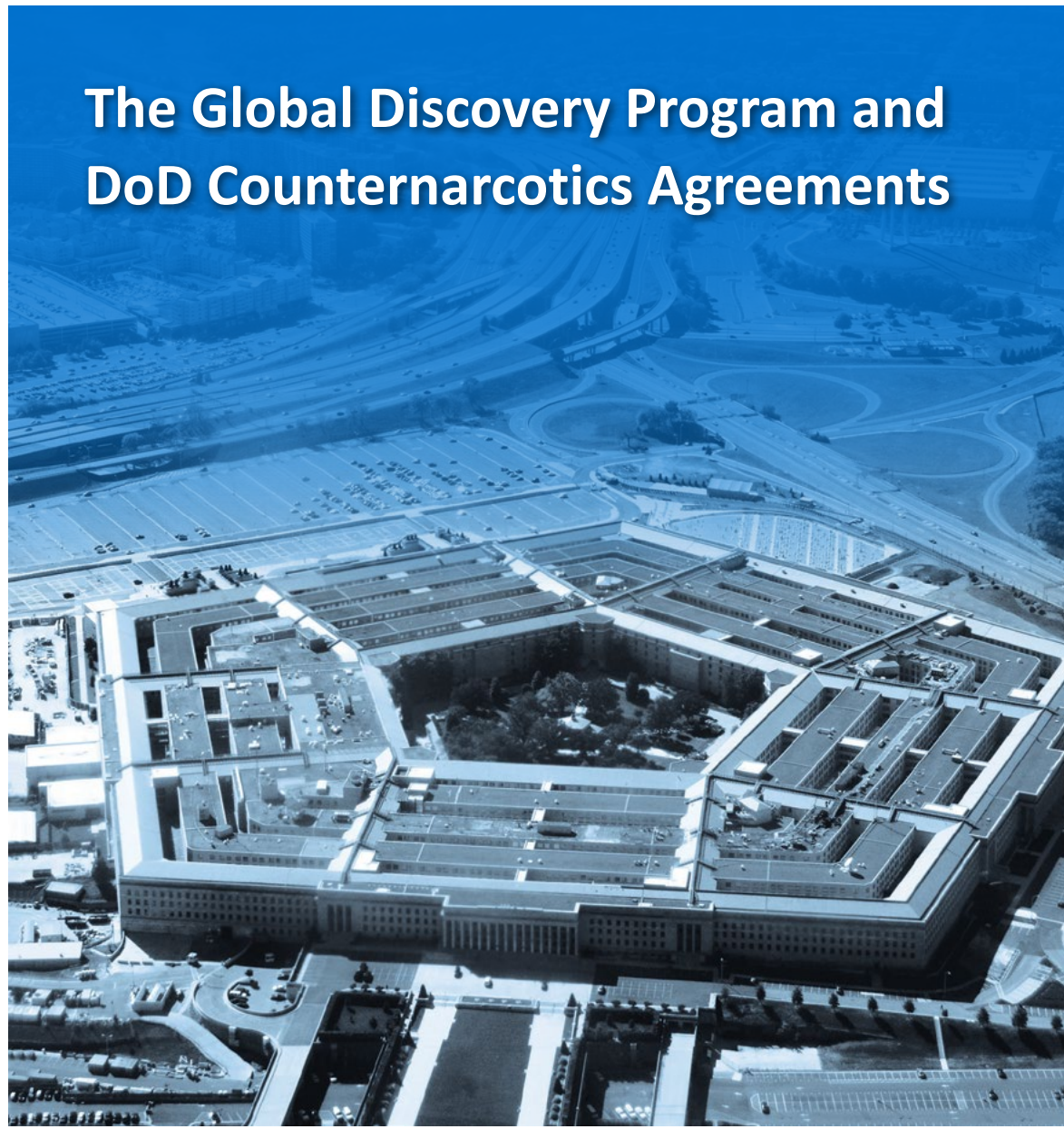




# INSPECTOR GENERAL

*U.S. Department of Defense*

SEPTEMBER 11, 2017



## The Global Discovery Program and DoD Counternarcotics Agreements

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# Results in Brief

## *The Global Discovery Program and DoD Counternarcotics Agreements*

September 11, 2017

### Objective

We determined whether the Department of Defense (DoD) effectively managed counternarcotics requirements agreed upon between the Department of Justice (DOJ) and the DoD. In addition, we determined how the DoD used funding to support those requirements.

### Background

We conducted this audit in response to congressional requests that followed a March 2016 DOJ Office of the Inspector General (OIG) audit report on the Drug Enforcement Administration (DEA) aviation operations with the DoD in Afghanistan. The DOJ OIG audit report included information on the Global Discovery Program, an ATR 42-500 aircraft that was intended to be used for counternarcotics missions in Afghanistan. According to the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD CN&GT), DoD and DEA personnel began discussions on the Global Discovery Program between 2007 and 2008. The original intent of the Global Discovery Program was to establish data sharing between Government agencies on counternarcotics efforts in Afghanistan through aviation operations. However, personnel in the Office of the DASD CN&GT (ODASD CN&GT) stated that, over time, the Global Discovery Program referred only to the ATR 42-500 aircraft.

In March 2012, DEA personnel delivered the ATR 42-500 aircraft to the DoD subcontractor's facility. DOJ OIG auditors stated that, as of March 2017, the ATR 42-500 aircraft was located in Fort Worth, Texas, had not flown

### Background (cont'd)

any missions, and that DEA personnel plan to put the aircraft up for auction through the General Services Administration in August 2017.

The DASD CN&GT provides oversight and guidance on policy and resource allocation and measures the DoD's counternarcotics efforts. In addition to our review of the Global Discovery Program, we reviewed a nonstatistical sample of 13 counternarcotics agreements, valued at \$41.5 million, out of 85 agreements valued at \$65.8 million, signed from April 2009 through June 2016, between the DOJ and the DoD.

### Findings

The DASD CN&GT did not effectively manage the Global Discovery Program for the ATR 42-500 aircraft that was intended to be used for counternarcotics missions in Afghanistan. This significantly contributed to the program's failure. Specifically, the DASD CN&GT, or ODASD CN&GT personnel, did not:

- track funding on the Global Discovery Program;
- clearly define requirements and capabilities for the ATR 42-500 aircraft, and still needed to finalize them 3 years into the Global Discovery Program; and
- effectively oversee the Global Discovery Program. Specifically, the DASD CN&GT and ODASD CN&GT personnel changed action officers multiple times; did not maintain complete records, such as documenting decisions on changes to requirements and capabilities; moved the program responsibilities between DoD Components resulting in duplicative efforts; did not define roles and responsibilities for the personnel involved in the program; and did not follow effective contract oversight processes.

This occurred because ODASD CN&GT personnel did not have program management experience, and action officers failed to provide the required oversight and make adequate decisions when trying to perform program management for the Global Discovery Program. Despite the DASD CN&GT knowing in late 2013 that DEA personnel were significantly reducing their presence in Afghanistan in 2014, the DASD CN&GT stated that she decided not to cancel the program because she believed the ATR 42-500 aircraft was near completion. As a result, the DASD CN&GT wasted at least \$64.8 million on



# Results in Brief

## *The Global Discovery Program and DoD Counternarcotics Agreements*

### **Findings (cont'd)**

the Global Discovery Program for modifications on the ATR 42-500 aircraft that DEA personnel never used for missions in Afghanistan.<sup>1</sup> After more than 7 years, the DASD CN&GT canceled the Global Discovery Program and, in December 2016, DEA personnel reclaimed possession of the ATR 42-500 aircraft. During the more than 7-year program, DoD personnel purchased equipment, contracted for modifications to the aircraft, modified the aircraft, subsequently had the modifications removed from the aircraft, and returned the aircraft to its original form, but without the required Federal Aviation Administration flight certification. Consequently, the DoD received no benefit for its more than 7 years' work and \$64.8 million in funds wasted.

We further reviewed, after receiving the congressional requests on the Global Discovery Program, additional counternarcotics efforts between the DOJ and the DoD and determined that other systemic problems existed in their efforts. ODASD CN&GT personnel did not effectively manage 13 DOJ and DoD counternarcotics agreements, valued at \$41.5 million. Specifically, ODASD CN&GT personnel did not:

- track agreements that the DASD CN&GT signed and funded, and did not provide copies of all agreements to us upon our request;
- provide effective oversight of the five agreements under their direct responsibility or verify that Combatant Command personnel provided oversight for the other eight agreements;
- ensure accountability of funds for counternarcotics agreements, such as tracking the funding for agreements after transferring the funds to the Combatant Commands for implementation or requesting financial reports from DOJ personnel for the agreements; and

- follow ODASD CN&GT standard operating procedures on performance metrics to measure results of the agreements.<sup>2</sup>

This occurred because the ODASD CN&GT did not establish processes or controls to manage agreements. As a result, the DoD had no assurance that the funds transferred to the DOJ agencies were used for the intended counternarcotics requirements.

### **Recommendations**

We recommend that the Under Secretary of Defense for Policy review the circumstances that led to ineffective management and oversight of the Global Discovery Program and, if appropriate, initiate action to hold personnel accountable.

In addition, we recommend that the Under Secretary of Defense for Policy immediately review whether the ODASD CN&GT has the experienced personnel and controls to effectively oversee the counternarcotics program.

To improve management of DOJ and DoD counternarcotics agreements, we recommend that the DASD CN&GT develop processes and implement procedures that define roles and responsibilities for counternarcotics agreements, to include tracking and oversight of the signed agreements, tracking and reconciliation of funding, and ensuring compliance with existing guidance on performance metrics to measure success.

### **Management Comments and Our Response**

The Official Performing the Duties of the Under Secretary of Defense for Policy agreed with our recommendations and will promptly review the office's role in the Global Discovery Program, including implementing

<sup>1</sup> This amount may not include all of the funding spent in support of the Global Discovery Program. DoD Directive 7050.4, "Awards for Cost Savings Resulting from the Disclosure of Fraud, Waste, or Mismanagement," October 21, 2004, defines waste as "[t]he extravagant, careless, or needless expenditure of DoD funds...that results from deficient practices, systems, controls, or decisions."

<sup>2</sup> These standard operating procedures are specific to developing and documenting performance metrics for counternarcotics activities. The standard operating procedures do not address the specific roles and responsibilities of all the DoD Components in the execution and oversight of the agreements signed by the DASD CN&GT.



# Results in Brief

## *The Global Discovery Program and DoD Counternarcotics Agreements*

### **Comments (cont'd)**

corrective actions, and the office's capabilities to oversee counternarcotics and other similar programs. The recommendations are resolved and will be closed when the actions are fully implemented.

In addition, the Official Performing the Duties of the Under Secretary of Defense for Policy agreed with our recommendation to the DASD CN&GT and will ensure the office continues to develop processes to track memorandums of understanding to include funding and execution.

The Acting DASD CN&GT agreed with our recommendation and stated that the ODASD CN&GT has been working on developing processes to better track memorandums of understanding. In addition, the office will perform a procedural review to clearly define roles and responsibilities, determine whether the DASD CN&GT should continue to sign memorandums of understanding, build a database to track funding and performance measures, and annually reconcile funding to ensure unused funds are returned in sufficient time to be used for other priorities. The recommendation is resolved and will be closed when the actions are fully implemented.

The Acting DASD CN&GT, further commenting on the Global Discovery Program finding, stated that the report unfairly assigned responsibility for the failures of the program to the ODASD CN&GT and believed the personnel responsible for oversight or execution of contracted services ultimately failed to complete the aircraft modifications. The Acting DASD CN&GT agreed the \$66.8 million we identified as funds spent on the Global Discovery Program was accurate; however, he stated that \$13.5 million could potentially be recovered.

We determined that program responsibility remained with the DASD CN&GT through the only scope of work officials signed regarding roles and responsibilities for the program. The scope of work stated that, among other responsibilities, the DASD CN&GT had ultimate decision authority over the Global Discovery Program changes

and was responsible for confirming and prioritizing the requirements. However, the DASD CN&GT and DEA personnel repeatedly changed the requirements. Without agreed upon requirements, contracting personnel cannot adequately perform their responsibilities. In addition, the Acting DASD CN&GT did not provide supporting documentation for reducing the amount of wasted funds. Furthermore, the Global Discovery Program never met its intent and did not perform any counternarcotics missions in Afghanistan through aviation operations and, as such, was wasteful. As a result, we did not change the total amount of DoD funds wasted on the Global Discovery Program.

Although not required to comment, a Division Chief, U.S. Central Command, provided comments on the Global Discovery Program finding, the counternarcotics agreements finding, and the recommendation to the DASD CN&GT to develop processes and implement procedures for counternarcotic agreements. The Division Chief stated that, while he agreed with many of the report's findings and recommendations, the report incorrectly assigned principal responsibility for the failures of the program to the ODASD CN&GT. The Division Chief also stated that the report did not sufficiently address the role of the DoD contracting agencies or other organizations, including the DEA.

As stated in our response to the DASD CN&GT comments, we determined that the DASD CN&GT sponsored the Global Discovery Program and responsibilities remained with the DASD CN&GT. The DASD CN&GT and DEA personnel repeatedly changed requirements so contracting personnel could not adequately perform their duties. Finally, the DOJ OIG issued an audit report on the DEA regarding the ATR 42-500 aircraft, which we considered. However, we decided not to duplicate DOJ OIG's efforts and discuss the DEA in this report. Please see the Recommendations Table on the next page.

## Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Policy	None	A.1 and B.1	None
Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats	None	B.2	None

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

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



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

September 11, 2017

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR POLICY  
DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR COUNTERNARCOTICS  
AND GLOBAL THREATS**

**SUBJECT: The Global Discovery Program and DoD Counternarcotics Agreements  
(Report No. DODIG-2017-119)**

We are providing this report for your information and use. We performed this audit in response to congressional requests. The Office of Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats did not effectively manage or oversee the Global Discovery Program and counternarcotics agreements between the Department of Justice and the DoD. As a result, we concluded that the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats wasted at least \$64.8 million on the Global Discovery Program for modifications on the ATR 42-500 aircraft intended for use in Afghanistan. Furthermore, the DoD had no assurance that the funds transferred to the Department of Justice agencies were used to support the counternarcotics agreements reviewed. We conducted this audit in accordance with generally accepted government auditing standards.

We considered management comments on a draft of this report when preparing the final report. Comments from the Under Secretary of Defense for Policy and the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats conformed to the requirements of DoD Instruction 7650.03; therefore, we do not require additional comments. We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-9187 (DSN 664-9187).

A handwritten signature in blue ink, appearing to read "MJR", is positioned above the typed name of the signatory.

Michael J. Roark  
Assistant Inspector General  
Contract Management and Payments

# Contents

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## Introduction

Objective.....	1
Background.....	1
Review of Internal Controls.....	5

## Finding A. The DASD CN&GT Did Not Effectively Manage the Global Discovery Program..... 6

Global Discovery Program History.....	7
The Global Discovery Program for Counternarcotics Missions Was Not Effectively Managed.....	10
The DASD CN&GT Did Not Provide Effective Program Management for the Global Discovery Program.....	15
Conclusion.....	16
Management Comments on the Finding and Our Response.....	17
Management Comments on the Wasted Dollars and Our Response.....	20
Unsolicited Management Comments on the Finding and Our Response.....	21
Recommendation, Management Comments, and Our Response.....	23

## Finding B. ODASD CN&GT Personnel Did Not Effectively Manage Counternarcotics Efforts..... 24

Counternarcotics Agreements Process.....	25
Counternarcotics Agreements Between DOJ and DoD Need Better Management.....	26
DoD Generally Lacked Processes and Controls for Counternarcotics Requirements.....	31
Unsolicited Management Comments on the Finding and Our Response.....	32
Recommendations, Management Comments, and Our Response.....	33
Unsolicited Management Comments to the Recommendation and Our Response.....	34



## Contents (cont'd)

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### Appendixes

Appendix A. Scope and Methodology.....	35
Universe and Sample Information.....	35
Review of Documentation and Interviews.....	36
Use of Computer-Processed Data.....	38
Use of Technical Assistance .....	38
Prior Coverage.....	38
Appendix B. Global Discovery Program Timeline.....	40
Appendix C. Chronological Events for the DoD Components Involved in the Global Discovery Program.....	44

### Management Comments

Under Secretary of Defense for Policy.....	48
Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats.....	49
U.S. Central Command.....	51

<b>Acronyms and Abbreviations.....</b>	<b>53</b>
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# Introduction

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## Objective

We determined whether the DoD effectively managed counternarcotics requirements agreed upon between the Department of Justice (DOJ) and the DoD. In addition, we determined how the DoD used funding to support those requirements. See Appendix A for our scope, methodology, and prior coverage.

## Background

We conducted this audit in response to congressional requests that followed a March 2016 Department of Justice Office of the Inspector General (DOJ OIG) report (the “DOJ OIG report”) on the Drug Enforcement Administration (DEA) aviation operations with the DoD in Afghanistan.<sup>3</sup> That report included information on the Global Discovery Program, an ATR 42-500 aircraft that was intended for use in counter-drug efforts in Afghanistan.<sup>4</sup> In March 2016, the DOJ OIG reported that the aircraft was inoperable and located at a DoD subcontractor facility.

The congressional requests asked the DoD OIG to review the Global Discovery Program. In addition to reviewing the specific Global Discovery Program, we reviewed a nonstatistical sample of 13 counternarcotics agreements to obtain a more comprehensive view of how the DoD managed counternarcotics efforts with the DOJ.

## ***Counternarcotics Authority***

Section 1004 of the National Defense Authorization Act of 1991, as amended, (Public Law No. 101-510), authorized the DoD to provide support for the counter-drug activities of any other department or agency of the Government.<sup>5</sup> The types of support include, but are not limited to:

- maintenance, repair, or upgrade of equipment to ensure compatibility with equipment used by the DoD;
- transportation of personnel (including per diem expenses) and of supplies and equipment for the purpose of facilitating counter-drug activities within or outside the United States;

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<sup>3</sup> DOJ OIG Report Audit Division 16-16, “Audit of the Drug Enforcement Administration’s Aviation Operations with the Department of Defense in Afghanistan,” March 2016.

<sup>4</sup> The ATR 42-500 aircraft is a multi-engine, turbo-prop aircraft.

<sup>5</sup> Public Law 114-328, “National Defense Authorization Act for Fiscal Year 2017,” canceled Section 1004 of Public Law 101-510. Section 1011 of Public Law 114-328 rearranged and revised the support for counter-drug activities authority which will be added at the end of Chapter 18 of title 10, United States Code.

- establishment (including unspecified minor construction) and operation of bases of operations or training facilities for the purpose of facilitating counter-drug activities within or outside the United States;
- counter-drug-related training of law enforcement personnel of the Federal, state, and local governments and foreign countries, including associated support expenses for trainees and materials necessary to carry out such training;
- linguist and intelligence analysis services; and
- aerial and ground reconnaissance.

### ***Key DoD Organizations with Counternarcotics Responsibilities***

Multiple DoD organizations participate in DoD counternarcotics efforts, including the Under Secretary of Defense for Policy, the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD CN&GT), the Counter Narcoterrorism Technology Program Office (CNTPO), and the Combatant Commands (COCOMs).

#### *The Under Secretary of Defense for Policy*

The Under Secretary of Defense for Policy is the principal staff assistant and advisor to the Secretary of Defense and the Deputy Secretary of Defense for all matters regarding national security and defense policy formulation and the integration and oversight of DoD policy and plans. The Under Secretary of Defense for Policy is responsible for developing, coordinating, and overseeing the implementation of DoD drug control policy, including planning, programming, and budgeting for the DoD counter-drug mission. The Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict reports to the Under Secretary of Defense for Policy and serves as the DoD Coordinator for drug enforcement policy and support.

#### *The Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats*

The DASD CN&GT reports to the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict. The DASD CN&GT provides oversight and guidance on policy and resource allocation and measures the DoD's efforts to disrupt and degrade the national security threats posed by illegal drugs, trafficking, piracy, and finance networks.

### *Counter Narcoterrorism Technology Program Office*

The CNTPO develops, deploys, and provides technology and acquisition solutions to engage, disrupt, and deter drug and narcoterrorism operations around the world. The Director, CNTPO, reports to the DASD CN&GT.

### *Combatant Commands*

All of the COCOMs assist in the DoD's counternarcotics effort. The COCOMs identify requirements in coordination with Federal entities and coordinate with the Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (ODASD CN&GT) to obtain funding for the requirements.

### **Counternarcotics Agreements Reviewed**

We requested personnel at the ODASD CN&GT provide all agreements between the DOJ and the DoD for counternarcotics requirements from October 2008 through June 2016. In response to our request, ODASD CN&GT personnel provided 100 documents. The agreements generally involved the DOJ providing training and detailing DOJ personnel to the DoD. DOJ OIG personnel also provided one additional agreement for the parts and tooling on the Global Discovery Program ATR 42-500 aircraft that the ODASD CN&GT did not provide to us. Of the 101 documents received, we determined that the documents consisted of agreements, agreements with amendments, amendments without original agreements, letters, and funding authorization notices, as well as duplicates.<sup>6</sup> We determined that our universe of documents included 85 agreements, valued at \$65.8 million, dated from April 2009 through June 2016.

We nonstatistically selected agreements to review that included dollar values above \$1 million and agreements for the Global Discovery Program. The agreements reviewed were for efforts in the U.S. Central Command (USCENTCOM) and U.S. Africa Command (USAFRICOM) areas of responsibility. Of the 85 agreements, completed and ongoing, we nonstatistically selected 13 agreements valued at \$41.5 million. See Table 1 for the counternarcotics agreements reviewed, purpose of the agreements, and amount of the agreements.

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<sup>6</sup> Agreements include interagency agreements, memorandums of understanding, and memorandums of agreement.

Table 1. DOJ and DoD Counternarcotics Agreements Reviewed

Effective Date	Agreement Between DoD and DOJ Agency	Agreement Purpose	Amount
<b>Agreements in USCENTCOM Area of Responsibility</b>			
10/16/2009	ICITAP	Detailing ICITAP employees to USCENTCOM	\$1,403,820
11/18/2011	DEA	Operation and maintenance of King Air 350s, electricity and generator maintenance, landing fees, personnel temporary duty costs, flares	3,255,000
2/24/2012	FBI	Counter-drug mentoring and training	1,078,000
7/24/2012	ICITAP	Detailing ICITAP employees to USCENTCOM	2,037,353
10/15/2012	DEA	Operation and maintenance of King Air 350s, electricity and generator maintenance, landing fees, personnel temporary duty costs, flares	6,640,000
3/4/2013	DEA	Parts and tooling for Global Discovery Program ATR 42-500 aircraft	8,745,137
8/23/2013	DEA	Operation and maintenance of King Air 350s, electricity and generator maintenance, landing fees, personnel temporary duty costs	6,560,000
3/24/2014	DEA	Counter-drug training	1,551,067
10/1/2014	DEA	Operation and maintenance of King Air 350s, electricity and generator maintenance, landing fees, personnel temporary duty costs	3,880,000
8/25/2015	DEA	Detailing DEA personnel to the DoD	1,075,608
<b>Subtotal</b>			<b>\$36,225,985</b>
<b>Agreements in USAFRICOM Area of Responsibility</b>			
4/4/2014	FBI	Counter-drug training	\$1,810,871
5/15/2014	ICITAP	Counter-drug training	1,043,245
3/17/2015	FBI	Counter-drug training	2,438,466
<b>Subtotal</b>			<b>\$5,292,583</b>
<b>Total</b>			<b>\$41,518,568</b>

Source: The DoD OIG.

#### LEGEND

**DEA** Drug Enforcement Administration

**DOJ** Department of Justice

**FBI** Federal Bureau of Investigation

**ICITAP** International Criminal Investigative Training Assistance Program

**USAFRICOM** U.S. Africa Command

**USCENTCOM** U.S. Central Command

## Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.<sup>7</sup>

We identified internal control weaknesses in the overall management of the ODASD CN&GT counternarcotics program. We will provide a copy of the report to the senior official responsible for internal controls in the Office of the Under Secretary of Defense for Policy.

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<sup>7</sup> DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

## Finding A

### The DASD CN&GT Did Not Effectively Manage the Global Discovery Program

The DASD CN&GT did not effectively manage the Global Discovery Program for the ATR 42-500 aircraft that was intended to be used for counternarcotics missions in Afghanistan. This significantly contributed to the program's failure. Specifically, the DASD CN&GT, or personnel in the ODASD CN&GT, did not:

- track funding for the Global Discovery Program;
- clearly define requirements and capabilities for the ATR 42-500 aircraft, and still needed to finalize them 3 years into the Global Discovery Program; and
- effectively oversee the Global Discovery Program. Specifically, the DASD CN&GT and ODASD CN&GT personnel changed action officers multiple times; did not maintain complete records, such as documenting decisions on changes to requirements and capabilities; moved the program between DoD Components resulting in duplicative efforts; did not define roles and responsibilities for the personnel involved; and did not follow effective contract oversight processes.

This occurred because ODASD CN&GT personnel did not have program management experience and action officers failed to provide the required oversight and make adequate decisions when trying to perform program management for the Global Discovery Program. Despite the DASD CN&GT knowing in late 2013 that DEA personnel were significantly reducing their presence in Afghanistan in 2014, the DASD CN&GT stated that she decided not to cancel the program because she believed the ATR 42-500 aircraft was near completion.

As a result, the DASD CN&GT wasted at least \$64.8 million on the Global Discovery Program for modifications on the ATR 42-500 aircraft that DEA personnel never used for missions in Afghanistan.<sup>8</sup> After more than 7 years, the DASD CN&GT canceled the Global Discovery Program and, in December 2016, DEA personnel reclaimed possession of the ATR 42-500 aircraft. During the more than 7-year program, DoD personnel purchased equipment, contracted for modifications to the aircraft, modified the aircraft, subsequently had the modifications removed from the aircraft, and returned the aircraft to its original form, but without the required Federal Aviation Administration (FAA) flight certification. Consequently, the DoD received no benefit for its more than 7 years' work, and \$64.8 million in funds were wasted.

<sup>8</sup> This amount may not include all the funding spent in support of the Global Discovery Program. DoD Directive 7050.4, "Awards for Cost Savings Resulting from the Disclosure of Fraud, Waste, or Mismanagement," October 21, 2004, defines waste as "[t]he extravagant, careless, or needless expenditure of DoD funds...that results from deficient practices, systems, controls, or decisions."



## Global Discovery Program History

We identified nine separate DoD organizations that provided information about the Global Discovery Program. However, no single agency in the DoD could provide the complete history or supporting documentation for the Global Discovery Program.

According to the DASD CN&GT, DoD and DEA personnel began discussions on the Global Discovery Program between 2007 and 2008. The original intent of the program was to establish data sharing capabilities between Government agencies on counternarcotics efforts in Afghanistan through aviation operations. However, ODASD CN&GT personnel stated that over time the Global Discovery Program referred only to the ATR 42-500 aircraft that DEA personnel purchased in 2008. On January 13, 2009, the DEA officially requested DoD assistance to support counternarcotics efforts in Afghanistan. From January to July 2011, the DASD CN&GT and the DEA Assistant Administrator, Chief of Operations, corresponded through four letters, broadly discussing the roles, expectations, and requirements of the program. In September 2011, Naval Surface Warfare Center (NSWC)-Crane personnel started contracting for aircraft equipment to modify the ATR 42-500 aircraft. In March 2012, DEA personnel delivered the ATR 42-500 aircraft to a DoD subcontractor's facility located in Delaware to be modified for counternarcotics missions in Afghanistan.

According to an ODASD CN&GT action officer, in August 2012, the DASD CN&GT removed responsibility for technical capability and contract support for the Global Discovery Program from NSWC-Crane and, in early 2013, NSWC-Crane personnel completed their final responsibilities on the program. In July 2013, the Army Contracting Command, Aberdeen Proving Ground (ACC-APG), Adelphi, Maryland, contracting officer awarded the first task order from an indefinite-delivery, indefinite-quantity contract, for the aircraft modifications; it was cost-plus fixed fee.<sup>9</sup> In March 2015, the contracting officer amended the first task order to firm-fixed price.<sup>10</sup> This amendment required the contractor to deliver an FAA-certified aircraft by June 30, 2016.

In May 2016, the ACC-APG Adelphi contracting officer issued a Cure Notice to notify the prime contractor that the Government considered the prime contractor's inability to fulfill the requirements of the performance work statement and "deliver an FAA-certified aircraft by 30 June 2016" as a condition that was endangering performance of the task order.<sup>11</sup> The prime contractor claimed excusable delay.

<sup>9</sup> Task Order W911QX-13-D-0002-0001.

<sup>10</sup> Task Order Amendment #03, W911QX-13-D-0002-0001.

<sup>11</sup> A contracting officer issues a Cure Notice to a contractor when there is a danger of the contractor missing a contractual deadline and when the contractor is at risk of the Government terminating the contract.

The Government and the prime contractor were negotiating a way forward; however, the contracting officer did not amend the task order. Figure 1 shows the state of the aircraft during our site visit to the subcontractor facility in August 2016.



Figure 1. Global Discovery Program ATR 42-500 Aircraft, August 2016  
Source: The DoD OIG.

In September 2016, the DASD CN&GT stated that she assigned a different ODASD CN&GT action officer to the program to determine what was happening with the ATR 42-500 aircraft. In October 2016, the subcontractor reconfigured the aircraft to its original form, and DEA personnel requested FAA's approval to fly the aircraft to another facility. Figure 2 shows the aircraft modified back to its original form prior to the DEA reclaiming possession of the aircraft.



Figure 2. Global Discovery Program ATR 42-500 Aircraft, October 2016  
Source: Army Research Laboratory, Adelphi, Maryland.

In November 2016, the Army Research Laboratory (ARL) contracting officer's representative (COR) explained that the contractor continued to complete the paperwork required for the task order deliverables for the ATR 42-500 aircraft. According to an ODASD CN&GT action officer, in December 2016, DEA personnel reclaimed possession of the ATR 42-500 aircraft, which was reconfigured to its original form, without DoD modifications. DEA pilots then flew the aircraft from the subcontractor's facility to Fort Worth, Texas. Although the task order required FAA flight certification, according to the ARL COR and an ODASD CN&GT action officer, the DEA received a one-time FAA approval for that flight.



Figure 3. Global Discovery Program ATR 42-500 Aircraft in Flight, December 2016  
Source: The ODASD CN&GT.

DOJ OIG auditors stated that the ATR 42-500 aircraft was still located in Fort Worth, Texas, and has not flown any missions. Furthermore, in July 2017, the DOJ OIG auditors stated that DEA personnel plan to put the aircraft up for auction through the General Services Administration in August 2017. Figure 3 shows the aircraft flying out of the subcontractor's facility in Delaware in December 2016.

See Appendix B for the timeline and additional details on the frequent change of personnel and offices throughout the program.

## The Global Discovery Program for Counternarcotics Missions Was Not Effectively Managed

The DASD CN&GT did not effectively manage the Global Discovery Program ATR 42-500 aircraft that was intended for counternarcotics missions in Afghanistan, significantly contributing to the program's failure. Specifically, ODASD CN&GT personnel did not track funding for the Global Discovery Program. The DASD CN&GT did not clearly define or finalize program requirements and capabilities for the ATR 42-500 aircraft 3 years into the program. In addition, the DASD CN&GT did not adequately oversee the Global Discovery Program. Specifically, ODASD CN&GT personnel changed action officers multiple times, did not maintain complete records, and moved the program responsibilities among DoD Components resulting in duplicative efforts. The DASD CN&GT did not define roles and responsibilities for the personnel involved in the program. Finally, the DASD CN&GT did not follow effective contract oversight processes for the Global Discovery Program.

### ***Program Funds Were Not Tracked***

ODASD CN&GT personnel did not track funding for the Global Discovery Program.

ODASD CN&GT personnel did not track funding for the Global Discovery Program. In August 2016, an ODASD CN&GT budget analyst stated that he was aware of only a spreadsheet with funding information for the program, which was generated specifically for the DOJ OIG audit. In March 2016, DOJ OIG auditors reported that \$86.6 million was expended on the Global Discovery Program, an assertion based in part on information that an ODASD CN&GT action officer provided. Of the \$86.6 million spent, DOJ OIG auditors reported that DEA personnel spent \$8.6 million and DoD personnel spent \$78 million on the program. According to the DOJ OIG auditors, the ODASD CN&GT action officer stated that those funding amounts were the best he could come up with. We reviewed the supporting documentation for the cost of the program and determined that ODASD CN&GT personnel could not support \$12.1 million of the amount provided to the DOJ OIG auditors.

We determined that DoD personnel spent \$66.8 million on the Global Discovery Program. However, due to the lack of accountability of funds, this amount may not include all DoD funds spent on the aircraft. See Table 2 for the sources and values of the DoD contracts and memorandums of understanding that supported the Global Discovery Program.

Table 2. DoD Spent at Least \$66.8 Million on the Global Discovery Program

Date	Source of Funds	Contract/MOU Value <sup>1</sup>
August 2010 to January 2013	NSWC–Crane procured services including, but not limited to, sensor integration, software development, modeling, and simulation.	\$20,732,876
May 2011 to November 2012	NSWC–Crane credit card and Military Standard Requisitioning and Issue Procedures (MILSTRIP) purchases for hardware, such as circuit breakers, plug seals, wires, and antennas. <sup>2</sup>	2,466,563
September 2011 to January 2013	NSWC–Crane contracts for equipment (such as aircraft operator work stations, intercom systems, and radio systems), first article tests, dimension verification, and engineering drawings.	2,241,647
September 2012	Defense Technology Information Center services procured for the integration of capabilities software (Task Order SP0700-99-D-0301-0233).	5,489,531
September 2012	Army Space and Missile Defense Command services procured for minor military construction on a replacement hangar in Afghanistan to house the ATR 42-500 aircraft (Task Order W9113M-07-D-0005-0026).	1,976,413
March 2013	Memorandum of Understanding between the DoD and the DEA for parts and tooling on the ATR 42-500 aircraft.	8,745,137
July 2013	ACC–APG Adelphi task order incorporating technology onto the ATR 42-500 aircraft, modifying the aircraft, and obtaining air worthiness certifications from the FAA (Task Order W911QX-13-D-0002-0001).	16,562,486
March 2015	ACC–APG Adelphi task order for airframes repair, sensors installation, flight testing requirements, and required FAA certification and delivery of the ATR 42-500 aircraft to a Government representative (Amendment 03 on Task Order W911QX-13-D-0002-0001).	8,539,624 <sup>3</sup>
<b>DoD Total</b>		<b>\$66,754,277<sup>4</sup></b>
2008	DEA purchase of the ATR 42-500 aircraft.	\$8,572,638
<b>Global Discovery Program Total</b>		<b>\$75,326,915</b>

Source: The DoD OIG.

<sup>1</sup> For the hangar, equipment, parts, and aircraft modifications, the amounts may differ between the DoD OIG reported amount and the DOJ OIG reported amount. We included the amount on the agreement or contract as well as any de-obligated or incremental funding provided. The DOJ OIG reported the expended amount.

<sup>2</sup> MILSTRIP is a Navy stock system with a national stock list to purchase hardware or parts out of a warehouse.

<sup>3</sup> In March 2017, the ACC–APG Adelphi contracting officer terminated the Global Discovery portion of contract W911QX-13-D-0002. The Defense Contract Management Agency terminating contracting officer and the ACC–APG Adelphi contracting officer were negotiating termination costs with the contractor. Only \$6.8 million of the \$8.5 million was paid to the contractor.

<sup>4</sup> Due to the lack of accountability of funds, the DoD OIG reported amount may not include all funding in support of the Global Discovery Program.

## ***Program Requirements and Capabilities Were Not Clearly and Consistently Defined***

The DASD CN&GT and DEA did not clearly define or finalize requirements and capabilities for the ATR 42-500 aircraft 3 years into the Global Discovery Program.

The DASD CN&GT and DEA did not clearly define or finalize requirements and capabilities for the ATR 42-500 aircraft 3 years into the Global Discovery Program. Over a more than 7-year period, the DASD CN&GT changed, or considered DEA personnel requests to change, requirements for aircraft modifications while NSWC-Crane worked on the ATR 42-500 aircraft. NSWC-Crane personnel stated that a requirements document did not exist when the DASD CN&GT moved the program to the NSWC-Crane technical capabilities office in 2010. NSWC-Crane personnel further stated that they helped ODASD CN&GT and DEA personnel develop a system requirements document, which was signed in November 2010 by a DEA official.<sup>12</sup>

In July 2011, the Principal Director, ODASD CN&GT, and the technical project manager at NSWC-Crane agreed to the Global Discovery Program ATR 42-500 aircraft requirements and capabilities and signed a scope of work. However, the requirements in the scope of work differed from those in the system requirements document. In addition, the DASD CN&GT and DEA Assistant Administrator discussed, in internal correspondence, broadly agreed-upon roles, expectations, and requirements, items which were not consistently incorporated into the Global Discovery Program aircraft scope of work.

According to NSWC-Crane technical capabilities personnel, ODASD CN&GT action officers also requested numerous changes to the Global Discovery Program requirements and capabilities for the ATR 42-500 aircraft. For example, according to NSWC-Crane personnel, ODASD CN&GT action officers instructed NSWC-Crane personnel to remove the radar, detection and monitoring system, and integration system capabilities from the Global Discovery Program requirements. However, there were no documents stating the reasons why the ODASD CN&GT action officers instructed the removal of the requirements before the requirements were finalized. NSWC-Crane personnel stated that the ODASD CN&GT action officers verbally made all requests to change requirements. In 2012, ODASD CN&GT personnel removed responsibility for technical capability and contract support for the Global Discovery Program from NSWC-Crane and stated in an e-mail that the decision had little to do with NSWC-Crane performance.

<sup>12</sup> The system requirements document identified what capabilities the aircraft should have.

In addition, the e-mail stated DEA personnel and the DASD CN&GT needed to finalize requirements. However, in December 2016, the DASD CN&GT stated that she removed the Global Discovery Program from NSWC-Crane because there were program mismanagement issues related to the problem of DEA personnel changing the requirements, as well as contractor mismanagement of the aircraft. The DASD CN&GT further stated that the DEA requests for changing requirements were not documented. In June 2013, the ACC-APG Adelphi contracting office awarded the Army contract that procured the services for the finalized requirements.<sup>13</sup>

### ***Program Lacked Effective Oversight and Management***

The DASD CN&GT did not provide effective oversight of the Global Discovery Program. Specifically, ODASD CN&GT action officers leading the program changed multiple times and did not maintain complete records. The DASD CN&GT moved the program among nine DoD Components, which resulted in duplicative efforts. Additionally, the DASD CN&GT did not define the roles and responsibilities for the DoD Components involved in the program and did not follow effective contract oversight processes. See Appendix C for more details on the chronological order of events for the DoD Components involved in the program.

### ***Use of Multiple DoD Components Caused Duplicate Work***

Over a period of more than 7 years, the DASD CN&GT moved the program responsibilities to multiple DoD Components, which extended the delivery of the ATR 42-500 aircraft and caused duplicate work. The Global Discovery Program started at the CNTPO-Navy in December 2009 because the DASD CN&GT normally used personnel at CNTPO as program managers. The DASD CN&GT then decided to use a different DoD Component's acquisition strategy and moved the program from CNTPO-Navy to NSWC-Crane in May 2010. In August 2012, ODASD CN&GT personnel informed NSWC-Crane personnel that responsibility for technical capability and contract support for the Global Discovery Program was being removed from NSWC-Crane. In September 2012, the ODASD CN&GT action officer required the ATR 42-500 aircraft be reassembled to its original form. In June 2013, the ACC-APG Adelphi contracting officer awarded a new contract for aircraft modifications and restarted the Global Discovery Program. The move from NSWC-Crane to ACC-APG Adelphi resulted in duplicate work; both NSWC-Crane and ACC-APG Adelphi contracts procured services for the contractors to install sensors onto the ATR 42-500 aircraft. Ultimately, ACC-APG Adelphi had the contractor add plates over locations where the sensors were to be located and reconfigured the aircraft to its original form, without DoD modifications and sensors.

<sup>13</sup> Contract W911QX-13-D-0002.

### *ODASD CN&GT Did Not Maintain Complete Records*

Because of the frequent changes in ODASD CN&GT action officers for the Global Discovery Program, no one maintained complete records or could fully explain the program. The DASD CN&GT assigned four different action officers from within the ODASD CN&GT to lead the program. According to ODASD CN&GT personnel, the last action officer was assigned in September 2016. In 2016, an ODASD CN&GT budget analyst provided us access to documentation on the Global Discovery Program, which included computer files from various action officers. However, these files did not include relevant project documents. For example, the files did not have documentation on DEA-requested requirements and capabilities changes or why the DASD CN&GT agreed or disagreed to requirements changes. In Finding B, we make recommendations on the overall ODASD CN&GT processes and procedures to improve management.

### *Roles and Responsibilities Were Not Clearly Defined*

The DASD CN&GT and the ODASD CN&GT action officers generally did not define roles and responsibilities for the DoD Components and the Systems Engineering and Technical Assistant contractor involved in the Global Discovery Program oversight. For the ACC-APG Adelphi task order, the ODASD CN&GT action officer and the Director, CNTPO Air Force, duplicated work on the program oversight. In addition, both the NSWC-Dahlgren program manager (see Appendix C for roles and responsibilities) and the Systems Engineering and Technical Assistant contractor inspected the subcontractor's work on the aircraft modifications. Furthermore, the ACC-APG Adelphi contracting officer assigned an ARL COR to the task order to oversee aircraft modifications.

The overlapping roles made it unclear who the contractor should have been reporting to. For example, as required by the ACC-APG Adelphi task order, the subcontractor installed cameras. The NSWC-Dahlgren program manager then inspected the subcontractor's work on the installation and informed the ARL COR. The contractor requested payment, referencing the NSWC-Dahlgren program manager accepting the work. However, it was the responsibility of the ARL COR to accept the work. The contractor did not know the correct DoD personnel to request payment from because the DASD CN&GT and the action officers did not define roles and responsibilities.

### *Contract Oversight Was Not Effective*

Although there were significant problems with the Global Discovery Program, the DASD CN&GT did not ensure effective contract oversight for the program. The ACC-APG Adelphi contracting officer issued a Cure Notice related to the timely



delivery of an FAA-certified ATR 42-500 aircraft. However, the ARL COR had not visited the subcontractor facility to monitor the subcontractor's performance on the task order before, or for 4 months after, the ACC-APG Adelphi contracting officer signed the Cure Notice.<sup>14</sup> As written in the COR's designation letter and the quality assurance surveillance plan, the ARL COR was assigned the responsibility to perform 100 percent of the inspections and to notify the contracting officer immediately of any issues or problems observed.

Furthermore, neither the DASD CN&GT nor ODASD CN&GT personnel ensured that qualified personnel were designated to perform contract oversight. The ARL COR stated that he was an electronic engineer, had knowledge on sensors, and relied on the Systems Engineering and Technical Assistant contractor for aircraft expertise. However, the Systems Engineering and Technical Assistant contractor should not perform this duty since the Defense Federal Acquisition Regulation Supplement states "...in no case shall contractor personnel serve as CORs."<sup>15</sup> A qualified Government COR should have observed the subcontractor's work on the aircraft as required by the COR's designation letter and the quality assurance surveillance plan, especially after the Cure Notice was issued.

In August 2016, the ARL COR stated that he briefed the DASD CN&GT on two significant issues: the test plan for FAA certification and different aircraft configurations for FAA certification. The ARL COR stated that he thought the Director, CNTPO Air Force, had been regularly updating the DASD CN&GT on the project; however, during the August 2016 meeting, the COR realized this was not occurring. To determine what was happening at this point, the DASD CN&GT stated that she assigned a different ODASD CN&GT action officer in early September 2016. According to the ARL COR, his first visit to the subcontractor's facility in Delaware was in October 2016.

## **The DASD CN&GT Did Not Provide Effective Program Management for the Global Discovery Program**

ODASD CN&GT personnel did not have program management experience and action officers failed when trying to perform program management for the Global Discovery Program. The DASD CN&GT stated that she expected other DoD Components to execute the program and thought everyone knew their roles. However, other than when the program was at NSWC-Crane, the DASD CN&GT did not assign DoD Components their specific roles and responsibilities for the program.

<sup>14</sup> Task order W911QX-13-D-0002-0001.

<sup>15</sup> Defense Federal Acquisition Regulation Supplement 201.602-2, "Responsibilities."

The DASD CN&GT had multiple opportunities to reevaluate the Global Discovery Program and funds spent. For example, the DASD CN&GT knew in late 2013 that DEA personnel presence would significantly decrease in Afghanistan, after the DoD announced the troop draw down. DoD troops provided security support for DEA personnel in Afghanistan, so the draw down would affect DEA missions. ODASD CN&GT personnel had no documentation demonstrating that the DASD CN&GT reevaluated the program when it became known that the DEA would not be able to use the ATR 42-500 aircraft for missions in Afghanistan.

In addition, the DASD CN&GT did not adequately evaluate the direction of the program when problems occurred. For example, during aircraft modifications, an FAA representative found that the ATR 42-500 aircraft had oblong holes in the air frame. The subcontractor then drilled matching holes in the frame doublers, a problem which, according to the DOJ OIG report, cost the DoD an estimated additional \$6 million to correct.<sup>16</sup> The DASD CN&GT stated that she wanted out of the program at that point, but was briefed on plans to repair the frame, so she approved the program to continue.

The DASD CN&GT stated that she thought the Global Discovery Program ATR 42-500 aircraft failed because the program kept missing deadlines; however, she was responsible for the program and ensuring that missed deadlines were addressed. The DASD CN&GT stated that ODASD CN&GT personnel will not perform any more work on aircraft modifications in the future. We recommend that the Under Secretary of Defense for Policy review the circumstances that led to ineffective management and oversight of the Global Discovery Program and, if appropriate, initiate action to hold personnel accountable.

## Conclusion

The DASD CN&GT wasted at least \$64.8 million on the Global Discovery Program by mismanaging aircraft modifications on the DEA-owned ATR 42-500 aircraft, which DEA personnel purchased for \$8.6 million.<sup>17</sup> The combination of not clearly defining requirements, continually changing personnel, duplicating work, and not clearly defining roles and responsibilities contributed to the failure of the Global Discovery Program. Because of



The DASD CN&GT wasted at least \$64.8 million on the Global Discovery Program by mismanaging aircraft modifications on the DEA-owned ATR 42-500 aircraft.

<sup>16</sup> A frame doubler is metal placed under a part to make it stiffer.

<sup>17</sup> The dollar amount excludes the \$2 million cost for the minor military construction project to replace the hangar that would have housed the ATR 42-500 aircraft because other Government entities used the hangar. The agreement was originally for \$1.4 million; however, the DoD spent \$2 million on the hangar. Furthermore, this amount may not include all the funding spent in support of the Global Discovery Program.

turnover within the ODASD CN&GT, personnel could not fully explain the details of the Global Discovery Program. Furthermore, the action officers also did not document decisions for the program.

For more than 7 years, the DASD CN&GT and ODASD CN&GT action officers did not effectively manage the program and, as a result, DEA personnel never used the aircraft on missions in Afghanistan. During the more than 7-year program, DoD personnel purchased equipment, contracted for modifications to the aircraft, modified the aircraft, subsequently had the modifications removed from the aircraft, and returned the aircraft to its original form, but without the required FAA flight certification. Consequently, the DoD received no benefit for its more than 7 years' work, and \$64.8 million in funds were wasted.

## Management Comments on the Finding and Our Response

### *Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats Comments*

The Acting DASD CN&GT stated that the report unfairly assigned responsibility for the failures of the Global Discovery Program to the ODASD CN&GT. The Acting DASD CN&GT stated that, while it was the resource sponsor of the program, the ODASD CN&GT did not provide oversight or execution of contracted services, which he stated ultimately failed to complete the aircraft modification. He further stated that the report correctly noted that the ODASD CN&GT is “responsible for oversight and guidance on policy and resource allocations.” The Acting DASD CN&GT stated that the remedies available to improve contractor performance were to change program management offices or terminate funding for the program, and the ODASD CN&GT took these actions due to serious concerns about the performance of the program.

The Acting DASD CN&GT also acknowledged deficiencies in overall program oversight and record keeping. However, the Acting DASD CN&GT stated that he was unaware of any inappropriate or negligent actions taken over the course of the Global Discovery Program. Furthermore, he was unaware of actions that officials overseeing the program in the DoD could have taken that would have resulted in better contract performance.

The Acting DASD CN&GT stated that the report found fault with the ODASD CN&GT's decision to move forward with the program despite the knowledge of the 2014 drawdown of forces and DEA withdrawal from Afghanistan. Although the original purpose for the aircraft was to support DEA and U.S. military operations in Afghanistan, the Acting DASD CN&GT stated that the aircraft capability would have also been useful in the Western Hemisphere, where the vast majority of the drugs consumed in the U.S. originate and where DoD resources are much more limited. Additionally, cancellation of the program would have resulted in significant unrecoverable costs. Based on these considerations, the Acting DASD CN&GT believes the decision to attempt to complete the aircraft modification was appropriate. For the full text of the Acting DASD CN&GT's comments, see the Management Comments.

### *Our Response*

The Acting DASD CN&GT stated that, while it was the resource sponsor of the program, the ODASD CN&GT did not provide oversight or execution of contracted services, which he stated ultimately failed to complete the aircraft modification. However, we determined that program responsibility remained with the DASD CN&GT and the ODASD CN&GT action officers. In July 2011, the Principal Director, ODASD CN&GT, and NSWC-Crane officials signed a scope of work that established the program roles and responsibilities and stated that the DASD CN&GT would:

- provide program funding based upon an approved Statement of Work and government cost estimate;
- provide overall Global Discovery Program direction, oversight, and approval;
- confirm and prioritize the requirements for the Global Discovery Program;
- provide ultimate decision authority over the Global Discovery Program changes;
- provide direction and approval in writing for the execution of the Global Discovery Program;
- approve the Global Discovery Program to proceed into each phase based on analysis of cost, schedule, risk management, and requirements; and
- ensure the Global Discovery Program is integrated across the appropriate stakeholders and aligned with DASD CN&GT priorities.

Since this was the only scope of work for the over 7-year Global Discovery Program, it is clear that the DASD CN&GT agreed to and retained all program responsibility and was more than a resource sponsor for the Global Discovery Program.

Furthermore, as stated in the scope of work, the DASD CN&GT was responsible for confirming and prioritizing the requirements for the Global Discovery Program. In addition, ODASD CN&GT and DEA personnel repeatedly changed requirements. Without agreed upon requirements, contracting personnel cannot adequately perform their responsibilities. However, contracting problems were only one part of the reason the Global Discovery Program failed. The DASD CN&GT's ineffective management of the Global Discovery Program through a combination of not clearly defining requirements, continually changing personnel, duplicating work, and not clearly defining roles and responsibilities contributed to the failure of the Global Discovery Program. The Acting DASD CN&GT acknowledged deficiencies in overall program oversight and recordkeeping, which were responsibilities of the sponsor of the program.

The Acting DASD CN&GT further stated that the remedies available to improve contractor performance were to change program management offices or terminate funding for the program, and the ODASD CN&GT took these actions due to serious concerns about the performance of the program. We agree these are remedies for improving a program; however, when ODASD CN&GT personnel removed the Global Discovery Program from NSWC-Crane, the e-mail from the ODASD CN&GT action officer to a NSWC-Crane official stated that the decision had little to do with the NSWC-Crane performance. Furthermore, the DASD CN&GT moving the program responsibilities to multiple DoD Components over the 7-year Global Discovery Program extended the delivery of the ATR 42-500 aircraft and caused duplicate work.

The DASD CN&GT stated that she decided in 2014 to stop providing additional funding to the program. We agree with the Acting DASD CN&GT that the ODASD CN&GT did stop funding the Global Discovery Program after funding a firm-fixed price task order in March 2015. However, the DASD CN&GT did not terminate the program until September 2016, approximately 3 months after the audit began. The subcontractor and the DoD did not return the ATR 42-500 aircraft to the DEA until December 2016.

We also agree with the Acting DASD CN&GT that we are unaware of any negligent actions taken over the course of the Global Discovery Program. However, while the ODASD CN&GT retained program management responsibilities, it did not perform the duties. Assigning an official program manager in the ODASD CN&GT for the Global Discovery Program would have led to a better outcome. A program manager is trained and regularly works with contracting personnel during the course of an acquisition, and a program manager could have potentially mitigated the contracting problems.

Furthermore, the Acting DASD CN&GT acknowledged that the original purpose of the aircraft was to support DEA and military operations in Afghanistan, but suggested that the aircraft would have been useful in other regions. However, there was no documentation or evidence that the DASD CN&GT considered other uses or missions for the ATR 42-500 aircraft as the Global Discovery Program continued in 2014. The Acting DASD CN&GT stated that cancellation of the program would have resulted in significant unrecoverable costs; however, the DoD received no benefit for its more than 7 years' work, and \$64.8 million in funds were wasted.

## Management Comments on the Wasted Dollars and Our Response

### *Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats Comments*

The Acting DASD CN&GT agreed that the \$66.8 million identified for the Global Discovery Program was accurate.<sup>18</sup> However, the Acting DASD CN&GT stated that \$13.5 million could support other counter-drug programs currently being considered, or could be repurposed for other DoD use, to include:

- \$5 million for the radar system and cameras,
- \$8 million in aircraft spare parts, and
- \$500,000 for infrared countermeasures and radios.

The Acting DASD CN&GT stated that \$13.5 million is potentially recoverable.

### *Our Response*

The Acting DASD CN&GT agreed with the total DoD funds spent on the Global Discovery Program, but suggested some funds are potentially recoverable. However, he did not provide supporting documentation for the \$13.5 million that he stated was potentially recoverable. While we believe the Acting DASD CN&GT's idea to repurpose the equipment or recoup funds is commendable, the ATR 42-500 aircraft is not included in any DoD Component inventory; therefore, we do not know, for instance, how its spare parts, valued at \$8 million, could be used in the DoD inventory. While we agree that the DoD should try to repurpose the radar system and camera, the Acting DASD CN&GT did not identify a previous

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<sup>18</sup> The \$66.8 million that DoD spent on the Global Discovery Program differs from the \$64.8 million wasted amount because the wasted amount excludes the \$2 million cost for the minor military construction project to replace the hangar that would have housed the ATR 42-500 aircraft. Other Government entities used the hangar.

or existing need for the equipment. Additionally, the Acting DASD CN&GT did not specify how the infrared countermeasures and radios would be used for counternarcotics-related requirements or provide an equipment list for them. For example, it is unclear which radios the Acting DASD CN&GT planned to repurpose, as the DoD transferred radios purchased for the Global Discovery Program to the DEA in December 2016.

The Global Discovery Program never met its intent and did not perform any counternarcotics missions in Afghanistan through aviation operations and, as such, was wasteful. As a result, we did not change the total amount of the DoD funds wasted on the Global Discovery Program.

## Unsolicited Management Comments on the Finding and Our Response

### *U.S. Central Command Comments*

Although not required to comment, a Division Chief, USCENTCOM, stated that, while he agreed with many of the report's findings and recommendations, the report incorrectly assigned responsibility for the failures of the program primarily to the ODASD CN&GT. The Division Chief stated that he thought the contracting personnel and DEA officials were also responsible for the program's failure. Additionally, the Division Chief stated that he thought the program failed because of poor contractor performance and thought that the DASD CN&GT took steps to address the issue. The Division Chief also stated that the report statement on the DASD CN&GT's decision not to cancel the program, despite the DEA pending drawdown by December 2014, was misleading because any decision made in 2013 was based on information known at that time. For the full text of the Division Chief's comments, see the Management Comments.

### *Our Response*

The DASD CN&GT sponsored the program and program responsibility remained with the DASD CN&GT, as we discuss in our response to the DASD CN&GT comments to the finding. Furthermore, the DASD CN&GT repeatedly changed requirements so contracting personnel could not adequately perform their duties. DEA personnel were involved in the changing requirements and also had responsibility in the failure of the Global Discovery Program. The DOJ OIG issued an audit report on the DEA regarding the ATR 42-500 aircraft, which we considered, but we decided not to duplicate its efforts. Specifically, the DOJ OIG found that DEA "failed to document its agreement with the DoD, through the

DoD's contractor and subcontractor, to perform major modifications to one of the DEA's high-dollar assets." The DOJ OIG found that "without an MOU, the DEA had difficulty ensuring that all agreed upon modifications were made and holding the DoD accountable for timely completion of the project." The DOJ OIG recommended

that the DEA ensure that major agreements involving the transfer or modification of high-dollar assets, such as aircraft, be sufficiently documented to provide a record of the transfer; the terms and conditions related to any agreements pertaining to the assets that are being transferred and any modifications that are to be completed, as well as the responsibility and time frame therefor; and remedial provisions to protect the interests of the DEA in the event of loss or damage that may occur to DEA's assets during that process.<sup>19</sup>

The Division Chief also stated that contracting personnel were responsible for the program failure. As we discussed in our response to the DASD CN&GT comments to the finding, program management is the major reason for the failure of the Global Discovery Program. We agree with the Division Chief that ineffective contract oversight, addressed in the report, was one of many areas that led to the failure of the Global Discovery Program. The Division Chief stated that he thought the DASD CN&GT took steps to address the issues. As we discussed in our response to the DASD CN&GT comments to the finding, the DASD CN&GT did eventually stop funding the Global Discovery Program, and the DASD CN&GT terminated the Global Discovery Program after the audit began.

The DASD CN&GT stated that she knew in 2013 of the DEA drawdown in Afghanistan, yet she decided to continue the Global Discovery Program based on information known at the time and because of the amount of money already spent on the program. We conclude that this led to the ODASD CN&GT wasting additional funds on the program.

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<sup>19</sup> DOJ OIG Report Audit Division 16-16, "Audit of the Drug Enforcement Administration's Aviation Operations with the Department of Defense in Afghanistan," March 2016.



## Recommendation, Management Comments, and Our Response

### **Recommendation A.1**

**We recommend that the Under Secretary of Defense for Policy review the circumstances that led to ineffective management and oversight of the Global Discovery Program and, if appropriate, initiate action to hold personnel accountable.**

#### *Under Secretary of Defense for Policy Comments*

The Official Performing the Duties of the Under Secretary of Defense for Policy agreed with our recommendation and will promptly undertake a review of the office's role in the Global Discovery Program including implementing corrective actions to avoid a similar failure in the future. The review, as appropriate, will examine the performance of the contractors and offices responsible for contract execution and oversight.

#### *Our Response*

The Official Performing the Duties of the Under Secretary of Defense for Policy addressed all specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify that the Under Secretary of Defense for Policy:

- has reviewed the circumstances that led to ineffective management and oversight of the Global Discovery Program;
- implemented corrective actions, as appropriate; and
- initiated action to hold personnel accountable, as appropriate.

## Finding B

### ODASD CN&GT Personnel Did Not Effectively Manage Counternarcotics Efforts

We further reviewed, after receiving the congressional requests on the Global Discovery Program, additional counternarcotics efforts between the DOJ and the DoD and determined that other systemic problems existed in the agencies' efforts.

ODASD CN&GT personnel did not effectively manage 13 DOJ and DoD counternarcotics agreements, valued at \$41.5 million. Specifically, ODASD CN&GT personnel did not:

- track agreements that the DASD CN&GT signed and funded, and did not provide copies of all agreements to the audit team;
- provide effective oversight of the five agreements under their direct responsibility or verify that COCOM personnel provided oversight for the other eight agreements;
- ensure accountability of funds for counternarcotics agreements, such as tracking the funding for agreements after transferring the funds to the COCOMs for implementation or requesting financial reports from the DOJ personnel for the agreements; and
- follow ODASD CN&GT standard operating procedures on performance metrics to measure results of the agreements.<sup>20</sup>

This occurred because the ODASD CN&GT did not establish processes or controls to manage the counternarcotics agreements. As a result, the DoD had no assurance that the funds transferred to the DOJ agencies were used for the counternarcotics requirements agreed to.

With the failure of the Global Discovery Program and the ineffective management of the counternarcotics agreements, the Under Secretary of Defense for Policy should immediately review whether ODASD CN&GT has the experienced personnel and controls to effectively oversee the counternarcotics program.

<sup>20</sup> These standard operating procedures are specific to developing and documenting performance metrics for counternarcotics activities. The standard operating procedures do not address the specific roles and responsibilities of all the DoD Components in the execution and oversight of the agreements signed by the DASD CN&GT.

## Counternarcotics Agreements Process

The ODASD CN&GT is responsible for the counternarcotics agreement process in the DoD. Counternarcotics requirements are developed in two ways: by ODASD CN&GT personnel, or by COCOM personnel, who work with a country's embassy and civilian or military law enforcement agencies to develop requirements. After developing the requirements, ODASD CN&GT or COCOM personnel draft the agreement. If COCOM personnel developed the draft agreement, ODASD CN&GT personnel review it. The agreements generally include the authority for and purpose of the agreement; a high-level, broad description of the DOJ and the DoD responsibilities; a determination and finding that using an interagency agreement is in the best interest of the Government; funding amounts; the period of time that the agreement is in effect; and points of contact. The agreements also require that DOJ personnel provide ODASD CN&GT or COCOM personnel documents, such as quarterly reports for goods and services provided; expenditure reports, accounting, or audit information; and after action reports. DoD Office of General Counsel personnel review all counternarcotics agreements and the DASD CN&GT signs all counternarcotics agreements.

In general, the DoD provides funds to the DOJ agencies to perform work, such as teaching counter-drug training in other countries, which benefits the DoD. Other agreements fund activities such as the DEA aviation operations in Afghanistan.

The ODASD CN&GT receives funds from Congress for drug interdiction and counter-drug activities. The ODASD CN&GT manages the CN&GT funds for the DoD and transfers the funds to the COCOM support agents on behalf of the COCOM or other DoD Components for Federal agencies to implement the agreements.<sup>21</sup> As a result of the congressional requests on the Global Discovery Program, we reviewed 13 counternarcotics efforts between the DOJ and the DoD and determined that other systemic problems also existed.

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<sup>21</sup> For this report, we will refer to the funds transferred to the COCOM Support Agent as "to the COCOMs," since COCOM personnel executed the agreements.

## Counternarcotics Agreements Between DOJ and DoD Need Better Management

ODASD CN&GT personnel did not effectively manage 13 counternarcotics agreements, valued at \$41.5 million, between DOJ agencies and the DoD. Specifically, ODASD CN&GT personnel did not have a reliable method to track agreements. ODASD CN&GT personnel did not effectively oversee the five agreements under their direct responsibility or verify that the COCOMs provided oversight for the other eight agreements. Furthermore, ODASD CN&GT personnel did not have accountability of funds for agreements and did not request financial reports from DOJ personnel for the agreements. Finally, ODASD CN&GT personnel did not comply with their own standard operating procedures on performance metrics to manage the results of the agreements.

### ***Counternarcotics Agreements Were Not Tracked***

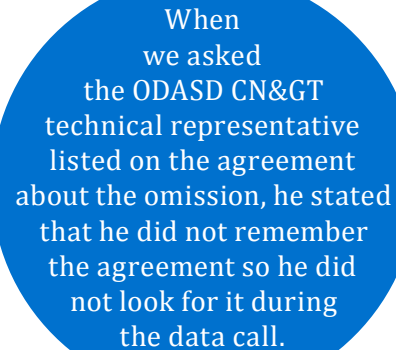
ODASD CN&GT personnel did not have a reliable method to track counternarcotics agreements they approved and were responsible for. One ODASD CN&GT official provided a tracking sheet for agreements from 2014 through 2016; however, ODASD CN&GT personnel did not have a tracking method before this period. When the ODASD CN&GT official provided the tracking sheet, he stated that it was an unofficial document and that the ODASD CN&GT was in the process of finalizing the format to make it an official version. The Government Accountability Office standards for internal control states that management should design controls over information to support the completeness, accuracy, and validity of information processing. The guidance also states that documentation provides a way to retain organization knowledge, reduce the risk of having knowledge limited to a few people, and serves as a way to provide information to external parties, such as auditors.<sup>22</sup>

In response to our data call for agreements that were signed from October 2008 through June 2016, ODASD CN&GT personnel individually searched their files to locate the agreements because a centralized tracking or filing system did not exist. Because ODASD CN&GT personnel had not previously officially tracked agreements, they created a numbering system to label the documents provided, using the DoD OIG audit project number (for example, 0163-xxx). ODASD CN&GT personnel provided 100 documents in response to our request; however, they provided documentation that inaccurately combined agreements and that was incomplete. ODASD CN&GT personnel incorrectly combined two agreements and assigned the

<sup>22</sup> GAO-14-704G, "Standards for Internal Control in the Federal Government," September 2014. GAO introduced the concept for completeness and accuracy of information processing in GAO/AIMD-00-21.3.1, "Standards for Internal Control in the Federal Government," November 1999. GAO introduced the concept for maintaining readily accessible information in the original GAO Standards for Internal Controls in the Federal Government," 1983.

agreements the same number. ODASD CN&GT personnel also stapled amendments to the wrong agreements. We reviewed the documentation and determined that ODASD CN&GT personnel provided 85 agreements.

Furthermore, ODASD CN&GT personnel did not provide all agreements from October 2008 through June 2016. For example, ODASD CN&GT personnel did not provide the agreement for parts and tooling on the Global Discovery Program. When we met with the DOJ OIG auditors, they provided the parts and tooling agreement to us that they had previously reviewed and reported on. When we asked the ODASD CN&GT technical representative listed on the agreement about the omission, he stated that he did not remember the agreement so he did not look for it during the data call. For two agreements, ODASD CN&GT personnel initially provided only the amendments; after our further request, a budget analyst found and provided the original agreements, dated February 2013 and May 2016. Because ODASD CN&GT lacked a reliable tracking system, we cannot be sure we received all counternarcotics agreements.



When we asked the ODASD CN&GT technical representative listed on the agreement about the omission, he stated that he did not remember the agreement so he did not look for it during the data call.

### ***Counternarcotics Agreements Did Not Have Effective Oversight***

Although the DASD CN&GT signed and funded the agreements, ODASD CN&GT personnel did not provide effective oversight of the five agreements under their direct responsibility or verify that COCOM personnel provided oversight for the other eight agreements. DoD Instruction 4000.19 establishes policy, assigns responsibilities, and sets procedures for support agreements.<sup>23</sup> The Instruction states that DoD Component Heads will ensure the use of appropriate internal controls and oversight measures with respect to support agreements.

#### ***Limited or No Oversight for Five Agreements***

ODASD CN&GT personnel provided limited or no oversight for five agreements that they were responsible for. For example, the ODASD CN&GT technical representative performed limited oversight on the four King Air 350 aircraft agreements with the DEA, valued at \$20.3 million.<sup>24, 25</sup> The technical representative received and reviewed flight hour reports for the King Air 350 aircrafts mentioned

<sup>23</sup> DoD Instruction 4000.19, "Support Agreements," April 25, 2013, reissues and renames DoD Instruction 4000.19, "Interservice and Intragovernmental Support," August 9, 1995.

<sup>24</sup> The King Air 350 aircraft is a twin engine, turboprop aircraft.

<sup>25</sup> The DOJ OIG reported on these agreements in DOJ OIG Report Audit Division 16-16.

in the agreements; however, he did not perform any verification or other oversight. For example, the technical representative did not obtain or review financial reports. The amount of the agreements increased from \$3 million to \$6 million for 2 years because both ODASD CN&GT and DEA personnel expected the ATR 42-500 aircraft to be in Afghanistan. However, no one in DoD requested that the increase in funds be returned when the ATR 42-500 aircraft did not fly in Afghanistan. The technical representative stated that he relied on the DEA to provide oversight of the agreements and make sure the funds were spent correctly because the work performed for the agreements was under a DEA contract. While DoD personnel should rely on DEA personnel to perform the oversight of a DEA contract, ODASD CN&GT personnel still had a responsibility to provide oversight and ensure the funding was executed as agreed to. Furthermore, no evidence existed to show that ODASD CN&GT personnel provided oversight of the parts and tooling agreement for the Global Discovery program ATR 42-500 aircraft.

### *Limited Oversight for Eight Remaining Agreements*

For the remaining eight agreements with the DEA, Federal Bureau of Investigation, and International Criminal Investigative Training Assistance Program, ODASD CN&GT personnel stated that they relied on DOJ and COCOM personnel to provide oversight. However, ODASD CN&GT personnel did not verify that COCOM personnel actually performed oversight on an individual agreement basis. ODASD CN&GT personnel stated that the COCOMs provided semi-annual updates during program management reviews. ODASD CN&GT personnel further stated that during the program management reviews, the COCOM's briefed ODASD CN&GT personnel on the higher level counter-drug efforts and programs, which the individual agreements were a small part of. The program management review briefing slides discussed overall counternarcotics efforts by country, but not by specific agreement.

ODASD CN&GT personnel did not obtain the quarterly or after action reports specified in the agreements; they stated that COCOM personnel kept the documentation. Of the eight agreements, COCOM personnel provided a monthly report or after action report for six agreements to us. However, for three of the six agreements, USAFRICOM personnel had to request the reports from their DOJ counterparts. In addition, COCOM personnel did not provide any support showing evidence of oversight or that COCOM personnel reviewed the after action reports from DOJ. For the remaining two agreements, the COCOM personnel could not provide a monthly or after action report.

The DoD OIG announced a separate audit on the oversight of counternarcotics activities at the COCOM level. Therefore, we will not be making recommendations to USCENTCOM or USAFRICOM in this report.

### ***Counternarcotics Agreements Lacked Accountability of Funds***

ODASD CN&GT personnel did not have accountability of funds for counternarcotics agreements. Specifically, ODASD CN&GT personnel did not track the \$41.5 million for the 13 agreements after transferring the funds to the COCOMs. Additionally, ODASD CN&GT personnel did not ensure that COCOM personnel obtained expenditure reports from DOJ personnel as required by the agreements. ODASD CN&GT personnel stated that they received briefings from the COCOMs at financial management reviews. ODASD CN&GT personnel stated that funding was discussed at the overall program level, not the individual agreement level. An ODASD CN&GT budget analyst stated that he did not receive any funding reports from COCOM personnel and that COCOM personnel provided oversight for funding on the individual agreement level.

ODASD CN&GT, USCENTCOM, and USAFRICOM personnel could not provide reports showing how funds were spent for 11 agreements, valued at \$38.4 million, of the 13 agreements, valued at \$41.5 million. Specifically, ODASD CN&GT personnel did not have expenditure reports for the five agreements they were responsible for and COCOM personnel did not track funding for six of eight agreements they were responsible for. For one of the agreements, USCENTCOM personnel provided a quarterly spending report; however, the report was dated before the agreement was signed. For another agreement, USAFRICOM personnel provided only one quarterly financial report. As a result of our questions during the audit to determine how DoD personnel tracked funding, personnel at USAFRICOM stated that they contacted their counterparts at the DOJ to determine if funds should be returned to the DoD.



ODASD CN&GT, USCENTCOM, and USAFRICOM personnel could not provide reports showing how funds were spent for 11 agreements, valued at \$38.4 million, of the 13 agreements, valued at \$41.5 million.

The agreements required the DOJ agencies to return any unobligated DoD funds by the date stated in the agreement. The DOJ OIG audit report stated that the DEA was not timely in returning unobligated funds. In addition, the DOJ OIG report stated that it was only after its auditors began making inquiries about the funding that the DEA returned some of the unobligated funds to the DoD. Finally, the DOJ OIG audit report recommended that the DEA “[r]emedy ... unallowable non-personnel expenditures charged to the MOUs (memorandums of understanding)” and “[r]emedy ... unsupportable non-personnel expenditures charged to the MOUs.”

DoD personnel should be obtaining the reports required by the agreements and monitoring expenditures. As the stewards of taxpayer dollars, DoD personnel should request unobligated funds be returned so the funds can be reallocated to unfunded requirements.

### ***Agreement Results Were Not Measured***

ODASD CN&GT personnel did not follow their standard operating procedures on performance metrics to measure the results of the agreements. On January 26, 2012, the DASD CN&GT signed, “Counternarcotics & Global Threats Performance Metrics System Standard Operating Procedures,” (“the SOP”). The SOP states that,

[t]hese Standard Operating Procedures (SOPs) for the U.S. Department of Defense (DoD) Counternarcotics and Global Threats Performance Metrics System provide substantive guidance to be used in the development and documentation of performance metrics for all counternarcotics activities funded by the Department’s Drug Interdiction and Counter-Drug Activities Central Transfer Account (CTA). Failure of DoD counternarcotics components to produce compliant performance metrics for their counternarcotics activities may diminish future investments from the counternarcotics CTA [Central Transfer Account] into the non-conforming counternarcotics activities. These performance metrics SOPs supersede all previous performance metrics SOPs published by my office and are effective on the date signed.

The SOP also states, “[t]hese SOPs are applicable to all DoD Components that receive counternarcotics funding from the Drug Interdiction and Counter-drug Activities Defense appropriation.” The SOP further states, “All MOAs (memorandums of agreement) and MOUs shall include language requiring performance measurement and reporting as a condition for receiving assistance.” Therefore, all agreements signed on or after the effective date of the SOP, January 26, 2012, should have included language requiring performance measurement and reporting.

However, ODASD CN&GT personnel did not ensure that all the agreements included the language requiring performance measurement and reporting in accordance with the SOP. Furthermore, ODASD CN&GT personnel did not implement those standards for the applicable agreements. The DASD CN&GT and DOJ personnel signed 2 of the 13 agreements before January 26, 2012, so the SOP was not applicable. Five of the remaining 11 agreements did not include the required language. For the remaining six agreements, ODASD CN&GT personnel included specific or similar language on performance measurement and reporting.



The DASD CN&GT stated that the COCOMs receive after action reports after completion of training events to determine how well the training went; however, there was no standard between the COCOMs in preparing the after action reports. For example, one after action report provided by USAFRICOM lacked any detail on the outcome of the training, stating that there were issues with coordinating the instructors to conduct the training and that transportation of instructors and students went well. In another after action report provided by USCENTCOM, it stated that the program ended with 70 percent of the 260 activities successfully completed. Furthermore, the report stated the unit was very successful in providing the basis for further institutional development and programming designed to target operational performance. Although the after action report noted multiple successes, the report lacked any information that supported what measurements the DoD used to determine success.

ODASD CN&GT personnel stated that they received annual metrics reports from USCENTCOM that showed metrics implemented at an overall program level. The reports discussed overall program highlights, like narcotics seizures per country; however, the reports did not link the successes to any specific training conducted by agreement. Although ODASD CN&GT personnel received annual metrics reports from USCENTCOM, ODASD CN&GT personnel did not provide any metrics reports from USAFRICOM or evidence showing what they did with USCENTCOM reports to evaluate compliance of the funded programs for future investment, according to the SOP. The ODASD CN&GT should obtain and evaluate all performance measurement reports and use them to determine whether future agreements should be funded.

## **DoD Generally Lacked Processes and Controls for Counternarcotics Requirements**

The ODASD CN&GT generally did not establish processes or controls to manage the counternarcotics program. Without processes and controls in place for tracking and oversight, the DoD had no assurance that the \$41.5 million transferred to the DOJ agencies funded requirements that the DoD agreed to. The ODASD CN&GT's primary function is "to provide oversight and guidance on policy, resource allocation, and effects measurements..." The DASD CN&GT expected the COCOMs to oversee the agreements; in fact, ODASD CN&GT personnel did not develop any processes to manage the agreements after signature and did not request or ensure that COCOM personnel perform any oversight functions. Because they did not have a tracking mechanism, ODASD CN&GT and COCOM personnel lost accountability

of the funds and cannot put any unspent funds towards other, high priority counternarcotics requirements. ODASD CN&GT personnel did not follow the SOP for agreements on performance measurement so there was no evidence to show if the programs that were funded were effective.<sup>26</sup>

As a result, the DoD had no assurance it received the intended benefit of the agreements. The DASD CN&GT should develop processes and procedures that define roles and responsibilities for the counternarcotics agreements.

As discussed in Finding A, the ODASD CN&GT had similar problems with the Global Discovery Program. Personnel did not track the funding or provide effective oversight of the effort. This led to the DASD CN&GT wasting millions of dollars on the modification of the ATR 42-500 aircraft intended for use in Afghanistan. With the failure of the Global Discovery Program and the ineffective management of the counternarcotics agreements, the Under Secretary of Defense for Policy should immediately review whether the ODASD CN&GT has the experienced personnel and controls to effectively oversee the DoD counternarcotics program.

## Unsolicited Management Comments on the Finding and Our Response

### *U.S. Central Command Comments*

Although not required to comment, a Division Chief, USCENTCOM, stated that USCENTCOM manages and provides oversight of funding that they provide to interagency partners as directed in the appropriate interagency agreements. The Division Chief then referred to another ongoing DoD OIG audit, “Audit of Combatant Command Oversight of Counternarcotics Activities,” stating that he believes USCENTCOM officials have shown they are accountable for the funding provided to their interagency partners.

### *Our Response*

We determined that for the agreements reviewed in this audit that were related to training and detailing personnel, USCENTCOM personnel could not provide reports to show how funds were spent for the agreements in their area of responsibility. The DoD OIG previously announced a separate audit on the oversight of counternarcotics activities at the COCOM level. That audit is still ongoing and will address any problems identified with the COCOMs.

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<sup>26</sup> These standard operating procedures are specific to developing and documenting performance metrics for counternarcotics activities. The standard operating procedures do not address the specific roles and responsibilities of all the DoD Components in the execution and oversight of the agreements signed by the DASD CN&GT.

## Recommendations, Management Comments, and Our Response

### **Recommendation B.1**

**We recommend that the Under Secretary of Defense for Policy immediately conduct a review to determine whether the Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats has the experienced personnel and controls to effectively oversee the counternarcotics program.**

#### *Under Secretary of Defense for Policy Comments*

The Official Performing the Duties of the Under Secretary of Defense for Policy agreed with our recommendation and will review the office's capabilities to oversee counternarcotics and other similar programs. He stated that the office has overall responsibility for oversight and management of these programs.

#### *Our Response*

The Official Performing the Duties of the Under Secretary of Defense for Policy addressed all specifics of the recommendation; therefore, the recommendation is resolved but remains open. We will close the recommendation once we verify that the Under Secretary of Defense for Policy has done a review of the Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats.

### **Recommendation B.2**

**We recommend that the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats develop processes and procedures that define roles and responsibilities for counternarcotics agreements, to include tracking and oversight of signed agreements, tracking and reconciliation of funding, and compliance with existing guidance on performance metrics to measure success.**

#### *Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats Comments*

The Acting DASD CN&GT agreed with our recommendation, stating that the ODASD CN&GT has been working for the past year on developing processes to better track MOUs and assigned an action officer dedicated to maintaining and populating the MOU database. The Acting DASD CN&GT also stated that the office will perform a procedural review to clearly define roles and responsibilities, determine whether the DASD CN&GT should continue to sign MOUs, build the database to track funding and performance measures, and annually reconcile funding to ensure unused funds are returned in sufficient time to be used for other priorities.

### *Our Response*

The Acting DASD CN&GT addressed all specifics of the recommendation; therefore, the recommendation is resolved but remains open. We will close the recommendation once we verify that the DASD CN&GT developed processes and procedures for roles and responsibilities for counternarcotics agreements.

## **Unsolicited Management Comments to the Recommendation and Our Response**

### *Under Secretary of Defense for Policy Comments*

Although not required to comment, the Official Performing the Duties of the Under Secretary of Defense for Policy agreed with our recommendation and will ensure the ODASD CN&GT continues to develop processes to track MOUs, to include funding and execution.

### *Our Response*

We appreciated the unsolicited comments received from the Official Performing the Duties of the Under Secretary of Defense for Policy on his acceptance and support.

### *U.S. Central Command Comments*

Although not required to comment, a Division Chief, USCENTCOM, stated that he agreed with the recommendation that the DASD CN&GT develop processes and procedures to define roles and responsibilities for counternarcotics agreements. Additionally, the Division Chief suggested that we recommend that the DASD CN&GT review and update all current DoD counter-drug policies and guidance to be compliant with Public Law 114-328, "National Defense Authorization Act for Fiscal Year 2017," subtitle E, "Reform of Department of Defense Security Cooperation."

### *Our Response*

We appreciated the unsolicited comments received from the Division Chief, USCENTCOM, on his agreement with our recommendation. With regard to the suggested recommendation, ODASD CN&GT personnel stated the office was in the process of implementing the relevant sections of the National Defense Authorization Act for Fiscal Year 2017.

## Appendix A

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### Scope and Methodology

We conducted this performance audit from June 2016 through June 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted this audit in response to congressional requests that followed a March 2016 DOJ OIG audit report on the DEA aviation operations with the DoD in Afghanistan. This report included information on the Global Discovery Program. The Global Discovery Program is an ATR 42-500 aircraft that was intended to be used for counter-drug efforts in Afghanistan. We reviewed the Global Discovery Program and a nonstatistical sample of 13 agreements between the DOJ and the DoD, valued at \$41.5 million, out of 85 agreements, valued at \$65.8 million.

### Universe and Sample Information

We requested that ODASD CN&GT personnel provide any agreements between the DOJ and the DoD for counternarcotics requirements from October 2008 through June 2016. In response to our request, ODASD CN&GT personnel provided documents, to include agreements, letters, and funding authorization notices. DOJ OIG personnel also provided an additional agreement for parts and tooling on the Global Discovery Program ATR 42-500 aircraft that the ODASD CN&GT did not. Of the 101 documents received, we determined that the documents consisted of agreements, agreements with amendments, amendments without original agreements, letters, and funding authorization notices, as well as a few duplicates of these. We determined that our agreement universe included 85 agreements valued at \$65.8 million. We relied on ODASD CN&GT personnel to provide the agreements in our scope.

We nonstatistically selected agreements with dollar values above \$1 million and any agreements and documentation for the Global Discovery Program. Of the 85 agreements, complete and ongoing, we nonstatistically selected 13 agreements valued at \$41.5 million. Of the 13 agreements reviewed:

- four agreements, valued at \$20.3 million, covered the DEA aviation operations in Afghanistan for King Air 350 aircraft;

- one agreement, valued at \$8.7 million, covered parts and tooling for the Global Discovery Program ATR 42-500 aircraft; and
- eight agreements, valued at \$12.4 million, covered the DEA, Federal Bureau of Investigation, and International Criminal Investigative Training Assistance Program training and support activities.

For the Global Discovery Program, we also reviewed one funding authorization notice, valued at \$1.4 million, for minor military construction of a replacement hangar in Afghanistan to house the ATR 42-500 aircraft.

In addition to the 13 agreements reviewed, the universe included agreements for:

- training, including costs for transportation, supplies, and equipment;
- detailed personnel, including special agents, intelligence analysts, or investigative expertise;
- services in support of operations, such as counternarcotics support, analytical support, or services for special agents;
- joint counter-drug assessment of training; and
- planning, coordination, and execution of operations.

## Review of Documentation and Interviews

We reviewed pertinent documentation from January 2009 through March 2017 including agreements, military interdepartmental purchase requests, after action reports, system requirements document, concept of operations document, scope of work document, aviation reports, contracts and contract modifications, task orders and task order amendments, performance work statements, and technical instructions. To obtain this documentation, we used the following sources.

- Electronic Document Access Systems
- Army Paperless Contract Files
- Invoicing, Receiving, Acceptance, and Property Transfer [iRAPT] system
- U.S. Army Aviation and Missile Research, Development, and Engineering Center
- Documents provided on CD
- Hardcopy files

We reviewed GAO-14-704G, “Standards for Internal Control in the Federal Government” issued September 2014, for policy on internal controls. We also reviewed policy to understand the roles and responsibilities for the DASD CN&GT.

- Defense Federal Acquisition Regulation Supplement 201.602-2, “Responsibilities”
- DoD Instruction 4000.19, “Support Agreements,” April 25, 2013<sup>27</sup>
- DoD Instruction 4000.19, “Interservice and Intragovernmental Support,” August 9, 1995
- DoD Directive 5111.10, “Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict,” March 22, 1995 (updated October 21, 2011)
- DASD CN&GT, “Counternarcotics & Global Threats Performance Metrics System Standard Operating Procedures,” January 26, 2012

We interviewed personnel at the ODASD CN&GT, the USAFRICOM, and the USCENTCOM to understand their role in the 13 agreements reviewed. We interviewed personnel at DoD Components and obtained an understanding of the Global Discovery Program, early-on discussions about the program, decisions made, how the program evolved to only cover the ATR 42-500 aircraft, funding spent, and the program status. Personnel we met with included the following.

- DASD CN&GT and the Principle Director, DASD CN&GT
- ODASD CN&GT officials
- Director, CNTPO Air Force, and the former Director, CNTPO Navy
- Associate Deputy General Counsel (Intelligence), the Office of the Secretary of Defense, Office of General Counsel
- Chief, Deputy Branch Chief, and action officers at USCENTCOM Operations (J3) Interagency Action Group Counternarcotics Division, MacDill Air Force Base, Florida
- Chief, Deputy Chief and Branch Chief at USAFRICOM Counternarcotics and Transnational Threats Program Division (J51)
- program manager and acquisition advocate at NSWC-Dahlgren, Virginia
- technical capabilities and contracting personnel at NSWC-Crane, Indiana
- contracting officer at ACC-APG, Adelphi, Maryland
- COR at the ARL, Adelphi, Maryland

<sup>27</sup> DoD Instruction 4000.19, “Support Agreements,” April 25, 2013, reissues and renames DoD Instruction 4000.19, “Interservice and Intragovernmental Support,” August 9, 1995, to establish policy, assign responsibilities, and set procedures for support agreements. Of the 13 agreements reviewed, the 1995 version applied to 6 agreements reviewed and the 2013 version applied to the remaining 7 agreements reviewed.

We talked to DOJ OIG auditors about their March 2016 report and the amount reported on DoD expended funding for the Global Discovery Program. We also provided the auditors a copy of the Draft Report for review. In June and July 2017, the DOJ OIG auditors provided us an update on the status of the ATR 42-500 aircraft.

In August 2016, we visited the Global Discovery Program ATR 42-500 aircraft at the subcontractor's facility in Middletown, Delaware, and obtained a walkthrough of the facility and took pictures of the aircraft showing its condition at that time.

## Use of Computer-Processed Data

We did not rely on computer-processed data to support our findings, conclusions, and recommendations.

## Use of Technical Assistance

We received assistance from the Quantitative Methods Division at the DoD Office of Inspector General for determining a nonstatistical sample of agreements for review.

## Prior Coverage

During the last 6 years, the Government Accountability Office (GAO), the Department of Defense Office of Inspector General (DoD OIG) and the DOJ Office of the Inspector General issued four reports discussing DoD counter-drug efforts. Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>. Unrestricted DOJ OIG reports on the Drug Enforcement Administration can be accessed at <https://oig.justice.gov/reports/dea.htm>.

## GAO

Report No. GAO-16-368, "Counterterrorism: DoD Should Enhance Management of and Reporting on Its Global Train and Equip Program," April 2016

Since 2009, a total of \$2.3 billion was allocated for the DoD's Global Train and Equip program which builds foreign partners to counter terrorism. The FY 2015 National Defense Authorization Act included a provision for the GAO to review this program. For FY 2015 project proposals, GAO examined how the DoD considered and documented key security assistance elements and the reported results on the project objectives achievement since FY 2009. GAO made two recommendations on the DoD's documentation and management of the program and one recommendation on completing required assessment reporting in a timely manner to Congress.



Report No. GAO-12-824, "Counternarcotics Assistance: U.S. Agencies Have Allotted Billions in Andean Countries, but DoD Should Improve Its Reporting of Results," July 2012

GAO describes the U.S. strategic approaches to counternarcotics assistance in the Andean countries. For FYs 2006 through 2011, GAO identified \$5.2 billion that was allocated for assistance efforts by the U.S. Department of State, U.S. Agency for International Development, the DoD, and the DEA. GAO also reviewed the agencies' performance reporting. GAO recommended that the Secretary of Defense ensure reported information to the Office of National Drug Control Policy's, including the Inspector General's attestation, is reliable for management and oversight.

### **DoD OIG**

Report No. DODIG-2012-006, "Counter Narcoterrorism Technology Program Office Task Orders Had Excess Fees, and the Army Was Incorrectly Billed," November 1, 2011

The DoD OIG reviewed task orders under a Counter Narcoterrorism Technology Program Office indefinite-delivery, indefinite-quantity contract to determine whether the contracting office at U.S. Space and Missile Defense Command applied the correct fixed fee to material and other direct costs. The contracting officers at U.S. Space and Missile Defense Command did not properly manage the task orders reviewed. The DoD OIG recommended that the Deputy Assistant Secretary of the Army for Procurement conduct a review of the contracting officers at the U.S. Space and Missile Defense Command. The DoD OIG also recommended that the contracting office management meet with the contractors to agree on the return of excess fees paid, ensure that the contractor refunds the Army, and coordinate a more detailed invoice approval process.

### **DOJ OIG**

Report No. 16-16, "Audit of the Drug Enforcement Administration's Aviation Operations with the Department of Defense in Afghanistan," March 2016

In July 2014, the U.S. Office of Special Counsel IG received a letter from an anonymous source regarding the DEA misusing Government funds. Specifically, the whistleblower complaint alleged that the DEA misused DoD funds intended to support the DEA's counternarcotics aviation operation in Afghanistan by misdirecting, diverting, and spending the money for purposes unrelated to the DEA Afghanistan aviation operations. In this report, the DOJ OIG did not assess DoD's oversight, management, or its overall specific funding related to the Global Discovery Program. The DOJ OIG referred all findings related to DoD's oversight of the Global Discovery Program to the DoD OIG.

## Appendix B

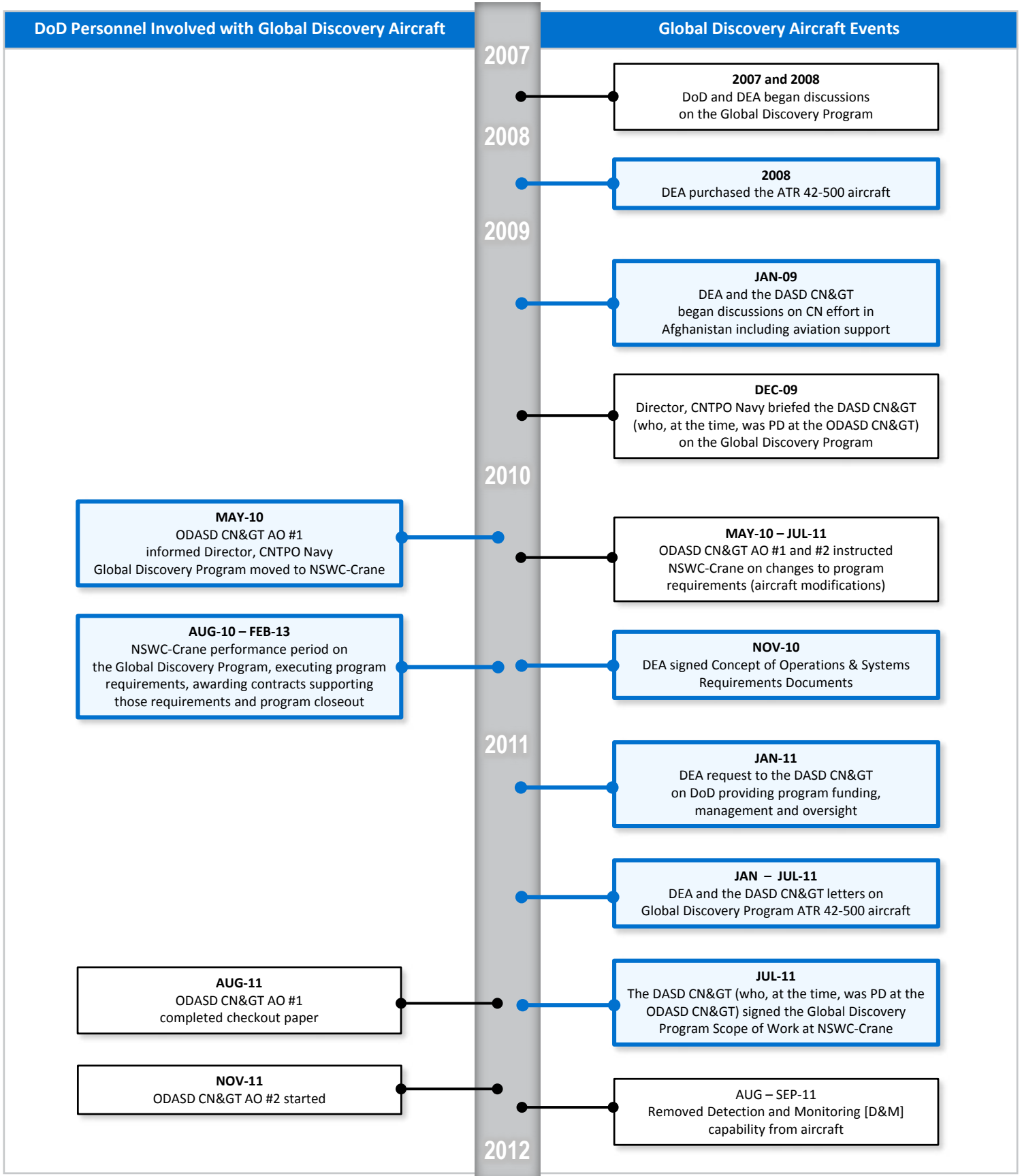
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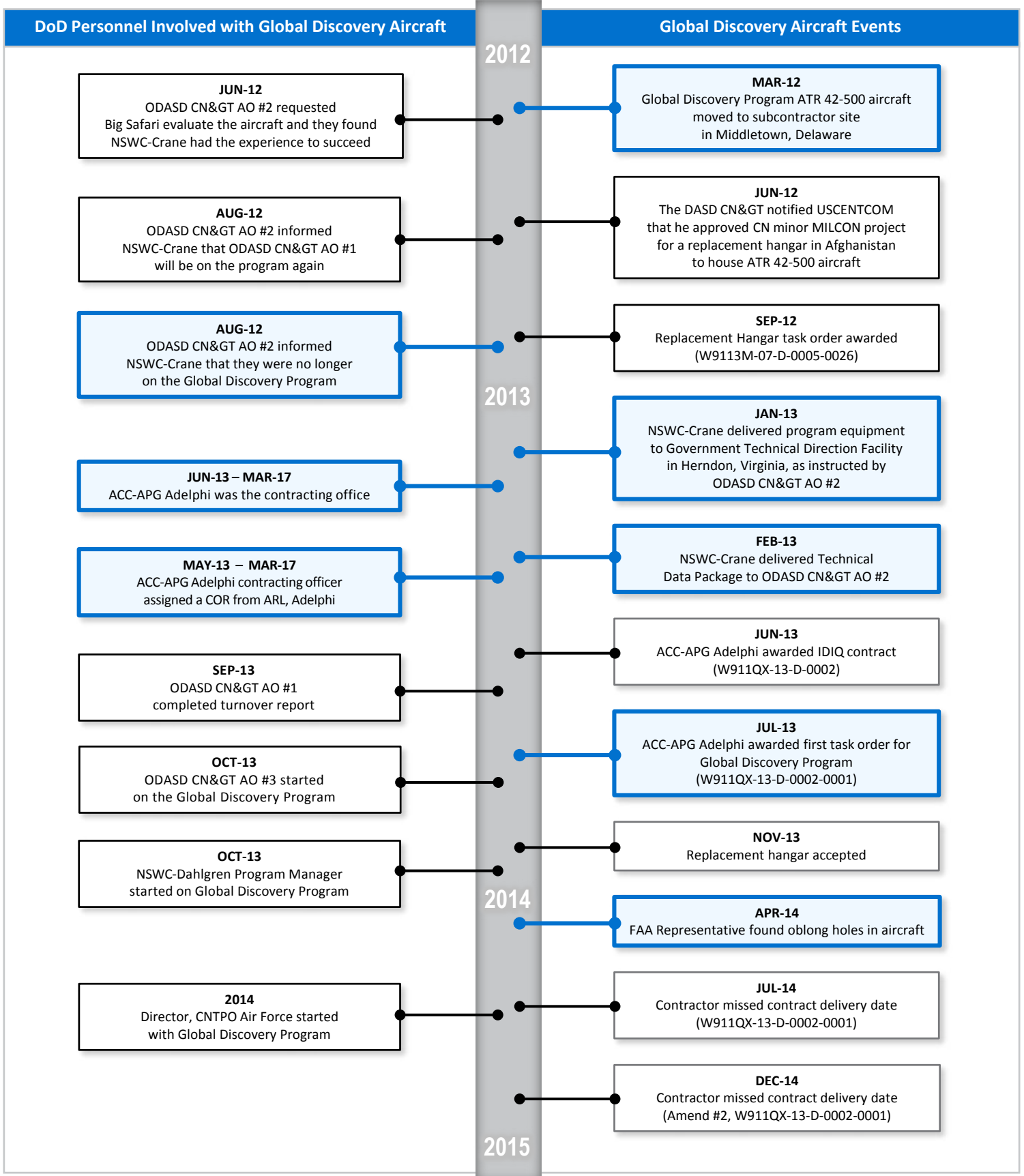
### Global Discovery Program Timeline

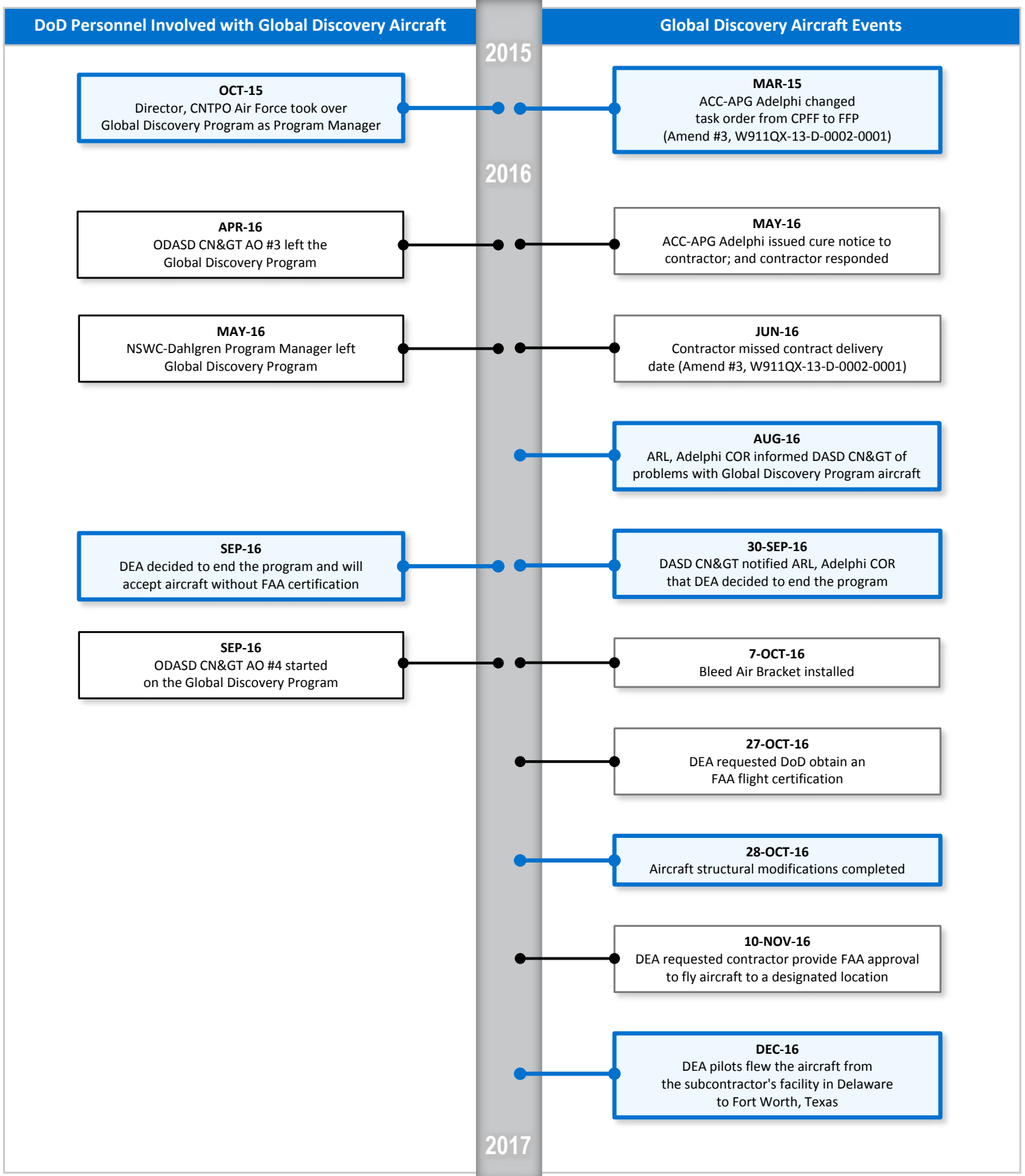
Throughout the more than 7-year program, the action officers at the ODASD CN&GT changed multiple times and changed the execution, oversight, and contract offices supporting the program. The chronological events in the timeline are events supported by documentation we reviewed and interviews we held related to the Global Discovery Program.

#### LEGEND

- ACC** Army Contracting Command
- AO** Action Officer
- APG** Aberdeen Proving Ground
- ARL** Army Research Laboratory
- CN** Counternarcotics
- CNTPO** Counter Narcoterrorism Technology Program Office
- COR** Contracting Officer's Representative
- CPFF** Cost-Plus Fixed Fee
- DASD CN&GT** Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats
- DEA** Drug Enforcement Administration
- FAA** Federal Aviation Administration
- FFP** Firm-Fixed Price
- IDIQ** Indefinite-delivery, indefinite-quantity
- MILCON** Military Construction
- NSWC** Naval Surface Warfare Center
- ODASD CN&GT** Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats
- PD** Principle Director
- USCENTCOM** U.S. Central Command







## Appendix C

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### Chronological Events for the DoD Components Involved in the Global Discovery Program

Throughout a more than 7-year period, the Global Discovery Program involved nine DoD Components and one contractor in the program, performing various efforts. The chronological events for the DoD Components involved in the Global Discovery Program are events supported by documentation we reviewed and interviews we held related to the Global Discovery Program. DoD personnel involved included:

- The DASD CN&GT who sponsored the program and the four ODASD CN&GT action officers who provided program direction;
- The Director, CNTPO Navy, who held initial discussions on the program with the DASD CN&GT in 2010;<sup>28</sup>
- Assistant Secretary of Defense for Research & Engineering, Special Capabilities Office, personnel who introduced the NSWC–Crane personnel to the DASD CN&GT to help on the program in 2010;<sup>29</sup>
- The NSWC–Crane personnel who executed program requirements and awarded contracts supporting those requirements from 2010 through early 2013;
- Personnel at Big Safari, an Air Force acquisition program, who evaluated the NSWC–Crane effort in 2012;
- The ACC–APG, Adelphi, Maryland, contracting officer who awarded the final contract, in 2013, for the program to obtain a flyable aircraft with the desired mission capabilities;<sup>30</sup>
- The ARL, Adelphi, Maryland, who provided COR responsibilities for the ACC–APG Adelphi task order;
- A Systems Engineering and Technical Assistant contractor who observed the subcontractor’s day-to-day performance on the program for the ARL COR on the ACC–APG Adelphi task order;
- NSWC–Dahlgren personnel who inspected aircraft modifications; and
- The Director, CNTPO, who, after the organization had been realigned under the Air Force, provided program management from 2014 through 2016.

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<sup>28</sup> In 2011, the Executive Agent for CNTPO was the Navy. In 2012, the DASD CN&GT moved the role of Executive Agent to the Air Force. For this report, we will differentiate the two by citing CNTPO Navy and CNTPO Air Force.

<sup>29</sup> The Special Capabilities Office at the Assistant Secretary of Defense for Research and Engineering no longer exists.

<sup>30</sup> The first task order of contract W911QX-13-D-0002 related to the Global Discovery Program aircraft.

### ***CNTPO Navy Chosen as the First Executor of the Global Discovery Program***

In 2009, ODASD CN&GT personnel used the former Director, CNTPO Navy, as the first executor of the Global Discovery Program. The former Director, CNTPO Navy, stated that he had a discussion with the DASD CN&GT to brief the program. Initially, the Global Discovery Program included more than the ATR 42-500 aircraft. At the time, CNTPO Navy estimated that the Global Discovery Program ATR 42-500 portion had an overall cost of \$28 million. Personnel at the Assistant Secretary of Defense for Research and Engineering, Special Capabilities Office, introduced the ODASD CN&GT action officers to NSWC-Crane personnel as an option to assist with the Global Discovery Program. In May 2010, the ODASD CN&GT action officer notified the Director, CNTPO Navy, that the DASD CN&GT decided to move the Global Discovery Program to NSWC-Crane to use its acquisition strategy for modifications to the ATR 42-500 aircraft.

### ***NSWC-Crane Selected to Award Contracts Supporting Global Discovery Program Aircraft***

While technical capabilities personnel at NSWC-Crane executed requirements for the Global Discovery Program, the ODASD CN&GT action officers used NSWC-Crane to award contracts supporting those requirements. From August 2010 through January 2013, NSWC-Crane personnel awarded contracts for equipment and services in support of the Global Discovery Program ATR 42-500 aircraft.

In 2012, the DASD CN&GT and ODASD CN&GT personnel decided to reassess the Global Discovery Program. The ODASD CN&GT action officer requested that Big Safari evaluate the Global Discovery Program at NSWC-Crane. Big Safari personnel did not believe that the ODASD CN&GT action officers understood the challenges of the program. The DASD CN&GT said that she intended to move the program to Big Safari; however, Big Safari personnel decided not to work on the Global Discovery Program. In August 2012, the ODASD CN&GT action officer informed NSWC-Crane personnel that the Global Discovery Program was being removed from NSWC-Crane.

The DASD CN&GT stated she removed the Global Discovery Program from NSWC-Crane because there was program mismanagement issues related to the DEA changing the requirements, as well as contractor mismanagement of the aircraft. However, the ODASD CN&GT action officer relayed different information to NSWC-Crane personnel.

### ***Contracting for the Program Moved to ACC–APG Adelphi***

The DASD CN&GT moved the contracting office from NSWC–Crane to ACC–APG Adelphi. In July 2013, the ACC–APG Adelphi contracting officer awarded the first task order for the aircraft modifications and, in March 2015, he amended the first task order to firm-fixed price.<sup>31</sup> The ACC–APG Adelphi contracting officer assigned task order oversight to the ARL COR.

### ***Oversight Changed to NSWC–Dahlgren and CNTPO***

In 2013, the ODASD CN&GT action officer moved the DoD Component overseeing the program requirements to NSWC–Dahlgren. The NSWC–Dahlgren civilian involved in the program stated that no one at the ODASD CN&GT gave him an official title, so he gave himself the title of project lead or program manager. The NSWC–Dahlgren program manager stated he was active on the program for 2 to 3 years. He inspected the aircraft at the subcontractor’s site and reported his observations to various DoD personnel, including the Director, CNTPO Air Force, and the ARL COR. He also signed funding documents verifying that all acquired goods were reasonable. The Systems Engineering and Technical Assistant contractor also observed the contractor’s work. Starting in 2014, the Director, CNTPO Air Force, said he worked with an ODASD CN&GT action officer on the program. The Director, CNTPO Air Force, stated that he took over the Global Discovery Program as the program manager in 2015, and that he would oversee the program through the end.

### ***Multiple Contracts Awarded for ATR 42-500 Aircraft***

In addition to the multiple DoD Components involved, the DEA had a pre-existing contract for regularly scheduled aircraft maintenance for all DEA aviation operations, to include the ATR 42-500 aircraft. The DEA routine maintenance work occurred during the DoD aircraft modification work. The ARL COR stated that one subcontractor performed work on the ATR 42-500 aircraft under two different prime contractors. The ARL COR stated that, as the DEA aircraft maintenance subcontractor, the subcontractor would state that the DoD aircraft modification work was delaying the maintenance work. Likewise, as the DoD aircraft modification subcontractor, the subcontractor would state that the DEA aircraft maintenance work was delaying modifications. This contributed to the lengthy timeframe to complete the DoD aircraft modifications.

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<sup>31</sup> Task order W911QX-13-D-0002-0001.



***Maintenance Problems with the ATR 42-500 Aircraft***

Finally, the ATR 42-500 aircraft had maintenance problems. Specifically, while the ATR 42-500 aircraft was at the subcontractor facility, the subcontractor uncovered or caused various maintenance problems. For example, the DOJ OIG report stated that an FAA representative found oblong holes in the airframe. The subcontractor then drilled matching holes into the frame doublers (metal placed under a part to make it stiffer), which caused the aircraft to be un-flyable. The DOJ OIG report stated that rivets cannot be placed in oblong holes because the strength of the rivet is dependent upon a 360 degree circular hole for contact. In another example, a subcontractor employee damaged the aircraft's engine when a wrench was dropped in it.

# Management Comments

## Under Secretary of Defense for Policy



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
2000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-2000

JUL 31 2017

POLICY

MEMORANDUM FOR ACTING INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

SUBJECT: Response to the DoD Inspector General (IG) Draft Report: *The Global Discovery Program and DoD Counternarcotics Agreements Were Not Effectively Managed*

The Office of the Under Secretary of Defense for Policy has reviewed the DoD IG draft report entitled "*The Global Discovery Program and DoD Counternarcotics Agreements Were Not Effectively Managed.*" We appreciate the opportunity to respond to the draft report's recommendations.

We concur with the draft report Recommendations A1 and B1 that the Under Secretary of Defense for Policy review, 1) "*the circumstances that led to ineffective management and oversight of the Global Discovery Program and, if appropriate, initiate action to hold personnel accountable,*" and 2) "*whether the Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (ODASD CN&GT) has the experienced personnel and controls to effectively oversee the counternarcotics program.*"

We will promptly undertake a review of Policy's role in the Global Discovery program as well as Policy's capabilities to effectively oversee counternarcotics or similar programs, including corrective actions to avoid a similar failure in the future. Policy has overall responsibility to ensure proper oversight and management of these programs. While not directly responsible for the execution of the contracted services in question, Policy's review, as appropriate, will examine the performance of the contractors, and respective program management offices responsible for contract execution and oversight.

Policy agrees with recommendation B2 to "*develop processes and implement procedures that define roles and responsibilities for counternarcotics agreements to improve management ODASD CN&GT.*"

Policy will ensure ODASD CN&GT continues to develop processes to more effectively track memorandums of understanding, and to include execution of funding and performance measures to assess the value of realized DoD investment.

Please do not hesitate to contact me if I can be of further assistance. My point of contact for this action is [REDACTED].

  
Robert Story Karem  
Performing the Duties of the Under Secretary  
of Defense (Policy)



## Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats



SPECIAL OPERATIONS /  
LOW INTENSITY CONFLICT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
2500 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-2500

JUN 29 2017

### MEMORANDUM FOR PERFORMING DUTIES OF THE UNDER SECRETARY OF DEFENSE (POLICY)

SUBJECT: Response to the DoD Inspector General (IG) Draft Report: *The Global Discovery Program and DoD Counternarcotics Agreements Were Not Effectively Managed*

The Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (ODASD CN&GT) has reviewed the subject report and provides the following responses. Although we concur with the report's recommendations, we also believe that the report unfairly assigns responsibility for the failures of this program to ODASD CN&GT, which was the resource sponsor for the program, but was not directly responsible for the oversight or execution of contracted services that ultimately failed to complete the aircraft modification. The report correctly notes that is "responsible for oversight and guidance on policy and resource allocations" and performance measurement. As such, the only remedies available to ODASD CN&GT to improve contractor performance were to change program management offices and/or terminate funding for the program. ODASD CN&GT took both of these actions at various points due to serious concerns about the performance of the program.

While we acknowledge deficiencies in overall program oversight and record-keeping, we remain unaware of any inappropriate or negligent actions taken over the course of the Global Discovery program. We are also unaware of what actions might have been taken by officials overseeing this program in DoD that would have resulted in better contract performance, particularly since ODASD CN&GT was not the contracting office.

The OIG report finds fault with ODASD CN&GT's decision to move forward with the program despite being aware of the 2014 drawdown of forces and Drug Enforcement Administration's (DEA) withdrawal from Afghanistan. The original purpose for this aircraft was in support of DEA operations and, by extension, U.S. military operations in Afghanistan. However, the capability the aircraft would have provided to DEA, if completed, would still be highly desirable in support of counterdrug operations elsewhere, particularly in the Western Hemisphere where the vast majority of the drugs consumed in the U.S. originate and where DoD Intelligence, Surveillance, and Reconnaissance (ISR) resources are much more limited than in other theaters. Additionally, cancellation of the program would have resulted in significant unrecoverable costs. Based on this, we continue to believe that the decision to attempt to complete the aircraft modification was appropriate under the circumstances.

The OIG requests that ODASD CN&GT comment on the reported value of approximately \$66.75 million in Department of Defense counterdrug funds wasted on the Global Discovery program. We believe this figure is accurate, but it should be noted that that figure includes approximately \$5 million for the radar system and ISR balls that are currently being

## Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (cont'd)

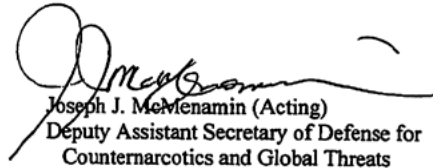
considered for use supporting other counterdrug programs; approximately \$8 million in aircraft spare parts which are being transferred to the Defense Logistics Agency Disposition Services warehouse for potential use on other DoD platforms, and approximately \$500,000 for infrared countermeasures and radios that can be re-purposed for other DoD use. Therefore, up to approximately \$13.5 million of this total are costs that are still potentially recoverable.

Following is ODASD CN&GT's response to the specific Recommendation B2.

***Recommendation B2: To improve management of DOJ and DoD counternarcotics agreements, we recommend that the DASD CN&GT develop processes and implement procedures that define roles and responsibilities for counternarcotics agreements, to include tracking and oversight of the signed agreements, tracking and reconciliation of funding, and ensuring compliance with the existing guidance on performance metrics to measure success.***

ODASD CN&GT agrees with the OIG recommendation that policy and procedures should be in place which clearly defines roles and responsibilities for counternarcotics agreements, tracking and funding of those agreements and ensuring compliance with existing guidance on performance metrics to measure success. ODASD CN&GT has proactively been working for the past year on developing processes to better track MOUs and has assigned an action officer dedicated to maintaining and populating the MOU database. The next steps will be to further review the office's processes and procedures for the execution of funds through MOUs with our interagency partners. This procedural review will include:

- Clearly defining roles and responsibilities among ODASD CN&GT, Combatant Commands, and the Military Services for the execution and tracking of funds provided through MOUs, including whether the MOUs should continue to be signed by the DASD CN&GT.
- Building upon the MOU database to track the execution of funding and incorporation of performance measurements to assess the value realized by DoD investment.
- Annual reconciliation of funding provided through MOUs to ensure that any unused funding is returned to DoD in sufficient time to be realigned to other programs or activities.

  
Joseph J. McMenamin (Acting)  
Deputy Assistant Secretary of Defense for  
Counternarcotics and Global Threats

## U.S. Central Command



UNITED STATES CENTRAL COMMAND  
7115 SOUTH BOUNDARY BOULEVARD  
MACDILL AIR FORCE BASE, FLORIDA 33621-5101

27 June 2017

MEMORANDUM FOR UNITED STATES CENTRAL COMMAND INSPECTOR  
GENERAL (CCIG)

SUBJECT: Response to CCIG Request for a Technical Review of DODIG D2016-  
D000CG-0163.000 Draft Report "Audit of DoD Support for Counternarcotics  
Requirements"

1. In response to tasker USCC1716455003, CCJ3-IAG-CN Division conducted a technical review of DODIG D2016-D000CG-0163.000 Draft Report "Audit of DoD Support for Counternarcotics Requirements." While we agree with many of the report's findings and recommendations, we believe the report incorrectly assigns responsibility for the failures of the program principally to the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threat's (DASD/CN&GT) office. The report does not sufficiently address the role of the DoD contracting agencies whose primary role was Global Discovery program management and contract execution. There were a number of organizations, including DoD's interagency partner the Drug Enforcement Administration (DEA), who made substantial contributions to the failure of the Global Discovery program.
2. The DODIG correctly asserts that the DASD/CN&GT office is responsible for oversight and guidance on policy, resource allocations and performance measurement. Similar to U.S. Central Command's (USCENTCOM) counternarcotics programs, the award, execution, and oversight for contracted services and equipment is the responsibility of the contracting agency's contracting officer and contracting officers' representative. This gives the DASD/CN&GT (and USCENTCOM) few options to mitigate poor contractor performance – either change contracting agencies or stop funding the program. We believe during the history of the Global Discovery program, DASD/CN&GT took both these steps to stem poor contractor performance.
3. In the text of Finding A, in a previous review of the discussion draft of this report we commented on a similar DODIG assertion that, "...Despite DASD/CN&GT knowing in late 2013 that DEA personnel were significantly reducing their presence in Afghanistan in 2014, the DASD/CN&GT stated she decided not to cancel the program..." This statement is still misleading because despite DEA's pending drawdown by December 2014, there were significant unknowns regarding DEA's size and mission in post-2014 Afghanistan. We refer the DODIG to an AMEMBASSY Kabul cable; 15 KABUL 4672; INL/Kabul Revised Transition Plan; DTG: 171249ZSEP15; that showed even in late 2015 the DEA still had a relatively robust program in Afghanistan (47 DEA personnel in country as of February 2015). Our point is that any decision made in 2013 was based on

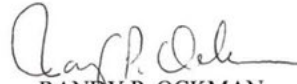
## U.S. Central Command (cont'd)

information that was only relevant to the situation at that time. In 2013 DEA was still actively pursuing a larger mission than would eventually be permitted by the U.S. Embassy Kabul and security situation in Afghanistan.

4. Finding B discusses the “Lack of Accountability of Funds for Counternarcotics Agreements.” This office cannot comment on the practices at DASD/CN&GT or U.S. Africa Command, however, we can comment on the processes we use at USCENTCOM to manage and provide oversight of funding we provide to our interagency partners as directed in the appropriate interagency agreements. We refer the DODIG to another DODIG audit, DODIG D2017-D000JB-0082.000, “Audit of Combatant Command Oversight of Counternarcotics Activities,” where we believe we have shown USCENTCOM is accountable for the funding provided to our interagency partners. In fact, the very process of transferring funds via a DoD budget and accounting system creates an audit trail that must be tracked and reconciled. In addition, our resource advisor monitors and liaises with interagency budget personnel for acceptance and closeout of the funding documents.

5. Finally, USCENTCOM agrees with the report’s recommendation (B.2) for DASD/CN&GT to develop processes and procedures that define roles and responsibilities for counternarcotics agreements. Clear, concise guidance is essential to the successful execution of Defense counterdrug funding. We also recommend DASD/CN&GT review all current DoD counterdrug policies and guidance and update as required to reflect new processes and procedures created by the security cooperation reform provisions of the 2017 National Defense Authorization Act.

3. If you have any concerns or questions, please contact [REDACTED] by electronic mail at [REDACTED] or by phone at [REDACTED].

  
RANDY P. OCKMAN  
GS-15, DAFC  
Division Chief

## Acronyms and Abbreviations

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<b>ACC-APG</b>	Army Contracting Command-Aberdeen Proving Ground
<b>ARL</b>	Army Research Laboratory
<b>COCOM</b>	Combatant Command
<b>COR</b>	Contracting Officer's Representative
<b>CNTPO</b>	Counter Narcoterrorism Technology Program Office
<b>DASD CN&amp;GT</b>	Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats
<b>DEA</b>	Drug Enforcement Administration
<b>DOJ</b>	Department of Justice
<b>FAA</b>	Federal Aviation Administration
<b>MOU</b>	Memorandum of Understanding
<b>NSWC</b>	Naval Surface Warfare Center
<b>ODASD CN&amp;GT</b>	Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats
<b>SOP</b>	Standard Operating Procedures
<b>USAFRICOM</b>	U.S. Africa Command
<b>USCENTCOM</b>	U.S. Central Command





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## **U.S. DEPARTMENT OF DEFENSE**

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