



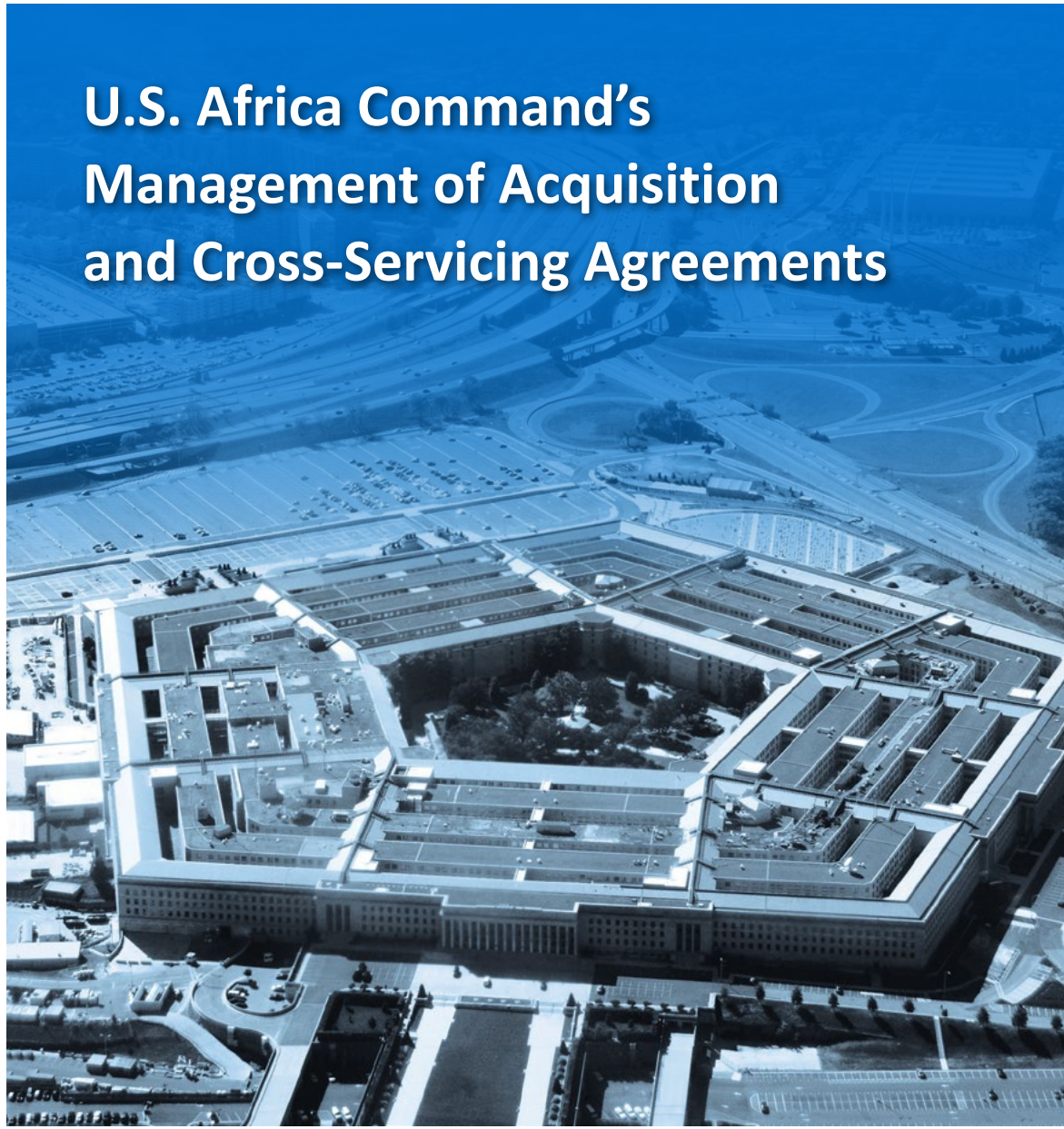
INSPECTOR GENERAL

U.S. Department of Defense

SEPTEMBER 21, 2017



U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements



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Results in Brief

U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements

September 21, 2017

Objective

We determined whether U.S. Africa Command (USAFRICOM) effectively managed Acquisition and Cross-Servicing Agreement (ACSA) transactions for logistics support, supplies, and services.

Background

ACSAs are bilateral agreements between the United States and authorized foreign entities for the exchange of logistics support, supplies, and services. ACSAs allow logistical exchanges between the United States and the military forces of eligible countries and international organizations. The ACSA program gives the commander increased flexibility in addressing logistical requirements. Implementing arrangements are supplementary agreements that prescribe details, terms, and conditions to effectively implement cross-servicing agreements. While these arrangements normally are more detailed than the ACSAs, they must be completely consistent with the ACSAs they support. An implementing arrangement is a type of international agreement under DoD Directive 5530.3, "International Agreements," June 11, 1987.

Federal law grants the Secretary of Defense the authority to use ACSAs. Within the Office of the Secretary of Defense, the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]) is the focal point for the ACSA program. DoD Directive 2010.9, "Acquisition and Cross-Servicing Agreements," November 24, 2003, establishes ACSA policy and assigns responsibilities for the

Background (cont'd)

OUSD(AT&L), the Chairman of the Joint Chiefs of Staff (CJCS), the Military Departments, Defense agencies and combatant commands and for the implementation of the ACSA program.

As part of the responsibility assigned in DoD Directive 2010.9, the CJCS provides guidance for implementing the ACSA and assigns roles and responsibilities for the Joint Staff, combatant commands, direct reporting units, and Defense agencies reporting to the Secretary of Defense through CJCS Instruction 2120.01D, "Acquisition and Cross-Servicing Agreements," May 21, 2015. CJCS Instruction 2120.01D directs the use of ACSAs in accordance with Federal law.¹ It also requires the use of the ACSA Global Automated Tracking and Reporting System (AGATRS) to fully document all transfers of logistics support, supplies, and services between U.S. and foreign entities under ACSA authorities and states that the program should be executed by designated ACSA officials at the lowest organizational level.

Finding

USAFRICOM did not effectively manage the ACSA orders it executed and was not required to oversee ACSA orders executed by its Subordinate Components in the USAFRICOM area of responsibility. Specifically, USAFRICOM and its Subordinate Components did not include all minimum essential data elements on ACSA orders and upload source documents supporting line items on ACSA orders into AGATRS. In addition, some Subordinate Components were not maintaining ACSA orders in AGATRS or tracking ACSA orders under ACSA authorities. Specifically:

- U.S. Marine Corps Forces Africa did not maintain all transactions in AGATRS,
- U.S. Naval Forces Africa did not know that ACSA orders were used for medical activities, and
- U.S. Air Forces Africa did not document that meals were provided under ACSA authorities.

¹ Sections 2341-2350, title 10, United States Code.



Results in Brief

U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements

Finding (cont'd)

Furthermore, U.S. Special Operations Command Africa entered into four agreements that met the intent of an implementing arrangement without understanding the requirements for completing and coordinating an implementing arrangement.

These conditions occurred, in part, because the OUSD(AT&L) did not monitor compliance with DoD Directive 2010.9 as required or establish training requirements for personnel who execute ACSA orders. In addition, the CJCS provided implementation guidance that does not apply to Military Departments and some Defense agencies and does not establish clear training requirements. Furthermore, neither the Secretary of the Navy nor the Commander, U.S. Special Operations Command (USSOCOM), issued ACSA policy or program guidance, and USAFRICOM did not update its ACSA instruction.

As a result, the CJCS, Secretaries of Military Departments, and Commander, USAFRICOM, did not have assurance that logistics support, supplies, and services transactions executed in the USAFRICOM area of responsibility were accurate or reimbursed. For example, we reviewed ACSA orders from January 2014 through December 2016 and identified that the DoD did not have assurance that 196 orders, valued at \$32.1 million, for logistics support, supplies, and services were accurate or reimbursed. Furthermore, USAFRICOM's Subordinate Components may not be capturing the transfer of items or services as logistics support, supplies, and services in support of an ACSA, resulting in inaccurate program records for DoD Components or the Military Services not being reimbursed for logistics support, supplies, and services. Finally, poor implementation of the ACSA program will reduce flexibility for commanders to address logistical shortfalls.

Recommendations and Management Actions Taken

We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics:

- Review the current implementation and execution of the ACSA program and update DoD Directive 2010.9 to define oversight responsibilities for Office of the Secretary of Defense, Military Departments, Defense agencies, Joint Staff and combatant commands; to require use of a DoD system of record to maintain ACSA orders; to define ACSA order and billing officials roles; and to clarify requirements for implementing arrangements.
- Develop and issue program guidance as required by DoD Directive 2010.9 for the Military Services and Defense agencies.
- Develop a training program or training program requirements for the implementation of the ACSA program and execution of ACSA authorities.

In response to the discussion draft, the OUSD(AT&L) issued DoD Memorandum, "Delegation of Responsibilities under Departments of Defense Directive 2010.9, 'Acquisition and Cross-Servicing Agreements,'" July 19, 2017. The policy memorandum delegates to the Joint Staff the responsibility for allocation of ACSA ceilings to Defense agencies and issuance of program management guidance to Defense agencies and Military Departments. The OUSD(AT&L)'s actions taken partially addressed our recommendation; therefore, we consider this part of the recommendation closed.



Results in Brief

U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements

Recommendations (cont'd)

We recommend that the Assistant Secretary of the Navy (Research, Development, and Acquisition) designate a Chief of Naval Operations and Headquarters Marine Corps Office of Prime Responsibility to oversee the execution of the ACSA program for their respective Service Components.

We recommend that the Commander, USSOCOM, issue interim guidance for the implementation and execution of the ACSA program.

During the audit, on April 28, 2017, USSOCOM issued a policy memorandum to provide guidance for the use of ACSA authorities and the execution of ACSA orders. The policy memorandum provides roles and responsibilities and specific requirements for both logistics ACSA program managers and financial ACSA program managers. USSOCOM's actions taken addressed our recommendation; therefore, this recommendation is closed.

We recommend that the Commander, USAFRICOM, issue a formal ACSA instruction that includes requirements to complete the 25 minimum essential data elements and upload required supporting documentation in AGATRS.

During the audit on June 20, 2017, USAFRICOM's ACSA instruction, with requirements for minimum essential data elements and support documentation, was approved and signed. USAFRICOM's actions taken addressed our recommendation; therefore, this recommendation is closed.

We recommend that the Commander, U.S. Air Forces Africa, develop and implement a plan to properly track and maintain all orders for logistics support, supplies, and services, whether paid in cash or electronically, provided to foreign military personnel using ACSA authorities in AGATRS.

We recommend that the Commander, U.S. Naval Forces Africa, review U.S. Navy logistics support, supplies, and services provided to foreign military services in the USAFRICOM area of responsibility to determine whether the support and services are supplied under ACSA authority and for the support and services provided under ACSA, track and maintain ACSA orders in accordance with the updated DoD policy.

We recommend that the CJCS issue program management guidance to Defense agencies and Military Departments as required by DoD Memorandum, "Delegation of Responsibilities under Departments of Defense Directive 2010.9, 'Acquisition and Cross-Servicing Agreements,'" July 19, 2017.

Management Comments and Our Response

The Director of International Cooperation, OUSD(AT&L), responding for the Under Secretary of Defense for Acquisition, Technology, and Logistics, agreed with the recommendations to update the DoD Directive 2010.9 to define oversight responsibilities, require use of DoD system of record, and develop training program requirements. Therefore, these recommendations are resolved but will remain open. We will close these recommendations once we verify that the updated DoD Directive 2010.9 fully addresses the recommendations and that training program requirements were developed for the implementation and execution of the ACSA. We expect receipt of the training requirements no later than December 2018.

The Director partially agreed with the recommendation to define ACSA order and billing officials' roles and responsibilities and clarify what is acceptable for establishing parameters under ACSA authorities.



Results in Brief

U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements

Comments (cont'd)

The Director stated that the management detail for ACSA staff roles and responsibilities is addressed in CJCS Instruction 2120.01D and is now applicable to all DoD Components that use ACSA. The Director stated that the OUSD(AT&L) will consult with the Joint Staff to determine whether any changes in CJCS Instruction 2120.01D are necessary. The action taken that delegates to the Joint Staff the responsibility for issuing program management guidance satisfies the intent of this recommendation. Therefore, this recommendation is resolved but will remain open. We will close this recommendation once we verify that the OUSD(AT&L) and Joint Staff have determined whether changes in CJCS Instruction 2120.01D are necessary.

The Director stated that the OUSD(AT&L) has determined that CJCS Instruction 2120.01D provides sufficient guidance concerning implementing arrangements. However, CJCS Instruction 2120.01D does not provide any guidance on a memorandum of understanding or any other arrangements that are acceptable for placing terms and conditions on the acquisition or transfer of logistics support, supplies, and services. Therefore, the recommendation to clarify what is acceptable for establishing parameters under ACSA authorities is unresolved and will remain open. We request that the Director provide guidance to DoD ACSA users for supplemental agreements to implementing arrangements under ACSA authority or update DoD Directive 2010.9 to clarify requirements on what is acceptable for establishing parameters under ACSA authorities.

The Assistant Secretary of the Navy (Research, Development, and Acquisition) did not respond to the finding and the recommendation to designate a Chief of Naval Operations and Headquarters Marine Corps Office of Prime Responsibility to oversee the execution of the ACSA program for their respective Service Components. Therefore, the recommendation is unresolved and will remain open. We request that the Assistant Secretary provide comments on the final report.

The Chief, Logistics Readiness Division, U.S. Air Forces Africa, responding for the Commander, U.S. Air Forces Africa, disagreed with the finding and the recommendation to develop and implement a plan to properly track and maintain all orders for logistics support, supplies, and service, whether paid in cash or electronically, provided to foreign military personnel using AGATRS. The Chief stated that U.S. Air Forces Africa has a procedure in place to ensure the accurate tracking of logistics support, supplies, and services. Although a process was provided, it did not mention foreign national headcount totals and the associated cash collected on-site being placed on an ACSA order and the ACSA order being uploaded into AGATRS. Therefore, the recommendation is unresolved and will remain open. We request that the Chief provide documentation of the process, including the use of AGATRS and ACSA program manager role, the action or plan of dissemination to U.S. Air Forces Africa ACSA users, and the expected date of completion.



Results in Brief

U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements

Comments (cont'd)

The Chief of Staff, U.S. Naval Forces Africa, responding for the Commander, U.S. Naval Forces Africa, agreed with the finding and the recommendations to review U.S. Navy logistics support, supplies, and services provided to foreign military services to determine whether support and services are supplied under ACSA authority and to track and maintain the logistics support, supplies, and services provided under ACSA authority in accordance with DoD policy. Therefore, this recommendation is resolved but will remain open. We will close the recommendations once we verify the results of the review, and the training plan or documented training policy.

The CJCS did not provide official comments; however, the Joint Staff took action to address the recommendation to issue program management guidance to Defense agencies and Military Departments.

The Deputy Director for Strategic Logistics, Joint Staff J4, issued a memorandum reiterating that the OUSD(AT&L) delegated to the Joint Staff the responsibility to issue ACSA program management guidance. The Joint Staff J4 also notified the Military Departments that CJCS Instruction 2120.01D is applicable to the Military Departments and is the program management guidance the Departments should follow. The CJCS's actions taken addressed our recommendation; therefore, this recommendation is closed.

Please see the Recommendations Table on the next page for the status of the recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense for Acquisition, Technology, and Logistics	1.a.4	1.a, 1.a.1, 1.a.2, 1.a.3	1.b
Assistant Secretary of the Navy (Research, Development, and Acquisition)	2		
Commander, U.S. Special Operations Command			3
Commander, U.S. Africa Command			4
Commander, U.S. Air Forces Africa	5		
Commander, U.S. Naval Forces Africa		6.a, 6.b	
Chairman of the Joint Chiefs of Staff			7

Please provide Management Comments by October 11, 2017.

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

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



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

September 21, 2017

MEMORANDUM FOR DISTRIBUTION

SUBJECT: U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements (Report No. DODIG-2017-121)

We are providing this report for review and comment. U.S. Africa Command did not effectively manage the Acquisition and Cross-Servicing Agreement orders it executed and was not required to oversee Acquisition and Cross-Servicing Agreement orders executed by its Subordinate Components in the U.S. Africa Command area of responsibility. As a result, the DoD did not have assurance that 196 orders, valued at \$32.1 million, were accurate or reimbursed.

We considered management comments on the draft of this report when preparing the final report. DoD Instruction 7650.03 requires that recommendations be resolved promptly. The Assistant Secretary of the Navy (Research, Development, and Acquisition) did not respond to the recommendation in the draft report; however we considered comments from the Director of International Cooperation, Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics; the Chairman of the Joint Chiefs of Staff; the Chief, Logistics Readiness Division, U.S. Air Forces Africa; and the Chief of Staff for U.S. Navy Forces Africa, when preparing the final report.

Comments from the Director of International Cooperation and the Chief, Logistics Readiness Division, partially addressed the recommendations. We request additional comments on Recommendation 1.a.4 and Recommendation 5. In addition, we request that the Assistant Secretary of the Navy (Research, Development, and Acquisition) comment on Recommendation 2 by October 11, 2017.

Please send a PDF file containing your comments to audcmp@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-9187.

A handwritten signature in blue ink, appearing to read "MJR", is positioned above the name of the Assistant Inspector General.

Michael J. Roark
Assistant Inspector General
Contract Management and Payments

Distribution:

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Introduction

Objective

We determined whether U.S. Africa Command (USAFRICOM) effectively managed Acquisition and Cross-Servicing Agreement (ACSA) transactions for logistics support, supplies, and services. See Appendix A for a discussion of the scope and methodology and prior coverage related to our objective.

Background

Acquisition and Cross-Servicing Agreements

ACSAs are bilateral agreements between the United States and authorized foreign entities for the exchange of logistics support, supplies, and services. ACSAs allow logistical exchanges between the United States and the military forces of eligible countries and international organizations. The ACSA program gives the commander increased flexibility in addressing logistical requirements. Implementing arrangements are supplementary agreements that can be used by commanders to set parameters on executing orders under cross-servicing agreements. These implementing arrangements prescribe details, terms, and conditions to effectively implement cross-servicing agreements. An implementing arrangement is a type of international agreement under DoD Directive 5530.3.² While these arrangements normally are more detailed than the ACSAs, they must be consistent with the ACSAs they support.

ACSA Global Automated Tracking and Reporting System

The ACSA Global Automated Tracking and Reporting System (AGATRS) is the DoD system of record for executing ACSA orders for the Office of the Secretary of Defense, Joint Staff, combatant commands, and Services.³ It is an unclassified, web-based system that serves as the cradle to grave automated means to build, track, and manage ACSA orders for logistics support, supplies, and services; implementing arrangements; and future orders globally, throughout their life cycle. AGATRS was developed to fulfill a requirement of the Chairman of the Joint Chiefs of Staff (CJCS) and Combatant Commands to provide real-time visibility into the credits and debits of individual ACSAs. AGATRS is used to document all transfers of logistics support, supplies, and services under ACSA authorities. To document

² DoD Directive 5530.3, "International Agreements," June 11, 1987.

³ An ACSA order may also be referred to as a transaction and contain one or more line items.

these transfers, a designated official uses an ACSA standard order form or other documentation that contains the minimum essential data.⁴ Please see Appendix B for a list of the 25 minimum essential data elements and Appendix C for an example of an ACSA standard order form.

Department of Defense Directive

Federal law grants the Secretary of Defense the authority to use ACSAs. Within the Office of the Secretary of Defense, the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]) is the focal point for the ACSA program. DoD Directive 2010.9 establishes ACSA policy and assigns responsibilities for the OUSD(AT&L), the CJCS, the Military Departments, Defense agencies, and combatant commands and for the implementation of ACSA authorities.⁵

ACSA Roles and Responsibilities Outlined in the DoD Directive

DoD Directive 2010.9 assigns the following roles and responsibilities for the implementation of ACSA authority within the DoD.

- The OUSD(AT&L) is required to monitor DoD Component compliance with DoD Directive 2010.9, designate the countries eligible for cross-servicing agreements, issue program management guidance to the Defense agencies and Military Departments, or delegate the issuance of program management guidance to the CJCS.⁶
- The CJCS is required to provide, negotiate, and conclude ACSAs in accordance with applicable laws, regulations, and DoD Directive 2010.9, or delegate this authority to “lead agents”; provide program management guidance to the combatant commands on matters related to ACSAs, including eligibility, concluding agreements, and execution; maintain copies of all signed ACSAs and appropriate implementing arrangements; and provide implementation guidance through CJCS Instructions.
- The Secretaries of the Military Departments and the Directors of Defense agencies are required to establish appropriate oversight procedures in accordance with applicable laws and DoD Directive 2010.9, and maintain financial and program records of all ACSA orders.
- The combatant commanders are required to negotiate and conclude cross-servicing agreements as a lead agent when authorized by the CJCS, coordinate implementing arrangements with affected combatant commanders when operations or exercises involve more than one

⁴ AGATRS produces the Standard Order Form 1-3a “Acquisition and Cross-Servicing Agreement/Mutual Logistics Support Order Form, revised June 5, 2017.

⁵ DoD Directive 2010.9, “Acquisition and Cross-Servicing Agreements,” November 24, 2003.

⁶ Defined by the Directive as the Office of the Secretary of Defense, the Military Departments, the CJCS, the combatant commands, the DoD Office of Inspector General, the Defense agencies, the DoD field activities, and all other organizational entities in the DoD.

combatant commander's area of operations, and provide the CJCS a quarterly summary report of ACSA transactions and relevant program information. DoD Directive 2010.9 assigns combatant commanders the authority to conduct ACSA transactions associated with the ACSAs they negotiate.

- The Under Secretary of Defense (Comptroller) is required to maintain accounting, pricing, internal control, and reporting policies to implement DoD Directive 2010.9.

Chairman of the Joint Chiefs of Staff Instruction

Through CJCS Instruction 2120.01D, the CJCS provides ACSA program implementation guidance and assigns roles and responsibilities for the Joint Staff, combatant commands, direct reporting units, and Defense agencies reporting to the Secretary of Defense.⁷ CJCS Instruction 2120.01D directs the use of ACSAs in accordance with United States Code.⁸ It also requires the use of AGATRS to fully document all transfers of logistics support, supplies, and services between U.S. and foreign entities under ACSA authorities and states that the program should be executed by designated ACSA officials at the lowest organizational level. Primarily, the combatant command Service Component or Subordinate Command should execute the program. The CJCS assigned the following roles and responsibilities to the Joint Staff, combatant commands, direct reporting units, and Defense agencies reporting to the Secretary of Defense through the CJCS.

- The Joint Staff Director for Logistics (J-4) is the Joint Staff office with primary responsibility for the use of ACSAs. The Director maintains and updates CJCS Instruction 2120.01D and serves as the Joint Staff advocate for AGATRS functionality and improvements.
- Combatant commands ensure ACSA personnel enter all ACSA orders into the AGATRS database and submit quarterly reports identifying all ACSA orders to the CJCS as required by DoD policies.⁹
- Combatant command Service Component and Subordinate Command officials oversee the acquisition and transfer of logistics support, supplies, and services under ACSA authority. In addition, the officials maintain and update the AGATRS database with all ACSA orders and associated documentation.

⁷ CJCS Instruction 2120.01D, "Acquisition and Cross-Servicing Agreements," May 21, 2015. This policy replaced CJCS Instruction 2120.01C, "Acquisition and Cross Servicing Agreements," February 13, 2013.

⁸ Sections 2341-2350, title 10, United States Code.

⁹ According to the ACSA Logistics Program Manager, Joint Staff, there was no further need for ACSA quarterly reports because AGATRS was developed to provide all pertinent ACSA information to ACSA users and managers and eliminate the need for manual reporting.

On February 2, 2017, the Joint Staff issued a supplemental information memorandum for the ACSA program managers.¹⁰ This memorandum was a joint effort from the OUSD(AT&L) and CJCS to address the importance of and requirement to use AGATRS, to upload supporting documentation, and to close out orders in AGATRS after validation of payment.

USAFRICOM, Subordinate Components, and Subunified Command

USAFRICOM is one of six geographic combatant commands and is responsible to the Secretary of Defense for military relations with African nations, the Africa Union, and African regional security organizations. USAFRICOM maintains operational control over assigned forces and is responsible for all DoD operations, exercises, and security cooperation in Africa.¹¹ Its Subordinate Components perform detailed planning, provide essential command and control, and establish and sustain relationships with African partners.¹²

USAFRICOM includes the following Subordinate Components.

- U.S. Army Africa (USARAF): Conducts sustained security engagement with African land forces to promote security stability and peace.
- U.S. Air Forces Africa (AFAFRICA): Conducts sustained security engagement and operations to promote air safety, security, and development in Africa.
- U.S. Naval Forces Africa (NAVAF): Improves the maritime security, capability, and capacity of African partners. NAVAF personnel support both NAVAF and U.S. Naval Forces Europe.
- U.S. Marine Corps Forces Africa (MARFORAF): Conducts operations, exercises, training, and security cooperation activities throughout Africa. MARFORAF personnel support both MARFORAF and U.S. Marine Corps Forces Europe.
- Combined Joint Task Force–Horn of Africa (CJTF-HOA): Conducts operations in the region to enhance partner nation capacity, promote regional security and stability, dissuade conflict, and protect U.S. and Coalition interests.¹³

¹⁰ Joint Staff Memorandum, “Requirement to Post Supplemental Information in the ACSA Global Automated Tracking and Reporting System (AGATRS),” February 2, 2017.

¹¹ Operational control is the authority to perform those functions of command over subordinate forces involving organizing and employing commands and forces, assigning tasks, designating objectives, and giving direction. Administrative control, such as logistics and training, falls to the Secretaries of the Military Departments.

¹² Subordinate Components refers to the commanders of the combatant command Service Components and subunified commands.

¹³ CJTF-HOA personnel did not conduct any ACSA orders within the timeframe of our audit scope, but we found some ACSA orders in AGATRS listed as CJTF-HOA orders.

- U.S. Special Operations Command Africa (SOCAFRICA): Builds operational capacity, strengthens regional security and capacity initiatives, implements communication strategies in support of strategic objectives, and counters violent extremist organizations. SOCAFRICA is a subunified command of U.S. Special Operations Command (USSOCOM) under operational control of USAFRICOM.

Prior Report

On March 24, 2016, we issued Report No. DODIG-2016-067, “DoD Components Did Not Properly Use the Acquisition and Cross Service Agreement Automated Tracking and Reporting System.” We found that U.S. Army Central and U.S. Air Forces Central Command personnel did not include all minimum essential data elements on ACSA orders, upload source documents supporting line items on orders into AGATRS, and close ACSA orders within AGATRS properly. The report noted that CJCS officials stated that AGATRS was designed to be auditable and include supporting documentation as the audit trail; therefore, support documentation should be uploaded into AGATRS. In response to our report, on February 2, 2017, the Joint Staff J-4 issued a clarifying memorandum for the ACSA community that emphasized the requirement to upload supporting documentation to AGATRS for all ACSA orders.¹⁴

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.¹⁵ We identified several internal control weaknesses related to USAFRICOM and its Subordinate Components’ use of AGATRS. We found that USAFRICOM and its Subordinate Components did not include all minimum essential data elements on ACSA orders and did not upload source documents supporting line items on ACSA orders into AGATRS. In addition, some Subordinate Components were not maintaining ACSA orders in AGATRS or tracking ACSA transactions that fall under ACSA authorities. We will provide a copy of the report to the senior official responsible for internal controls in the OUSD(AT&L); CJCS; Departments of the Army, Air Force, and Navy; USSOCOM; and USAFRICOM.

¹⁴ Joint Staff memorandum, “Requirement to Post Supplemental Information in the ACSA Global Automated Tracking and Reporting System (AGATRS),” February 2, 2017.

¹⁵ DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013.

Finding

USAFRICOM and Subordinate Components Did Not Effectively Manage ACSA Orders for Logistics Support, Supplies, and Services

USAFRICOM did not effectively manage the ACSA orders it executed and was not required to oversee ACSA orders executed by its Subordinate Components.¹⁶ Specifically, USAFRICOM and its Subordinate Components did not include all minimum essential data elements on ACSA orders or upload source documents supporting line items on ACSA orders into AGATRS. In addition, some Subordinate Components were not maintaining ACSA orders in AGATRS or tracking ACSA orders under ACSA authorities. Specifically:

- MARFORAF did not maintain all transactions in AGATRS,
- NAVAF did not know that ACSA orders were used for medical activities, and
- AFAFRICA did not document that meals were provided under ACSA authorities.

Furthermore, SOCAFRICA entered into four agreements that met the intent of an implementing arrangement without understanding the requirements for completing and coordinating an implementing arrangement.

These conditions occurred, in part, because the OUSD(AT&L) did not monitor compliance with DoD Directive 2010.9 to ensure Military Departments established appropriate oversight procedures as required and did not establish training requirements for personnel who execute ACSA orders. In addition, the CJCS provided implementation guidance that does not apply to Military Departments and some Defense agencies. Furthermore, neither the Secretary of the Navy nor the Commander, USSOCOM, issued ACSA policy or program guidance, and USAFRICOM did not issue an updated combatant command instruction on ACSAs that complied with requirements in CJCS Instruction 2120.01D.

As a result, OUSD(AT&L), the CJCS, Secretaries of Military Departments, and Commander, USAFRICOM, did not have assurance that logistics support, supplies, and services transactions executed in the USAFRICOM area of responsibility were accurate or reimbursed. We reviewed 200 ACSA orders from January 2014 through December 2016 and identified that the DoD did not have assurance that

¹⁶ USAFRICOM was not required to oversee the ACSA orders because Secretaries of Military Departments have administrative control, such as logistics and training, and the combatant command has operational control.

196 orders, valued at \$32.1 million, were accurate or reimbursed. Furthermore, USAFRICOM's Subordinate Components may not be capturing the transfer of items or services as logistics support, supplies, and services in support of an ACSA, resulting in inaccurate program records for DoD Components or the Military Services not being reimbursed for logistics support, supplies, and services. Finally, poor implementation of the ACSA program will reduce flexibility for commanders to address logistical shortfalls because the program allows logistical exchanges between the United States and military forces of eligible countries and international organizations.

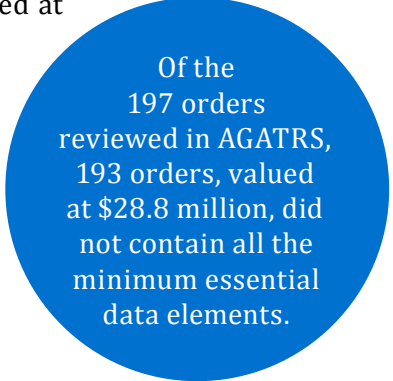
USAFRICOM and Subordinate Components Did Not Effectively Manage ACSA Orders

USAFRICOM did not effectively manage the ACSA orders it executed and was not required to oversee the ACSA orders executed by its Subordinate Components in the USAFRICOM area of responsibility. Both USAFRICOM and its Subordinate Components did not include all minimum essential data elements on ACSA orders and upload source documents supporting line items on ACSA orders into AGATRS.

USAFRICOM and Subordinate Components Did Not Include Required Information in ACSA Orders

USAFRICOM and Subordinate Components did not include all minimum essential data elements on ACSA orders within AGATRS. Specifically, CJCS Instruction 2120.01D and the DoD Financial Management Regulation list 25 minimum essential data elements required for an ACSA order.¹⁷ Examples of essential data elements are name and mailing address of the issuing and receiving organization, signatures, and the date and place of original transfer.

Of the 197 orders reviewed in AGATRS, 193 orders, valued at \$28.8 million, did not contain all the minimum essential data elements. For example, 154 orders, valued at \$21.4 million, were not signed by officials from the military organizations transferring logistics support, supplies, and services or by officials from the foreign entity that received the logistics support, supplies, and services. Without appropriate signatures, there was not a binding international commitment and assurance that the logistics support, supplies, and services order was authorized, received, and ready to be processed for billing and collection. The following table shows how many ACSA orders with missing data elements each command had and their value.



Of the 197 orders reviewed in AGATRS, 193 orders, valued at \$28.8 million, did not contain all the minimum essential data elements.

¹⁷ DoD Regulation 7000.14-R, "DoD Financial Management Regulation," volume 11A, chapter 8, "International Acquisition and Cross-Servicing Agreements."

Table. ACSA Orders with Missing Data Elements

Command	Number of ACSA Orders in AGATRS	Value of ACSA orders in AGATRS	Number of ACSA Orders Missing Data Elements	Value of ACSA Orders Missing Data Elements
USAFRICOM	37	\$12,756,609	37	\$12,756,609
USARAF	51	7,555,996	51	7,555,996
AFAFRICA*	7	1,857,638	4	382,215
NAVAF	76	65,734	76	65,734
MARFORAF	8	482,922	8	482,922
SOCAFRICA	18	7,563,912	17	7,550,040
Total	197	\$30,282,811	193	\$28,793,516

* AFAFRICA's ACSA orders were in AGATRS, but they were not listed under USAFRICOM in AGATRS.

Source: DoD OIG.

USAFRICOM and Subordinate Components Did Not Upload Supporting Documentation for ACSA Orders

192 orders, valued at \$29.5 million, did not have supporting documentation for all line items.

USAFRICOM and Subordinate Components did not upload source documents supporting ACSA orders into AGATRS. According to CJCS officials, the use of supporting documentation establishes auditability and accountability of ACSA orders at the execution level. CJCS Instruction 2120.01D requires Secretaries of the Military Departments, or their designees, to maintain financial and program records of all ACSA orders. For example, 192 orders, valued at \$29.5 million, did not have supporting documentation for all line items.

According to the OUSD(AT&L) and Joint Staff supplemental information memorandum, the supporting documentation that validates ACSA orders is required to be posted and maintained in AGATRS.¹⁸ According to the memorandum, AGATRS was designed to be auditable and include supporting documentation as the audit trail. During the audit, USAFRICOM, MARFORAF, and SOCAFRICA either uploaded or provided supporting documentation for most of their ACSA orders, and USARAF either uploaded or provided supporting documentation for all of its ACSA orders.¹⁹ After our initial review, NAVAf was unable to provide additional documentation for its 76 ACSA orders in AGATRS because NAVAf personnel did not track these orders.

¹⁸ Joint Staff Memorandum, "Requirement to Post Supplemental Information in the ACSA Global Automated Tracking and Reporting System (AGATRS)," February 2, 2017.

¹⁹ An ACSA order may contain one or more line items.

MARFORAF, NAVAf, and AFAFRICA Did Not Properly Maintain and Track ACSA orders

MARFORAF did not maintain all ACSA orders in AGATRS, AFAFRICA did not track all ACSA orders, and NAVAf did not properly maintain ACSA orders in AGATRS and may not have tracked all ACSA orders.

MARFORAF Did Not Maintain All ACSA Orders in AGATRS

MARFORAF personnel did not upload three FY 2015 orders, valued at \$3.3 million, and did not account for all services provided.²⁰ Although MARFORAF did not upload these orders into AGATRS, MARFORAF accounted for laundry services, billeting, meals, fuel, transportation services, and water; however, MARFORAF personnel did not track, manage, or bill for phone and Internet services.

MARFORAF provided the three ACSA order forms and supporting documentation that were not uploaded into AGATRS, but the ACSA order forms did not contain all 25 minimum essential data elements. In addition, MARFORAF did not complete ACSA orders for Internet and phone services in support of a military exercise. Because MARFORAF personnel did not properly manage the ACSA orders, they lost oversight of the orders and as a result, may not have billed our ACSA partner for its use of phone and internet services.

AFAFRICA Did Not Track and Manage All ACSA Orders in AGATRS

AFAFRICA did not track and manage ACSA orders in AGATRS for meals that were purchased with cash by foreign military personnel. According to AFAFRICA personnel, meals were provided to foreign military personnel as needed at one of their locations in the USAFRICOM area of responsibility. According to the AFAFRICA ACSA Program Manager, AFAFRICA personnel do not capture transactions as ACSA orders if the location has the capability to accept cash directly, whether it is for meals or other services. Additionally, according to the ACSA Program Manager, if a location providing meals has the ability to track and receive cash payments, the transactions would not have to be tracked using an ACSA order form or in AGATRS. According to OUSD(AT&L) and Joint Staff J-4 personnel, if cash transactions are ACSA transactions, they must be tracked in AGATRS, with the proper forms and supporting documentation. Because the Air Force did not properly manage potential ACSA orders, it may not have been reimbursed for logistics support, supplies, and services it supplied to other

²⁰ These orders supported the FY 2017 African Lion exercise, an annual, bilateral exercise sponsored by the United States and Morocco designed to improve interoperability and mutual understanding of each nation's tactics, techniques, and procedures.

countries. AFAFRICA personnel should develop and implement a plan to track services provided or received using ACSA authorities and paid for in cash on site and maintain the associated ACSA order forms and supporting documentation in AGATRS.

NAVAF Did Not Track and Manage ACSA Orders in AGATRS

NAVAF did not track or manage ACSA orders in AGATRS for the medical treatment of U.S. military personnel on a French military installation in Djibouti. Specifically, we found 29 orders, valued at \$17,775, in AGATRS uploaded under the CJTF-HOA organization by Navy medical personnel.^{21,22} However, CJTF-HOA personnel stated that they have not conducted an ACSA transaction in 2 years. Navy medical personnel at Camp Lemonnier, Djibouti, uploaded these ACSA orders in AGATRS, but the orders did not have the required ACSA standard order form, and the ACSA Program Manager for NAVAF was unaware of the transactions. According to the program manager, NAVAF personnel should have tracked and managed the orders properly in AGATRS. Therefore, NAVAF personnel did not have oversight of 29 orders, valued at \$17,775.

In addition, the Navy may be providing logistics support, supplies, and services to foreign military personnel at Camp Lemonnier, Djibouti, through its Basic Operations Support contracts, overseen by Naval Facilities Engineering Command–Europe, Africa, and Southwest Asia. Camp Lemonnier, Djibouti, supports approximately 6,400 U.S., joint, and allied forces military and civilian personnel and contractors working on base, with the majority (5,500 non-contractor personnel) also residing on base. According to the Naval Facilities Engineering Command–Europe, Africa, and Southwest Asia personnel responsible for managing the contract, they are aware that foreign military personnel are supported at Camp Lemonnier, Djibouti, but they were not tracking whether foreign military personnel were receiving logistics support, supplies, and services, such as meals and fuel. Furthermore, NAVAF personnel were overseeing only the ACSA orders they were made aware of. Because NAVAF did not properly manage ACSA orders, the Navy may not have been reimbursed for logistics support, supplies, and services supplied to other countries. The Commander, NAVAF, should review U.S. Navy logistics support, supplies, and services provided to foreign military services in the U.S. Africa Command area of responsibility and, where applicable, ensure the support and services supplied under ACSA authority are properly tracked and maintained.

²¹ CJTF-HOA is a tenant command on Camp Lemonnier, Djibouti, Africa.

²² According to the Deputy Forces Surgeon General, NAVAF, the transactions were for computerized axial tomography scans and specific illnesses.

SOCAFRICA Could Have Unknowingly Entered Into Implementing Arrangements

SOCAFRICA entered into four agreements that met the intent of an implementing arrangement. According to SOCAFRICA personnel, they entered into these agreements to clearly define requirements for supplies and services that were going to be provided or received during exercises under a specific country's ACSA. DoD Directive 2010.9 states that an implementing arrangement is a supplementary agreement for logistics support, supplies, or services that prescribes details, terms, and conditions to implement cross-servicing agreements effectively. SOCAFRICA officials stated that they were not aware of the requirements for implementing arrangements. CJCS Instruction 2120.01D states that implementing arrangements do not have a preapproved template because they are situation-specific. However, all implementing arrangements must contain:

- the name and number of the cross-servicing agreement that the implementing arrangement implements;
- a number assigned to the implementing arrangement, for use on ACSA orders;
- the type of logistics support, supplies, and services covered by the implementing arrangement;
- the geographic or operational limitation, if any; and
- the U.S. and foreign country or international organization point of contacts authorized to place and receive orders under the implementing arrangement.

In addition, implementing arrangements must be completed and coordinated in accordance with DoD Directive 5530.3.²³ SOCAFRICA issued four agreements that met at least three of the five requirements for an implementing arrangement. For example, SOCAFRICA entered into an agreement with Canada for support on an exercise conducted in the USAFRICOM area of responsibility. The agreement contained information about the specific ACSA under which the support would be provided, the type of support, the geographic location, and the points of contact for the agreement. However, SOCAFRICA officials did not assign an implementing arrangement number to the agreement to use on ACSA orders. In addition, SOCAFRICA personnel were unaware of the requirements to coordinate an implementing arrangement with the appropriate combatant command, what constituted an implementing arrangement, and the requirement for Joint Staff personnel to maintain the arrangement. According to OUSD(AT&L) personnel,

²³ DoD Directive 5530.3, "International Agreements," June 11, 1987.

these agreements were never intended to be implementing arrangements; however, they could be other supplemental agreements for implementing and using ACSAs. Because these agreements appeared to meet the intent of an implementing arrangement and there is no guidance regarding other types of agreements that can be used in conjunction with executing the ACSA program, the OUSD(AT&L) should clarify requirements for an implementing arrangement and what is acceptable for establishing parameters under ACSA authorities.

The OUSD(AT&L) Did Not Monitor Compliance with DoD Directive 2010.9, and the CJCS Provided Guidance That Did Not Apply to Military Departments

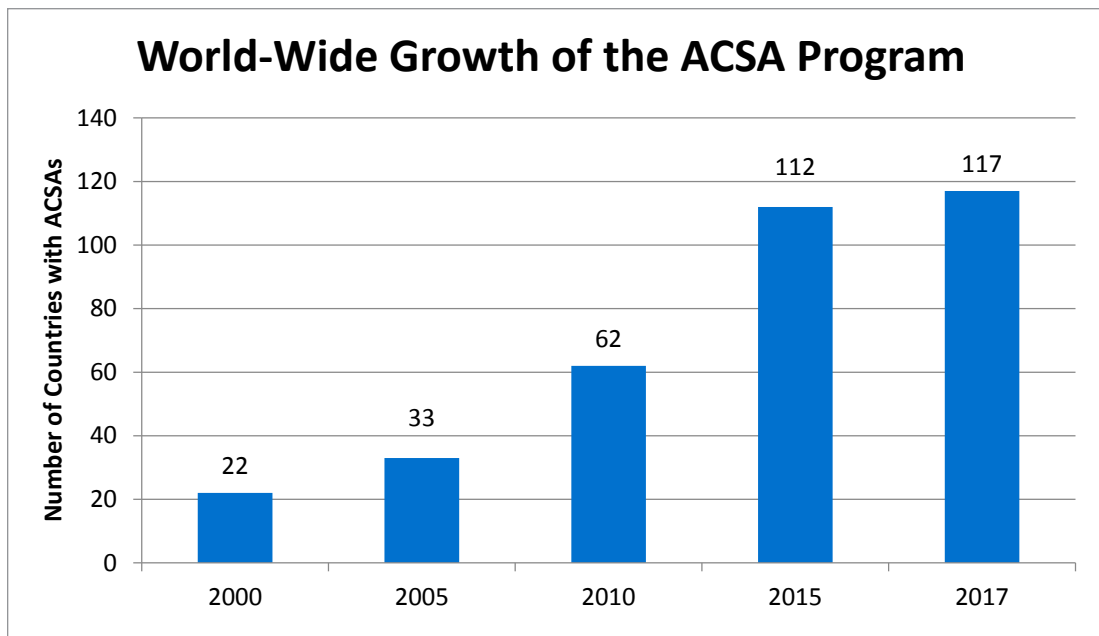
The OUSD(AT&L) did not monitor compliance with DoD Directive 2010.9 to ensure Military Departments established appropriate oversight procedures as required. Additionally, the OUSD(AT&L) did not issue program management guidance to Military Departments and Defense agencies or delegate the responsibility as required by DoD Directive 2010.9. The Directive authorized the OUSD(AT&L) to delegate program management guidance to the CJCS.

The OUSD(AT&L) Did Not Monitor Compliance with DoD Directive 2010.9 as Required

The OUSD(AT&L) did not monitor compliance with Military Department requirements outlined in DoD Directive 2010.9. For example, DoD Directive 2010.9 requires the Secretaries of the Military Departments to establish appropriate oversight procedures. However, the Office of the Secretary of the Navy has not established any controls. In addition, Report No. DODIG-2016-067 noted that neither the Army nor the Air Force had issued compliant implementing instructions.

According to OUSD(AT&L) personnel, they used to perform site visits to monitor compliance at the combatant command level. During the visits, OUSD(AT&L) personnel reviewed the development of ACSAs, rather than the execution of ACSA orders. Furthermore, the number of countries with ACSAs has increased since 2000 and, due to the potential for the dissolution of the OUSD(AT&L) and limited resources, the OUSD(AT&L) is not monitoring compliance and may not be able to do so as required by DoD Directive 2010.9. According to OUSD(AT&L) personnel, they are working to reinstitute site visits to address the ACSA negotiations and, upon congressional approval of DoD plans for the division and reorganization of the OUSD(AT&L), DoD Directive 2010.9 will be revised and reissued. The following figure shows the growth of countries with ACSAs since 2000. The growing use of ACSAs emphasizes the need and urgency for the OUSD (AT&L) to review the ACSA program now and issue ACSA policy and program guidance.

Figure. Growth of the ACSA Program Since 2000



Source: DoD OIG.

The CJCS Provided Guidance That Did Not Apply to Military Departments

While the CJCS Instruction 2120.01D defines roles and responsibilities for combatant commands, Military Departments, Defense agencies, and Subordinate Components, it does not apply to the Military Departments and Defense agencies (except those Defense agencies reporting to the Secretary of Defense through the CJCS). DoD Directive 2010.9 requires the OUSD(AT&L) to issue ACSA program management guidance to the Military Departments and Defense agencies or delegate the responsibility to the CJCS. However, the OUSD(AT&L) did not issue program management guidance to the Military Departments and Defense agencies or delegate the responsibility to the CJCS. According to OUSD(AT&L) personnel, DoD Directive 2010.9 is a top-level document meant to assign roles and responsibilities to the CJCS, other Office of Secretary of Defense Components, and executing Components. The details concerning the execution of the roles and responsibilities belong in an instruction and, in this case, the instructions for ACSAs are CJCS Instruction 2120.01D and the Financial Management Regulation. However, CJCS Instruction 2120.01D does not apply to the Military Departments because they are not listed in the applicability section and there is no requirement for the Military Departments to follow it. Therefore, the OUSD(AT&L) should update DoD Directive 2010.9 to clearly define oversight responsibilities for managing ACSA orders, the use of AGATRS, and Components' overall implementation of the program.

During the audit, the OUSD(AT&L) issued DoD Memorandum, "Delegation of Responsibilities under Department of Defense Directive 2010.9, 'Acquisition and Cross-Servicing Agreements,'" July 19, 2017, assigning Joint Staff the responsibility to issue program management guidance to Defense agencies and Military Departments. Therefore, the CJCS should issue program management guidance in accordance with the policy memorandum.

The OUSD(AT&L) and the CJCS Did Not Issue Specific Training Guidance

The OUSD(AT&L) had not established training requirements for the ACSA program. Additionally, CJCS Instruction 2120.01D requires uniform ACSA program training but does not establish guidelines for training uniformity. Establishing formal training requirements and the parameters for the training at the Office of the Secretary of Defense level would ensure training uniformity. However, current requirements leave DoD Components to develop Component-specific training for themselves. For example, the USARAF ACSA Program Manager used a slide presentation to provide in-person training to USARAF ACSA personnel; however, the program manager had no guidance for developing the training. The program manager was unsure of what the training should have included or whether taking the internally developed training met the requirements outlined in CJCS Instruction 2120.01D.

Guidelines for training could have prevented confusion regarding the requirement to track logistics support, supplies, and services as potential ACSA orders or how to coordinate an implementing arrangement with the combatant commands and Joint Staff. Without proper training, the DoD will not have assurance that individuals implementing the ACSA program have the requisite knowledge to implement and execute the ACSA program in accordance with DoD and Federal requirements. Therefore, the OUSD(AT&L) should develop a training program or training program requirements for the implementation of the ACSA program and execution of ACSA authorities.

Some DoD Components Did Not Update and Maintain ACSA Guidance

Neither the Secretary of the Navy nor the Commander, USSOCOM, issued ACSA policy or program guidance. In addition, USAFRICOM did not issue updated ACSA policy or program guidance to comply with requirements in CJCS Instruction 2120.01D. DoD Directive 2010.9 requires Secretaries of the Military Departments to establish appropriate oversight procedures, and CJCS Instruction 2120.01D requires combatant commands to maintain and update an Instruction on ACSA program guidance.

The Secretary of the Navy Has Not Appointed ACSA Program Offices

The Assistant Secretary of the Navy, Research, Development & Acquisition did not require the Chief of Naval Operations or Headquarters Marine Corps to issue ACSA program guidance, and neither the Chief of Naval Operations nor Headquarters Marine Corps issued ACSA program guidance as required by DoD Directive 2010.9. According to personnel from the Office of the Secretary of the Navy, the Navy did not issue ACSA policy because the authority for ACSA arrangements fell under the combatant commands and CJCS. Personnel from the Office of the Secretary of the Navy also stated that the Navy organizations supporting the combatant commands receive their authority from the Office of the Secretary of Defense for the ACSA program requirements. Additionally, according to these personnel, the policy should originate from the combatant commands, and the Subordinate Components supporting the combatant commands should follow the combatant command guidance.

However, because personnel from the Office of the Secretary of the Navy have not appointed ACSA program authority, in the Office of the Chief of Naval Operations or the Office of the Commandant of the Marine Corps, the offices have not developed oversight procedures as required by DoD policy. Because of the lack of oversight, Navy and Marine Corps components have implemented the ACSA program inconsistently and have not effectively executed the ACSA program or ACSA orders. Therefore, the Navy should designate a Chief of Naval Operations and Headquarters Marine Corps Office of Prime Responsibility to oversee the execution of the ACSA program for their respective Service Components.

U.S. Special Operations Command Did Not Issue ACSA Guidance

According to USSOCOM personnel, the ACSA program and ACSA authorities were relatively new to USSOCOM, and the Command was still developing USSOCOM program guidance. Without adequate guidance from either USSOCOM or USAFRICOM, SOCAFRICA did not effectively implement the ACSA program. However, on April 11, 2017, we briefed the results of our site visit to USSOCOM personnel and on April 28, 2017, USSOCOM issued a policy memorandum providing guidance for the use of ACSA authorities and the execution of ACSA orders. For more information please see the Management Action section on Recommendation 3.

U.S. Africa Command Did Not Issue Updated ACSA Guidance

USAFRICOM follows USAFRICOM Instruction 4000.01 "Logistics, Utilizing Acquisition and Cross-Servicing Agreements (ACSA)," September 29, 2009. The policy did not comply with requirements in CJCS Instruction 2120.01D.

For example, the policy did not establish requirements for supporting documentation to be uploaded into AGATRS or completing the 25 minimum essential data elements. USAFRICOM personnel have developed an updated draft instruction. The draft instruction includes requirements for all ACSA transactions to be entered in to AGATRS with all order information required by CJCS Instruction 2120.01D. In addition, the draft instruction includes the requirement for appropriate supporting documentation, such as a signed copy of the ACSA order form, the receiving report, the invoice, and the payment voucher. However, USAFRICOM has not signed or promulgated the draft instruction into a formal publication. Without formal requirements to complete the 25 minimum essential data elements and supporting documentation, there is no assurance that USAFRICOM ACSA transactions are accurate and reimbursed. Therefore, USAFRICOM should issue a formal ACSA instruction that includes requirements to complete the 25 minimum essential data elements and upload required supporting documentation in AGATRS.

DoD Components Had Limited Oversight of the ACSA Program

The OUSD (AT&L), CJCS, Secretaries of Military Departments, and Commander, USAFRICOM, did not have assurance that that logistics support, supplies, and services transactions executed in the USAFRICOM area of responsibility were accurate or reimbursed. Specifically, 196 USAFRICOM and Subordinate Components' ACSA orders, totaling \$32.1 million, may not have been accurate or reimbursed because transactions were not posted properly in AGATRS. Additionally, the validity of the 192 USAFRICOM and Subordinate Components' ACSA orders, totaling \$29.5 million, could not be determined due to a lack of supporting documentation.

Furthermore, items or services that could be considered as logistics support, supplies, and services in support of an ACSA may not be captured, either in AGATRS or in an ACSA order, resulting in inaccurate program records for DoD Components or loss of reimbursement for services. CJCS Instruction 2120.01D states that combatant command Subordinate Components will maintain and update the AGATRS database with ACSA transactions and documentation. For example, by not properly maintaining the ACSA orders in AGATRS, MARFORAF lost oversight of services that should have been placed on ACSA orders and may not have been reimbursed. In addition, both AFAFRICA and NAVAf may have been providing services or receiving services that are covered under ACSA authorities, without receiving or making payment, therefore reducing the effective use of DoD resources.

Finally, AGATRS is the mandatory system of record for all DoD agencies to record ACSA transactions. AGATRS provides logisticians, financial personnel, and senior leadership with worldwide oversight of logistics support, supplies, and services provided or received using ACSA authorities. Poor implementation of the ACSA program will reduce flexibility for commanders to address logistical shortfalls. By properly implementing the ACSA program and AGATRS, the CJCS and combatant commanders can maintain control and oversight of logistics support, supplies, and services transactions with foreign entities. Without properly using AGATRS, these commanders do not have assurance that deployed forces are obtaining the logistics support, supplies, and services necessary to effectively and efficiently sustain U.S. and Coalition forces during contingencies and operations.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics:

- a. Review the current implementation and execution of the Acquisition and Cross-Servicing Agreement program and update DoD Directive 2010.9, "Acquisition and Cross-Servicing Agreements," November 24, 2003.**

OUSD(AT&L) Comments

The Director of International Cooperation, responding for the Under Secretary of Defense for Acquisition, Technology, and Logistics, agreed, stating that the OUSD(AT&L) is reviewing the current implementation and execution of the ACSA authority and formulating updates to DoD Directive 2010.9. However, the OUSD(AT&L) cannot estimate when issuance of DoD Directive 2010.9 will be complete due to ongoing reorganization of the OUSD(AT&L).

Our Response

Comments from the Director of International Cooperation addressed all specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify the results of the review of the current implementation and execution of the ACSA program, and review the updated DoD Directive 2010.9.

The updated guidance should:

- 1. Clearly define Office of the Secretary of Defense, Military Department, Defense Agency, Joint Staff, and Combatant Command oversight responsibilities.**

OUSD(AT&L) Comments

The Director of International Cooperation, responding for the Under Secretary of Defense for Acquisition, Technology, and Logistics, agreed, stating that the OUSD(AT&L) will address this recommendation in the updated Directive.

Our Response

Comments from the Director of International Cooperation 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 updated DoD Directive 2010.9 includes clearly defined oversight responsibilities.

- 2. Require the use of a DoD system of record for maintaining all Acquisition and Cross-Servicing Agreement transactions and supporting documentation.**

OUSD(AT&L) Comments

The Director of International Cooperation, responding for the Under Secretary of Defense for Acquisition, Technology, and Logistics, agreed, stating that the OUSD(AT&L) will address the recommendation in the updated Directive.

Our Response

Comments from the Director of International Cooperation 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 updated DoD Directive 2010.9 requires the use of a DoD system of record for maintaining ACSAs and supporting documentation.

- 3. Clearly define roles and responsibilities of Acquisition and Cross-Servicing Agreement order and billing officials (financial management staff), including appointment requirements.**

OUSD(AT&L) Comments

The Director of International Cooperation, responding for the Under Secretary of Defense for Acquisition, Technology, and Logistics, partially agreed, stating that management detail is addressed in CJCS Instruction 2120.01D and is now applicable to all DoD Components that use ACSAs. The OUSD(AT&L) will consult with the Joint Staff to determine whether any changes in CJCS Instruction 2120.01D are necessary.

Our Response

Although the Director of International Cooperation partially agreed with the recommendation, the action taken by OUSD(AT&L) on July 19, 2017, delegating to the Joint Staff the responsibility for issuing ACSA program management guidance satisfies the intent of the recommendation. Therefore, the recommendation is resolved but will remain open. We will close this recommendation once we verify that the OUSD(AT&L) and Joint Staff have determined whether any changes in CJCS Instruction 2120.01D related to order and billing officials (financial management staff) are necessary.

4. Clarify requirements for an implementing arrangement and what is acceptable for establishing parameters under Acquisition and Cross-Servicing Agreement authorities.

OUSD(AT&L) Comments

The Director of International Cooperation, responding for the Under Secretary of Defense for Acquisition, Technology, and Logistics, partially agreed, stating that management detail is addressed in CJCS Instruction 2120.01D and is now applicable to all DoD Components that use ACSAs. The OUSD(AT&L) has determined that CJCS Instruction 2120.01D provides sufficient guidance concerning implementing arrangements. The OUSD(AT&L) will consult with the Joint Staff to determine whether any changes in CJCS Instruction 2120.01D are necessary.

Our Response

Comments from the Director partially addressed the recommendation; therefore, the recommendation is unresolved and will remain open. We disagree that CJCS Instruction 2120.01D clarifies requirements for what is acceptable for establishing parameters under ACSA authorities. CJCS Instruction 2120.01D states that ACSAs and implementing arrangements (if any) set forth the terms and conditions for the acquisition or transfer of logistics support, supplies, and services between DoD Components or subunified commands and an authorized country or international organization. However, CJCS Instruction 2120.01D does not provide any guidance on a memorandum of understanding or any other arrangements that are acceptable for placing terms and conditions on the acquisition or transfer of logistics support, supplies, and services.

As noted in the report, SOCAFRICA entered into four agreements to clearly define requirements for supplies and services that were going to be provided or received during exercises under a specific country's ACSA. OUSD(AT&L) personnel stated that these agreements were never intended to be implementing arrangements; however, they could be other supplemental agreements for implementing and using ACSAs.

We request that the Director provide guidance to DoD ACSA users for supplemental agreements other than implementing arrangements under ACSA authority or update DoD Directive 2010.9 to clarify requirements on what is acceptable for establishing parameters under ACSA authorities. We will close this recommendation once we obtain and verify the guidance on supplemental agreements under ACSA authority or actions the OUSD(AT&L) takes to fully address the recommendation.

- b. Develop and issue program guidance as required by DoD Directive 2010.9, “Acquisition and Cross-Servicing Agreements,” November 24, 2003, for the Military Services and Defense agencies.**

Management Action

In response to the discussion draft, the OUSD(AT&L) issued DoD Memorandum, “Delegation of Responsibilities under Department of Defense Directive 2010.9, ‘Acquisition and Cross-Servicing Agreements,’” July 19, 2017. The policy memorandum delegates Joint Staff the responsibility for allocation of ACSA ceilings to Defense agencies and issuance of program management guidance to Defense agencies and Military Departments. The OUSD(AT&L)’s actions taken addressed the recommendation; therefore, we consider this recommendation closed.

- c. Develop a training program or training program requirements for the implementation of the Acquisition and Cross-Servicing Agreement program and execution of Acquisition and Cross-Servicing Agreement authorities.**

OUSD(AT&L) Comments

The Director of International Cooperation responding for Under Secretary of Defense for Acquisition, Technology, and Logistics, OUSD(AT&L), agreed, stating that the OUSD(AT&L) will work with Joint Staff to develop training program requirements for the implementation of the ACSA program and execution of ACSA authorities. This effort should be completed within the next calendar year.

Our Response

The Director of International Cooperation addressed all specifics for the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify the training program requirements were developed for the implementation and execution of the ACSA. We expect receipt of the training requirements no later than December 2018.

Recommendation 2

We recommend that the Assistant Secretary of the Navy (Research, Development, and Acquisition) designate a Chief of Naval Operations and Headquarters Marine Corps Office of Prime Responsibility to oversee the execution of the Acquisition and Cross-Servicing Agreement program for their respective Service Components.

Management Comments Required

The Assistant Secretary of the Navy (Research, Development, and Acquisition) did not provide official comments on the recommendation in the report. Therefore, the recommendation is unresolved and will remain open. We request that the Assistant Secretary of the Navy (Research, Development, and Acquisition) provide comments on the final report.

Recommendation 3

We recommend that the Commander, U.S. Special Operations Command, issue interim guidance for the implementation and execution of the Acquisition and Cross-Servicing Agreement program.

Management Action

During the audit, we met with USSOCOM personnel and discussed USSOCOM's lack of ACSA program guidance. We suggested that USSOCOM issue interim guidance for the implementation and execution of the ACSA program. USSOCOM personnel agreed, and on April 28, 2017, USSOCOM issued a policy memorandum to provide guidance for the use of ACSA authorities and the execution of ACSA orders. The policy memorandum provides roles and responsibilities and specific requirements for both logistics ACSA program managers and financial ACSA program managers. USSOCOM's actions taken addressed our recommendation; therefore, we consider this recommendation closed.

Recommendation 4

We recommend that the Commander, U.S. Africa Command, issue a formal Acquisition and Cross-Servicing Agreement instruction that includes requirements to complete the 25 minimum essential data elements and upload required supporting documentation in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System.

Management Action

During the audit, we met with USAFRICOM personnel and discussed USAFRICOM's ACSA policy. USAFRICOM personnel developed an updated ACSA instruction that included requirements to complete the 25 minimum essential data elements and to maintain the supporting documentation in AGATRS. As of June 2017, USAFRICOM's ACSA instruction with updated roles and responsibilities was approved and signed. USAFRICOM's actions taken addressed our recommendation; therefore, we consider this recommendation closed.

Recommendation 5

We recommend that the Commander, U.S. Air Forces Africa, develop and implement a plan to properly track and maintain all orders for logistics support, supplies, and services, whether paid in cash or electronically, provided to foreign military personnel using Acquisition and Cross-Servicing Agreement authorities in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System.

U.S. Air Forces Africa Comment

The Chief, Logistics Readiness Division, U.S. Air Forces Africa, responding for the Commander, U.S. Air Forces Africa, disagreed, stating that U.S. Air Forces Africa has a procedure in place to ensure the accurate tracking of logistics support, supplies, and services of which the Air Expeditionary Wing utilized to track all meals provided to foreign partners. Air Force Form 79 is provided to capture foreign partners' headcount at the dining facilities, which is consolidated through local Comptroller Squadron. The Comptroller Squadron processes the information for the ACSA billing statement. The Chief, Logistics Readiness Division, stated U.S. Air Forces Africa will continue to work with command staff and the Air Expeditionary Wing to ensure all meals provided to foreign partners are properly documented, reimbursed, and the transactions uploaded into AGATRS.

Our Response

Comments from the Chief, Logistics Readiness Division, U.S. Air Forces Africa, partially addressed the recommendation; therefore, the recommendation is unresolved and will remain open. We disagree that the procedure provided captures the required use of AGATRS and clearly defines the ACSA program manager role in this process. CJCS Instruction 2120.01D states that AGATRS is the DoD system of record to manage ACSA transactions and the CJCS memorandum mandates the use of AGATRS. Although a process was provided, it did not mention foreign national headcount totals and the associated cash collected on-site being placed on an ACSA order and the ACSA order being uploaded into AGATRS. Because billing for an ACSA order is done outside of AGATRS, the ACSA order form and supporting documentation should be uploaded into AGATRS and include the funding citation. The process should be documented and disseminated to U.S. Air Forces Africa ACSA users.

We request that the Chief, Logistics Readiness Division, U.S. Air Forces Africa, provide written documentation of the process, including the use of AGATRS and ACSA PM role, the action or plan of dissemination of this process to U.S. Air Forces Africa ACSA users, and the expected date of completion.

Recommendation 6

We recommend that the Commander, U.S. Naval Forces Africa:

- a. Review U.S. Navy logistics support, supplies, and services provided to foreign military services in the U.S. Africa Command area of responsibility to determine whether the support and services are supplied under Acquisition and Cross-Servicing Agreement authority.**

U.S. Navy Comments

The Chief of Staff for U.S. Navy Forces Africa, responding for the Commander, U.S. Naval Forces Africa agreed with the recommendation, stating that NAVAf reviewed logistics support, supplies and services provided to foreign military services in the USAFRICOM area of responsibility.

Our Response

Comments from the Chief of Staff for U.S. Navy Forces Africa addressed all specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify the results of the review.

- b. Track and maintain logistics support, supplies, and services provided under Acquisition and Cross-Servicing Agreement authority in accordance with the updated DoD policy.**

U.S. Navy Comments

The Chief of Staff for U.S. Navy Forces Africa agreed with the recommendation, stating that NAVAFA continues to use AGATRS and that increased training and engagement with subordinate commands is in progress.

Our Response

Comments from the Chief of Staff for U.S. Navy Forces Africa addressed all specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendations once we verify the training plan or documented training policy.

Recommendation 7

We recommend the Chairman of the Joint Chiefs of Staff issue program management guidance to Defense Agencies and Military Departments as required by DoD Memorandum, "Delegation of Responsibilities under Department of Defense Directive 2010.9, 'Acquisition and Cross-Servicing Agreements,'" July 19, 2017.

Management Action

The Deputy Director for Strategic Logistics, Joint Staff J4, issued a memorandum to the DoD ACSA Program Manager Community, dated August 8, 2017, reporting the delegation from OUSD(AT&L) to the Joint Staff of responsibility to issue ACSA program management guidance to the Defense agencies and Military Departments. Additionally, the Joint Staff J4 disseminated an electronic message on August 22, 2017, to the Military Departments stating that CJCS Instruction 2120.01D is applicable to the Military Departments and is the program management guidance the Departments should follow. The Joint Staff's actions taken addressed our recommendation; therefore, we consider this recommendation closed.

Appendix A

Scope and Methodology

We conducted this performance audit from December 2016 through July 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 reviewed the following DoD, U.S. Army, U.S. Air Force, and USAFRICOM criteria to understand the requirements for the ACSA program and use of AGATRS.

- DoD Regulation 7000.14-R, “DoD Financial Management Regulation,” volume 11A, chapter 8, “International Acquisition and Cross-Servicing Agreements”
- DoD Directive 2010.9, “Acquisition and Cross-Servicing Agreements,” April 28, 2003
- Chairman of the Joint Chiefs of Staff Instruction 2120.01D, “Acquisition and Cross-Servicing Agreements,” May 21, 2015
- U.S. Army Directive 2012-12, “Interim Army Acquisition and Cross-Servicing Agreements, Lift and Sustain, and Foreign Assistance Act Authorities,” April 30, 2012
- U.S. Air Force Instruction 25-301, “Acquisition and Cross-Servicing Agreements,” June 3, 2016
- U.S. Africa Command Instruction 4000.01, “Utilizing Acquisition and Cross-Service Agreements,” September 29, 2009

We interviewed personnel from the OUSD(AT&L), the Office of the Under Secretary of Defense (Comptroller), Joint Chiefs of Staff (J-4) Logistics, the Heads of the Military Departments, Defense Logistics Agency, Defense Finance and Accounting Service, USSOCOM, and USAFRICOM and its Subordinate Components to obtain background information on the ACSA program and each organization’s use of AGATRS. We also conducted site visits to USAFRICOM, USARAF, AFAFRICA, NAVAf, MARFORAF, and SOCAFRICA in Germany and Italy from February 22, 2017, through March 3, 2017.

We used AGATRS to obtain ACSA orders and documentation to verify whether USAFRICOM and its Subordinate Components’ personnel accurately captured, billed, and recorded logistics support, supplies, and services provided through ACSA orders in the USAFRICOM area of responsibility. On November 2, 2016,

and February 6, 2017, we pulled ACSA orders reported under USAFRICOM from AGATRS. We reviewed, tested, and analyzed all 190 ACSA orders recorded under USAFRICOM in AGATRS from January 2014 to December 2016. We reviewed an additional seven ACSA orders that were conducted in USAFRICOM's area of responsibility but were not recorded under USAFRICOM in AGATRS. We also reviewed an additional three ACSA orders that were conducted in USAFRICOM's area of responsibility but were not recorded in AGATRS. These additional 10 ACSA orders were within the January 2014 to December 2016 scope. We limited our review to USAFRICOM's ACSA orders in AGATRS or ACSA orders provided to us by the client prior to our site visit. Therefore, we could not validate the total ACSA orders conducted in USAFRICOM's area of responsibility.

Use of Computer-Processed Data

We used AGATRS to obtain ACSA orders and any uploaded supporting documentation. We reviewed the information entered in AGATRS for ACSA orders and compared it to source documentation. We concluded that the data was sufficiently reliable for developing our findings and conclusions.

Prior Coverage

During the last 5 years, the DoD Office of Inspector General (DoD OIG) and U.S. Army Audit Agency issued four reports on ACSAs relating to our objective. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>. Unrestricted U.S. Army Audit Agency reports can be accessed from .mil and gao.gov domains at <https://www.aaa.army.mil/>.

DoD OIG

Report No. DODIG-2016-067, "DoD Components Did Not Properly Use the Acquisition and Cross Service Agreement Automated Tracking and Reporting System," March 24, 2016, and revised March 26, 2016

U.S. Army Central and U.S. Air Force Central personnel did not properly use AGATRS because all minimum essential data elements were missing on the ACSA orders. Additionally, U.S. Army Central and U.S. Air Force Central personnel did not upload supporting source documents for line items orders or close orders within the system properly as required by DoD policy. The DoD OIG suggested that the Army Deputy Chief of Staff G-4, Logistics, update Army ACSA procedures and the Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support, update ACSA policies and procedures to align with CJCS Instruction 2120.01D and DoD guidance, and they agreed

to implement. The DoD OIG also suggested that U.S. Army Central and U.S. Air Force Central update their procedures to implement the ACSA program efficiently and effectively, and they agreed to implement. The management actions taken during the audit addressed the suggestions; therefore, the audit team did not make any additional recommendations.

Army

Report No.A-2014-0110-IEX, “Acquisition and Cross-Servicing Agreements in Europe, U.S. Army Europe,” September 24, 2014

U.S. Army–Europe’s Office of the Deputy Chief of Staff tasked with the ACSA program was not able to directly control and oversee program due to widespread participation by various subordinate commands. The U.S. Army Audit Agency recommended that U.S. Army–Europe increase oversight over the ACSA program by developing standard operating procedures to fully describe how to execute ACSA orders and load the required information in AGATRS, providing better training for ACSA users and roles of resource managers, and performing detailed monthly report reviews of supporting documentation.

Report No. A-2013-0110-MTE, “Cost Sharing: Logistics Support, Services, and Supplies, U.S. Forces–Afghanistan,” June 13, 2013

U.S. Forces–Afghanistan ACSA coordinators did not always prepare and properly process Form CC-35 transaction reports to identify and allocate costs to Coalition partners. In addition, many of the CC-35 transaction reports prepared were not processed through U.S. Army Central Command to Defense Finance and Accounting Service in order to be billed and claim reimbursement. The U.S. Army Audit Agency recommended that the Deputy Commanding General–Support, U.S. Forces–Afghanistan develop a comprehensive training program for ACSA coordinators and other command personnel involved in managing the process and have coordinators complete the training program before assuming the coordinator position.

Report No. A-2012-0002-ALS, “Issuing Ammunition to Coalition Forces: Controls Over Transactions, U.S. Army Central,” October 6, 2011

U.S. Army Central did not have appropriate controls in place over ammunition transactions to Coalition forces. Specifically, the auditors could not locate a manual receipt (CC Form 35) for at least seven transactions that were logged in by personnel in Iraq. The U.S. Army Audit Agency recommended that U.S. Army Central develop and publish complete, consistent, and accurate guidance for conducting transactions to issue ammunition to Coalition forces using ACSAs, the Lift and Sustain program, and Foreign Assistance Act Agreements.

Appendix B

Minimum Essential Data Elements

DoD Financial Management Regulation, volume 11A, chapter 8, and CJCS Instruction 2120.01D identify and define the minimum essential data elements required for ACSA orders. The essential data elements are:

1. **Implementing Arrangement or Support Agreement:** Identify the Implementing Arrangement or Support Agreement.
2. **Source Document Control Number:** Establish a control number similar to a DoD requisition number; for example, a number containing a code for Military Service, a code for requisitioner, a date, and a document serial number.
3. **Unit of Issue:** Unit of issue refers to the quantity of an item, such as each, dozen, gallon, pound, ream, or yard.
4. **Quantity:** Show the number of units of issue that were issued or received, as applicable.
5. **Description of Materiel/Services Requested:** Identify the materiel and services requested.
6. **Unit Price:** Show the price, based on unit of issue in the currency of the billing country. For the DoD, this is usually when the item is dropped from inventory.
7. **Extended Dollar Value:** Show the dollar value resulting from a combination of items 2, 3, and 5 above.
8. **Currency of Billing Country:** Show the currency of the billing country.
9. **Extended Dollar Value in Currency of Billing Country:** Show the total order amount expressed in the currency of the billing country.
10. **Name and Mailing Address of the Organization to Be Billed:** This information may be obtained from the country-to-country or multinational agreement.
11. **Name and Mailing Address of Receiving Organization:** This information may be obtained in the country-to-country or multinational agreement.
12. **Signature of Receiver:** Obtain and show the signature and title of authorized ordering or requisitioning representative.
13. **Name and Mailing Address of Issuing Organization:** This information may be obtained from the country-to-country or multinational agreement.

14. **Date (Year, Month, Day):** Show the date services were performed or materiel delivered.
15. **National Stock Number of Materiel or Abbreviated Description of Services Provided:** Show the National Stock Number. The National Stock Number is a number assigned under the Federal Cataloging System or the North Atlantic Treaty Organization Codification of Equipment System to each approved item identification. This number provides a unique identification of an item of supply within a specified Federal supply classification.
16. **Payee to Be Designated on Remittance:** Show the designated payee.
17. **Designation and Address Office to Receive Remittance:** Show the office to receive payment.
18. **Recipient's Signature Acknowledging Service or Supplies Received on the Order or Requisition or a Separate Supplementary Document:** Obtain and show the signature of the recipient of the materiel or services.
19. **Transaction Type:** Indicate whether the transaction is reimbursable or an exchange.
20. **Fund Citation or Certification of Availability of Funds When Applicable Under Parties' Procedures:** Show the funding source when advance payments are to be provided or if funding is not to be paid in advance, include a certification that funds are available.
21. **Date and Place of Original Transfer in the Case of an Exchange Transaction, a Replacement Schedule Including Time and Place of Replenishment Transfer:** Provide date and place or estimated date and place as appropriate.
22. **Name, Signature, and Title of Authorized Acceptance Official of the Order:** Obtain and show the name, title, and signature of the authorized accepting official.
23. **Additional Special Requirements, if any, Such as Transportation, Packaging, Etc:** Show any additional needs of the receiving organization, if applicable.
24. **Limitation of Government Liability:** Show the maximum liability of the ordering/receiving organization.
25. **Name, Signature, Date, and Title of Supplying Party Official Who Actually Issues Supplies or Services:** Obtain and show name, title, signature, and date of the authorized issuing official.

Appendix C

ACSA Standard Order Form 1-3a

ACQUISITION AND CROSS-SERVICING AGREEMENT (ACSA)/MUTUAL LOGISTICS SUPPORT (MLS) ORDER FORM								
1. Requisition Number			2. Support Agreement MSA Germany, 21 Jan 83		3. Operation/Theater		4. Order Date 05/16/2017	
5. Requesting Unit			6. Requesting Nation Germany		7. Providing Unit		8. Providing Nation United States	
9. Deliver to Unit			10. Deliver to Country		11. Deliver Place		12. Deliver Time	
13. Requested Line Item Summary (See Attached Line Item Detail Sheet)								
No.	Class	Fund Citation Abbr.	Stock No. & Description	Unit of Measurement	Quantity Requested	Quantity Received	Unit Price	Total
14. Method of Payment CASH		15. Currency UNITED STATES - DOLLAR		16. Not to Exceed Amount 0.00		17. Agreed Return Date		18. Line Item Value 0.00
21. Authorized Requestor (Signature)				22. Authorized Acceptor (Signature)				19. Trans & Other Costs 0.00
Name (Last, First, MI, Rank/Title)			Date	Name (Last, First, MI, Rank/Title)			Date	20. Total Claimed 0.00
Unit/Office		Nation/Organization		Unit/Office		Nation/Organization		25. Send Bill To:
23. Inspected/ Received By (Signature)				24. Supply Official (Signature)				
Name (Last, First, MI, Rank/Title)			Date	Name (Last, First, MI, Rank/Title)			Date	26. Send Payment To:
Unit/Office		Nation/Organization		Unit/Office		Nation/Organization		
27. Purchase Order No.		28. Fund Citations				30. Remarks		
29. Invoice No.								
31. Invoice Certify that the amount invoiced is exclusive of all taxes from which exemption has been granted under provisions of existing agreements and that the invoice is correct.								
32. Financial (Signature)		Finance Name (Last, First, MI, Rank/Title)			Unit/Office		Nation/Organization	

Management Comments

Under Secretary of Defense for Acquisition, Technology and Logistics



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

AUG 23 2017

MEMORANDUM FOR PROGRAM DIRECTOR, CONTRACT MANAGEMENT AND
PAYMENTS, OFFICE OF THE INSPECTOR GENERAL

SUBJECT: Response DoDIG Draft Report on U.S. Africa Command's Management of
Acquisition and Cross-Servicing Agreements (Project No. D2017-D000CN-
0057.000)

In response to your August 8, 2017 request, I am providing the following response to the
recommendations for the Office of the Under Secretary of Defense (Acquisition, Technology,
and Logistics) (OUSD (AT&L)).

Recommendation 1.a:

Review the current implementation and execution of the Acquisition and Cross-Servicing
Agreement program and update DoD Directive 2010.9, "Acquisition and Cross-Servicing
Agreements," November 24, 2003.

Response:

Concur. OUSD (AT&L) is in the process of reviewing the current implementation and execution
of the ACSA authority and is formulating updates to the DoD Directive 2010.9. We cannot
estimate when the reissuance of 2010.9 will be complete due to the ongoing reorganization of
OUSD (AT&L).

Recommendation 1.a.1:

Clearly define Office of the Secretary of Defense, Military Department, Defense Agency, Joint
Staff, and Combatant command oversight responsibilities.

Response:

Concur. OUSD (AT&L) will address the Inspector General recommendation in 1.a.1 in the
updated Directive.

Recommendation 1.a.2:

Require the use of a DoD system of record for maintaining all Acquisition and Cross-Servicing
Agreement transactions and supporting documentation.

Response:

Concur. OUSD (AT&L) will address the Inspector General recommendation in 1.a.2 in the
updated Directive.

Under Secretary of Defense for Acquisition, Technology and Logistics (cont'd)



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

Recommendation 1.a.3:

Clearly define roles and responsibilities of Acquisition and Cross-Servicing Agreement order and billing officials (financial management staff), including appointment requirements.

Response:

Partially Concur. This management detail is addressed in the CJCSI Instruction 2120.01D (CJCSI 2120D), "Acquisition Servicing Agreements," May 21, 2015, and is now applicable to all DoD components using ACSA. OUSD (AT&L) will consult with the Joint Staff to determine if any changes in the CJCSI 2120D are necessary.

Recommendation 1.a.4:

Clarify requirements for an implementing arrangement and what is acceptable for establishing parameters under Acquisition and Cross-Servicing Agreement authorities.

Response:

Partially Concur. This management detail is addressed in the CJCSI 2120D, and is now applicable to all DoD components using ACSA. OUSD (AT&L) has determined the CJCSI 2120D provides sufficient guidance concerning Implementing Arrangements (ACSA IAs). OUSD (AT&L) will consult with the Joint Staff to determine if any changes to the CJCSI 2120D are necessary.


Recommendation 1.c:

Develop a training program or training program requirements for the implementation of the Acquisition Cross-Servicing Agreement program and execution of Acquisition and Cross-Servicing Agreement authorities.

Response:

Concur. OUSD (AT&L) will work with the Joint Staff to develop training program requirements for the implementation of the Acquisition Cross-Servicing Agreement program and execution of Acquisition Cross-Servicing Agreement authorities. This effort should be completed within the next calendar year.

My point of contact for this matter is [REDACTED], telephone [REDACTED],
e-mail [REDACTED]


Keith B. Webster
Director, International Cooperation

Commander, U.S. Air Forces Africa



DEPARTMENT OF THE AIR FORCE
UNITED STATES AIR FORCES IN EUROPE
UNITED STATES AIR FORCES AFRICA



24 Aug 2017

MEMORANDUM FOR INSPECTOR GENERAL, U.S. DEPARTMENT OF DEFENSE

FROM: USAFE-AFAFRICA/A4R
Unit 3276
APO AE 09094-3276

SUBJECT: Response to U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements "Draft" Report, Project No. D2017-D000CN-0057.000

1. USAFE-AFAFRICA/A4R has reviewed the DoD IG's analysis and recommendations following a series of audits concerning Acquisition and Cross Servicing Agreement (ACSA) activity in the USAFRICOM AOR. The ACSA Program for USAFE-AFAFRICA plays a critical role to ensure reimbursable support between USAFE-AFAFRICA and ACSA eligible foreign partners for Logistics Supply, Support and Services (LSSS) are appropriately documented, managed, and accounted for financially. The recommendation in the DoD IG draft report for AFAFRICA is as follows: *"We recommend that the Commander, U.S. Air Forces Africa, develop and implement a plan to properly track and maintain all orders for logistics support, supplies, and services, whether paid in cash or electronically, provided to foreign military personnel using Acquisition and Cross-Servicing Agreement authorities in the Acquisition and Cross-Servicing Agreement Global Automated Tracking and Reporting System (AGATRS)."*

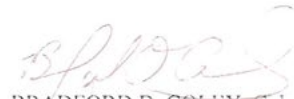
2. The USAFE-AFAFRICA ACSA Program has procedures in place to ensure the accurate tracking of LSSS exchanged with our allies. Of the seven ACSA orders that were reviewed during this audit, the DoD IG team did not cite any specific instances where support should have been documented but was not properly captured. All reported reimbursable LSSS was properly documented and financially accounted for on the ACSA orders examined as part of this audit. The DoD IG's recommendation is based on meal support to our foreign partners in AFAFRICA. The 435th Air Expeditionary Wing (AEW) utilizes the standard US Air Force system in place to track all meals provided to foreigner partners in AFAFRICA Dining Facilities (DFACs). AFAFRICA DFACs are required to use AF Form 79's (Headcount Record) for each meal provided to eligible foreign partners. The Food Service Accountant is then required to consolidate the necessary information by foreign partners with the amount to be reimbursed through the local Comptroller Squadron (CPTS). This information is provided to the local CPTS to process the ACSA billing statement. This process is standard for all AFAFRICA DFACs and ensures all meals provided to foreign partners are accounted for and documented.

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Commander, U.S. Air Forces Africa (cont'd)

3. We are confident this process is working, therefore, we non-concur with this recommendation. We will continue to work with AFAFRICA/A1 and the 435th AEW to ensure that all meals provided to foreign partners in AFAFRICA DFACs are properly documented, reimbursed, and the transactions uploaded into AGATRS. Additionally, we will continue to refine our process in place to ensure that all LSSS exchanged with our partners is tracked and maintained to the highest standards.

4. My points of contact on this matter are [REDACTED]
[REDACTED] and [REDACTED].
[REDACTED]


BRADFORD D. COLBY, Col, USAF
Chief, Logistics Readiness Division

Commander, U.S. Naval Forces Africa



DEPARTMENT OF THE NAVY

COMMANDER
UNITED STATES NAVAL FORCES, EUROPE
UNITED STATES NAVAL FORCES, AFRICA
PSC 809 BOX 70
FPO AE 09626-0070

4200
Ser 02/ 021
29 Aug 17

From: Commander, U.S. Naval Forces Europe
Commander, U.S. Naval Forces Africa
To: Department of Defense Office of Inspector General, Contract Management and Payments

Subj: RESPONSE TO DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL
REPORT, U.S. AFRICA COMMAND'S MANAGEMENT OF ACQUISITION AND
CROSS-SERVICING AGREEMENTS, PROJECT NUMBER D2017-D000CN-0057.000

Encl: (1) NAVAF Response – Draft Report for DoD IG Project Number D2017-D000CN-057.000

1. Enclosure (1) is U.S. Naval Forces Africa (NAVAF) response to the subject draft report. We appreciate the opportunity to review and comment on the findings and recommendations. Management comments and recommendations are outlined in enclosure (1).

2. The point of contact for this audit is [REDACTED] Force Inspector General, U.S. Naval Forces Europe, U.S. Naval Forces Africa, DSN: [REDACTED], [REDACTED]

D. W. DWYER
Chief of Staff
Deputy Chief of Staff for
Strategy, Resources, and Plans
U.S. Naval Forces Europe and Africa

Commander, U.S. Naval Forces Africa (cont'd)

NAVAF RESPONSE – DRAFT REPORT FOR DOD IG PROJECT NUMBER D2017-D000CN-0057.000

Recommendation 6: We recommend that the Commander, U.S. Naval Forces Africa:

a. Review U.S. Navy logistics support, supplies, and services provided to foreign military services in the U.S. Africa Command (AFRICOM) area of responsibility (AOR) to determine whether the support and services are supplied under Acquisition and Cross-Servicing Agreement (ACSA) authority.

b. Track and maintain logistics support, supplies, and services provided under Acquisition and Cross-Servicing Agreement authority in accordance with the updated DoD policy.

NAVAF Response to Recommendation 6.a.:

CONCUR. NAVAF has reviewed Navy logistics support, supplies, and services provided to foreign military services in the AFRICOM AOR. NAVAF leverages ACSA where appropriate and utilizes established Navy guidance in other situations, i.e. Naval Supply Systems Command (NAVSUP) directives on food service management when providing galley services to foreign military personnel. The findings listed in the draft report were as a result of subordinate commands ineffectively or inappropriately using ACSA and the system error that allowed those transactions has been corrected.

NAVAF Response to Recommendation 6.b.:

CONCUR. NAVAF continues to utilize the ACSA Global Automated Tracking and Reporting System (AGATRS) to issue and track all ACSA orders and payments. Additionally, increased training and engagement with subordinate commands is in progress and will continue as ACSA use continues.

Enclosure (1)

Acronyms and Abbreviations

ACSA	Acquisition and Cross-Servicing Agreement
AFAFRICA	U.S. Air Forces Africa
AGATRS	ACSA Global Automated Tracking and Reporting System
CJCS	Chairman of the Joint Chiefs of Staff
CJTF-HOA	Combined Joint Task Force—Horn of Africa
MARFORAF	U.S. Marine Corps Forces Africa
NAVAF	U.S. Naval Forces Africa
OUSD(AT&L)	Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics
SOCAFRICA	Special Operations Command Africa
USAFRICOM	U.S. Africa Command
USARAF	U.S. Army Africa
USSOCOM	U.S. Special Operations Command



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U.S. DEPARTMENT OF DEFENSE

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

Congressional Liaison

congressional@dodig.mil; 703.604.8324

Media Contact

public.affairs@dodig.mil; 703.604.8324

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www.dodig.mil
Defense Hotline 1.800.424.9098

