Report No. DOWIG-2027-002

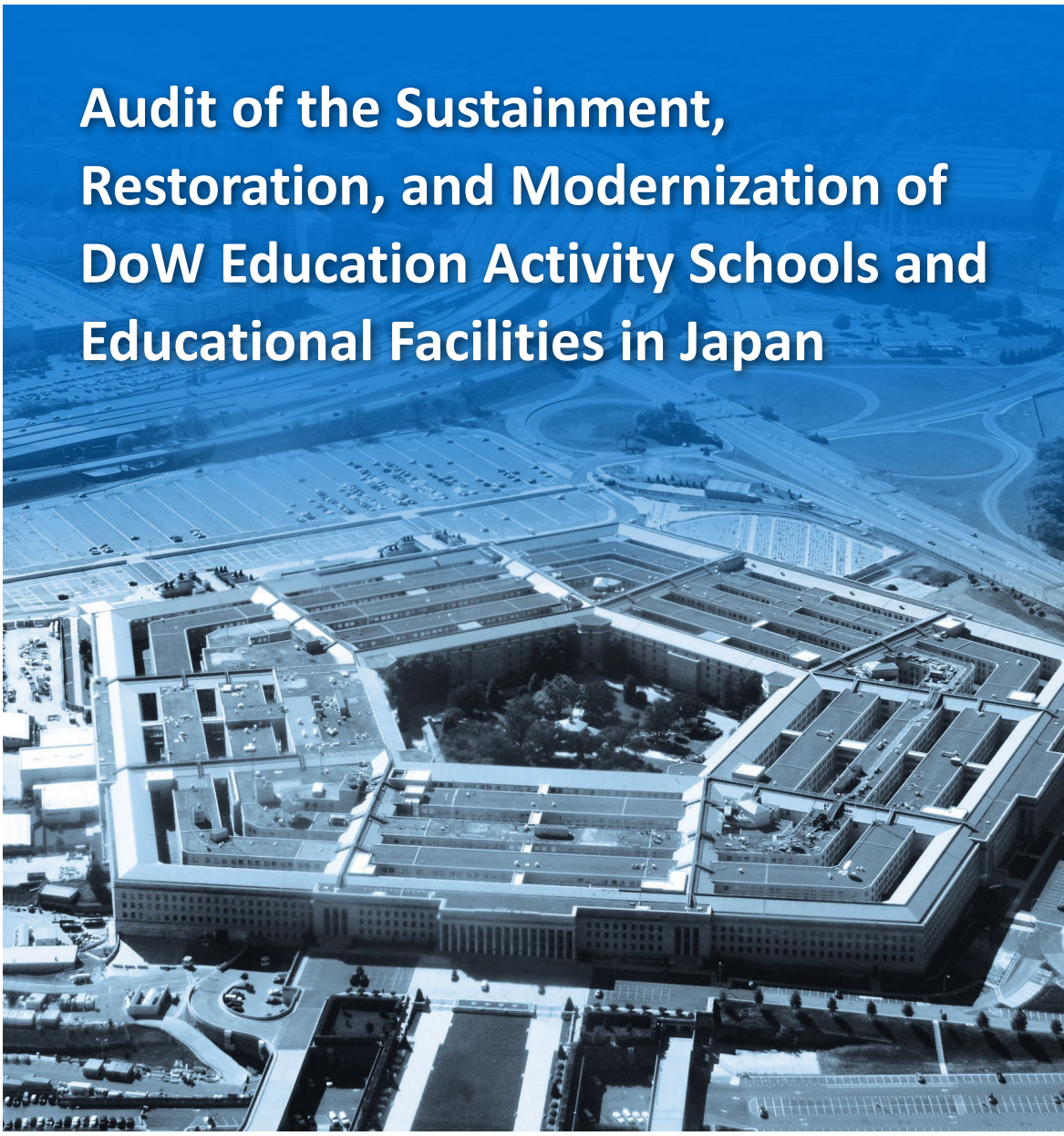
INSPECTOR GENERAL

U.S. Department of War

OCTOBER 7, 2026



Audit of the Sustainment, Restoration, and Modernization of DoW Education Activity Schools and Educational Facilities in Japan



INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY



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Results in Brief

Audit of the Sustainment, Restoration, and Modernization of DoW Education Activity Schools and Educational Facilities in Japan

October 7, 2026

Objective

The objective of this audit was to assess the Department of War Education Activity's (DoWEA) effectiveness in maintaining DoW dependent schools and educational facilities in Japan, including administering building assessments, planning and budgeting for maintenance, and completing scheduled maintenance and repairs.

Background

DoWEA is responsible for planning, directing, coordinating, and managing pre-kindergarten through 12th grade educational programs for the DoW. DoWEA operates 161 accredited schools in 9 districts located in 11 foreign countries, 7 states, Guam, and Puerto Rico. DoWEA serves 70,000 children of active duty military and DoW civilian families in three geographic regions—the Americas, Europe, and the Pacific. DoWEA operates as a DoW field activity of the Office of the Under Secretary of War for Personnel and Readiness.

Finding

Although DoWEA routinely assessed the condition of its facilities in FYs 2021 and 2024, DoWEA facility management personnel did not effectively plan, budget, or complete scheduled maintenance and repairs for 39 facilities across 11 DoW dependent schools in the Pacific East Region of Japan. Specifically, DoWEA facility management personnel did not:

- execute 24 (33 percent) projects, valued at $11.2 million, of 72 projects for scheduled maintenance and repairs, valued at $24.1 million;

Finding (cont'd)

- maintain 13 (33 percent) of 39 facilities with failing condition ratings; or
- resolve 520 recurring work items at 31 of 39 facilities, valued at $176.2 million.

This occurred because DoWEA facility management personnel used an annual list of all repair and sustainment projects as their Sustainment, Restoration, and Modernization work plan that covered 1 to 2 years of project execution rather than incorporating the use of a web-based software application to plan, budget, manage, and conduct maintenance and repairs.

As a result, DoW dependent school conditions worsened, repair cost estimates increased by $72.4 million, and potential health and safety risks existed for students and staff.

Recommendations

We recommended that the DoWEA Director: (1) develop long-term plans to prepare for facility requirements beyond the Integrated Priority List period (the period of time needed to complete all repair, sustainment, restoration, and modernization projects on the priority list); and (2) require DoWEA facility management personnel to maximize the use of the BUILDER Sustainment Management System to plan, budget, manage, and conduct facility maintenance and repairs.

Management Comments and Our Response

The DoWEA Director agreed with one recommendation and partially agreed with one recommendation. The DoWEA Director's planned actions would address the intent of both recommendations. Therefore, they are resolved but will remain open. We will close the recommendations when we verify that management has implemented corrective actions. Please see the Recommendations Table on the next page for the status of the recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Director, Department of War Education Activity	None	1.a, 1.b	None

Please provide Management Comments by November 6, 2026.

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

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

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

October 7, 2026

MEMORANDUM FOR UNDER SECRETARY OF WAR FOR PERSONNEL AND READINESS
DIRECTOR, DEPARTMENT OF WAR EDUCATION ACTIVITY
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: Audit of the Sustainment, Restoration, and Modernization of DoW Education Activity Schools and Educational Facilities in Japan (Report No. DOWIG-2027-002)

This final report provides the results of the DoW 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.

The Director, Department of War Education Activity, agreed to address all 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. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to either [redacted] if unclassified or to [redacted] if classified SECRET.

If you have any questions, please contact me at [redacted].

Carmen J. Malone
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

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Introduction

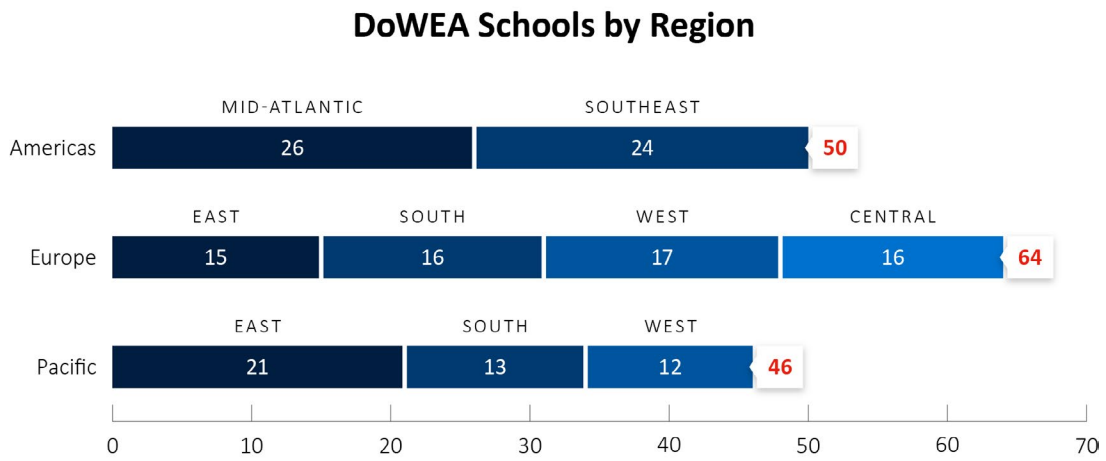
Objective

The objective of this audit was to assess the Department of War Education Activity's (DoWEA) effectiveness in maintaining DoW dependent schools and educational facilities in Japan, including administering building assessments, planning and budgeting for maintenance, and completing scheduled maintenance and repairs.[1] See the Appendix for the scope, methodology, and prior coverage related to the objective.

Background

DoWEA is responsible for planning, directing, coordinating, and managing pre-kindergarten through 12th grade educational programs for the DoW. DoWEA operates 161 accredited schools in 9 districts in 11 foreign countries, 7 states, Guam, and Puerto Rico, and serves 70,000 children of active-duty military and DoW civilian families. DoWEA operates as a DoW field activity of the Office of the Under Secretary of War for Personnel and Readiness and divides its schools into three geographic regions—the Americas, Europe, and the Pacific. Figure 1 shows how DoWEA divides its 160 physical school sites that report to three regional directors for the Americas, Europe, and the Pacific.

Figure 1. Number of DoWEA Dependent Schools, by Region



Note: Figure 1 excludes the DoWEA Virtual High School, which serves students across all three regions.

Source: The DoW OIG.

[1] For this report, "scheduled maintenance and repairs" refers to all actions taken to retain materiel in a serviceable condition or to restore it to serviceability, including inspection, testing, servicing, classification as to serviceability, repair, rebuilding, and reclamation.

DoWEA Facilities Division

The DoWEA Facilities Division is responsible for operations, maintenance, and repairs of existing facilities, as well as the planning, design, construction, and management of new facilities. In addition, the DoWEA Regional Facilities Division provides direction, funding, and financial management to the DoWEA Sustainment, Restoration, and Modernization (SRM) program. In coordination with each DoWEA Regional Facilities Division, the DoWEA Headquarters Facilities Division determines funding approval for SRM projects.

The DoD Financial Management Regulation describes sustainment, restoration, and modernization as follows.[2]

- Sustainment is the maintenance and repair activities necessary to keep an inventory of facilities in good working order. It includes regularly scheduled adjustments and inspections, preventive maintenance tasks, and emergency response, as well as service calls for minor repairs. It also includes major repairs or replacement of facility components.
- Restoration includes the repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes.
- Modernization includes the alteration of facilities to implement new or higher standards, accommodate new functions, or replace building components that typically last more than 50 years.

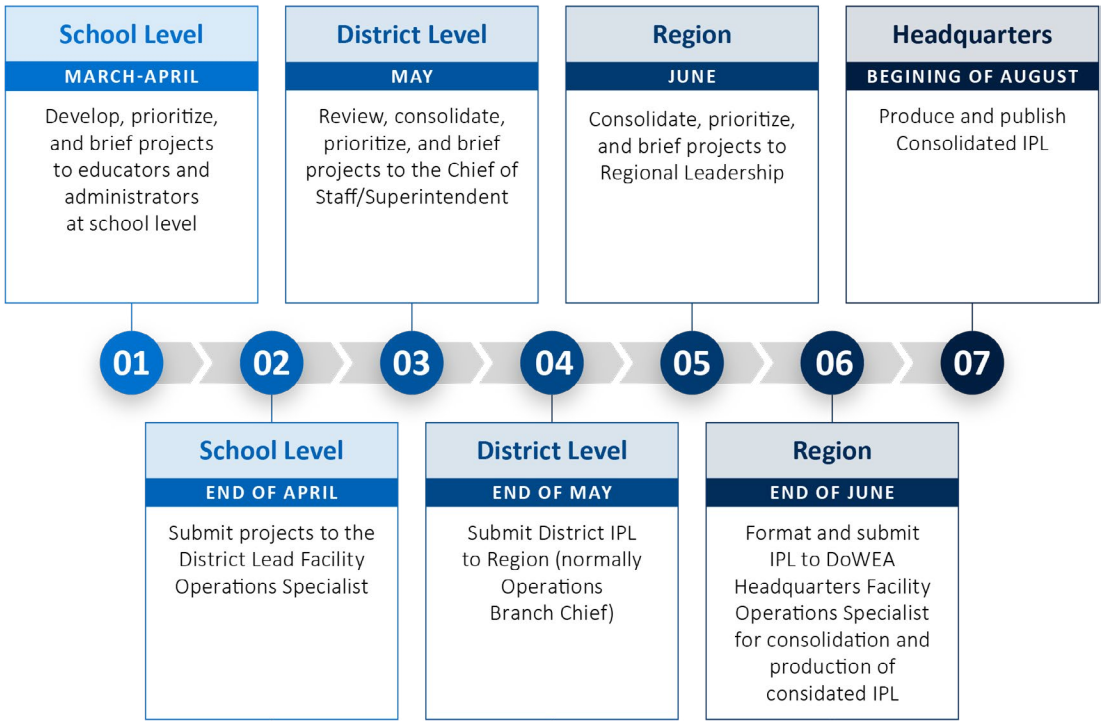
Funding for sustainment and construction primarily comes from appropriations to the DoW Dependents Education Program. Operation and maintenance funds primarily support sustainment activities to keep facilities in good working order. Both operation and maintenance funds and military construction funds finance facility restoration and modernization activities.

DoWEA Headquarters, regional offices, district offices, and schools have various responsibilities for oversight and management of the SRM program, including creating the Integrated Priority list (IPL).[3] The IPL is an accumulative list of repair, sustainment, restoration, and modernization projects that are reevaluated annually. Figure 2 shows the prioritization and approval process for projects at DoWEA District, Regional, and Headquarters levels for the IPL process.

[2] DoD Regulation 7000.14-R, "Department of Defense Financial Management Regulation," volume 2B, chapter 8, "Facilities Sustainment and Restoration/Modernization."

[3] The IPLs contain the funding requirements identified for each operation, maintenance, and military construction project.

Figure 2. Timeline for the DoWEA IPL Process



Source: The DoW OIG.

A project results from an operational requirement or a plan of repair and maintenance work necessary to produce complete and usable real property. Projects are identified by a variety of methods, such as user requirements, inspections by facility personnel, code violations, safety and security considerations, and facility condition assessments.

In addition to maintaining the IPL, DoWEA is required to adopt a common process that incorporates the Sustainment Management System (SMS) for facility condition assessments. The SMS modules include the BUILDER SMS for assessing building conditions. The BUILDER SMS module is a tool for project planning that provides a list of work items requiring repair or replacement of systems or components.

Facility Condition Assessment Process

DoWEA uses the U.S. Army Corps of Engineers to contract a third party to conduct facility condition assessments (FCAs). FCAs assign a rating to each facility component based on observed conditions, which relates to the level of deterioration. DoDEA Administrative Instruction (AI) 4300.01, "Planning, Designing, and Constructing 21st Century School Facilities," requires the DoWEA Director to ensure that the facility condition of each school is assessed every

3 years.[4] During the FCA, the contractor bases their condition ratings on facility components such as roofing; plumbing; fire protection; conveying systems (elevators and escalators); electrical systems; and heating, ventilation, and air conditioning, as well as other relevant components. The contractor assesses the facility components and updates the BUILDER SMS with facility condition observations. The BUILDER SMS calculates and assigns the facility's Facility Condition Index (FCI) rating, which provides a measure of overall facility condition and the level of deferred repair work required. The FCI is a ratio of the estimated cost of the repairs needed to correct the accumulated maintenance and repair needs against the plant replacement value of the facility. In addition, the BUILDER SMS generates work items automatically based on FCI ratings.[5] Figure 3 shows the descriptions of the FCI rating categories.

Figure 3. FCI Rating Categories (Percent)



Source: The DoW OIG.

After completion of the FCA, the contractor has 90 days to submit a Facility Condition Assessment Report (FCAR) to DoWEA for review. The FCAR includes a summary of findings for the physical condition of facilities at a particular location. In addition, the contractor periodically populates assessment and FCI data within the BUILDER SMS.

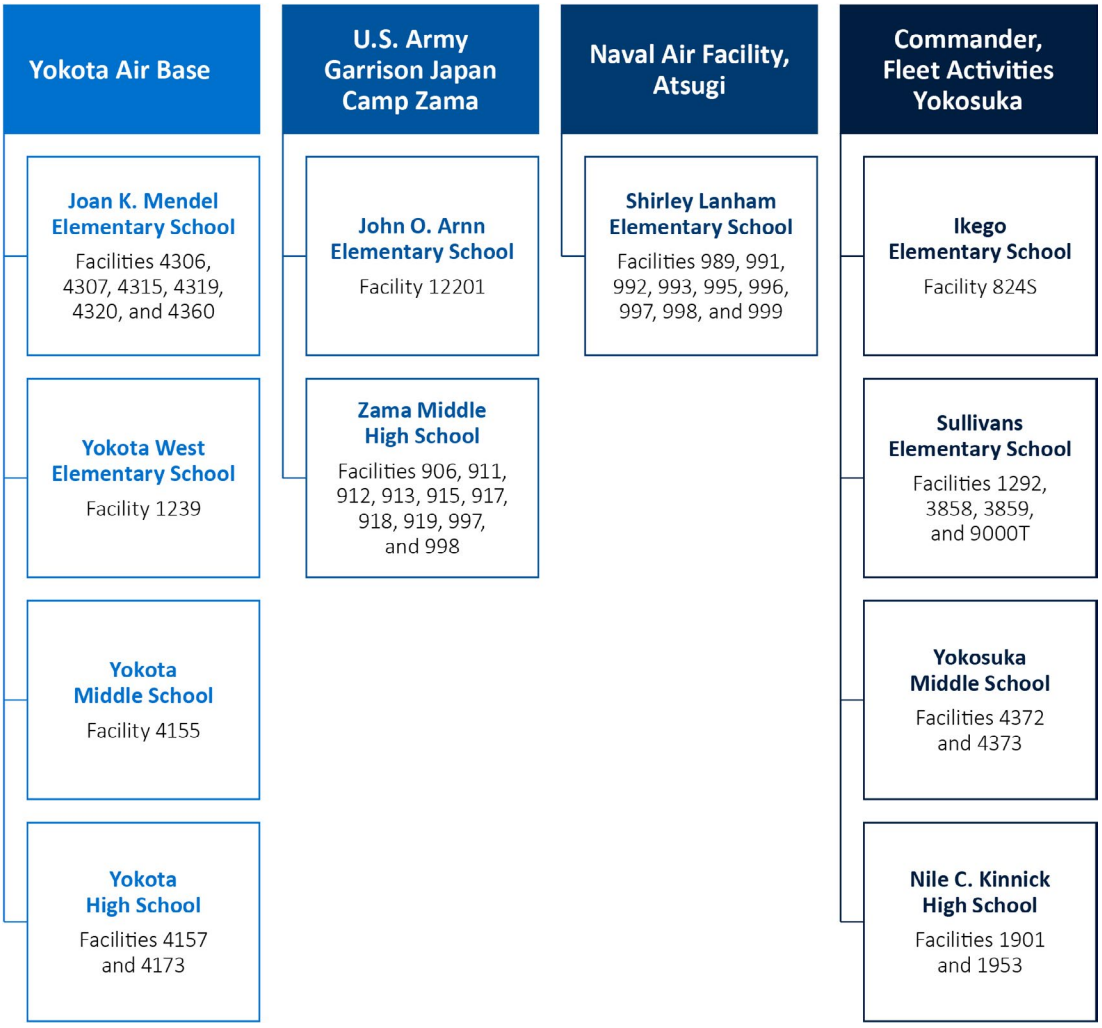
DoWEA Pacific Region Schools We Visited

We selected a nonstatistical sample of 39 facilities across 11 schools at four installations in the DoWEA Pacific East Region of Japan. See the Appendix for the universe and sample information related to the nonstatistical sample. Figure 4 shows the 39 facilities we reviewed during our site visits in October and November 2024.

[4] DoDEA Administrative Instruction (AI) 4300.01, "Planning, Designing, and Constructing 21st Century School Facilities," February 24, 2015.

[5] A work item is a discrete work activity applied to a single managed object, such as a component-section, intended to improve its life cycle performance.

Figure 4. Thirty-Nine Facilities Selected for Review, Across 11 Schools at Four Installations



Source: The DoW OIG.

Finding

DoWEA Should Improve Its Ability to Effectively Maintain DoW Dependent Schools in the Pacific East Region of Japan

Although DoWEA administered FCAs in FYs 2021 and 2024, DoWEA facility management personnel did not effectively plan, budget, or complete scheduled maintenance and repairs for 39 facilities across 11 DoW dependent schools in the Pacific East Region of Japan. Specifically, DoWEA facility management personnel did not:

- execute 24 (33 percent) of 72 projects, valued at $11.2 million, for scheduled maintenance and repairs, valued at $24.1 million;
- effectively maintain 13 (33 percent) of 39 facilities with failing condition ratings; or
- resolve 520 recurring work items at 31 of 39 facilities, valued at $176.2 million.

This occurred because DoWEA facility management personnel used a consolidated IPL as their annual SRM work plan that covered 1 to 2 years of project execution rather than using the BUILDER SMS to plan, budget, manage, and conduct maintenance and repairs. As a result, DoW dependent school conditions worsened, cost estimates increased by $72.4 million, and potential health and safety risks existed for students and staff.

DoWEA Administered Facility Condition Assessments but Did Not Effectively Manage Maintenance and Repairs

DoWEA facility management personnel routinely assessed the condition of DoWEA facilities in FYs 2021 and 2024 for all 39 facilities in our sample. DoDEA Administrative Instruction (AI) 4300.01, "Planning, Designing, and Constructing 21st Century School Facilities," requires the DoWEA Director to ensure that the facility condition of each school is assessed every 3 years.[6] DoWEA ensured the facility conditions were assessed, assigned an FCI rating, and generated FCARs based on FCA results. However, DoWEA facility management personnel did not

[6] DoDEA Administrative Instruction (AI) 4300.01, "Planning, Designing, and Constructing 21st Century School Facilities," February 24, 2015.

effectively plan, budget, or complete scheduled maintenance and repairs identified from the FCAs for 39 facilities across 11 DoW dependent schools in the Pacific East Region of Japan.

DoWEA Facility Management Personnel Did Not Execute Scheduled Maintenance and Repair Projects

DoWEA facility management personnel did not execute 24 (33 percent) projects, valued at $11.2 million, of 72 planned maintenance and repair projects in the IPL between FY 2021 and FY 2025, valued at $24.1 million. Delays in executing maintenance and repair projects risk escalating failures, increasing emergencies, raising mission downtime, and forcing in the reprioritization of projects. In FY 2022, DoWEA facility management personnel postponed eight projects planned for execution to resolve existing facility conditions, and they did not fund one project. For example, DoWEA facility management postponed a Shirley Lanham Elementary School (ES) heating, ventilation, and air conditioning replacement design, valued at $400,000, which could have negatively affected student health, education, and overall well-being. Additionally, DoWEA facility management personnel did not execute 10 projects initially planned for FY 2023. For example, DoWEA facility management personnel canceled (or did not execute) a repair or replacement of exterior staircases at Sullivans ES, valued at $750,000, which reduces the ability to ensure safe and independent movement between floors. Furthermore, a structural failure would make emergency evacuation unsafe and unreliable. In addition, DoWEA facility management personnel deferred a chiller replacement project at Nile C. Kinnick High School in FY 2024, valued at $586,000, which increased the risk of uncomfortable indoor facility temperatures in a location known for its hot and humid climate. DoWEA facility management personnel also rescheduled four projects in FY 2025. For example, DoWEA facility management personnel rescheduled a project for an elevator replacement at Yokota West ES, valued at $600,000. Timely execution of maintenance and repair projects enables DoWEA to maintain its facilities in optimal working condition.

DoWEA Facility Management Personnel Did Not Effectively Maintain Facilities

DoWEA facility management personnel did not maintain 13 (33 percent) of 39 facilities in fair condition. Specifically, DoWEA facility management personnel maintained 7 (54 percent) of 13 facilities at a poor condition rating and 6 (46 percent) of 13 facilities at a failing condition rating. DoW policy established a goal for each DoW Component to have an inventory-wide FCI of 80 or higher.[7]

[7] The Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Facility Sustainment and Recapitalization Policy," April 29, 2014.

In addition, DoW policy requires DoW Components to annually develop mitigation plans for addressing facilities with a condition rating below 60 (a failing FCI rating).[8] DoWEA facility management personnel stated that a total maintenance contractor will conduct routine inspections and repairs as needed for Facility 918 and to demolish Facility 998 at the U.S. Army Garrison Japan (Camp Zama) when the school no longer needs the facility. DoWEA facility management personnel stated that DoWEA plans to demolish the four facilities at Naval Air Facility Atsugi for approximately $1.9 million in FY 2026, pending funding for demolition. However, DoWEA facility management personnel did not maintain 13 facilities at the established goal, an FCI rating of 80 or higher. Table 1 shows facility locations, FCI ratings, and proposed plans for mitigation.

Table 1. Facility Locations, 2024 BUILDER SMS FCI Ratings, and Proposed Mitigation Plans

Facility Number	2024 BUILDER SMS FCI Rating	DoWEA Actively Using Facility	Proposed Mitigation Plans
Yokota Air Base			
4306	79 (Poor)	Yes	Not Applicable
4307	74 (Poor)	Yes	Not Applicable
4315	77 (Poor)	Yes	Not Applicable
U.S. Army Garrison, Japan (Camp Zama)			
906	75 (Poor)	Yes	Not Applicable
918	59 (Failing)	Yes	Yes[1]
998	8 (Failing)	Yes	Yes[2]
Naval Air Facility Atsugi			
995	8 (Failing)	Yes	Yes – FY 2026[3]
996	8 (Failing)	No	Yes – FY 2026[3]
997	8 (Failing)	No	Yes – FY 2026[3]
999	8 (Failing)	No	Yes – FY 2026[3]
Commander, Fleet Activities Yokosuka			
1901	78 (Poor)	Yes	Not Applicable
3858	68 (Poor)	Yes	Not Applicable
3859	72 (Poor)	Yes	Not Applicable

[1] DoWEA directs a total maintenance contractor to conduct routine inspections for Facility 918 at U.S. Army Garrison Japan (Camp Zama).

[2] DoWEA will schedule Facility 998 at U.S. Army Garrison Japan for demolition when the school no longer needs the facility.

[3] DoWEA proposed FY 2026 demolition of $1.9 million for Facilities 995, 996, 997, and 999 at Naval Air Facility Atsugi; however, no proposed funding is in the FY 2026 President's Budget Estimates.

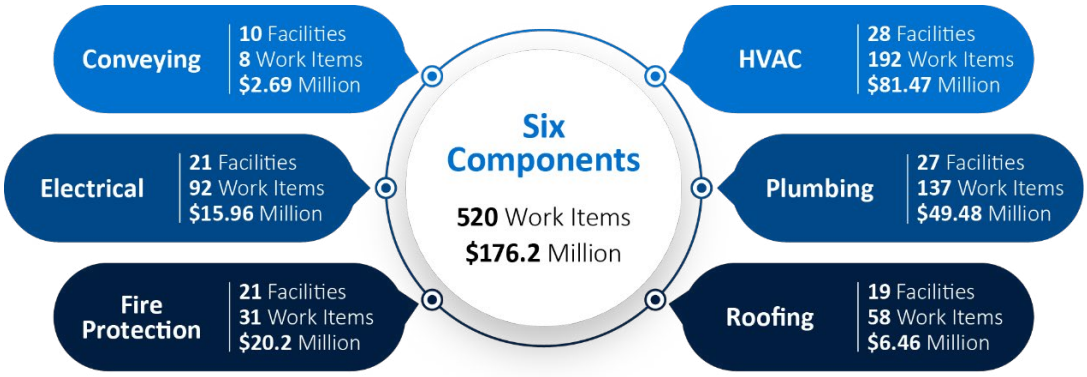
Source: The DoW OIG.

[8] The Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Facility Sustainment and Recapitalization Policy," April 29, 2014.

DoWEA Facility Management Personnel Did Not Address Work Items in the BUILDER SMS

As of March 2025, DoWEA facility management personnel did not address the 520 BUILDER SMS work items—valued at $176.2 million—for six component systems related to roofing; conveyance; plumbing; fire protection; electrical; and heating, ventilation, and air conditioning in a timely manner. The 520 work items were recurring work items that DoWEA had not addressed for multiple years. DoWEA is required to maintain its facilities to ensure facilities are mission capable and in good working order.[9] Figure 5 shows the six component systems and 520 work items for the 39 facilities.

Figure 5. Six Components and the 520 Work Items for the 39 Facilities We Reviewed

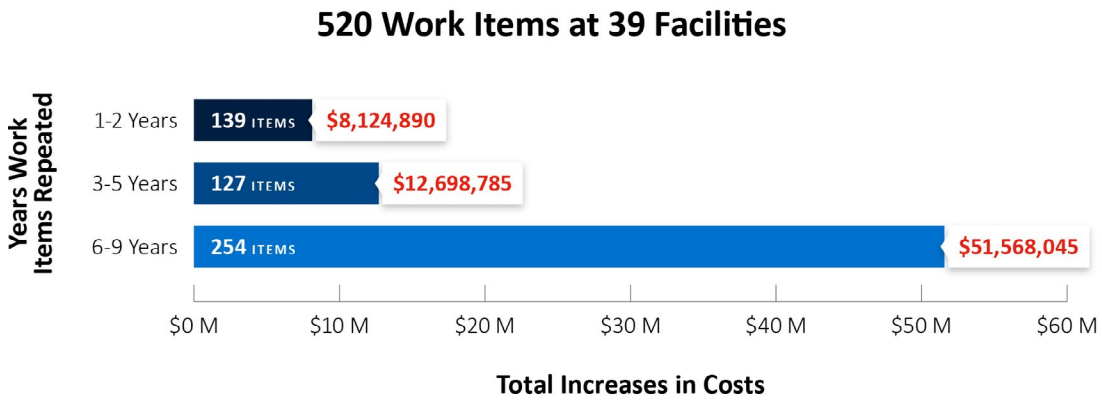


Source: The DoW OIG.

Postponing necessary repairs and maintenance often leads to more extensive and expensive repairs in the future. DoWEA neglected to address many recurring work items that existed for 6 to 9 years. For example, DoWEA did not address a plumbing component work item at Yokota Middle School, Facility 4155, for 6 consecutive years, which increased replacement costs by $1.6 million. In another example, DoWEA did not address a plumbing component work item at Sullivans ES, Facility 3859, for 6 consecutive years, which increased replacement costs by $1.1 million. Figure 6 shows the number of recurring work items, increase in estimated cost associated with the work items, and number of years that the work items were not resolved.

[9] The Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Facility Sustainment and Recapitalization Policy," April 29, 2014.

Figure 6. Recurring Work Items and Estimated Costs Identified in the BUILDER SMS



Source: The DoW OIG.

Of the 254 work items that existed for 6 to 9 years, 179 work items remained unaddressed for 9 consecutive years. Of those recurring work items, 167 (93 percent) of 179 items were for facility components that had exceeded their estimated useful service life.[10] For example, DoWEA delayed maintenance on a ventilation plumbing component work item at Sullivans ES, Facility 1292. DoWEA did not address the ventilation pipe work item for 9 consecutive years, which increased estimated replacement costs by $3.1 million, and the item was 25 years past its service life. In another example, DoWEA did not address a heating, ventilation, and air conditioning component work item at Kinnick High School, Facility 1901, for 9 consecutive years, which increased estimated replacement costs by $1.9 million, and the item was over 16 years past its service life. Delaying maintenance on critical systems can lead to component failures and impact operations if scheduled maintenance is not performed.

DoWEA Did Not Create Long-Term Plans

DoWEA facility management personnel did not develop long-term plans to execute planned maintenance projects for FY 2022 through FY 2025 in the BUILDER SMS. Instead, DoWEA facility management personnel relied on the consolidated IPL for a list of all major maintenance and repair projects to resolve near-term priorities within 1 to 2 years. As required by DoD Directive (DoDD) 7045.14, DoWEA manages planning and funding decisions through the Planning, Programming, Budgeting, and Execution process to allocate resources and provide the capabilities necessary to accomplish the Department's missions over a 5-year period.[11]

[10] Useful service life is an estimate of the period over which a facility component performs its intended purpose, considering factors such as usage, physical wear and tear, and technological change.

[11] DoDD 7045.14, "The Planning, Programming, Budgeting, and Execution (PBBE) Process," January 25, 2013 (Incorporating Change 1, August 29, 2017).

As of March 2025, DoWEA facility management officials stated that DoWEA had not developed annual 5-year plans from FY 2022 through FY 2025 for any of the 39 facilities we reviewed. In addition, DoWEA facility management personnel did not provide support for long-term strategy planning for the execution of projects.

DoWEA Did Not Effectively Use the BUILDER SMS

DoW guidance reiterates a goal for the Military Services and DoW Components to fund sustainment at a minimum of 90 percent of the estimated requirements.[12] However, DoWEA facility management personnel did not fully utilize the BUILDER SMS to identify facility sustainment requirements. Specifically, DoWEA facility management personnel did not use BUILDER SMS data to effectively plan, budget, manage, or conduct maintenance and repairs. The BUILDER SMS is the primary system that the DoW uses for identifying a facility and the overall condition of the facility's systems. The BUILDER SMS focuses on condition-based maintenance and repairs, enabling DoWEA facility management personnel to plan work before failures occur rather than relying primarily on corrective repairs to keep facilities operational—after a system or component has failed because of significant loss of function. The Office of the Secretary of War designated the BUILDER SMS as the tool for assessing building conditions across the DoW.[13] However, DoWEA facility management personnel did not fully utilize the BUILDER SMS to plan, budget, manage, or conduct maintenance and repairs.

DoWEA Could Improve Learning Environments and Decrease Cost Estimates

As a result of DoWEA's inability to effectively plan and execute facility maintenance using the BUILDER SMS, DoW dependent school conditions worsened, replacement cost estimates increased, and potential health and safety risk existed for students and staff. Between FYs 2016 and 2025, DoWEA did not address 520 BUILDER SMS work items for six major components. The estimated cost to complete these replacements increased by $72.4 million above the original estimates. This cost escalation was a direct result of DoWEA deferring facility maintenance. Delays in addressing maintenance leads to general degradation of facilities and increased costs for corrective action.

[12] The Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Facility Sustainment and Recapitalization Policy," April 29, 2014.

[13] The Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Standardizing Facility Condition Assessments," September 10, 2013.

In addition to condition and cost, neglecting maintenance on critical systems, such as plumbing, fire protection, and electrical work, introduces a direct threat to personnel. Potentially hazardous conditions existed at DoWEA facilities that posed health and safety risks to students and staff. For example, we observed:

- mold at Joan K. Mendel ES, Facility 4319, Room 114;
- an inactive indoor fire hydrant and transmitter system, causing the emergency light to not illuminate on various light and hose containers, at Nile C. Kinnick High School, Facility 1901; and
- several unlocked electrical panel boxes in areas that were accessible to students at Shirley Lanham ES, Facility 992.

The cumulative effect of hundreds of unaddressed work items and deferred maintenance activities results in facilities that do not operate effectively, lack suitability for their intended purpose, and directly hinder DoWEA's mission.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Director, Department of War Education Activity:

a. Develop long-term plans to prepare for facility requirements beyond the Integrated Priority List period (the period needed to complete repair, sustainment, restoration, and modernization projects on the priority list).

Department of War Education Activity Comments

The DoWEA Director agreed with the recommendation. The Director stated that the IPL is currently a dynamic, long-range planning tool that tracks facility sustainment, restoration, modernization, and repair requirements until execution or removal. However, the Director agreed that the process can be improved and stated that DoWEA plans to expand the IPL framework to incorporate a more formal five-year planning outlook to provide greater visibility into future facility needs, funding requirements, execution constraints, and mission impacts while maintaining the flexibility to adjust priorities based on changing conditions, resource availability, FCARs, BUILDER SMS data, and stake holder input. The Director emphasized that enhancing the IPL is preferable to creating a new separate planning document. The Director stated that the methodology for updating the IPL process will be developed and implemented during the first two quarters of FY 2027.

Our Response

Comments from the Director addressed specifics of the recommendation; therefore, it is resolved but will remain open. We will close this recommendation once we verify that DoWEA has updated its IPL process.

b. Require DoWEA facility management personnel to maximize the use of the BUILDER SMS to plan, budget, manage, and conduct facility maintenance and repairs.

Department of War Education Activity Comments

The DoWEA Director partially agreed with the recommendation. The Director stated that while BUILDER SMS remains an important tool, the recommendation overstates its role and does not fully account for the multiple systems, data sources, and risk-based processes that DoWEA uses to manage facility requirements. The Director stated that DoWEA has begun to develop a new facility condition methodology to identify facility systems and components requiring recurring maintenance, repair, or sustainment. In addition, the Director stated that DoWEA is preparing for Department-wide migration to the new Enterprise Sustainment Management System (ESMS). The Director also stated that ESMS and the new condition index methodology will improve data quality, strengthen risk-based decision making, and provide better planning across the DoWEA facility portfolio. The Director stated that DoWEA will implement the new condition index methodology within one year after full migration to ESMS, or within one year after a formal DoW decision not to proceed with the ESMS migration.

Our Response

Although the Director partially agreed with the recommendation, the actions satisfy the intent of the recommendation; therefore, we consider it fully addressed. Accordingly, the recommendation is resolved but will remain open. We will close this recommendation after we verify that DoWEA has implemented the new facility condition index methodology.

Appendix

Scope and Methodology

We conducted this performance audit from June 2024 through April 2026 in accordance with generally accepted government auditing standards. Those standards require 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Internal Control Assessment and Compliance

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. Specifically, we assessed whether DoWEA officials were effectively maintaining DoW dependent schools and educational facilities in Japan, including administering facility assessments, planning and budgeting for maintenance, and completing scheduled maintenance and repairs. However, because we limited our review to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies which may have existed at the time of this audit.

Universe and Sample of 39 Facilities Across 11 Schools

To determine the universe of facilities, we used the BUILDER SMS to limit our sample to the Pacific East Region of Japan, yielding 21 schools and 71 facilities at seven installations. Table 2 shows the DoWEA universe of schools, facilities, and installations located across the Pacific East Region of Japan.

Table 2. Universe of DoWEA School Facilities in the Pacific East Region of Japan, by Installation

Installation	Military Service	Number of Schools	Number of Facilities in Universe
Yokota Air Base	Air Force	4	15
U.S. Army Garrison Japan (Camp Zama)[1]	Army	2	11
Naval Air Facility Atsugi	Navy	1	10
Commander, Fleet Activities Yokosuka[2]	Navy	5	15
Misawa Air Base	Air Force	2	11
Marine Corps Air Station Iwakuni	Marine Corps	4	4

Table 2. Universe of DoWEA School Facilities in the Pacific East Region of Japan, by Installation (cont'd)

Installation	Military Service	Number of Schools	Number of Facilities in Universe
Commander, Fleet Activities Sasebo	Navy	3	5
Total		**21**	**71**

[1] The U.S. Army Garrison Japan (Camp Zama) includes the Sagamihara Family Housing Area.

[2] Commander, Fleet Activities Yokosuka includes the Ikego Heights Family Housing Area.

Source: The DoW OIG.

From the 21 schools and 71 facilities identified at seven installations in the Pacific East Region of Japan, we removed schools and facilities located at the Misawa Air Base; Marine Corps Air Station Iwakuni; and Commander, Fleet Activities Sasebo. We limited our review to the Yokota Air Base; U.S. Army Garrison Japan (Camp Zama); Naval Air Facility Atsugi; and Commander, Fleet Activities Yokosuka. We selected a nonstatistical sample of 39 facilities, across 11 schools at four installations in the DoWEA Pacific East Region of Japan, to observe during our site visits in October and November 2024. Table 3 shows the universe of DoWEA schools in the Pacific East Region of Japan compared to the number of sampled school facilities from the universe that we observed in person.

Table 3. DoWEA Schools in the Pacific East Region of Japan and Number of School Facilities in Our Sample that We Observed from October Through November 2024

Installation	Military Service	Number of Schools	Number of School Facilities in Our Sample
Yokota Air Base	Air Force	4	10
U.S. Army Garrison Japan (Camp Zama)	Army	2	11
Naval Air Facility Atsugi	Navy	1	9
Commander, Fleet Activities Yokosuka	Navy	4	9
Total		**11**	**39**

Source: The DoW OIG.

Review of Documentation, Interviews, and Site Visit Walkthrough Process

We reviewed documentation from facilities at the Yokota Air Base; U.S. Army Garrison Japan (Camp Zama); Naval Air Facility Atsugi; and Commander, Fleet Activities Yokosuka. At each of the installations, we reviewed 100 percent of the facilities.

We generated the following facility condition reports, and we obtained the following FCAs from facility management personnel.

- FCARs 2021 and 2024
- BUILDER SMS – Facility Condition Summary Report
- Total Maintenance Contractor Preventive Maintenance Schedule
- Total Maintenance Contractor Preventive Maintenance Report
- Quality Control–9 Work Items Report

We referenced the following primary guidance to determine whether DoWEA management followed laws, regulations, and policy.

- DoD Directive 4165.06, "Real Property," July 19, 2022
- DoD Instruction 4165.14, "Real Property Inventory and Reporting," September 8, 2023
- DoD Instruction 4165.70, "Real Property Management," (Incorporating Change 1, August 31, 2018)
- DoD Directive 1342.20, "Department of Defense Education Activity," July 7, 2020
- DoD Directive 7045.14, "The Planning, Programming, Budgeting, and Execution (PBBE) Process," January 25, 2013 (Incorporating Change 1, August 29, 2017)
- DoD Regulation 7000.14-R, "Department of Defense Financial Management Regulation," volume 2B, chapter 8, "Facilities Sustainment and Restoration/Modernization"
- DoDEA AI 4300.01, "Planning, Designing, and Constructing 21st Century School Facilities," February 24, 2015
- Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Standardizing Facility Condition Assessments," September 10, 2013
- Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Facility Sustainment and Recapitalization Policy," April 29, 2014

Additionally, we reviewed the following DoWEA SRM plans.

- DoDEA Facilities Management Guide, "Sustainment, Restoration, and Modernization Guide," Version 3, August 2017

To understand the extent to which DoWEA managed facility conditions, we interviewed engineers, contractors, facility managers, field operations specialists, contracting officers, and other specialists responsible for managing facility conditions. We also obtained and reviewed documentation from DoWEA Headquarters and installations showing facility conditions, as applicable.

We conducted walkthroughs at each school and multiple facilities at each installation. During walkthroughs, we compared the state of the facility to reports generated in the BUILDER SMS.

Use of Computer-Processed Data

We relied on computer-processed data to perform this audit. Specifically, we extracted data reports from the BUILDER SMS. We compared them to supporting documentation received from the selected DoWEA schools and information received during interviews with facility management personnel to determine whether BUILDER SMS data were accurate and complete. When verifying the condition of the 39 DoWEA facilities, we found the observed conditions to be sufficiently accurate for the purposes of our review. We discovered few discrepancies in the nonstatistical data.

Use of Technical Assistance

We received assistance from the Quantitative Methods Division to select a nonstatistical sample of DoWEA schools.

Prior Coverage

No prior coverage had been conducted on DoWEA's internal controls over effectiveness in maintaining DoW dependent schools and educational facilities in Japan, including administering building assessments, planning and budgeting for maintenance, and completing scheduled maintenance and repairs.

Management Comments

Department of War Education Activity

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DEPARTMENT OF WAR EDUCATION ACTIVITY
HEADQUARTERS
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AUG 10 2026

MEMORANDUM FOR DEPARTMENT OF WAR INSPECTOR GENERAL

SUBJECT: DoW Education Activity Response to DoW Office of Inspector General Draft Report, "Audit of the Sustainment, Restoration, and Modernization of DoW Education Activity Schools and Educational Facilities in Japan" (Project No. D2024-D000AV-0129.00)

1. This is the Department of War Education Activity (DoWEA) response to the Department of War Office of Inspector General (DoW OIG) draft report, "Audit of the Sustainment, Restoration, and Modernization of DoW Education Activity Schools and Educational Facilities in Japan" (Project No. D2024-D000AV-0129.00). DoWEA non-concurs/partially concurs with the report as written and welcomes the opportunity to make additional comments.

2. DoWEA will correct issues identified in this report, and develop and implement a corrective action plan outlined in the following recommendations:

RECOMMENDATION 1: The DoW OIG recommends that the DoWEA Director, "Develop long-term plans to prepare for facility requirements beyond the Integrated Priority List period (the period needed to complete repair, sustainment, restoration, and modernization projects on the priority list)."

RESPONSE:

DoWEA does not concur with this recommendation because it reflects a conceptual misunderstanding of the purpose, timeline, and function of the Integrated Priority List (IPL).

The recommendation assumes that the IPL serves as a short-term planning document covering only a one- to two-year period and therefore recommends developing a separate long-term plan for facility requirements beyond that timeframe. This characterization is inaccurate. The IPL serves as a long-range, dynamic planning and prioritization tool that captures known facility sustainment requirements across the facility portfolio. DoWEA retains projects on the IPL until it executes them, supersedes them with other efforts, or determines they are no longer required. DoWEA reviews, revalidates, and reprioritizes the IPL annually with participation from all stakeholders to ensure it reflects current facility conditions, mission requirements, and resource constraints.

Neither the IPL nor the Work List generated by BUILDER SMS determines the amount of sustainment funding allocated to DoWEA. OSW uses The Facility Sustainment Model (FSM) tool to estimate the annual costs of sustaining the department's facility inventory. The FSM determines the funding requirement. OSW guidance establishes a goal for DoW components to be funded at 90% of that requirement. After DoWEA funds mission-essential maintenance,

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service contracts, and other facility sustainment requirements, it applies the remaining resources to IPL projects according to priority. On average, this process leaves approximately $57 million annually for SRM projects for 160 schools (more than 600 facilities) located in the three regions. As a result, available funding, execution capacity, and changing mission requirements drive project execution timelines—not a fixed planning horizon.

DoWEA Headquarters established the IPL specifically to provide a disciplined, stakeholder-driven process that incorporates Facility Condition Assessment Reports (FCARs), BUILDER SMS data, maintenance findings, DoWEA Engineers and Facility Operations Specialists (Facility Personnel) assessments, and district and school leadership recommendations to prioritize limited resources against the highest-risk requirements.

The recommendation also overlooks additional considerations including funding limitations, execution-agent constraints, and contractor shortages throughout the region. DoWEA routinely adjusts the IPL when changing conditions alter project requirements or priorities. For example, DoWEA removes projects when a planned MILCON project will replace the affected facility or system, making additional investment in the existing asset an inefficient use of resources. The Lanham Elementary School HVAC project exemplifies this approach. Once DoWEA approved a MILCON project that would replace most of the HVAC system, continuing with the standalone HVAC design project would have wasted resources and provided little long-term value.

Likewise, execution-agent and contracting limitations—not deficiencies in long-range planning—delayed the Kinnick High School chiller replacement and Yokota West Elementary School elevator replacement projects. In both cases, DoWEA kept the requirements visible on the IPL, maintained their priority, pursued alternative execution strategies, and implemented interim measures to support continued operations while seeking permanent solutions.

The recommendation overlooks evidence that DoWEA already conducts long-range planning through the IPL process. Pacific East has identified 43 projects valued at more than $250,000 totaling over $35 million, and 100 projects valued at less than $250,000 totaling more than $11 million. The current annual average for IPL funding distributed proportionately across our facilities would take 6.5 years to fully fund this $46 million work list, extending well beyond a one- to two-year assumed timeframe. DoWEA actively forecasts, identifies, prioritizes, and manages future facility requirements through the IPL process, providing a multi-year project pipeline.

Finally, facility condition data does not support the assertion that the absence of a separate long-term planning document has negatively affected facility management outcomes. The Pacific East school portfolio maintains a combined facility condition rating greater than 84, higher than the minimum set by OSW, despite aging infrastructure and constrained resources. These results demonstrate that DoWEA has effectively preserved facility conditions through targeted investments, disciplined prioritization, and coordinated use of our various tools such as BUILDER SMS, FCARs, and planned maintenance data.

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Accordingly, DoWEA considers the IPL an effective long-range planning and prioritization tool. DoWEA continuously identifies, evaluates, prioritizes, and adjusts facility requirements based on funding availability, execution capacity, facility condition, and mission needs. Therefore, DoWEA does not concur that a separate long-term facility requirements plan is necessary. Developing an additional planning document would duplicate processes already embedded within the IPL while providing little added value. The existing IPL process already provides the visibility, flexibility, and governance necessary to manage both current and future facility requirements.

RECOMMENDATION 2: The DoW OIG recommends that DoWEA Director, "Require DoWEA facility management personnel to maximize the use of the BUILDER SMS to plan, budget, manage, and conduct facility maintenance and repairs."

RESPONSE:

DoWEA partially concurs with this recommendation. While BUILDER SMS remains an important asset management and facility condition assessment tool, the recommendation overstates its OSW directed role within DoWEA's facility management program and does not fully recognize the multiple systems, data sources, and risk-based decision-making processes that DoWEA uses to manage facility sustainment, restoration, modernization, maintenance, and repair requirements.

DoWEA facility personnel use BUILDER SMS as one of several tools to assess facility condition. DoW requires the use of the SMS for the purposes of standardizing Facility Condition Assessments (FCA) across the entire department. However, DoWEA does not rely on BUILDER SMS as the sole or authoritative system for planning, budgeting, managing, or executing maintenance and repair activities. Facility personnel make investment and maintenance decisions by evaluating facility condition data, professional engineering assessments, mission requirements, operational impacts, available funding, and installation-level maintenance information.

The OIG report also does not fully account for maintenance and repair activities executed through installation support mechanisms. At Yokota Air Base and Camp Zama, the Total Maintenance Contractor (TMC) performed preventive maintenance inspections and scheduled maintenance activities in accordance with contractual Performance Work Statement requirements and provided schedules and reports to DoWEA. At Navy-supported installations, including Commander Fleet Activities Yokosuka and Naval Air Facility Atsugi, installation Public Works Departments and associated maintenance contracts provide maintenance and repair services tracked through the Navy's Maximo system. These maintenance and repair activities are designed to maximize the life cycle of the facilities systems and components. They prevent premature life cycle replacement. The OIG report did not evaluate maintenance-related records of facility maintenance activities performed in support of DoWEA schools. As a result, the OIG report based several conclusions regarding maintenance execution and deferred work on incomplete information.

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Several facilities cited in the OIG report also reflect deliberate resource investment decisions rather than deficiencies in facility management. For example, DoWEA has programmed Mendel Elementary School for replacement through Military Construction (MILCON), and facility personnel appropriately focus sustainment efforts on maintaining safe and functional operations rather than investing in major recapitalization projects. Likewise, temporary facilities at Lanham Elementary School and Camp Zama await demolition or replacement, making significant capital investments neither prudent nor cost-effective. At Camp Zama Middle High School, DoWEA has already completed several major projects, including chiller and cooling tower replacement, LED lighting modernization, and complete flooring replacement, while additional projects remain under development or pending execution.

DoWEA also disagrees with the implication that facility personnel should execute all work items identified by BUILDER SMS solely because projected component service lives have expired. Facility personnel use BUILDER-generated replacement recommendations to support planning and risk-management discussions, but they validate those recommendations through field inspections, engineering judgment, operational considerations, and cost-benefit analyses before developing projects. Many components identified by the OIG report remain fully functional and in acceptable condition. Replacing these systems solely because they have reached a modeled age threshold would not represent responsible stewardship of taxpayer resources and could unnecessarily disrupt school operations.

Similarly, facility personnel have selectively repaired and upgraded HVAC systems and other major building components to extend service life until planned recapitalization or replacement projects occur. Examples include the HVAC repair project at Sullivan Elementary School and the ongoing replacement of critical HVAC components at Kinnick High School. In both cases, DoWEA aligned sustainment strategies with future facility replacement plans and construction funding timelines.

DoW OIG states the following: "As a result of DoWEA's inability to effectively plan and execute facility maintenance, using BUILDER SMS, DoW dependent school conditions worsened, replacement cost estimates increased, and potential health and safety risk existed for students and staff."

In the same section, DoW OIG lists personal observations that allegedly prove this point such as "mold" at Joan K. Mendel Elementary School, an "an inactive indoor fire hydrant and transmitter system" at Kinnick High School, and unlocked electrical panel boxes at Shirley Lanham Elementary School.

DoWEA disagrees that enhanced use of BUILDER SMS would prevent these observed problems.

- As a factual matter, there was no mold identified at Joan K. Mendel Elementary School. According to a report dated 6 September 2023 by the Department of the Air Force Bioenvironmental Engineering Flight at Yokota Air Base, "visual inspection of the classrooms did not show any signs of mold, moisture or condensation." DoWEA facility professionals ensure that subject matter experts perform surveys, analysis, and recommendations on suspected

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environmental deficiencies. Otherwise, DoWEA could spend millions of dollars each year mitigating mold and replacing facility components where no mold, in fact, exists.

- While BUILDER SMS would and has in many cases recommend the complete replacement of a fire system, in this case the Fire and Emergency Services Department, PWD, and the fire system maintenance contractor were all in agreeance that students and teachers are not fire fighters and that the continued use of that antiquated portion of the fire control system was a hazard and not in keeping with modern fire response. The fire hose portion of the system was disabled, along with it the light indicating that it had become enabled during an emergency. The rest of the fire control and alarm system work as required.

- There is not a BUILDER SMS work item that addresses the practice of locking electrical panels. This is a personnel training and policy issue.

- DoWEA expects its facility professionals, maintenance staff, safety inspectors, and building occupants to identify and report requirements that deserve immediate attention rather than waiting for a facility assessor to capture a condition rating in BUILDER SMS as part of a triennial rating of the facility conditions. For example, DoWEA facility professionals would never use BUILDER SMS to effectively plan and execute sending a plumber to unclog a toilet in the boy's bathroom.

The OIG report's characterization of approximately $72.3 million in BUILDER-identified requirements as actionable deferred maintenance also requires clarification. BUILDER SMS generated those estimates using theoretical lifecycle full system replacement models. The estimates do not directly translate into valid or executable projects. Before DoWEA develops a project, facility personnel must validate conditions, assess mission impacts, establish priorities, and evaluate funding requirements. Consequently, lifecycle replacement estimates should not be interpreted as actual deferred maintenance liabilities.

Accordingly, DoWEA supports the continued and appropriate use of BUILDER SMS as part of its integrated facility management framework. However, DoWEA does not agree that BUILDER SMS should serve as the exclusive or primary system for planning, budgeting, managing, and conducting maintenance and repair activities. Facility personnel must continue to integrate information from multiple data sources, installation maintenance systems, professional assessments, mission requirements, and established DoWEA facility management processes to make informed resource decisions.

While DoWEA supports expanding the use of facility condition data to inform maintenance and repair decisions, the current BUILDER-generated worklist contains a significant number of full component and system replacement recommendations derived primarily from age-based lifecycle calculations rather than demonstrated condition or performance deficiencies. For example, branch wiring and vent piping replacements account for approximately $41.5 million of recurring work items generated within the FY 2025 BUILDER SMS worklist. These systems require only occasional localized repairs to address identified deficiencies and generally remain serviceable for the life of the facility. Consequently, full system replacement is rarely warranted and would not constitute effective use of limited

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sustainment resources unless supported by documented condition assessments, mission requirements, or safety considerations. DoWEA will continue to apply engineering judgment, condition assessments, and risk-based prioritization to ensure that it directs available resources toward projects that provide the greatest operational and facility condition benefit.

To improve the usefulness of BUILDER SMS data, DoWEA has begun developing an FSRM Condition Index (CI) methodology focused on identifying systems and components that require recurring maintenance, repair, or sustainment actions. This methodology will allow facility personnel to filter and prioritize BUILDER-generated worklists using actual facility conditions, maintenance histories, and operational risks rather than lifecycle projections alone. Through this effort, DoWEA intends to create a more actionable set of facility requirements that better aligns investment decisions with documented needs across the portfolio.

Additionally, DoWEA is preparing, along with the broader Department of War, for the transition to the new Enterprise Sustainment Management System (ESMS). DoWEA's initial migration planning underway in coordination with US Army Corps of Engineers (USACE) Engineer Research & Development Center (ERDC) Construction Engineering Research Laboratory (CERL). Through that effort, DoWEA expects to gain additional information regarding system capabilities, implementation timelines, and future business processes. Those discussions will inform how DoWEA incorporates facility condition management, maintenance planning, and data integration initiatives into the new enterprise platform.

Subject to the outcome of the ESMS migration effort, DoWEA intends to develop and implement the FSRM Condition Index methodology within one year following full migration to the new system. If the Department of War decides not to proceed with ESMS migration, DoWEA will shift these implementation milestones to one year following formal cancellation of the migration effort. Through these actions, DoWEA will improve data quality, strengthen risk-based decision-making, and better integrate facility condition assessments, maintenance management activities, and capital planning processes across the DoWEA facility portfolio.

3. The point of contact [redacted], Facilities Division Chief, DoWEA, [redacted]

Paul A. Craft
Director

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Acronyms and Abbreviations

AI	Administrative Instruction
DoWEA	Department of War Education Activity
ES	Elementary School
FCA	Facility Condition Assessment
FCAR	Facility Condition Assessment Report
FCI	Facility Condition Index
IPL	Integrated Priority List
SMS	Sustainment Management System
SRM	Sustainment, Restoration, and Modernization

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