred ███████████████ or other enhanced End-Use Monitoring designated defense articles do not require physical security inspections and a 100-percent visual annual enhanced inventory due to safety concerns or other reasons.**

(U) Commander of the U.S. Southern Command Comments

(U) The USSOUTHCOM Deputy Director, Strategy, Policy, and Plans, responding for the USSOUTHCOM Commander, agreed with the recommendation, stating that USSOUTHCOM will issue a Policy Memorandum to the Colombia SCO and other USSOUTHCOM SCOs that lists the facility information, including country, location, and name of the facility for EEUM storage facilities that do not require annual full inventories or inspections due to safety concerns or other reasons. The memorandum will also indicate that if a location is not listed, it must be inspected.

(U) Our Response

(U) Comments from the USSOUTHCOM Deputy Director addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we receive a copy of the Policy Memorandum and verify that the memo includes the locations and names of the EEUM storage facilities that do not require annual full inventories or inspections due to safety concerns or other reasons.

    c. **(CUI) Require Colombia Security Cooperation Organization personnel, and other U.S. Southern Command partner nation Security Cooperation Organizations, to annually conduct physical security inspections and visually inventory 100 percent of** ▮▮▮▮▮▮▮▮ **or other enhanced End-Use Monitoring designated defense articles transferred to enhanced storage facilities that Security Cooperation Organization personnel have not inspected and were not exempted by the policy memorandum, based on Recommendation 5.b.**

(U) Commander of the U.S. Southern Command Comments

(CUI) The USSOUTHCOM Deputy Director, Strategy, Policy, and Plans, responding for the USSOUTHCOM Commander, agreed with the recommendation, stating that the updated USSOUTHCOM EUM SOP will specify the requirement for the Colombia SCO and other USSOUTHCOM SCOs, as required by chapter 8 of the SAMM, to annually conduct physical security inspections and visually inventory 100 percent of ▮▮▮▮ ▮▮▮▮▮▮ or other EEUM designated defense articles transferred to enhanced storage facilities that SCO personnel have not inspected and were not exempted by the USSOUTHCOM policy memorandum issued for Recommendation 5.b. The updated EUM SOP will incorporate compliance checks conducted by the USSOUTHCOM EUM Manager to ensure SCO compliance.

(U) Our Response

(CUI) Comments from the USSOUTHCOM Deputy Director, Strategy, Policy, and Plans, addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we receive a copy of the updated USSOUTHCOM EUM SOP and ensure updates include requirements for the Colombia SCO and other USSOUTHCOM SCOs to annually conduct physical security inspections and visually inventory 100 percent of ██████ ████████████ or other EEUM designated defense articles transferred to enhanced storage facilities that SCO personnel have not inspected and were not exempted by the USSOUTHCOM policy memorandum.

(U) Recommendation 6

(U) We recommend that the Deputy Under Secretary of the Air Force for International Affairs Office, in coordination with the Director of the Defense Security Cooperation Agency:

> a. **(CUI) Conduct and complete site certifications at the two ████████ ████████████████████████ storage facilities in Chile.**

(U) Deputy Under Secretary of the Air Force for International Affairs Office Comments

(CUI) The Director of Policy, Programs, and Strategy, Deputy Under Secretary of the Air Force for International Affairs, responding for the Deputy Under Secretary of the Air Force for International Affairs, agreed with the recommendation, stating that the Secretary of the Air Force for International Affairs, in coordination with the Air Force Life Cycle Management Center, will conduct and complete site certifications at the two ████████ storage facilities in Chile. The Air Force Life Cycle Management Center is coordinating with the Security Assistance Program Manager for Chile to conduct site certifications at the two ████████ storage facilities in Chile no later than March 2025.

(U) Our Response

(CUI) Comments from the Director of Policy, Programs, and Strategy, Deputy Under Secretary of the Air Force for International Affairs, addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we receive copies of the completed site certifications for the two ████████ storage facilities in Chile.

b. **(U) Upload these site certifications to the site certification repository within the Security Cooperation Information Portal End-Use Monitoring database.**

(U) Deputy Under Secretary of the Air Force for International Affairs Office Comments

(U) The Director of Policy, Programs, and Strategy, Deputy Under Secretary of the Air Force for International Affairs, responding for the Deputy Under Secretary of the Air Force for International Affairs, agreed with the recommendation, stating that the Secretary of the Air Force for International Affairs, in coordination with the Air Force Life Cycle Management Center, will upload the site certifications to the site certification repository within the SCIP-EUM database no later than April 2025.

(U) Our Response

~~(CUI)~~ Comments from the Director of Policy, Programs, and Strategy, Deputy Under Secretary of the Air Force for International Affairs, addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we receive supporting documentation and verify that the site certifications for the two ███████ storage facilities in Chile were uploaded to the site certification repository within the SCIP-EUM database.

(U) Appendix A

(U) Scope and Methodology

(U) We conducted this performance audit from July 2022 through October 2024 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 objective.

(U) The scope of this audit included the DoD's oversight of transferred EUM-designated defense articles requiring routine and enhanced EUM to selected partner nations in the USSOUTHCOM AOR. Specifically, we identified and reduced the scope of our review to the EUM conducted by the DoD for defense articles transferred to the partner nations of Brazil, Chile, Colombia, Paraguay, and Uruguay from FY 2018 through FY 2022. We established the 5-year review period when we announced the audit so that we could review the Golden Sentry EUM program before and after the height of the COVID-19 pandemic.

(U) We reviewed the following Federal laws and DoD, DSCA, and USSOUTHCOM criteria to understand the regulations that govern the EUM of defense articles transferred to partner nations.

- (U) Section 2785, title 22, United States Code, "End-Use Monitoring of Defense Articles and Defense Services"
- (U) Public Law 90-6029, "Arms Export Control Act," enacted December 22, 2023
- (U) DoD Manual 5100.76, "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)," April 17, 2012
- (U) DSCA Manual 5105.38-M, "Security Assistance Management Manual," April 30, 2012
- (U) DSCA Policy Guidance and Procedures, "Golden Sentry Enhanced EUM Checklist," February 8, 2019
- (U) DSCA Golden Sentry Program "End Use Monitoring (EUM) Handbook," October 2019
- (U) Chief of USSOUTHCOM's Security Assistance Branch Memorandum, "USSOUTHCOM End-Use Monitoring (EUM) Program Standard Operating Procedure (SOP)," December 21, 2021

(U) We interviewed DSCA and USSOUTHCOM officials responsible for managing the Golden Sentry EUM program within the USSOUTHCOM AOR to understand their roles and responsibilities for providing oversight of SCO compliance with SAMM EUM requirements. We gathered background information to determine how the SCIP-EUM database was used in the USSOUTHCOM AOR EUM program. In addition, we interviewed the SCOs to understand their roles and responsibilities for conducting annual EEUM inventories, physical security inspections, and quarterly routine EUM checks. We conducted multiple interviews with the SCOs to determine travel and site visit logistics, as well as upcoming EUM inspections. We obtained the list of routine and enhanced EUM-designated defense articles located in the partner nations selected for our review.

(U) Prior to the site visits, we reviewed LOAs or other transfer agreements, storage facility site certifications, and EEUM checklists associated with the locations selected for review in Brazil, Chile, and Colombia. In addition, after confirming the existence of EEUM-designated defense articles selected for review, we determined whether each selected defense article had an associated LOA or other transfer agreements.

(U) We conducted site visits to 11 partner nation military installations in Brazil, Chile, and Colombia from December 2022 through March 2023. In addition, we conducted reviews of SCIP-EUM database routine EUM and EEUM documentation from FY 2018 through FY 2022 for the five selected partner nations.

(U) Selection of USSOUTHCOM Partner Nations for Review

(CUI) We requested that the DSCA provide a list of defense articles requiring routine EUM and EEUM that were transferred to USSOUTHCOM partner nations from FY 2013 through third quarter FY 2022. The DSCA provided a universe of EUM-designated defense articles transferred to 26 USSOUTHCOM partner nations from the SCIP-EUM database. From the list of 26 countries, we removed the partner nations of El Salvador, Guatemala, and Honduras to avoid conflicts with a Government Accountability Office evaluation of EUM mandated by the FY 2022 National Defense Authorization Act. Therefore, we considered a universe of routine and enhanced EUM-designated defense articles transferred to 23 USSOUTHCOM partner nations for the purpose of this audit. The DSCA provided the value of ██████████ for the universe of EUM-designated defense articles transferred to the 23 partner nations from FY 2013 through third quarter FY 2022.[25] Specifically, the universe included routine EUM-designated defense articles, valued at ████████, transferred to 23 USSOUTHCOM partner nations, and EEUM-designated defense articles, valued at ████████, transferred to 10 of the 23 USSOUTHCOM partner nations.

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[25] (U) The total dollar value has been rounded. For exact value, see Table 6.

(U) We categorized partner nations based on the total dollar value of the transferred EUM-designated defense articles and an assigned corruption perception index for each of the 23 partner nations.[26] We obtained each partner nation's corruption score from the 2021 Corruption Perception Index report issued by the Transparency International organization.[27] The DoD OIG's Quantitative Methods Division (QMD) developed a model that assigned partner nation rankings based on the dollar value of transferred EUM-designated defense articles and assigned corruption scores. We then used the partner nation rankings to categorize the 23 partner nations as small, medium, or large. Table 6 summarizes the values considered when categorizing the USSOUTHCOM partner nations for review.

(U) Table 6. Summary of Values Considered to Categorize USSOUTHCOM Partner Nations

(CUI) USSOUTHCOM Partner Nation	EUM-Designated Defense Articles Total Value	Corruption Perception Index[1]	QMD Model Rank[2]	Category[3]
Antigua and Barbuda	■	41.70	■	■
Argentina	■	38.00	■	■
Barbados	■	65.00	■	■
Belize	■	41.70	■	■
Brazil	■	38.00	■	■
Chile	■	67.00	■	■
Colombia	■	39.00	■	■
Costa Rica	■	58.00	■	■
Dominica	■	55.00	■	■
Dominican Republic	■	30.00	■	■
Ecuador	■	36.00	■	■
Grenada	■	53.00	■	■
Guyana	■	39.00	■	■
Haiti	■	20.00	■	■
Jamaica	■	44.00	■	■
Nicaragua	■	20.00	■	■ (CUI)

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[26] (U) The corruption perception index ranks 180 countries and territories around the world by their perceived levels of public sector corruption, and it is issued annually by the Transparency International organization. Transparency International is a not-for-profit organization with the objective of stopping corruption and promoting transparency, accountability, and integrity at all levels and sectors of society. The Department of State contributes funds to support Transparency International efforts.

[27] (U) To calculate the corruption perception index, Transparency International aggregates data from a number of different reputable data sources.

(U) Table 6. Summary of Values Considered to Categorize USSOUTHCOM Partner Nations (cont'd)

(CUI) USSOUTHCOM Partner Nation	EUM-Designated Defense Articles Total Value	Corruption Perception Index[1]	QMD Model Rank[2]	Category[3]
Panama	██████	36.00	██	██
Paraguay	███	30.00	██	██
Peru	████	36.00	██	██
Saint Kitts and Nevis	████	41.70	██	█████
Saint Vincent and Grenadines	████	59.00	██	██
Trinidad-Tobago	████	41.00	██	█████
Uruguay	████	73.00	██	█████
Total	██████			(CUI)

[1] (U) The index uses a scale from 0 to 100, in which 0 is "highly corrupt" and 100 is "very clean."

[2] (U) The QMD model rankings are on a scale from 0 to 1, which were calculated using each partner nation's EUM-designated defense article total value and corruption scores compared against all other partner nations.

[3] (U) We categorized partner nations with rankings below 0.20 as small, 0.20 to 0.60 as medium, and above 0.60 as large.

[4] (U) The total estimated dollar value of EUM-designated defense articles could be understated because there were EEUM-designated defense articles purchased for all five partner nations using counterterrorism or counternarcotics funds, which are outside of the Foreign Military Sales program. The dollar values of those EEUM-designated defense articles are not in the SCIP-EUM database and were not provided by the DSCA. In addition, the total estimated dollar value of EUM-designated defense articles could be overstated because the total estimated dollar value included multiple trainings, manuals, and services that are considered EUM-designated defense articles. Our audit only focused on equipment, but the DSCA was not able to provide the dollar value of the universe of EUM-designated defense articles without including the trainings, manuals, and services.

(U) Source: The DSCA and the DoD OIG.

(CUI) From the three categories of small, medium, and large, we nonstatistically selected Paraguay from the small category, Uruguay from the medium category, and Brazil, Chile, and Colombia from the large category to review. The routine and enhanced EUM-designated defense articles transferred to the five selected partner nations had a total dollar value of ████████ . Specifically, the five partner nations selected have routine EUM-designated defense articles with a total value of ████████ and EEUM-designated defense articles with a total value of ██████ . Table 7 shows the total dollar values of routine and enhanced EUM-designated defense articles of each of the five partner nations selected for review.

(U) Table 7. Total Dollar Values of Routine and Enhanced EUM-Designated Defense Articles for USSOUTHCOM Partner Nations Selected for Review

(CUI) USSOUTHCOM Partner Nation	EEUM-Designated Defense Articles Total Value	Routine EUM-Designated Defense Articles Total Value	EUM-Designated Defense Articles Total Value
Brazil	████ *	████	████
Chile	████ *	████	████
Colombia	████ *	████	████
Uruguay	—	████	████
Paraguay	—	███	███
Total	████ *	████	████ (CUI)

(U) Note: A dash indicates that data was not available because Paraguay and Uruguay only have EEUM-designated defense articles purchased with counterterrorism or counternarcotics funds, which are outside of the Foreign Military Sales program. The dollar values for the EEUM-designated defense articles purchased with counterterrorism or counternarcotics funds were not recorded in the SCIP-EUM database and were not provided by the DSCA.

(U) *The EEUM total dollar value is understated because there were EEUM-designated defense articles purchased for all five partner nations using counterterrorism or counternarcotics funds, which are outside of the Foreign Military Sales program. The dollar values of those EEUM-designated defense articles are not in the SCIP-EUM database and were not provided by the DSCA.

(U) Source: The DSCA (July 12, 2022).

(CUI) Subsequently, the DoD OIG audit team obtained access to the SCIP-EUM database and extracted the universe of defense articles in the USSOUTHCOM AOR that included different types of routine and enhanced EUM-designated defense articles. There were ████ routine EUM-designated defense articles in the five USSOUTHCOM partner nations selected for our review, including ████ ██. Table 8 shows the total quantity of routine EUM-designated defense articles of each of the five USSOUTHCOM partner nations selected for review.

(U) Table 8. Partner Nation Routine EUM-Designated Defense Articles

(CUI) USSOUTHCOM Partner Nation	Total Routine EUM-Designated Defense Articles
Brazil	████
Chile	███
Colombia	████
Paraguay	█
Uruguay	██
Total	████ (CUI)

(U) Source: The DSCA SCIP-EUM database.

(CUI) In addition, the SCIP-EUM database showed ▮▮▮ EEUM-designated defense articles in the five USSOUTHCOM partner nations selected for review, including ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮. Table 9 shows the different types and quantity of EEUM-designated defense articles assigned in the SCIP-EUM database for the five selected USSOUTHCOM partner nations with the description of each article.

(U) Table 9. EEUM-Designated Defense Articles Assigned in the SCIP-EUM Database in the Five Selected USSOUTHCOM Partner Nations

(CUI) EEUM-Designated Defense Article	Description	USSOUTHCOM Partner Nation and Quantity of EEUM-Designated Defense Articles					Total EEUM-Designated Defense Articles
		Brazil	**Chile**	**Colombia**	**Paraguay**	**Uruguay**	
▮▮▮	▮▮▮▮▮	▮	▮	▮	▮	▮	▮
▮▮▮▮	▮▮▮▮▮	▮	▮	▮	▮	▮	▮
▮▮▮▮	▮▮▮	▮	▮	▮	▮	▮	▮
▮▮▮▮	▮▮▮	▮	▮	▮	▮	▮	▮
▮▮▮▮	▮▮▮▮▮	▮	▮	▮	▮	▮	▮
Total		▮	▮	▮	▮	▮	▮ (CUI)

(U) *These EEUM-designated defense articles were not selected for our review because the articles were not present at the selected partner nation military installations that we visited.

(U) Source: The EUM Bulk Inventory Report obtained by the DoD OIG audit team from the SCIP-EUM database on September 13, 2022.

(U) Selection of Locations from USSOUTHCOM Partner Nations and Sample of EUM-Designated Defense Articles

(U) We obtained the universe of routine and EEUM-designated defense articles for Brazil, Chile, Colombia, Paraguay, and Uruguay from the SCIP-EUM database with the assistance of DSCA personnel and USSOUTHCOM SCOs. The routine EUM-designated defense article universe included information such as country, defense article name, Military Articles Services Listing code, description, and quantity.[28] The routine EUM-designated article universe did not include serial number information or information to identify where routine articles were located within each partner nation. The EEUM-designated defense article universe included the same information as the routine EUM universe, but it also included serial number and location information identifying where enhanced articles were located within each partner nation.

(CUI) SCO personnel provided the audit team with regional security information and travel limitations for the five partner nations selected for review. The audit team used the regional security information and travel limitations to eliminate site visit locations that were not possible to visit due to security or accessibility limitations. From the remaining locations, we identified site visit locations based on a mix of the types of EEUM-designated defense articles available at the locations and sites with the largest quantities of EEUM-designated defense articles. To increase the number of locations and quantity of EEUM-designated defense articles reviewed, we selected additional sites located within driving distance from the sites storing large quantities of EEUM-designated defense articles. Based on this analysis, we selected 15 locations from the five USSOUTHCOM partner nations. The locations we selected included EEUM-defense articles such as ███████████████████████████████.

(U) The 15 locations we selected included 11 locations from Brazil, Chile, and Colombia, where we performed site visits, and 4 locations from Paraguay and Uruguay for which we only performed a virtual review of EUM documentation in the SCIP-EUM database. Table 10 shows the 15 selected locations from each of the five USSOUTHCOM partner nations selected for our review.

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[28] (U) The Military Articles Services Listing is a catalogue of defense articles, services, and training used in the planning and programming of Foreign Military Sales. The Military Articles Services Listing assigns unique codes to identify routine and enhanced EUM-designated defense articles.

(U) Table 10. Selected Locations from USSOUTHCOM Partner Nations

(CUI) USSOUTHCOM Partner Nation	City	Selected Location Name
Brazil	██████████	████████
	██████████	██████████████
	████████	██████████
	████████	██████████
Chile	██████████	████████
	██████	████████
	████████	████████████████
	████████	██████
Colombia	██████	██████████████
	██████	████████████████
	██████	████████████████
Paraguay*	██████	████████
	██████████	████████
Uruguay*	██████	██████████
	██████	██████████ (CUI)

(U) *We did not conduct site visits at locations in these countries.

(U) Source: The DSCA SCIP-EUM database and the DoD OIG.

(U) Selection of Routine EUM-Designated Defense Articles. The routine universe from the SCIP-EUM database did not include location information identifying where routine EUM-designated defense articles were located within each partner nation. In addition, the routine universe did not include any unique identifier information, such as an item serial number. When available, we reviewed routine EUM-designated defense articles identified by SCO personnel while performing site visits at some of the locations in Brazil, Chile, and Colombia. We then attempted to match the article or item description within the SCIP-EUM database to the article physically viewed onsite. We did not perform site visits to Paraguay and Uruguay. Therefore, we could not perform the onsite accountability and existence reviews of routine EUM-designated defense articles for those two partner nations.

(U) Selection of EEUM-Designated Defense Articles for Review. For the review of EEUM-designated defense articles, we performed a 100-percent inventory review of defense articles at 9 of the 11 site visit locations selected from Brazil, Chile, and Colombia. We selected a random nonstatistical sample of EEUM-designated defense articles for the two remaining site visit locations where we were not able to

(U) perform a full inventory review due to the high quantity of EEUM-designated defense articles located at the sites. Table 11 shows the site visit locations and quantities of EEUM-designated defense articles we reviewed during site visits.

(U) Table 11. EEUM-Designated Defense Articles Reviewed During Site Visits, by Location, Type, and Quantity

(CUI) USSOUTHCOM Partner Nation	EEUM-Designated Defense Article Locations	Type of Sample or Review	Type and Quantity of EEUM-Designated Defense Articles Reviewed	Total EEUM-Designated Defense Articles Reviewed
Brazil	████	100-Percent Review	8 ████	191
		Random Nonstatistical Sample	71 ███	
	███	100-Percent Review	32 ███	
	████	100-Percent Review	65 ███	
	███	100-Percent Review	15 ███	
Chile	█████	100-Percent Review	41 ███	164
	███	100-Percent Review	10 ████ 2 ██████ *	
	████	100-Percent Review	81 ████	
	████	100-Percent Review	30 ████	
Colombia	█████	Random Nonstatistical Sample	154 ███	274
	█████	100-Percent Review	95 ███	
	█████	100-Percent Review	25 ███	
Total				**629** (CUI)

(CUI) *One ████████ and two ████████████ are documented in the SCIP-EUM database as being in the United States; however, during the site visit, we reviewed the associated transfer documentation.

(U) Source: Table data are from the SCIP-EUM database and sample information is from the DoD OIG.

(U) EUM Review Process Performed in the USSOUTHCOM AOR

(U) We reviewed EUM documentation in the SCIP-EUM database and conducted site visits for selected partner nations in the USSOUTHCOM AOR to determine the adequacy of the DoD's oversight of transferred defense articles requiring EUM.

(U) SCIP-EUM Database and Documentation Review. We conducted a virtual review of evidence of the SCOs performing required EUM inventories and EEUM physical security inspections of EEUM-designated defense articles within each of the five USSOUTHCOM partner nations reviewed. Our reviews were limited to verifying SCO documentation in the SCIP-EUM database for annual EEUM inventories, physical security inspections, and quarterly routine EUM checks. We obtained access to the SCIP-EUM database to review historical data and documentation recorded by SCOs for EUM conducted in Brazil, Chile, Colombia, Paraguay, and Uruguay. We downloaded documentation from the SCIP-EUM database and reviewed defense article history ad hoc reports from FY 2018 through FY 2022 for each of the five selected partner nations to determine whether SCOs conducted annual inventories of EEUM-designated articles and quarterly routine EUM checks. We verified whether routine EUM checks were performed at least once each quarter and analyzed whether SCOs conducted EEUM-designated article inventories within the annual requirement.

(U) In addition, we reviewed data from the SCIP-EUM database from FY 2018 through FY 2022 to determine whether the SCOs documented the physical security inspections of the EEUM storage facilities and uploaded the associated EEUM physical security checklists. We analyzed the EEUM physical security checklists uploaded in the SCIP-EUM database for 15 locations selected in the five USSOUTHCOM partner nations to determine whether SCOs completed and documented the physical security inspections within the annual requirement.[29]

(U) Furthermore, we met with SCO and USSOUTHCOM personnel and requested documentation for annual EEUM inventories, physical security inspections not completed or documented, quarterly routine EUM checks, and reasons for delayed inspections documented in the SCIP-EUM database. Lastly, we interviewed the USSOUTHCOM primary EUM POC and reviewed documentation to assess whether quarterly reviews of SCIP-EUM database EUM records and documentation were conducted.

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[29] (U) See Appendix A, Table 10, for the 15 locations within each of the five USSOUTHCOM partner nations selected for our review.

(U) DSCA CAV and VCA Documentation Review. We requested documentation from the DSCA for CAVs and VCAs to review how the DSCA assessed SCO compliance with SAMM EUM requirements. We compared the DSCA's CAV and VCA reports to the audit team's review of the SCIP-EUM database for annual EEUM inventories, physical security inspections, and quarterly routine EUM checks. The purpose of this analysis was to determine how often the DSCA completed CAVs and VCAs for the five selected USSOUTHCOM partner nations and to identify similar and dissimilar results between the audit team and DSCA reviews.

(U) Site Visits to Three Selected Partner Nations. We conducted site visits to 14 EEUM-designated defense article storage facilities within 11 partner nation military installations in Brazil, Chile, and Colombia to review SCO performance of EEUM physical security inspections. In addition, we completed onsite EEUM inventories to determine the accuracy of EUM-designated defense articles listed in the SCIP-EUM database. Lastly, we conducted physical security assessments of the 14 EEUM storage facilities by using the EEUM storage and security checklists.

(U) We selected a random nonstatistical sample of EEUM-designated defense articles for 2 of the 11 locations selected in Brazil, Chile, and Colombia, and we performed a 100-percent inventory review in the remaining 9 locations. We compared quantity and serial number data recorded in the SCIP-EUM database with the observations made onsite of the EEUM-designated defense articles selected for review. While onsite, we conducted an inventory of the selected EEUM-designated defense articles and routine EUM-designated defense articles. For EEUM-designated defense articles, we compared the SCIP-EUM database inventory quantities and serial numbers to the quantities and serial numbers observed at each of the 14 EEUM storage facilities at the 11 site visit locations. For routine EUM-designated defense articles, we observed routine EUM-designated defense articles identified by the SCOs that were available at the site visit locations. We compared the type of routine EUM-designated defense article we viewed to the article description listed in the SCIP-EUM database routine inventory.

(U) In addition, we assessed the physical security conditions of the 14 storage facilities at the 11 site visit locations storing the EEUM-designated defense articles selected for our review. We compared the transfer agreements and EEUM storage and security checklist requirements to the observations made of the EEUM storage facilities while onsite. In addition, we compared the site visit observations related to the storage and security checklists to the most recent checklist completed at the site by the SCOs. Finally, we met with the SCOs and USSOUTHCOM personnel to follow up on discrepancies we found and to determine the causes for those discrepancies related to observations made of the 14 storage facilities within the 11 locations visited in Brazil, Chile, and Colombia.

(U) Internal Control Assessment and Compliance

(U) We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed internal control components and underlying principles related to SCO personnel performance and oversight from the DSCA and USSOUTHCOM, as well as their use of inspections and the SCIP-EUM database to complete and monitor routine and EEUM-designated defense articles in Brazil, Chile, Colombia, Paraguay, and Uruguay from FY 2018 through FY 2022. We reviewed the design and implementation control activities, such as documentation of responsibilities through policies. Additionally, we reviewed monitoring activities related to the reporting and evaluation of issues, along with corrective actions. 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.

(U) Use of Computer-Processed Data

(U) We relied on computer-processed data from the DSCA's SCIP-EUM database and from the 2021 Corruption Perception Index report for information we obtained for this audit. For the purposes of our report, we determined that the SCIP-EUM database was reliable as source data for our analysis; however, we did not rely on computer-processed data for the findings in this report.

(U) Use of Technical Assistance

(U) DoD OIG QMD personnel assisted us in selecting the USSOUTHCOM partner nations and random nonstatistical sample of EEUM-designated defense articles by location to use for the review in this audit.

(U) Appendix B

(U) Prior Coverage

(U) During the last 5 years, the DoD Office of Inspector General (DoD OIG) and the Government Accountability Office (GAO) issued 10 reports discussing the EUM in different combatant command AORs. Unrestricted DoD OIG reports can be accessed at http://www.dodig.mil/reports.html. Unrestricted GAO reports can be accessed at http://www.gao.gov.

(U) DoD OIG

(U) Report No. DODIG-2024-097, "Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring," June 24, 2024

> (CUI) DoD and Ukrainian Armed Forces personnel collected, reviewed, and recorded loss reporting information for ███ lost or destroyed EEUM-designated defense articles worth $22.9 million between March 1, 2022, and July 31, 2023. While 99.4 percent of the items reported during this initial period were night vision devices (for many of which the OIG has previously recommended that the DoD reconsider the need for enhanced monitoring), during the period from August 1, 2023, through November 26, 2023, DoD and Ukrainian Armed Forces personnel collected, reviewed, and recorded loss reporting information for an additional ███ lost or destroyed EEUM–designated defense articles worth an additional $39.3 million between August 1, 2023, and November 26, 2023, which included a wider variety of EEUM–designated items. This increased the total overall value of reported lost or destroyed defense articles to $62.2 million as of November 26, 2023.

> (U) Despite this reporting, we concluded that the Office of Defense Cooperation-Ukraine (ODC-Ukraine) did not consistently obtain timely or complete loss reports in accordance with the SAMM, the Concept of Operation, and the EEUM control plan submission standards. While not all reports contained the date of the loss, the average time from initial defense article loss to final loss report production was 301 days for those reports that contained the loss dates. This average was approximately 10 times longer than the reporting requirement in the SAMM and greatly exceeded the time requirements in the defense article control plans and the 2022 Concept of Operation. This occurred because reporting timeliness and information requirements were inconsistent, the SAMM did not provide sufficient guidance for partner nation self–reporting, and the timelines and requirements did not always provide

(U) adequate time to investigate EEUM losses. We also concluded that
U.S. European Command personnel did not consistently review or analyze
the information received from initial loss notifications and final loss reports.

(U) Report No. DODIG-2024-043, "Evaluation of the DoD's Enhanced End-Use
Monitoring of Defense Articles Provided to Ukraine," January 10, 2024

(U) While the DoD has improved execution of EEUM since the full-scale
invasion began in February 2022, the DoD did not fully comply with the
EEUM program requirements for defense article accountability in a hostile
environment. ODC-Ukraine personnel have not been able to conduct initial
inventories on all EEUM-designated defense articles within 90 days of arrival.
Although ODC-Ukraine and Ukrainian Armed Forces personnel conducted some
required inventories, as of June 2, 2023, serial number inventories for more
than $1.005 billion of the total $1.699 billion (59 percent of the total value) of
EEUM-designated defense articles remained delinquent. Additionally, the DoD
did not maintain an accurate inventory of Ukrainian EEUM-designated defense
articles in the SCIP-EUM database. This occurred for multiple reasons, including
the limited number of ODC-Ukraine personnel at logistics hubs in a partner
nation and in Ukraine, the absence of procedures for conducting EEUM in a
hostile environment until December 2022, the movement restrictions for EEUM
personnel within Ukraine, and a lack of internal controls for validating data in
the SCIP-EUM database.

(U) Since the December 2022 update to the SAMM, the DoD's and Ukrainian
Armed Forces' revised inventory processes contributed to an improved
delinquency rate, reducing the overall delinquency rate of EEUM-designated
defense articles by 27 percentage points from February 10, 2023, to June 2, 2023,
but significant personnel limitations and accountability challenges remain. Until
the DoD resolves these challenges, it will be unable to fully comply with the
EEUM program requirements to account for all of the more than $1.699 billion
in EEUM-designated defense articles provided to Ukraine.

(U) Report No. DODIG-2023-119, "Audit of Enhanced End-Use Monitoring of Sensitive
Equipment Given to the Government of Iraq," August 31, 2023

(U) The final report contains CUI and foreign government information. Due to
the nature of the program, an unclassified, redacted version of this report is
not available.

(U) Report No. DODIG-2023-090, "Management Advisory: Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring," June 28, 2023

(U) ODC-Ukraine personnel were not always physically present to conduct an initial 100-percent serial number inventory of all enhanced EUM-designated articles at the multiple logistics hubs in Poland before transfer or delivery to Ukraine in accordance with the SAMM. This occurred because ODC-Ukraine personnel were not always present or staffed to cover the multiple logistics hubs in Poland to conduct an inventory of incoming equipment requiring 100-percent enhanced EUM serial number inventories. In addition, U.S. military personnel stationed at those logistics hubs stated that they were not fully aware of which defense articles required enhanced EUM. As a result, the DoD is currently not fully conducting inventories of all enhanced EUM defense articles before they are transferred to Ukraine. The ODC-Ukraine recalled some enhanced EUM defense articles that were prematurely transferred to Ukraine back from Ukraine to Poland so that the ODC-Ukraine could conduct inventories. Other EEUM defense articles were not inventoried before entering Ukraine.

(U) Report No. DODIG-2023-074, "DoD Review and Update of Defense Articles Requiring Enhanced End-Use Monitoring," May 19, 2023

(U) During the most recent evaluation of enhanced EUM, from January 2023 to March 2023, the DoD OIG determined that the current list of enhanced EUM-designated defense articles is not up-to-date. This occurred because the DSCA did not include a regular and recurring requirement in the SAMM to review, update, and remove defense articles designated for enhanced EUM. As a result, the current EEUM list in the SAMM may not include all sensitive equipment and technology, and it may require monitoring defense articles that are neither sensitive nor require protection. In turn, this would be an inefficient use of limited Office of Defense Cooperation resources. One of the DoD OIG's recommendations was for the Director, DSCA, to add a recurring requirement to review and update the list of all defense articles provided to foreign nations to ensure designation of those requiring EEUM.

(U) Report No. DODIG-2021-102, "Audit of the DoD's Management of Global Train and Equip Program Resources Provided to U.S. Africa Command Partner Nations," July 21, 2021

(U) The DSCA ensured that Global Train and Equip program equipment scheduled for transfer to U.S. Africa Command partner nations was within categories approved by Congress and met type and cost limitations. However, the SCOs did not fully account for the equipment that was transferred, and SCOs did not perform routine and enhanced EUM of the equipment. Specifically, SCOs did not: (1) account for the transfer of 104,624 pieces of equipment, valued at $13.1 million, for 9 of 12 building partner capacity cases in which the SCO transferred part or all of the equipment listed in the LOA; (2) perform routine EUM in 47 of 112 quarters reviewed; or (3) perform enhanced EUM for 221 pieces of equipment, valued at $1.2 million, out of 530 pieces of equipment, valued at $2.1 million, that required enhanced EUM. Specifically, the SCOs did not annotate in the SCIP whether annual inventories were conducted and did not maintain an accurate inventory of enhanced EUM-designated defense articles in the partner nation's possession. Due to the rotational nature of the SCO position, the SCOs who did not properly account for the equipment and did not perform routine and enhanced EUM were not available to be interviewed. Therefore, it could not be determined why the SCOs did not fully account for transfers, perform routine and enhanced EUM of Global Train and Equip program equipment, or include required documentation in the SCIP. As a result, the DSCA does not have an accurate, readily available inventory of all equipment in the possession of the U.S. Africa Command partner nations. In addition, the DSCA did not have assurance that the U.S. Africa Command partner nations used 530 pieces of equipment, valued at $2.1 million, only for their intended purposes.

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(U) Report No. DODIG-2020-061, "Audit of the DoD's Accountability of Counter-Islamic State of Iraq and Syria Train and Equip Fund (CTEF) Equipment Designated for Syria (CTEF-S)," February 13, 2020

(CUI) Special Operations Joint Task Force–Operation Inherent Resolve (SOJTF-OIR) personnel did not account for the budgeted $715.8 million of CTEF-S equipment for FYs 2017 and 2018 from procurement through divestment in accordance with DoD Instruction 5000.64 and Army Regulation 735-5. For example, SOJTF-OIR personnel did not maintain comprehensive lists of all equipment purchased and received. This occurred because SOJTF-OIR personnel allowed multiple entities involved with CTEF-S equipment to store records in numerous locations instead of designating a central repository for all supporting accountability documentation. For FY 2020, the DoD budget requested $173.2 million for weapons, ammunitions, vehicles, and other CTEF-S equipment. Without accurate accountability records, such as inventory records and hand receipts, SOJTF-OIR personnel could order equipment that SOJTF-OIR already has in stock, risking unnecessary spending of CTEF-S funds and further overcrowding of the Building Partners Capacity Kuwait warehouse, resulting in equipment being stored outside. Additionally, ███████████████████████████████████████

(CUI) ████████████████████████████████████
████████████████████████████████████
██████████████████████████. Without conducting consistent inventories and ensuring proper security for CTEF-S equipment, the 1st Theater Sustainment Command could not determine whether items were lost or stolen, which could delay the initiation of an investigation.

(U) GAO

(U) GAO-24-106289, "Ukraine: DoD Should Improve Data for Both Defense Article Delivery and End-Use Monitoring," March 13, 2024

(U) The DoD has established new entities to deliver an unprecedented volume of defense articles to Ukraine in condensed time frames using Presidential Drawdown Authority and the Ukraine Security Assistance Initiative. However, the DoD has not fully documented the roles and responsibilities of these new entities. Doing so would help provide clarity around the processes for quickly delivering defense articles in current and potential future conflicts. The DoD does not have quality data to track delivery of defense articles to Ukraine. DoD guidance on the Presidential Drawdown Authority does not clearly define at what point in the delivery process defense articles should be recorded as delivered or provide clear instructions for how DoD service branches are to confirm delivery. As a result, DoD officials sometimes record defense articles as delivered while they are in transit, weeks before they arrive in Ukraine. Additionally, the DoD has not used its data systems to track the delivery of some defense articles provided under the Ukraine Security Assistance Initiative. DoD officials use these data to ensure that defense articles have been delivered, to request funding for replacement of certain Presidential Drawdown Authority articles, and as a baseline for conducting end-use monitoring. By taking steps to ensure the accuracy and completeness of its data, the DoD will better ensure that it has the quality data needed to inform strategic decisions.

(U) The DoD has a program to monitor the end-use of all defense articles provided to Ukraine but has had to alter some traditional end-use monitoring procedures in response to the ongoing conflict. For instance, the DoD has been unable to directly observe some sensitive defense articles and has allowed Ukrainian officials to self-report the status of such articles. However, the DoD has not formally assessed the effectiveness of its modified approach. By conducting such an assessment, the DoD will better understand whether its adjusted monitoring approach ensures that defense articles are used for the purposes for which they were provided and will have the feedback needed to inform additional policy changes.

(U) GAO-23-105856, "Northern Triangle: DoD and State Need Improved Policies to Address Equipment Misuse," November 2, 2022

(U) Within the Northern Triangle countries of El Salvador, Guatemala, and Honduras, the DoD and DoS reviewed multiple allegations of misuse of DoD-provided equipment in Guatemala. From August 2018 to October 2021, DoD-provided Jeeps were allegedly misused on multiple occasions for purposes outside their intended operations. In one case, the DoD determined they were deployed to intimidate U.S. Embassy officials. However, neither the DoD nor DoS recorded most of these allegations because they do not have policies outlining how to record them. As a result, the agencies could not identify potential trends in alleged misuse. Furthermore, the DoD does not have policies to investigate alleged misuse for equipment provided under certain authorities and may not be addressing allegations of misuse effectively.

(U) In addition, the DoD did not complete required EUM. The GAO found that the DoD did not maintain accurate data on which equipment is subject to enhanced EUM. As a result, the DoD did not complete all required enhanced EUM of sensitive equipment. Without accurate data about the equipment and type of required EUM, the DoD cannot account for the equipment it provided.

(U) Finally, DoD officials told the GAO that the Golden Sentry program is not designed to verify how recipients use equipment. Instead, according to DoD officials, the program is designed to verify whether the recipient has maintained custody of the equipment and implemented any required physical security protections. DoD officials said they primarily rely on third-party reports to identify misuse, but officials had not considered looking into allegations in third-party reports the GAO identified. Because it has not designed its program to identify potential misuse, the DoD may lack reasonable assurance that recipients are using equipment for authorized purposes only.

(U) Appendix C

(CUI) Example of a Blank ███████████████ ████████████ Security Checklist

(CUI) SCO personnel are required to use the ███████ physical security checklist to conduct the annual physical security and accountability inspections where ████████ are stored. The ████████ checklist requirements are the same as the requirements included in the ███████████ physical security checklist. These checklists must be attached to the inventory records in the SCIP-EUM database. Below is a copy of the ███████ physical security checklist.
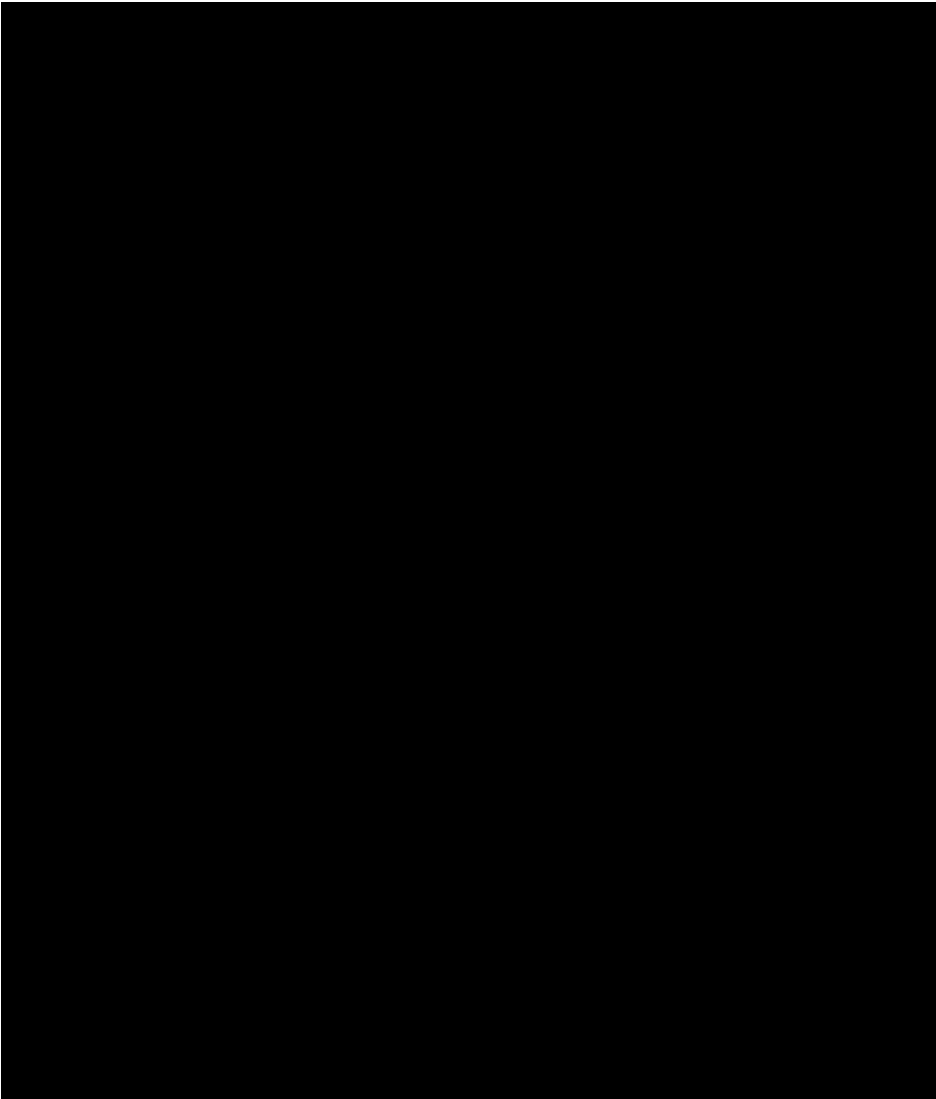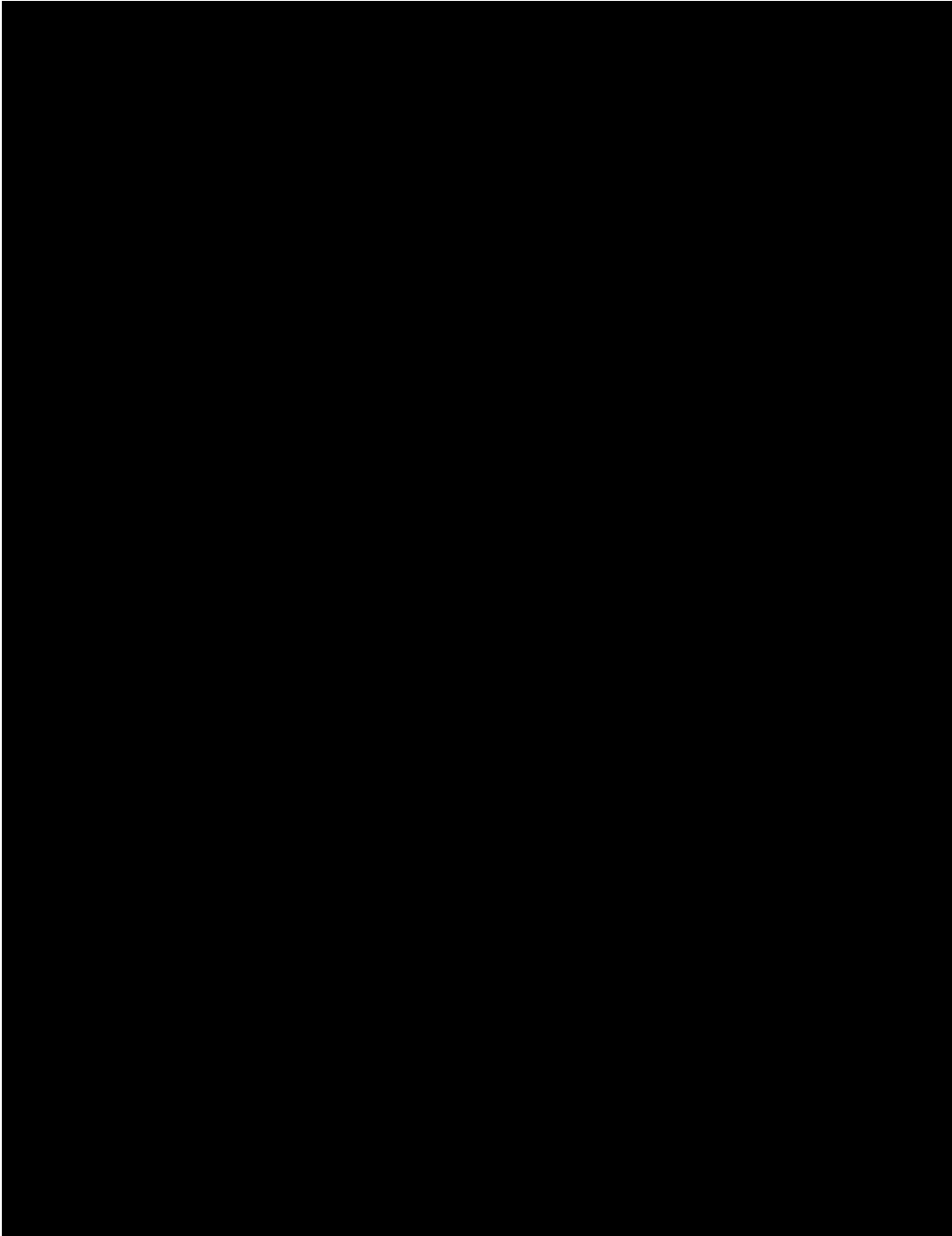
(CUI)

███

(CUI)

~~(CUI)~~ Example of a Blank ███████████████████████████ *Security Checklist (cont'd)*

~~(CUI)~~

(U) Source: The DSCA SCIP-EUM database.

~~(CUI)~~

(U) Appendix D

(CUI) Blank ███████████████ Security Checklist

(CUI) SCO personnel are required to use the ████ physical security checklist to conduct the annual physical security and accountability inspections where ████ requiring EEUM are stored. This checklist must be attached to the inventory records in the SCIP-EUM database. Below is a copy of the ████ physical security checklist.

(CUI)

(CUI)

~~(CUI)~~ Blank ▮▮▮▮▮▮▮▮▮ *Security Checklist (cont'd)*

~~(CUI)~~
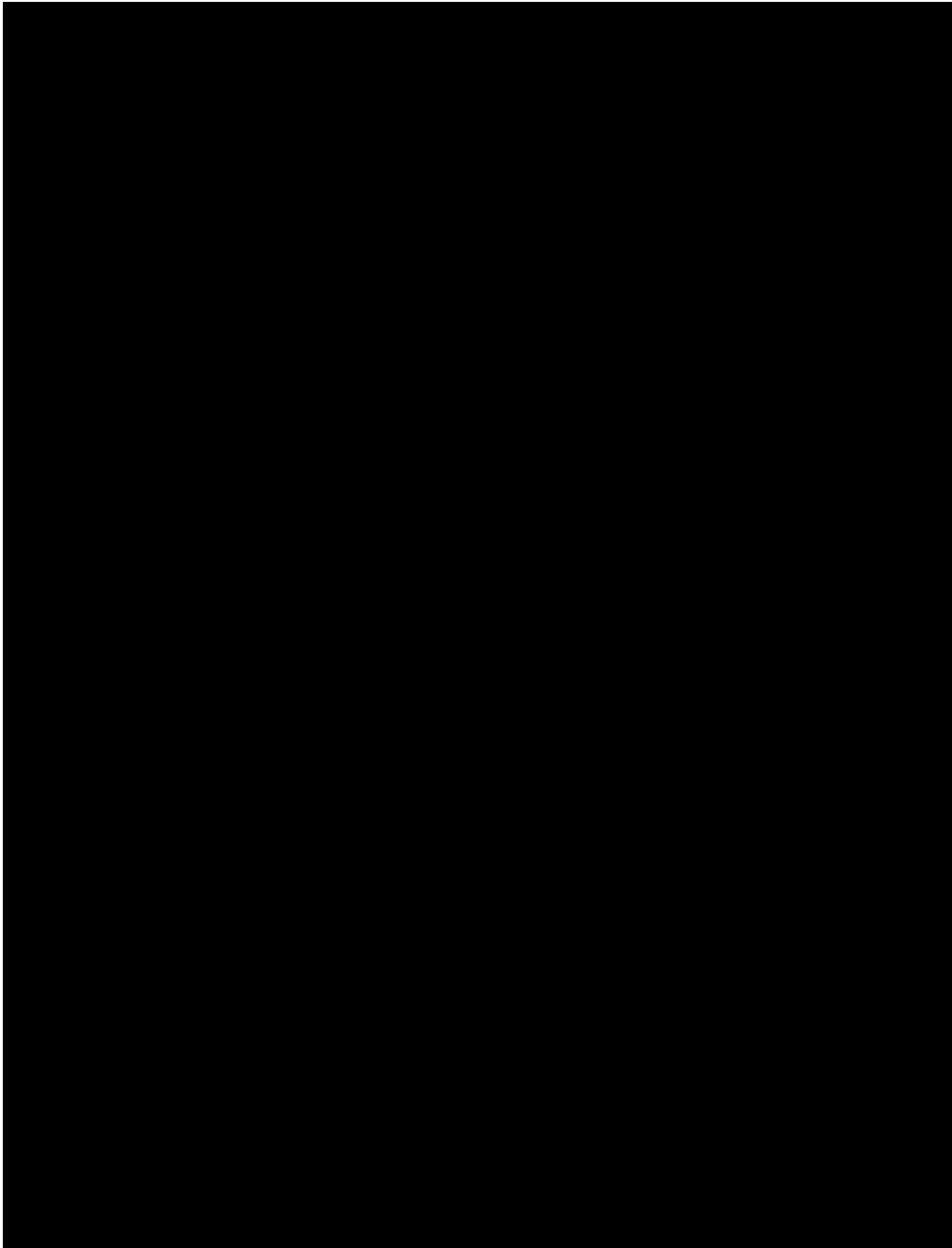
(U) Source: The DSCA SCIP-EUM database.

~~(CUI)~~

(U) Appendix E

(U) Blank Routine End-Use Monitoring Report Template

(U) SCO personnel must perform routine EUM checks quarterly and document those checks in the SCIP-EUM database. Examples of defense articles requiring routine EUM include armored combat vehicles, fixed and rotary wing aircraft, standard ammunition, and military vessels. The DSCA developed a routine EUM report located in the SCIP-EUM database to assist SCOs in documenting quarterly routine EUM checks. Below is a template copy of the routine EUM report.
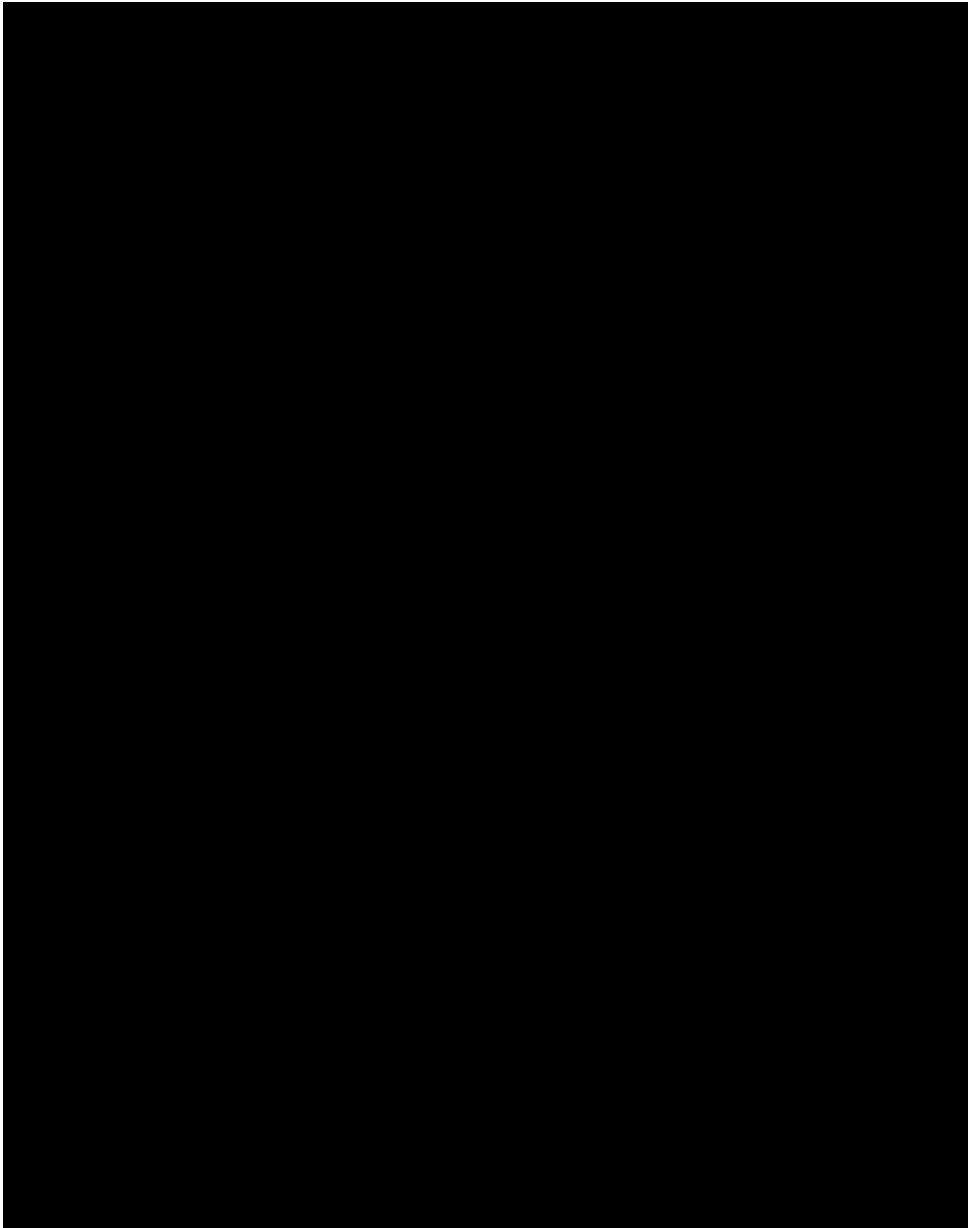
(CUI)

(CUI)
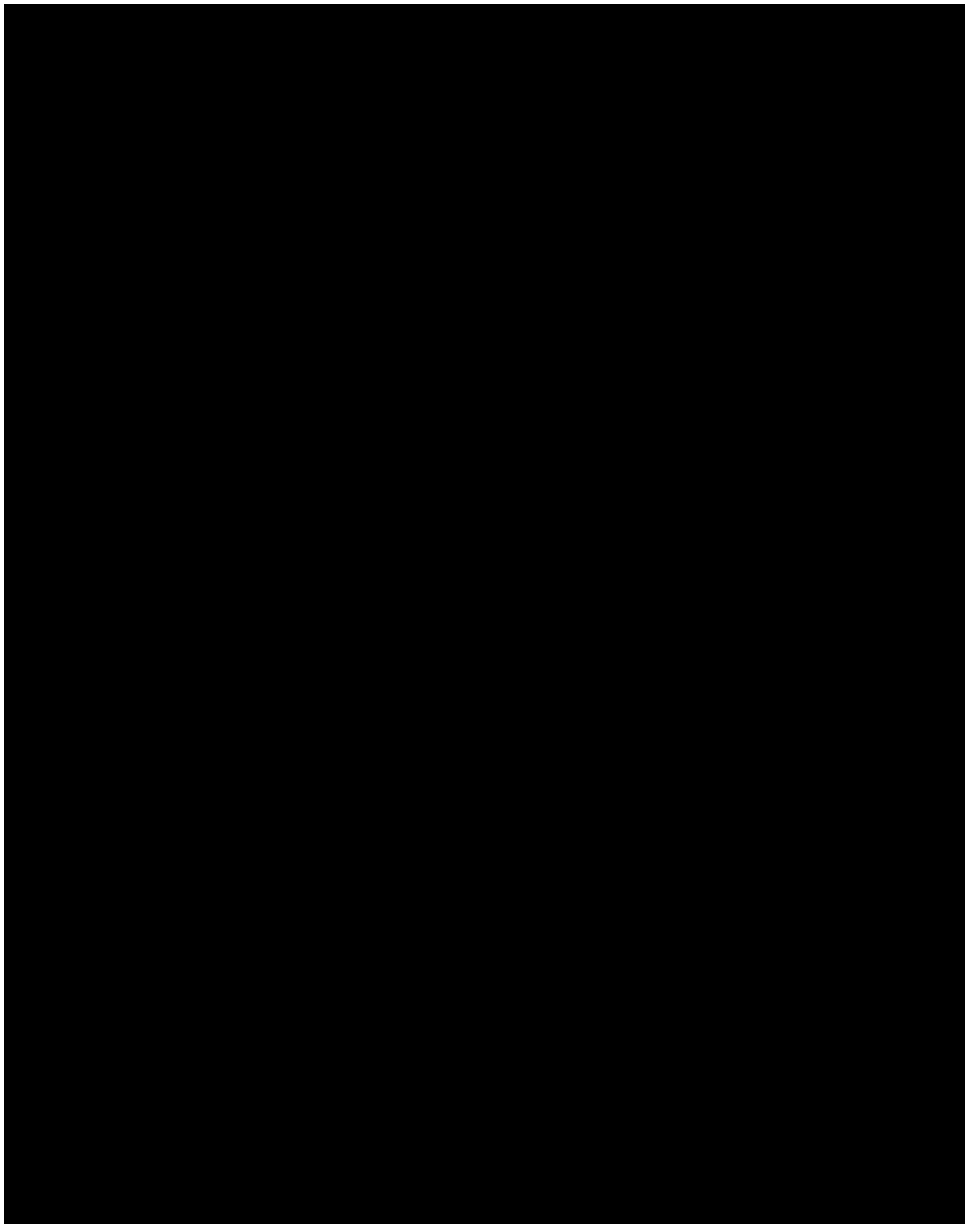
*(U) Blank Routine End-Use Monitoring Report Template (cont'd)*

(U) Source: The DSCA SCIP-EUM database.

(U) Appendix F

(U) Other Matters of Interest

(CUI) During our audit, we found that routine EUM-designated articles identified by SCOs at partner nations were not part of the DoD's Golden Sentry program. Specifically, routine defense articles are not tracked by serial number; therefore, routine EUM checks only require the SCO to identify the type or description of the defense article observed. For example, during a site visit to Colombia, SCO personnel identified a ▆▆▆▆▆▆▆ as a routine EUM-designated defense article under the DoD's Golden Sentry EUM program. After further inquiries with the Colombia SCO, we found that, although ▆▆▆▆▆▆▆ was listed within Colombia's routine EUM article inventory, this specific ▆▆▆▆ was not a routine EUM-designated defense article under the DoD's Golden Sentry EUM program, but instead it was under the Department of State's Blue Lantern program.[30] Because the SCIP-EUM database does not list routine EUM-designated defense articles with specific identifying information, such as serial numbers, SCOs could inadvertently complete routine EUM checks on defense articles outside of the DoD's Golden Sentry EUM program. Figure 2 shows the ▆▆▆▆▆▆▆ that the audit team observed in Colombia but later determined was not part of the DoD's Golden Sentry EUM program.
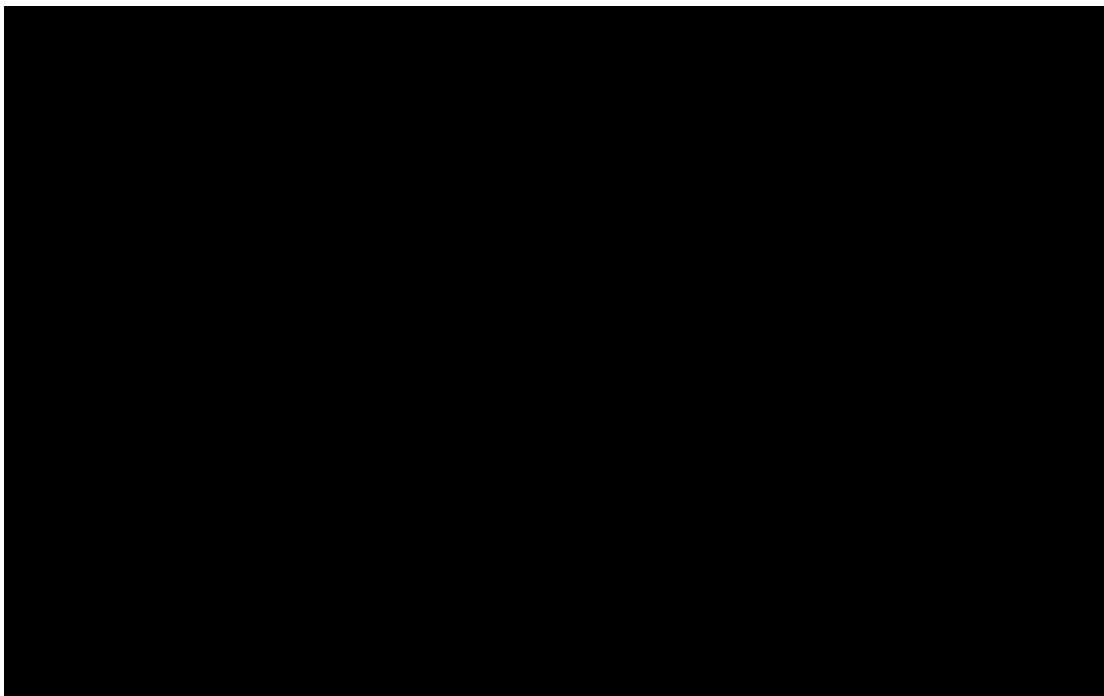
(CUI) Figure 2. The ▆▆▆▆ Observed Onsite by the Audit Team in Colombia
(U) Source: The DoD OIG.

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[30] (U) The Blue Lantern program, which is the Department of State's EUM program, ensures EUM compliance of direct commercial sales of defense articles, defense services, and related export data. Blue Lantern conducts pre-license, post-license, and post-shipment checks of defense articles and services transferred from the U.S. Government through direct commercial sales.

(CUI) In addition, during a site visit in Chile, we observed one ████████████████ that, according to the Chile SCO, was a routine EUM-designated defense article. However, due to missing serial numbers and unique identifying information, we were unable to link the ██████████████ onsite with the routine EUM articles listed for Chile in the SCIP-EUM database. Therefore, we could not confirm whether this ██████████████ was part of the routine defense articles transferred to Chile under the DoD's Golden Sentry EUM program.

(U) This occurred because the DSCA did not establish comprehensive policies and procedures to guide SCOs when conducting the required quarterly routine EUM checks. The SAMM requires SCOs to conduct quarterly routine EUM checks using the routine EUM report and to document the checks in the SCIP-EUM database. However, the DSCA did not include guidance in the SAMM, routine EUM report, or SCIP-EUM database for SCO personnel to identify and differentiate routine EUM articles provided through the Golden Sentry program from similar defense articles provided through the Department of State's Blue Lantern program or transferred from another nation. Therefore, the lack of sufficient guidance could cause SCOs to inadvertently complete routine EUM checks on defense articles outside of the DoD's Golden EUM Sentry program.

(U) Without comprehensive policies and procedures to guide SCOs to correctly identify routine EUM-designated defense articles as part of the Golden Sentry EUM program, the SCOs cannot adequately verify whether partner nations comply with applicable agreements. We suggest that the DSCA Director develop and provide guidance that enables SCO personnel to properly determine whether routine EUM-designated defense articles found in partner nations are part of the DoD's Golden Sentry EUM program. In addition, we suggest that the DSCA Director require SCO personnel to annotate in the routine EUM report how it was confirmed that the routine EUM-designated defense articles reviewed were part of the DoD's Golden Sentry EUM program.

(U) Management Comments

(U) Defense Security Cooperation Agency

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

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: (U) Audit of End-Use Monitoring of Defense Articles Transferred to U.S. Southern Command Partner Nations (Project No. D2022-D000RG-0156.000)

(U) The following provides DSCA response to the recommendation found in DoDIG Project No. D2022-D000RG-0156.000.

[CUI] (U) **DoDIG Recommendation (1)**. "We recommend that the DSCA Director update the current EEUM physical security checklists for the ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ to ensure those checklists are clear and consistent with Golden Sentry EUM policies and procedures. We also recommend that the DSCA Director update the current EEUM checklist policy guidance and procedures to include detailed guidance on how SCO personnel, when conducting physical security inspections, should verify each of the requirements from the physical security checklists for ▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ that are not currently listed and explained."

    a. (U) Add a statement requiring Security Cooperation Organization personnel to use the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" when completing annual enhanced inventories and physical security inspections.

    b. (CUI) Update the current ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮ security checklists to prevent checklist requirement misinterpretations, including revisions to:

- (CUI) the container section so that the checklists contain the two distinct requirements to determine whether ▮▮▮▮▮ are stored in their original containers and whether ▮▮▮ containers are banded or sealed.
- (CUI) the magazine section so that the section has three distinct requirements to determine whether ▮▮▮▮ storage facilities are constructed with reinforced concrete; are arch-type structures; and are earth-covered.
- (U) the current inventory requirement "Conducted IAW the LOA," listed in the accountability procedures section, by adding clarifying language to clearly state that Security Cooperation Organization personnel must assess whether the partner nation is meeting the inventory requirements included in the corresponding Letter of Offer and Acceptance; and
- (CUI) the current inventory records checklist requirement "Inventory records maintained for 1 year," listed in the accountability procedures section, by adding explicit language to clearly require Security Cooperation Organization personnel to determine whether the inventory

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(U) Defense Security Cooperation Agency (cont'd)

records are being maintained by the partner nation storing ██████ as specified in the corresponding Letter of Offer and Acceptance.

    c. (U) Add language to indicate the requirement that Security Cooperation Organization personnel must complete separate enhanced End-Use Monitoring checklists for each enhanced End-Use Monitoring storage facility.

    d. (U) Add a statement requiring Security Cooperation Organization personnel to annotate explanations in the "comments" column of the checklists for each requirement that the Security Cooperation Organization personnel determine does not meet standards or is not applicable.

~~[CUI]~~ (U) **DSCA Response to Recommendation (1)**: Concur: DSCA will add a statement and update the existing EUM physical security checklists for the ████████████████████ ████████████████████████████. This update will require SCOs to use the standardized "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" found in the SCIP-EUM database, thereby ensuring consistency and compliance with established procedures. Pursuant to established responsibilities, the development of EUM checklists for specific defense articles falls under the purview of the Military Departments (MilDeps), as outlined in the SAMM (C8.T2). Nevertheless, DSCA will engage in collaborative efforts with the MilDeps to solicit a review of the ████████████████████████████████████ security checklist requirements, to assess the feasibility of adding clarification within the "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists."

(U) **DoDIG Recommendation (2)** We recommend that the Director of the Defense Security Cooperation Agency update the current "Policy Guidance and Procedures Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" to:

    a. ~~(CUI)~~ Include detailed guidance on how Security Cooperation Organization personnel, when conducting physical security inspections, should verify each of the requirements in the ██████████████████████████████████ ████████████████████ physical security checklists that are not currently listed and explained. These updates should include guidance for all requirements not addressed in the current guidance, including how to assess whether:

        • ~~(CUI)~~ exterior doors at facilities storing ██████ are made of Class V steel;
        • (U) access rosters of authorized personnel with access to the enhanced End-Use Monitoring storage facilities existed and met standards; and
        • ~~(CUI)~~ partner nation personnel completed required 100-percent quarterly inventories of ██████████ by serial number.

    b. (U) Add requirements for Security Cooperation Organization personnel to annotate explanations in the "comment" column of the checklists for each requirement that the Security Cooperation Organization personnel determined did not meet standards or was not applicable.

    c. (U) Add requirements for Security Cooperation Organization personnel to have a printed or digital copy of the "Policy Guidance and Procedures

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(U) Defense Security Cooperation Agency (cont'd)

Golden Sentry Enhanced End-Use Monitoring (EEUM) Checklists" available for reference during physical security inspections.

d. (CUI) Include details on how Security Cooperation Organization personnel can find the ███████████ serial numbers for ████████████ ███████████ in the Security Cooperation Information Portal End-Use Monitoring database.

(U) **DSCA Response to Recommendation (2)**: Concur: DSCA will engage in collaborative efforts with the Military Departments to assess the feasibility of adding clarification and instructions within the physical security checklist, "Policy Guidance and Procedures for Security Cooperation Organization personnel.

(U) **DoDIG Recommendation (3)** We recommend that the Director of the Defense Security Cooperation Agency update the Security Assistance Management Manual, chapter 8, "End-Use Monitoring," to:

a. (U) Include requirements for the combatant commands to develop alternate procedures for Security Cooperation Organization personnel to:

(U) conduct or obtain annual enhanced inventories, physical security inspections, and quarterly routine End-Use Monitoring checks during pandemics, natural disasters, and extended travel restrictions.

b. (U) Include additional requirements for the combatant command quarterly reviews of the Security Cooperation Information Portal End-Use Monitoring database. These additional requirements should direct the Combatant Command Golden Sentry primary point of contact to verify and ensure:

- (U) Security Cooperation Organization personnel completed the routine End-Use Monitoring check reports and uploaded enhanced End-Use Monitoring physical security checklists in the Security Cooperation Information Portal End-Use Monitoring database.
- (U) Security Cooperation Organization personnel properly address End-Use Monitoring deficiencies identified from the physical security inspections.
- (U) quarterly reviews are documented, including delinquent routine End-Use Monitoring checks, delinquent enhanced End-Use Monitoring annual inventories, and other identified End-Use Monitoring deficiencies; and
- (U) combatant command quarterly reviews records are maintained to ensure a sufficient audit trail exists to support the oversight provided.

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(U) Defense Security Cooperation Agency (cont'd)

**Final
Report Reference**

(U) **DSCA Response to Recommendation (3)** Non-concur: The Security Assistance Management Manual (SAMM) serves as a general policy guidance document and should not be relied upon as a means to address speculative or hypothetical scenarios. Any alternative CCMD procedures or contingency measures should be developed and implemented by the CCMD, as they are best positioned to assess and respond to unique regional circumstances. As stipulated in the Security Assistance Management Manual (SAMM) C8.T2, a quarterly review of both Enhanced and Routine End-Use Monitoring (EUM) checks is already mandated. Furthermore, the EUM dashboard provided to the Combatant Commands (CCMDs) currently includes critical information, such as the inclusion of physical security checklists, delinquent EUM checks for both routine and enhanced monitoring, and other pertinent SCIP records. However, it is the responsibility of the CCMDs to establish and maintain their own audit trail as the dashboard will show current compliance.

(U) **DoDIG Recommendation 4:** We recommend that the Director of the Defense Security Cooperation Agency require the Defense Security Cooperation Agency U.S. Southern Command End-Use Monitoring Program Manager to schedule a compliance assessment visit in Brazil, Chile, and Colombia within 1 year of the publication of this report.

(U) **DSCA Response to Recommendation (4):** Concur: Golden Sentry Compliance Assessment Visits are currently planned for Brazil, Chile, and Colombia in FY26.

Please direct any questions or comments regarding this response to my primary action officers for this matter: █████████, SOUTHCOM Golden Sentry Program Manager, at ███████████████ or ████████, or ██████████, Audit Liaison Officer, at ██████████.

LUMPKINS.GEORGE. ADRIAN.
George A. Lumpkins
Division Chief
DSCA/IOPS/GEX

As stated in the report in "Our Response" for Recommendation 3.a, we updated our final report as a result of this management comment.

The updated information is on report page 33.

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(U) USSOUTHCOM

DEPARTMENT OF DEFENSE
UNITED STATES SOUTHERN COMMAND
9301 NW 33RD STREET
DORAL, FL 33172-1202

SCJ5   19 November 2024

MEMORANDUM THRU United States Southern Command Inspector General (SCIG), Doral, FL 33172

FOR Office of the Department of Defense Inspector General, 4800 Mark Center Drive, Alexandria, VA 22350-1500

[U] SUBJECT: Command Response to the DoD IG Project No. D2022-D000RG-0156.000
1. Reference: Draft Report - Audit of End-Use Monitoring of Defense Articles Transferred to U.S. Southern Command Partner Nations (Project No. D2022-D000RG-0156.000)

[U] 2. Purpose: Provide the command response to the DoD IG recommendations 5.a, 5.b, 5.c of the subject report refenced above. This memorandum includes the DoD IG recommendations followed by the command response for each recommendation.

[U] 3. Recommendation 5.a

    a. (U) Update the U.S. Southern Command (SOUTHCOM) End-Use Monitoring Program Standard Operating Procedure memorandum to include:

          • (U) Alternate procedures for Security Cooperation Organization personnel on how to execute required annual enhanced End-Use Monitoring inventories, physical security inspections, and quarterly routine End-Use Monitoring checks based on in country or regional limitations due to pandemics, natural disasters, and extended travel restrictions, based on Recommendation 3.a.; and

          • (U) Guidance outlining specific procedures for how the SOUTHCOM Golden Sentry primary point of contact will conduct, document, and maintain records of the quarterly Security Cooperation Information Portal End-Use Monitoring database reviews in the SOUTHCOM Area of Responsibility, based on Recommendation 3.b.

[U] b.   Command Response: CONCUR.

[U] c.   Discussion: Once DSCA updates chapter 8, "End-Use Monitoring," of the Security Assistance Management Manual, with the requirements outlined in Recommendation 3.a., SOUTHCOM will update the SOUTHCOM EUM SOP to include alternate procedures for SCO personnel on how to execute required annual enhanced End-Use Monitoring inventories, physical security inspections, and quarterly routine End-Use Monitoring checks based on in country or regional limitations due to pandemics, natural disasters, and extended travel restrictions.

    [U] Once DSCA updates chapter 8, "End-Use Monitoring," of the Security Assistance Management Manual, with the requirements outlined in Recommendation 3.b., SOUTHCOM will update the SOUTHCOM EUM SOP with guidance outlining specific procedures for how the SOUTHCOM Golden Sentry primary point of contact will conduct, document, and maintain

(U) USSOUTHCOM (cont'd)

SUBJECT: Command Response to the DoD IG Project No. D2022-D000RG-0156.000

[U] records of the quarterly Security Cooperation Information Portal End-Use Monitoring database reviews in the SOUTHCOM Area of Responsibility. The updated EUM SOP will incorporate compliance checks of SCOs conducted by the SOUTHCOM EUM Manager.

[U] In the meantime, we are requiring the SOUTHCOM and SCO EUM points of contact to conduct monthly compliance meetings to ensure SCOs are completing mandatory EEUM and Routine EUM inventories and checks and documenting them in the Security Cooperation Information Portal End-Use Monitoring database. SOUTHCOM has started updating our EUM SOP to include both points of recommendation 5. a. and will ensure our EUM SOP incorporate the DSCA updates to chapter 8, of the Security Assistance Management Manual when they are published.

[U] 4. Recommendation 5.b

    a.   ~~(CUI)~~ Issue a policy memorandum, as required by the Security Assistance Management Manual, chapter 8, to the Colombia Security Cooperation Organization and other SOUTHCOM partner nation Security Cooperation Organizations to indicate which facilities storing transferred ███████████ or other enhanced End-Use Monitoring designated defense articles do not require physical security inspections and a 100-percent visual annual enhanced inventory due to safety concerns or other reasons.

    [U] b.   Command Response: CONCUR.

~~[CUI]~~ c.   Discussion. SOUTHCOM will issue a Policy Memorandum as per chapter 8, of the Security Assistance Management Manual to SCO Colombia, and other SOUTHCOM SCOs that lists each facility by country, location, and name that store transferred ███████████ or other enhanced End-Use Monitoring designated defense articles that do not require physical security inspections and a 100-percent visual annual enhanced inventory due to safety concerns or other reasons. The policy memorandum issued for Recommendation 5. b. will include language that if a location is not listed in the policy memorandum, it must be inspected.

[U] 5. Recommendation 5.c

    a.   ~~(CUI)~~ Require Colombia Security Cooperation Organization personnel, and other U.S. Southern Command partner nation Security Cooperation Organizations, to annually conduct physical security inspections and visually inventory 100 percent of ███████████ or other enhanced End-Use Monitoring designated defense articles transferred to enhanced storage facilities that Security Cooperation Organization personnel have not inspected and were not exempted by the policy memorandum, based on Recommendation 5.b.

    [U] b.   Command Response: CONCUR.

~~[CUI]~~ c.   Discussion. The updated SOUTHCOM EUM SOP will specify the requirement for SCO Colombia and other SOUTHCOM SCOs as per chapter 8, of the Security Assistance Management Manual to annually conduct physical security inspections and visually inventory 100 percent of ███████████ or other enhanced End-Use Monitoring designated defense articles transferred to enhanced storage facilities that Security Cooperation Organization personnel have not inspected and were not exempted by the SOUTHCOM policy memorandum issued for Recommendation 5. b. The updated EUM SOP will incorporate compliance checks conducted by the SOUTHCOM EUM Manager to ensure SCOs are complying.

(U) USSOUTHCOM (cont'd)

SUBJECT: Command Response to the DoD IG Project No. D2022-D000RG-0156.000

5. My POC for this memo is ▮▮▮▮▮▮▮▮▮▮ at ▮▮▮▮▮▮▮▮▮▮▮▮▮▮.

HUGHES.THOM ▮▮▮▮▮▮▮
AS.J.▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮

Thomas J. Hughes, SES, CEM, MEP
SES-1, Department of the Army Civilian
Deputy Director, Strategy, Policy, & Plans

(U) U.S. Air Force

~~CUI~~

DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

OFFICE OF THE UNDER SECRETARY

25 Nov 24

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

[U] SUBJECT: Department of the Air Force Response to DoD Office of Inspector General Draft Report, "Audit of End-Use Monitoring of Defense Articles Transferred to U.S. Southern Command Partner Nations" (Project No. D2022-D000RG-0156.000)

[U] This is the Department of the Air Force (DAF) Response to DoD Office of Inspector General Draft Report, *Audit of End-Use Monitoring of Defense Articles Transferred to U.S. Southern Command Partner Nations* (Project No. D2022-D000RG-0156.000). The DAF concurs with the report as written and welcomes the opportunity to address the recommendations.

[U] The Deputy Under Secretary of the Air Force for International Affairs (SAF/IA), in coordination with the Air Force Life Cycle Management Center (AFLCMC) Program Office, will correct issues identified in this report, and develop and implement a corrective action plan outlined in the following recommendations:

    a. ~~(CUI)~~ **Recommendation 6.a**. The DODIG recommends that the Deputy Under Secretary of the Air Force for International Affairs Office (SAF/IA), in coordination with the Director of the Defense Security Cooperation Agency (DSCA), conduct and complete site certifications at the two ▓▓▓▓▓▓▓▓ ▓▓▓▓▓▓▓▓▓▓▓▓ storage facilities in Chile.

    ~~(CUI)~~ **DAF Response**. SAF/IA concurs with the recommendation. SAF/IA, in coordination with AFLCMC, will conduct and complete site certifications at the two ▓▓▓▓▓▓▓▓▓▓▓▓ storage facilities in Chile. AFLCMC is coordinating with the Security Assistance Program Manager (SAPM) for Chile to conduct site certifications at the two ▓▓▓▓▓ storage facilities in Chile not later than March 2025. (**ECD**: 31 Mar 2025)

~~CUI~~

(U) U.S. Air Force (cont'd)

[U] b. **Recommendation 6.b**. The DODIG recommends that SAF/IA, in coordination with the DSCA, upload these site certifications to the site certification repository within the Security Cooperation Information Portal End-Use Monitoring database.

[U] **DAF Response**. SAF/IA concurs with the recommendation. SAF/IA, in coordination with AFLCMC, will upload the site certifications to the site certification repository within the Security Cooperation Information Portal End-Use Monitoring database not later than April 2025. (**ECD**: 30 Apr 2025)

My point of contact is ███████, SAF/IAPX at ██████████ or ████████████.

RUEHL.STEVE
N.A.███████████

STEVEN A. RUEHL, SR., SES, DAF
Director of Policy, Programs and Strategy
Deputy Under Secretary of the Air Force
  International Affairs

Attachment:
IG Form 5200.01-2 Request for Security Markings Review

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(U) Acronyms and Abbreviations

(CUI) ███████   ████████████████████████

(U) AOR   Area of Responsibility

(U) CAV   Compliance Assessment Visit

(U) DSCA   Defense Security Cooperation Agency

(U) EEUM   Enhanced End-Use Monitoring

(U) EUM   End-Use Monitoring

(CUI) ████   █████████████

(U) LOA   Letter of Offer and Acceptance

(U) MILDEP   Military Department

(CUI) ████   ███████████

(U) POC   Point of Contact

(U) QMD   Quantitative Methods Division

(U) SAMM   Security Assistance Management Manual

(U) SCIP   Security Cooperation Information Portal

(U) SCO   Security Cooperation Organization

(U) SOP   Standard Operating Procedure

(U) USSOUTHCOM   U.S. Southern Command

(U) VCA   Virtual Compliance Assessment

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

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DoD Hotline
www.dodig.mil/hotline

DEPARTMENT OF DEFENSE | OFFICE OF INSPECTOR GENERAL

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