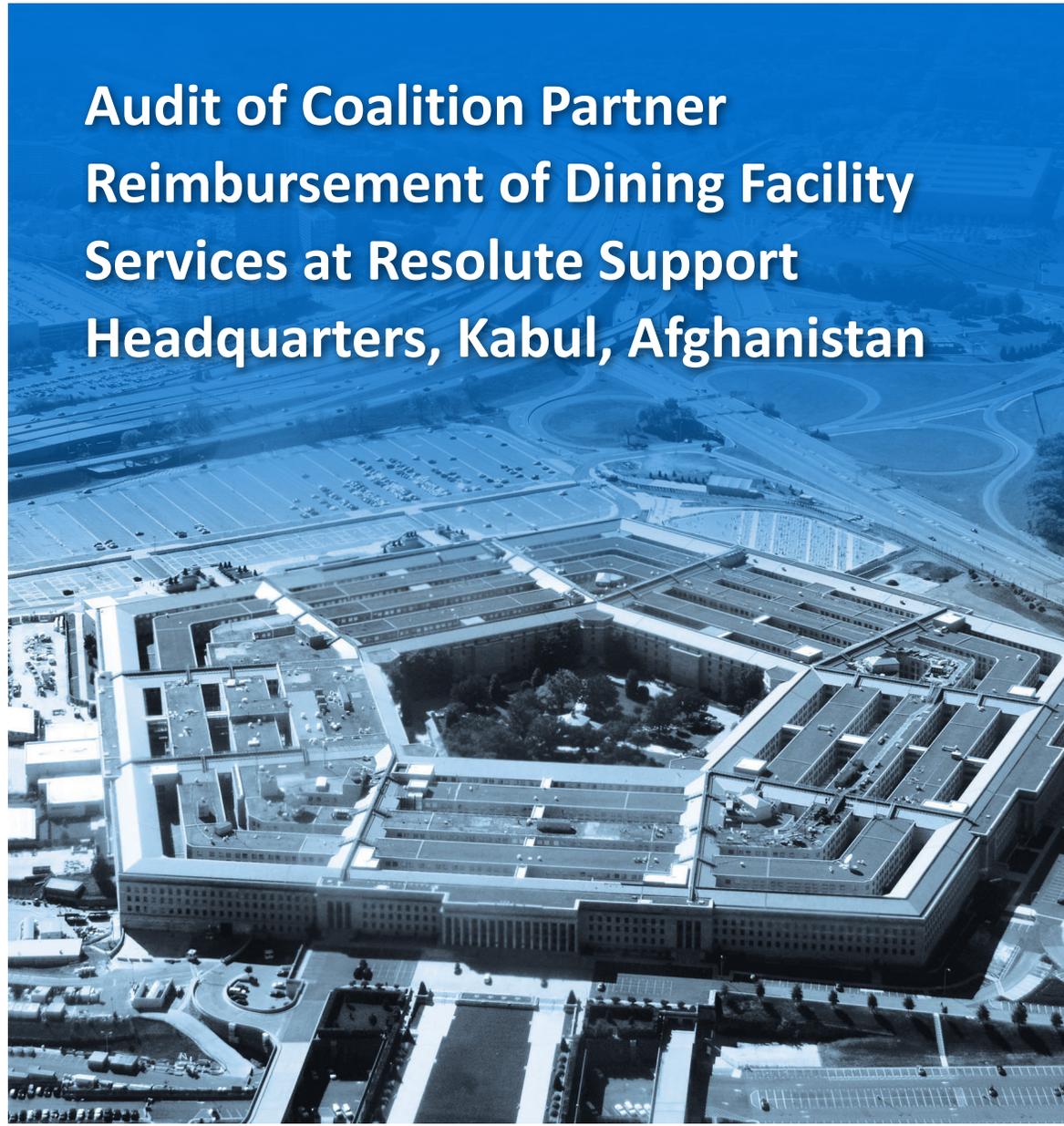




INSPECTOR GENERAL

U.S. Department of Defense

JUNE 24, 2020



Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





Results in Brief

Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan

June 24, 2020

Objective

The objective of this audit was to determine whether the DoD sought full reimbursement from Coalition partners at Resolute Support Headquarters (RSHQ), Kabul, Afghanistan, for dining facility services provided under the Logistics Civil Augmentation Program (LOGCAP) contract.

Background

LOGCAP is an Army program that uses contractors to provide elements of logistics support, supplies, and services, such as dining facilities, to deployed forces, including Coalition partners. The DoD provides logistics support, supplies, and services to Coalition partners on a reimbursable basis under Acquisition and Cross-Servicing Agreement (ACSA) authority.

The DoD uses ACSAs to acquire or provide logistics support, supplies, and services in exchange for reimbursement between the United States and an authorized foreign country. An ACSA agreement establishes basic terms, conditions, and procedures to facilitate reciprocal provision of logistics support, supplies, and services. The transfer of services under ACSAs is accomplished through supplementary agreements, such as implementing arrangements and ACSA order forms, which contain additional details, terms, and conditions related to a specific acquisition of services, including dining facility services.

The main U.S. personnel and commands responsible for ACSA transactions for dining facility services at RSHQ are personnel from U.S. Forces-Afghanistan (USFOR-A)

Background (cont'd)

Multinational Logistics (MNL), U.S. Army Central (ARCENT), and Coalition partner senior national representatives. There are 17 Coalition partners who reimburse the DoD for the logistics support, supplies, and services they receive, also referred to as Pay-to-Play Coalition partners.

The dining facility service transaction process begins when the Coalition partner senior national representative and the ACSA coordinator agree to the terms of the ACSA order request. The ACSA coordinator creates an ACSA order form in the ACSA Global Automated Tracking and Reporting System (AGATRS), the system of record for managing ACSA transactions. The ACSA order form includes the dates of the dining service, per unit cost of dining facility services, and number of personnel who used the services. The Coalition partner senior national representative and the ACSA coordinator sign the ACSA order form, agreeing to the terms of the order form, which constitutes a binding international commitment. After the service is provided, both parties sign the ACSA order form again to acknowledge receipt. The ACSA order form is uploaded into AGATRS and forwarded to ARCENT for review before submission to the Defense Finance and Accounting Service for billing and collection.

Findings

We determined that USFOR-A did not seek full reimbursement for dining facility services provided to Coalition partners at RSHQ through the LOGCAP contract. Specifically, for the 17 Pay-to-Play Coalition partners, ACSA coordinators did not:

- initiate the billing of Coalition partners for 349 months of dining facility services between January 2016 and September 2019 (53 percent of 656 months); or
- consistently calculate the amount owed in accordance with USFOR-A guidance when bills were initiated.¹

¹ The 656 months represents the total months all Coalition partners had personnel present at RSHQ and received dining facility services.



Results in Brief

Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan

Findings (cont'd)

ACSA coordinators did not initiate bills or consistently calculate the amount owed in accordance with USFOR-A guidance because the ACSA program manager did not ensure that all bills were initiated and prepared in accordance with USFOR-A guidance or develop a training program for ACSA coordinators that addressed processing of ACSA transactions in Afghanistan. In addition, the ACSA coordinators did not establish the terms and conditions, including rate and calculation method, with each Coalition partner before services were provided.

As a result of USFOR-A not initiating billing, between January 2016 and September 2019, DoD contractors provided an estimated \$6.3 million in dining facility services to Coalition partners that was never billed to Coalition partners. In addition, by not using correct rates, USFOR-A underbilled Coalition partners \$2.9 million. AGATRS records indicate that ACSA coordinators initiated bills for only \$4.7 million, and as of October 2019, Coalition partners had reimbursed the DoD only \$880,000.

Unless USFOR-A establishes terms and conditions with Coalition partners before providing services, develops training specific to Afghanistan, and performs oversight, the DoD will continue to not initiate bills for the full reimbursable amount for dining facility services provided under the anticipated LOGCAP V contract.

Recommendations

We recommend that the USFOR-A MNL Branch Chief:

- develop agreements with each Coalition partner detailing the terms and conditions for dining facility services at RSHQ before providing services;
- determine the months for which ACSA orders were not initiated and negotiate collection with each Coalition partner for services provided;

- develop and implement a process for overseeing ACSA coordinators; and
- update the training program provided to ACSA coordinators to include training related to providing logistics support, supplies, and services in Afghanistan.

We also recommend that the ARCENT MNL Branch Chief update the MNL Standard Operating Procedures to define the oversight roles and responsibilities of the ACSA program manager.

Management Actions Taken

During the audit, USFOR-A MNL facilitated a series of meetings with Coalition partner senior national representatives at RSHQ to agree on payment terms. These meetings have resulted in agreement on a method for placing, executing, and billing dining facility services at RSHQ. USFOR-A MNL will use a combination of actual meal counts during the month and a daily flat rate to determine the reimbursement amount for each month.

In addition, USFOR-A has completed billing for 2019 dining facility services. The ACSA program manager, in cooperation with ARCENT, also reviewed AGATRS records to identify completed bills for 2018 dining facility services. A meeting was held with Coalition partner senior national representatives on March 4, 2020, to discuss terms and conditions for prior year billing and 2018 bills are being distributed to Coalition partner senior national representatives for signature. The 2017 bills will be generated and distributed in April 2020; 2016 billing will also be performed.



Results in Brief

Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan

Management Actions Taken (cont'd)

USFOR-A MNL has developed and implemented internal controls for centrally tracking ACSA orders by creating a master listing of recurring transactions. ACSA program managers are providing oversight by ensuring that these recurring transactions, such as monthly billing for RSHQ dining facility services, are completed. Additionally, as part of the month-end process, the ACSA program manager will audit records from each location for completion and quality.

USFOR-A MNL training has been supplemented to include 2 weeks of boots-on-ground training in Afghanistan with the MNL ACSA program manager. A central resource is available to all staff providing specific training and standard work aides for routine and irregular tasks, including “sell” transactions for dining facility services provided at RSHQ. An ACSA “sell” transaction occurs when DoD contractors provide logistics services to a Coalition partner nation.

Management Comments and Our Response

The Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, responding on behalf of the USFOR-A MNL Branch Chief, provided further documentation of actions taken to address the recommendations. Specifically, the USFOR-A MNL Branch Chief:

- issued a memorandum to the Coalition partners detailing the terms and conditions agreed to at the meetings with the senior national representatives. We received the memorandum and verified its distribution.
- provided the results of the review to identify the months for which ACSA orders were not initiated, and the requisition numbers for the subsequent orders.
- provided the results of the audits performed by the ACSA program manager for the months of April and May 2020. Additionally, the

Branch Chief provided the master listing of recurring transactions used to centrally track ACSA transactions.

- provided the 2-week training program for ACSA coordinators in Afghanistan. The training program includes a full overview of the roles and responsibilities of the ACSA coordinators in “sell” transactions executed in Afghanistan.

The actions taken by USFOR-A MNL Branch Chief were sufficient to close the recommendations.

The ARCENT Operations Division Chief, responding on the behalf of the U.S. Army Central Multinational Logistics Branch Chief, agreed with our recommendation for the ARCENT MNL Branch Chief to update the MNL Standard Operating Procedures to define the oversight roles and responsibilities of the ACSA program manager. The Division Chief stated that the Branch Chief has begun the re-write of the MNL Standard Operating Procedures, and the changes will include weekly, monthly, and quarterly actions and reports to ensure that the ACSA program managers are providing oversight of the ACSA coordinators. The Division Chief stated that the officially signed MNL Standard Operating Procedures are projected to be published by July 15, 2020. These actions are sufficient to resolve our recommendation to update the MNL Standard Operating Procedures to define the oversight roles and responsibilities of the ACSA program manager. We will close this recommendation when we receive the officially signed MNL Standard Operating Procedures.

Although not required to comment, the Department of the Army G-4/5 Plans Division Chief, responding on behalf of the Department of the Army G-4, provided comments on our report and recommendations. While none of our recommendations required action by the Department of the Army G-4, they agreed with all of our recommendations.

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

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
U.S. Forces–Afghanistan Multinational Logistics Branch Chief	None	None	1.a, 1.b, 1.c, 1.d
U.S. Army Central Multinational Logistics Branch Chief	None	2	None

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**

June 24, 2020

MEMORANDUM FOR COMMANDER, U.S. ARMY CENTRAL
COMMANDER, U.S. FORCES – AFGHANISTAN

SUBJECT: Audit of Coalition Partner Reimbursement of Dining Facility
Services at Resolute Support Headquarters, Kabul, Afghanistan
(Report No. DODIG-2020-096)

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

Of the five recommendations in our report, four recommendations are closed, and one recommendation is resolved. As described in the Recommendations, Management Comments, and Our Response section of this report, the resolved recommendation may be closed when we receive documentation showing that all agreed-upon actions to implement the recommendation has been completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendation. Your response should be sent to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

If you have any questions, please contact me at [REDACTED]. We appreciate the cooperation and assistance received during the audit.

A handwritten signature in blue ink, which appears to read "Richard B. Vasquez".

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

Contents

Introduction

Objective	1
Background	1
Review of Internal Controls	6

Finding. USFOR-A Did Not Seek Full Reimbursement for Dining Facility Services Provided to Coalition Partners

USFOR-A Did Not Seek Full Reimbursement From Coalition Partners	8
ACSA Coordinators Did Not Establish Terms and Conditions With Coalition Partners	10
ACSA Program Managers Did Not Oversee ACSA Coordinators	11
USFOR-A Did Not Develop a Training Program to Execute ACSA Transactions in Afghanistan	12
USFOR-A Did Not Bill \$9.2 Million for Dining Facility Services at RSHQ	13
Recommendations, Management Comments and Our Response	13

Appendixes

Appendix A. Scope and Methodology	20
Use of Computer-Processed Data	23
Prior Coverage	23
Appendix B. Statistical Sample	25
Appendix C. Potential Monetary Benefit	27

Management Comments

U.S. Forces-Afghanistan	28
U.S. Army Central	31
Department of the Army G-4	32

Acronyms and Abbreviations

Introduction

Objective

The objective of this audit was to determine whether the DoD sought full reimbursement from Coalition partners at Resolute Support Headquarters (RSHQ), Kabul, Afghanistan, for dining facility services provided under the Logistics Civil Augmentation Program (LOGCAP) contract. See Appendix A for a discussion of the scope and methodology and prior audit coverage.

Background

Logistics Civil Augmentation Program

LOGCAP is an Army program that uses contractors to provide elements of logistics support, supplies, and services to deployed forces, including Coalition partners. Logistics support, supplies, and services include food, water, billeting, and base operations support.

On July 7, 2009, Army Contracting Command–Rock Island awarded LOGCAP IV task order 0005, a cost-plus-award-fee task order, to a contractor to provide services for the Northern Afghanistan area of responsibility, which includes RSHQ, located in Kabul, Afghanistan.² Among the services provided at RSHQ under task order 0005 are billeting management, vehicle maintenance, and dining facility services. By 2021, the Army is scheduled to transition to LOGCAP V, with spending capped at \$82 billion over 10 years.

Resolute Support Mission

The North Atlantic Treaty Organization-led Resolute Support mission is to train, advise, and assist Afghan forces and institutions to build their capacity to defend Afghanistan and protect its citizens in a sustainable manner. The Resolute Support mission consists of approximately 17,000 personnel from 39 Coalition partner countries, including the United States. Of these 17,000 personnel, approximately 1,700 are located at RSHQ, approximately 800 of which are U.S. service members.

² Army Contracting Command–Rock Island awarded a cost-plus-award-fee contract that provides payment of allowable incurred costs. The fee consists of a fixed base amount and an award amount that is based on the contractor's performance. Army Contracting Command–Rock Island is not involved in the process to seek reimbursements from Coalition partners.

Resolute Support Coalition Partners

Coalition partner nations supporting the Resolute Support mission are categorized as either Pay-to-Play or Lift and Sustain Coalition partners. DoD contractors provide logistics support, supplies, and services to both Pay-to-Play and Lift and Sustain Coalition partners. Pay-to-Play partners reimburse the DoD for the logistics support, supplies, and services they receive.

The DoD pays for the logistics support, supplies, and services provided to Lift and Sustain Coalition partners because those partners would not be able to participate in the Resolute Support mission without the financial support of the United States. This report focuses only on Pay-to-Play Coalition partners, as the Lift and Sustain Coalition partners are not required to reimburse the DoD for the support they receive. Table 1 outlines which Coalition partners are Pay-to-Play or Lift and Sustain.

Table 1. Coalition Partner Countries Categorized as Pay-to-Play or Lift and Sustain

Pay-to-Play Coalition Partners		Lift and Sustain Coalition Partners	
Australia	Luxembourg	Albania	Latvia
Austria	Netherlands	Armenia	Lithuania
Belgium	New Zealand	Azerbaijan	Mongolia
Denmark	Norway	Bosnia-Herzegovina	Montenegro
Finland	Portugal	Bulgaria	North Macedonia
Germany	Spain	Croatia	Poland
Greece	Sweden	Czech Republic	Romania
Iceland	United Kingdom	Estonia	Slovakia
Italy		Georgia	Slovenia
		Hungary	Turkey
			Ukraine

Source: The DoD OIG.

Acquisition and Cross-Servicing Agreements

The DoD uses Acquisition and Cross-Servicing Agreements (ACSAs) to acquire or provide logistics support, supplies, and services in exchange for reimbursement between the United States and an authorized foreign country. DoD Directive 2010.09 defines an ACSA as a legal instrument that authorizes the reciprocal provision of logistics support, supplies, or services. An ACSA agreement is entered into by the DoD and a partner nation for the purpose of establishing basic terms, conditions, and procedures to facilitate reciprocal provision of logistics support,

supplies, and services.³ The transfer of services under ACSAs is accomplished through supplementary agreements, such as implementing arrangements and ACSA order forms, which contain additional details, terms, and conditions related to a specific acquisition of services. Reimbursement for these services may take the form of cash payments, the exchange of supplies or services of equal value, or an in-kind replacement.

The ACSA Global Automated Tracking and Reporting System (AGATRS) is the DoD system of record for managing ACSA transactions. AGATRS is an unclassified, web-based system that provides a worldwide, cradle-to-grave automated means of building, tracking, and managing ACSA transactions. Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 2120.01D requires the use of AGATRS to document transfer of all logistics support, supplies, and services under ACSA authorities.⁴

ACSA Criteria

DoD Directive 2010.09 provides policy applicable to the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the combatant commands, and Defense agencies for the acquisition and transfer of logistics support, supplies, and services to authorized foreign governments in accordance with section 2342, title 10, United States Code. The Directive requires the Secretaries of the Military Departments to establish appropriate oversight procedures, as well as maintain financial and program records of all ACSA transactions. The Directive also requires that designated ACSA officials have experience executing ACSA transactions.

U.S. Central Command serves as the DoD executive agent for ACSAs completed within its area of responsibility, which includes RSHQ. U.S. Central Command is responsible for establishing policies and procedures governing the use of ACSAs for which it is executive agent.

ACSA Transaction Roles and Responsibilities for RSHQ

The main personnel and commands responsible for ACSA transactions for dining facility services at RSHQ are personnel from U.S. Forces–Afghanistan (USFOR-A) Multinational Logistics (MNL), U.S. Army Central (ARCENT), and Coalition partner senior national representatives.

³ DoD Directive 2010.09, “Acquisition and Cross-Servicing Agreements,” April 28, 2003, incorporating change 2, August 31, 2018.

⁴ Chairman of the Joint Chiefs of Staff Instruction 2120.01D, “Acquisition and Cross-Servicing Agreements,” May 21, 2015.

U.S. Forces–Afghanistan, Logistics Directorate, Multinational Logistics

The USFOR-A MNL ACSA personnel are responsible for establishing terms and conditions with Coalition partners, initiating billing in AGATRS, and submitting ACSA order forms to ARCENT for dining facility services at RSHQ. The USFOR-A MNL ACSA coordinator negotiates the request for support with the Coalition partner’s senior national representative.⁵ In addition, the coordinator prepares the ACSA order form, obtains required signatures, and submits signed copies of the ACSA order form into AGATRS to initiate the billing process.⁶

The USFOR-A MNL ACSA program manager provides oversight of the execution of ACSA transactions.⁷ The ACSA program manager is required to appoint and train ACSA coordinators.

Coalition Partner Senior National Representative

Each Coalition partner delegates its senior national representative in writing. Coalition partner senior national representatives are authorized by their country to negotiate terms and conditions for support requests with the ACSA coordinator. Coalition partner senior national representatives obligate their countries, with their signatures, to the terms and conditions of the ACSA order form.

U.S. Army Central

The ARCENT Logistics Directorate is responsible for oversight and providing guidance and policy for the ACSA program in U.S. Central Command’s area of responsibility and for providing training to ACSA personnel.

The ARCENT Resource Management Directorate is responsible for validating the financial information on the ACSA order form and entering the transaction into the Resource Management Tool.⁸

⁵ Throughout the report, the USFOR-A MNL ACSA coordinator is referred to as the ACSA coordinator. The ACSA coordinator responsible for initiating bills for RSHQ is located at Hamid Karzai International Airport, not on-site at RSHQ.

⁶ The ACSA order form, also referred to as a Standard Form SF 1-3a, is an AGATRS-generated form to document orders of logistics support, supplies, and services. Once the United States and the Coalition partner have agreed on terms and signed the ACSA order form, it is considered a binding international commitment.

⁷ Throughout the report, the USFOR-A MNL ACSA program manager is referred to as the ACSA program manager.

⁸ The Resource Management Tool is the accounting system ARCENT uses to record dining facility services.

ACSA “Sell” Transaction Process for Dining Facility Services

The Theater-Combined Forces Land Combatant Command G4 Multinational Logistics “Multinational Branch Standard Operating Procedures,” (the MNL Standard Operating Procedures) outline the ACSA “sell” transaction process.⁹ An ACSA “sell” transaction occurs when DoD contractors provide logistics services to a Coalition partner nation. The process begins when the Coalition partner senior national representative and the ACSA coordinator agree to the terms of the ACSA order request. The ACSA coordinator creates an ACSA order form in AGATRS. The ACSA order form is required to include the date of the order, unit price, and quantity of dining facility services provided. The MNL Standard Operating Procedures provide dining facility services as an example of services where quantity cannot be determined until the services are provided. Because the quantity of personnel receiving dining facility services cannot be determined, the two parties enter into an open-ended order and should establish the terms and conditions for billing.¹⁰ The Coalition partner senior national representative and the ACSA coordinator sign the ACSA order form, agreeing to the terms outlined on the order form.

After the dining facility services are provided, both parties sign the ACSA order form again to acknowledge the quantity of services received. The ACSA order form, containing the four signatures (two from the Coalition partner senior national representative and two from the ACSA coordinator), is uploaded to AGATRS with supporting documentation. Required supporting documentation includes quotes and usage data for dining facility services. The ACSA coordinator then assigns the signed ACSA order form in AGATRS to ARCENT’s Logistics Directorate. Personnel from ARCENT’s Logistics Directorate are required to review the ACSA order form for the four required signatures. After this review, ARCENT reassigns the ACSA order form in AGATRS to ARCENT’s Resource Management Directorate for review.

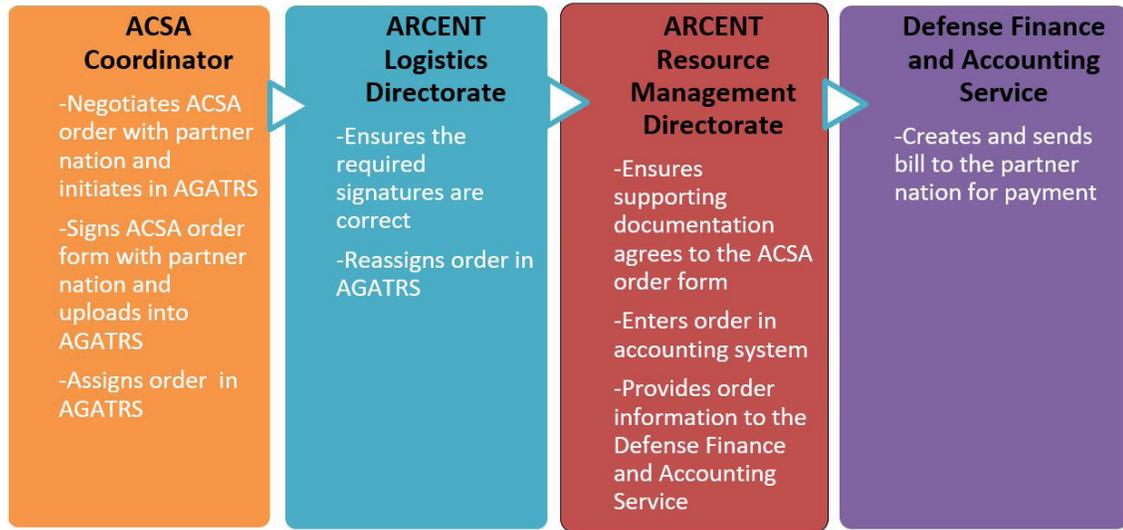
Personnel from ARCENT’s Resource Management Directorate review the ACSA order form to confirm that the dollar amount matches the amount listed in AGATRS and then enter the “sell” transaction in Resource Management Tool. If the supporting documentation does not match the information on the ACSA order form, ARCENT Resource Management Directorate personnel return the ACSA order to the ARCENT Logistics Directorate to obtain more information and resolve the discrepancy. Once the discrepancy is resolved, the ARCENT Resource Management Directorate provides the order information to the Defense Finance and Accounting

⁹ Theater-Combined Forces Land Combatant Command G4 Multinational Logistics “Multinational Branch Standard Operating Procedures,” May 1, 2016.

¹⁰ An open-ended order is used when elements, such as quantity or period of time over which services are to be provided, cannot be defined in advance. Open-ended ACSA orders may be used as long as both parties understand how orders will be billed.

Service. The Defense Finance and Accounting Service creates and sends a bill to the partner nation for payment. The Coalition partners reimburse the DoD through an electronic fund transfer. Figure 1 outlines the “sell” transaction process for dining facility services.

Figure 1. ACSA Transaction Process



Source: The DoD OIG

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.¹¹ We identified internal control weaknesses within USFOR-A’s process for initiating orders and billing for dining facility services provided under ACSA authority. Specifically, USFOR-A lacked internal controls to monitor and ensure that bills were submitted to Coalition partners for services they received. We will provide a copy of the report to the senior officials responsible for internal controls at USFOR-A.

¹¹ DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013.

Finding

USFOR-A Did Not Seek Full Reimbursement for Dining Facility Services Provided to Coalition Partners

We determined that USFOR-A did not seek full reimbursement for dining facility services provided to Coalition partners at RSHQ through the LOGCAP contract. Specifically, for the 17 Pay-to-Play Coalition partners, ACSA coordinators did not:

- initiate the billing of Coalition partners for 349 months of dining facility services between January 2016 and September 2019 (53 percent of 656 months); or
- consistently calculate the amount owed in accordance with USFOR-A guidance when bills were initiated.¹²

ACSA coordinators did not initiate bills or consistently calculate the amount owed in accordance with USFOR-A guidance because the ACSA program manager did not ensure that all bills were initiated and prepared in accordance with USFOR-A guidance or develop a training program for ACSA coordinators that addressed processing of ACSA transactions in Afghanistan. In addition, the ACSA coordinators did not establish the terms and conditions, including rate and calculation method, with each Coalition partner before services were provided.

As a result of USFOR-A not initiating billing, between January 2016 and September 2019, DoD contractors provided an estimated \$6.3 million in dining facility services to Coalition partners that were never billed. In addition, by not using correct rates, USFOR-A underbilled Coalition partners \$2.9 million. AGATRS records indicate that ACSA coordinators initiated bills for only \$4.7 million, and as of October 2019, Coalition partners had reimbursed the DoD only \$880,000.

Unless USFOR-A establishes terms and conditions with Coalition partners before providing services, develops training specific to Afghanistan, and performs oversight of the ACSA coordinators, the DoD will continue to not initiate bills for the full reimbursable amount for dining facility services at RSHQ provided under the anticipated LOGCAP V contract.

¹² The 656 months represents the total months all Coalition partners had personnel present at RSHQ and received dining facility services. If all 17 Coalition partners were present for all possible 45 months from January 2016 to September 2019, there would be 765 months (17 partners x 45 months). However, not all Coalition partners had personnel at RSHQ (per the Resolute Support Coalition partner personnel numbers) for the entire 45-month period. Therefore, we calculated that the total possible months was 656. For the purposes of this report, initiating bills refers to an ACSA coordinator creating an ACSA order in AGATRS.

USFOR-A Did Not Seek Full Reimbursement From Coalition Partners

USFOR-A did not seek full reimbursement for dining facility services provided to Coalition partners at RSHQ through the LOGCAP contract. Specifically, for the 17 Pay-to-Play Coalition partners, ACSA coordinators did not initiate the billing of Coalition partners for a total of 349 months of dining facility services between January 2016 and September 2019 (53 percent of 656 months). In addition, ACSA coordinators did not consistently calculate the amount owed in accordance with USFOR-A guidance when bills were initiated.

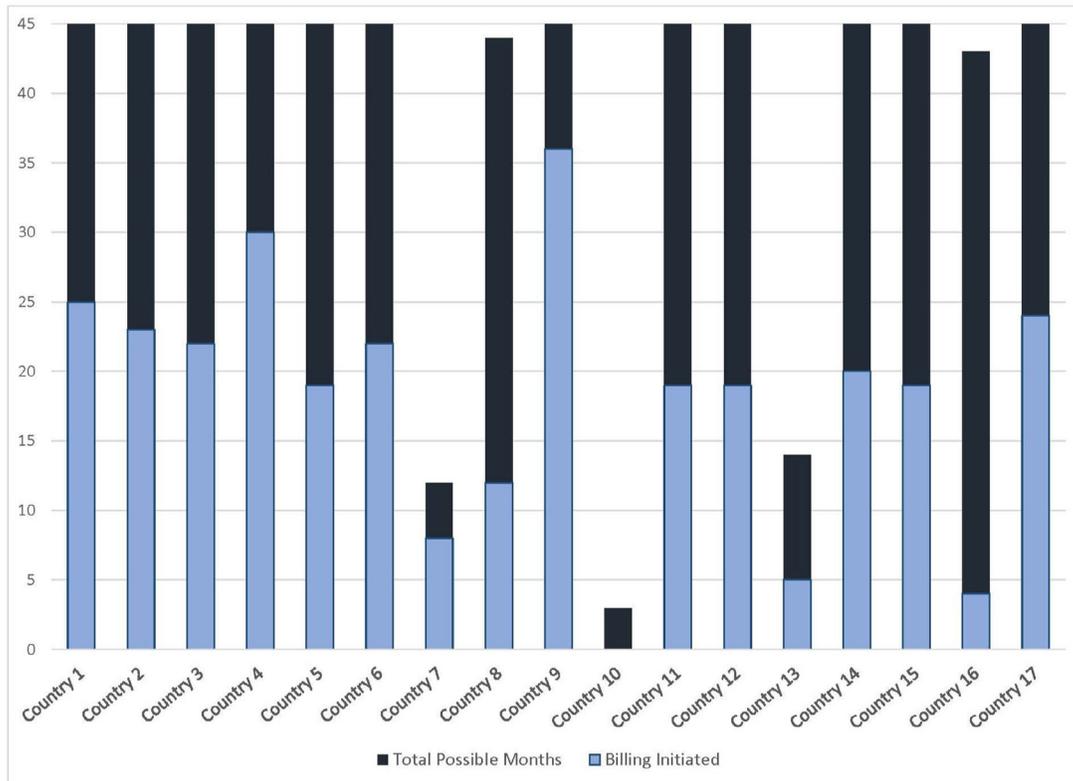
ACSA Coordinators Did Not Initiate the Billing Process for Dining Facility Services

ACSA coordinators did not initiate the billing process for all months dining facility services were provided to Coalition partners at RSHQ. According to the MNL Standard Operating Procedures, ACSA coordinators are responsible for initiating the billing process for dining facility services provided to the Coalition partners.

We conducted an analysis of all “sell” transactions to Pay-to-Play Coalition partners in AGATRS identified as RSHQ dining facility services provided between January 2016 and September 2019.¹³ We compared the “sell” transactions to the months Coalition partners had personnel at RSHQ to determine whether USFOR-A had initiated bills each month Coalition partners received dining facility services. We determined that ACSA coordinators did not initiate the billing process for 349 of 656 possible months (53 percent). In addition, no Coalition partners were billed for all months they received dining facility services at RSHQ. For example, for the period between January 2016 and September 2019, ACSA coordinators initiated billing for only 4 of the 43 months (less than 10 percent) a particular Coalition partner had personnel at RSHQ. During this time, the ACSA coordinators should have initiated the billing process for all 43 months the Coalition partner was at RSHQ because the Coalition partner’s personnel received dining facility service each month. Table 2 shows the total number of bills the ACSA coordinators should have initiated and the number of bills actually initiated for the 17 Pay-to-Play Coalition partners.

¹³ The data for our analysis were retrieved from AGATRS on November 11, 2019.

Table 2. ACSA Coordinator Initiated Billing Process to Coalition Partners



Source: The DoD OIG.

ACSA Coordinators Did Not Consistently Calculate Amount Owed When Bills For Dining Facility Services Were Initiated

When ACSA coordinators initiated the billing process for dining facility services, ACSA coordinators did not consistently calculate the amount owed in accordance with USFOR-A guidance. Specifically, ACSA coordinators did not consistently use the billing rates established by USFOR-A’s Logistics Directorate. In 2015, USFOR-A’s Logistics Directorate published a memorandum establishing a rate of \$34.90 per person per day for food provided at U.S. bases in Afghanistan; this rate was updated to \$32.60 in February 2017.¹⁴

However, we determined that ACSA coordinators did not consistently use the established rates when calculating the amounts Coalition partners owed for dining facility services provided at RSHQ. We selected a statistical sample of 36 of the 207 ACSA orders for dining facility services at RSHQ to determine whether the

¹⁴ “Reimbursement for Base Operations/Life Support Costs Provided to Eligible Coalition Forces Supporting United States Military and Stability Operations in Afghanistan,” December 29, 2015; and “Coalition Flat-Rate Reimbursement Guidance for Acquisition and Cross-Servicing Agreement Orders in Combined Joint Area of Operation – Afghanistan,” February 23, 2017.

ACSA coordinator used the established rates. Based on our statistical sample we projected that ACSA coordinators did not use the rates USFOR-A established to calculate the amount owed in 178 of the 207 (86 percent) ACSA orders.¹⁵

Instead, ACSA coordinators used a variety of rates when calculating amounts to be billed. In our sample of 36 ACSA orders, ACSA coordinators used 3 different methods to calculate reimbursements. Only 2 orders used the per person per day rate established in USFOR-A guidance; 29 orders used a per meal rate and 2 orders used a per meal rate with a maximum amount per day. Three orders in the sample did not have the required supporting documentation, such as unit cost or usage data, necessary to determine how the reimbursement was calculated. The amounts ACSA coordinators used to calculate costs varied from \$5.73 per meal to \$32.60 per day, when it should have been \$34.90 or \$32.60 per day, which resulted in Coalition partners being underbilled for the dining facility services they received at RSHQ.

ACSA Coordinators Did Not Establish Terms and Conditions With Coalition Partners

The ACSA coordinators did not establish terms and conditions for the billing of dining facility services, including the rate and calculation method, with each Coalition partner before services were provided.¹⁶ CJCSI 2120.01D requires that ACSA coordinators and Coalition partner senior national representatives agree on the terms and conditions of the ACSA order before services are provided. These terms and conditions must address price, type, and quantity of the services provided, as well as billing information. Establishing the terms and conditions before services are provided enables the parties to understand and accept their respective responsibilities and clearly identify how orders will be placed, executed, and billed.

However, ACSA coordinators did not always develop the terms and conditions of ACSA orders before providing dining facility services to Coalition partners at RSHQ. Based on the statistical sample of the 36 of the 207 ACSA orders, we projected that ACSA coordinators and Coalition partner senior national representatives did not agree to the terms and conditions before services were provided for 204 to 207 (98 to 100 percent) of the ACSA orders.¹⁷ On average, ACSA order forms were signed (agreed to) 140 days after the start of the services being provided. For example, dining facility services were provided to a Coalition partner between February 1 and February 28, 2017, however the ACSA order form was not signed until March 25, 2018 (417 days).

¹⁵ We cannot determine the rate used in 17 of the 207 (8 percent) ACSA orders due to a lack of supporting documentation.

¹⁶ The terms and conditions of ACSA orders are documented on implementing arrangements or ACSA order forms.

¹⁷ All sample items were determined to be incorrect. A statistical projection is less accurate when the number of exceptions is very high; therefore, we are including the lowest number (204) and rate (98 percent) for the 90 percent confidence level.

Because ACSA coordinators did not establish terms and conditions for billing and payment for dining facility services, with each Coalition partner before services were provided, Coalition partners could dispute the billed amount. Therefore, the USFOR-A MNL Branch Chief should develop agreements with each Coalition partner detailing the terms and conditions for placing, executing, and billing dining facility services at RSHQ before providing services. The terms and conditions should include a billing rate and method for calculating the costs of the dining facility services provided.

ACSA Program Managers Did Not Oversee ACSA Coordinators

ACSA program managers did not oversee ACSA coordinators to ensure that they initiated and prepared all bills in accordance with USFOR-A guidance for dining facility services provided to Coalition partners at RSHQ. CJCSI 2120.01D requires USFOR-A to provide oversight of its ACSA program. Effective oversight of an ACSA program provides assurance that ACSA coordinators used the correct billing rates or submitted the monthly orders for billing.

However, ACSA program managers did not develop a method to monitor that ACSA coordinators initiated the monthly billing for dining facility services. In addition, ACSA program managers did not have a process to review and validate the monthly bills that the ACSA coordinators initiated. Because the ACSA program managers did not provide oversight of the monthly billing process, they did not identify months when bills were not initiated or total costs were not properly calculated. Without reviewing ACSA order forms and monitoring the dining facility services provided to Coalition partners, the ACSA program manager cannot provide assurance that ACSA coordinators used the correct billing rates or submitted the monthly orders for billing.

In addition, ARCENT's Logistics Directorate has not defined specific oversight roles and responsibilities for USFOR-A ACSA program managers in the MNL Standard Operating Procedures, even though ARCENT's Logistics Directorate is responsible for providing guidance, oversight, and policy to USFOR-A MNL. Without specific oversight roles and responsibilities for ACSA program managers, USFOR-A has not implemented its own procedures to ensure the submission of all ACSA orders for billing. Therefore, the ARCENT MNL Branch Chief should update the MNL Standard Operating Procedures to clearly define the oversight roles and responsibilities of ACSA program managers. In addition, the USFOR-A MNL Branch Chief should develop and implement a process for overseeing ACSA coordinators to ensure all monthly bills are initiated and consistent with established guidance.

USFOR-A Did Not Develop a Training Program to Execute ACSA Transactions in Afghanistan

USFOR-A MNL did not develop a training program for ACSA coordinators in Afghanistan, before August 2019. CJCSI 2120.01D requires USFOR-A to develop a training program for all personnel involved in executing ACSA transactions. A specific training program for executing ACSA transactions is critical because often, due to the rotational nature of contingency environments, ACSA coordinators are not always subject matter experts in executing ACSA transactions. ACSA coordinators may arrive in Afghanistan without a full understanding of the ACSA transaction process. ARCENT sponsors a two-part ACSA training course that ACSA coordinators are required to attend before executing ACSA transactions. However, ARCENT's training program was not specific to the duties of an ACSA coordinator in Afghanistan, as the training program only provided an overview of the ACSA program and how to process transactions in AGATRS.

The USFOR-A MNL Branch Chief stated that, in August 2019, USFOR-A MNL developed an ACSA training program for personnel involved in the ACSA process in Afghanistan. However, the training program does not fully address the roles and responsibilities for ACSA coordinators executing "sell" transactions in Afghanistan. Specifically, the training program did not include instructions for carrying out the key functions required for "sell" transactions. For example, the training did not include specific instructions for how to identify what services are provided to Coalition partners, at which locations they are provided, or how to price the orders. In addition, the training did not include guidance on the development and publication of a location-based index of expected costs for services that are available for Coalition partners to use. The training instead focused on the roles and requirements of the ACSA coordinator when the United States receives logistics services from a Coalition partner nation.

Without a comprehensive training program specific to an ACSA coordinator's role in Afghanistan, ACSA coordinators are not prepared to execute their duties. The ACSA coordinator for RSHQ stated that many of the ACSA coordinator's job duties related to the execution of ACSA transactions were learned through on-the-job training. Given the rotational nature of the ACSA coordinator position, relying on informal on-the-job training limits USFOR-A's ability to ensure that ACSA coordinators have the requisite knowledge to carry out their duties. Therefore, the USFOR-A MNL Branch Chief should update the training program provided to ACSA coordinators to include a full overview of the roles and responsibilities of the ACSA coordinators in "sell" transactions executed in Afghanistan.

USFOR-A Did Not Bill \$9.2 Million for Dining Facility Services at RSHQ

Between January 2016 and September 2019, DoD contractors provided an estimated \$13.9 million in dining facility services to Coalition partners at RSHQ. However, AGATRS records indicate that ACSA coordinators initiated bills for only \$4.7 million, and as of October 2019, Coalition partners had reimbursed the DoD only \$880,000.

We performed an analysis of dining facility services provided at RSHQ using AGATRS records, Coalition partner personnel numbers, and rates published by USFOR-A. From our analysis, we determined that USFOR-A did not bill for 349 of 656 months, totaling \$6.3 million in dining facility services. In addition, for the 307 of the 656 months billed, ACSA coordinators did not always use the rates established by USFOR-A to calculate billed amounts resulting in USFOR-A underbilling Coalition partners by \$2.9 million, totaling a combined \$9.2 million of unbilled dining facility services.¹⁸

Unless USFOR-A establishes terms and conditions with Coalition partners before providing services, develops training specific to Afghanistan, and performs oversight, the DoD will continue to not initiate bills for the full reimbursable amount for dining facility services provided under the anticipated LOGCAP V contract.

The USFOR-A MNL Branch Chief should determine the months for which ACSA orders for dining facility services provided to Coalition partners at RSHQ were not initiated between January 2016 and September 2019. Based on the results of the review, the USFOR-A MNL Branch Chief should negotiate collection with each Coalition partner for services provided.

Recommendations, Management Comments and Our Response

Recommendation 1

We recommend that the U.S. Forces–Afghanistan Multinational Logistics Branch Chief:

- a. Develop agreements with each Coalition partner detailing the terms and conditions for placing, executing, and billing dining facility services at Resolute Support Headquarters before providing services. The terms and conditions should include billing rate and method for calculating the cost of the dining facility services provided.**

¹⁸ See Appendix A for additional details on the estimation methodology.

Management Actions Taken During the Audit

We received signed comments from the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, dated April 6, 2020, responding on behalf of the USFOR-A MNL Branch Chief to the discussion draft of this report. The Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan provided the audit team with planned and ongoing corrective actions.

According to the comments provided by the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, USFOR-A MNL has facilitated a series of meetings with Coalition partner senior national representatives at RSHQ to agree on payment terms. These meetings have resulted in agreement on a method for placing, executing, and billing dining facility services at RSHQ. USFOR-A MNL will use a combination of actual meal counts during the month and a daily flat rate to determine the reimbursement amount for each month. The actions were sufficient to resolve Recommendation 1.a, and we requested documentation showing that all agreed-upon actions to implement the recommendation had been completed in order to close the recommendation.

U.S. Forces-Afghanistan Comments

Following the actions taken during the course of the audit, we received signed comments from the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, dated May 13, 2020, responding on behalf of the USFOR-A MNL Branch Chief, which provided further documentation to address the recommendations. The USFOR-A MNL Branch Chief issued a memorandum to the Coalition partners detailing the terms and conditions agreed to at the meetings with the senior national representatives. We received the memorandum and verified its distribution.

Department of the Army G-4 Comments

Although not required to comment, the Department of the Army G-4/5 Plans Division Chief, responding on behalf of the Department of the Army G-4 agreed with Recommendation 1.a. However, the Division Chief recommends changing the language to clarify the use of the term “agreements.” The Division Chief stated that the use of the word “agreements” could be interpreted to recommend the development of implementing arrangements, where the conclusion authority for implementing arrangements resides with the combatant command (USCENTCOM) and must be delegated to USFOR-A, only if USCENTCOM agrees to do so. The Division Chief also stated that the Results in Brief section of our report characterized ACSA orders as an international agreement, which should instead be characterized as an international commitment. While this recommendation did not require action by the Department of the Army G-4, we have included their comments to provide complete context to our report.

Our Response

The Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan’s comments did not explicitly state concurrence with our recommendation. However, the actions taken and documentation provided addressed all the specifics of Recommendation 1.a. We reviewed the memorandum issued by USFOR-A MNL to the Coalition partners detailing the terms and conditions agreed to at the meetings with the senior national representatives, and verified its distribution. Therefore, the recommendation is closed.

We acknowledge the G-4/5 Plans Division Chief’s requested revision to the recommendation; however, it is not the intent of the recommendation to be prescriptive on the process for USFOR-A MNL to establish the terms and conditions for placing, executing, and billing dining facility services. To ensure we are accurate in our presentation of an ACSA order, we revised the Results in Brief section of our report to refer to an ACSA order as an international commitment versus an international agreement.

- b. Determine the months for which Acquisition and Cross-Servicing Agreement orders for dining facility services provided to Coalition partners at Resolute Support Headquarters were not initiated between January 2016 and September 2019. Based on the results of the review, the U.S. Forces-Afghanistan Multinational Logistics Branch Chief should negotiate collection with each Coalition partner for services provided.**

Management Actions Taken During the Audit

According to the comments provided by the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, USFOR-A has completed billing for 2019 dining facility services. In addition, the ACSA program manager, in cooperation with ARCENT, reviewed AGATRS records to identify completed bills for 2018 dining facility services. A meeting was held with Coalition partner senior national representatives on March 4, 2020, to discuss terms and conditions for prior year billing and 2018 bills are being distributed to Coalition partner senior national representatives for signature. The 2017 bills were initiated and distributed to the Coalition partners in April 2020; 2016 billing will also be performed.

U.S. Forces-Afghanistan Comments

Following the actions taken during the course of the audit, we received signed comments from the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, dated May 13, 2020, responding on behalf of the USFOR-A MNL Branch Chief, which provided further documentation to address

the recommendations. Specifically, the USFOR-A MNL Branch Chief provided the results of the review to identify the months for which ACSA orders were not initiated, and the requisition numbers for the subsequent orders. The results were compiled into an Excel spreadsheet, and include the status of the ACSA order for each Coalition partner, for every month from January 2016 through December 2019, including the associated AGATRS requisition number.

Department of the Army G-4 Comments

Although not required to comment, the Department of the Army G-4/5 Plans Division Chief, responding on behalf of the Department of the Army G-4, agreed with Recommendation 1.b. While this recommendation did not require action by the Department of the Army G-4, we have included their comments to provide complete context to our report.

Our Response

The Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan’s comments did not explicitly state concurrence with our recommendation. However, the actions taken and documentation provided addressed all specifics of Recommendation 1.b. We reviewed the listing of unbilled months provided by USFOR-A and the associated AGATRS requisition numbers. We then reviewed a selection of the months in AGATRS and verified that the orders were initiated. Therefore, the recommendation is closed.

- c. Develop and implement a process for overseeing Acquisition and Cross-Servicing Agreement coordinators to ensure that all monthly bills are initiated and consistent with established guidance.**

Management Actions Taken During the Audit

According to the comments provided by the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, USFOR-A MNL has developed and implemented internal controls for centrally tracking ACSA orders by creating a master listing of recurring transactions. ACSA program managers are providing oversight by ensuring that these recurring transactions, such as monthly billing for RSHQ dining facility services, are completed. Additionally, as part of the month-end process, the ACSA program manager will audit records from each location for completion and quality.

U.S. Forces-Afghanistan Comments

Following the actions taken during the course of the audit, we received signed comments from the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, dated May 13, 2020, responding on behalf of the USFOR-A MNL Branch Chief, which provided further documentation to address the recommendations. The USFOR-A MNL Branch Chief provided us with the results of the audits performed by the ACSA program manager for the months of April and May 2020. The audits are tracked by the ACSA program manager, and include the AGATRS requisition number, and assigned ACSA coordinator, any noted error, and the actions taken to remediate the errors. Additionally, the Branch Chief provided us with the master listing of recurring transactions used to centrally track ACSA transactions.

Department of the Army G-4 Comments

Although not required to comment, the Department of the Army G-4/5 Plans Division Chief, responding on behalf of the Department of the Army G-4, agreed with Recommendation 1.c. While this recommendation did not require action by the Department of the Army G-4, we have included their comments to provide complete context to our report.

Our Response

The Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan's comments did not explicitly state concurrence with our recommendation. However, the actions taken and documentation provided addressed all specifics of Recommendation 1.c. We verified that USFOR-A MNL has implemented the process by reviewing the tracking sheet and the results of the audits conducted in April and May 2020. Therefore, the recommendation is closed.

- d. Update the training program provided to Acquisition and Cross-Servicing Agreement coordinators to include a full overview of the roles and responsibilities of the Acquisition and Cross-Servicing Agreement coordinators in “sell” transactions executed in Afghanistan.**

Management Actions Taken During the Audit

According to the comments provided by the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, USFOR-A MNL training has been supplemented to include 2 weeks of boots-on-ground training in Afghanistan with the MNL ACSA program manager. A central resource is available to all staff providing specific training and standard work aides for routine and irregular tasks, including “sell” transactions for dining facility services provided at RSHQ. USFOR-A ACSA coordinators have been trained on the documented process.

U.S. Forces- Afghanistan Comments

Following the actions taken during the course of the audit, we received signed comments from the Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan, dated May 13, 2020, responding on behalf of the USFOR-A MNL Branch Chief, which provided further documentation to address the recommendations. The USFOR-A MNL Branch Chief provided us with the 2-week training program for ACSA coordinators in Afghanistan, which includes a training presentation on executing “sell” transactions.

Department of the Army G-4 Comments

Although not required to comment, the Department of the Army G-4/5 Plans Division Chief, responding on behalf of the Department of the Army G-4, agreed with Recommendation 1.d. While this recommendation did not require action by the Department of the Army G-4, we have included their comments to provide complete context to our report.

Our Response

The Deputy Commanding General – Operations Chief of Staff, U.S. Forces-Afghanistan’s comments did not explicitly state concurrence with our recommendation. However, the actions taken and documentation provided addressed all specifics of Recommendation 1.d. We reviewed the updated training program and schedule and determined that the training includes a full overview of the roles and responsibilities of the ACSA coordinators in “sell” transactions executed in Afghanistan, including dining facility services provided at RSHQ. Therefore, the recommendation is closed.

Recommendation 2

We recommend that the U.S. Army Central Multinational Logistics Branch Chief update the Multinational Logistics Standard Operating Procedures to clearly define the oversight roles and responsibilities of Acquisition and Cross-Servicing Agreement program manager.

U.S. Army Central Sustainment Operations Division Chief Comments

The U.S. Army Central Sustainment Operations Division Chief responding on the behalf of the U.S. Army Central Multinational Logistics Branch Chief, agreed with Recommendation 2, stating that the Multinational Logistics Branch Chief has begun the re-write of the MNL Standard Operating Procedures to include specific details on the roles and responsibilities of the ACSA program managers and coordinators. In addition, the updated MNL Standard Operating Procedures will include weekly,

monthly, and quarterly actions and reports to ensure that the ACSA program managers are providing oversight of the ACSA coordinators. The Division Chief stated that the officially signed MNL Standard Operating Procedures are projected to be published by July 15, 2020.

Department of the Army G-4 Comments

Although not required to comment, the Department of the Army G-4/5 Plans Division Chief, responding on behalf of the Department of the Army G-4, agreed with Recommendation 2. While this recommendation did not require action by the Department of the Army G-4, we have included their comments to provide complete context to our report.

Our Response

Comments from the U.S. Army Central Sustainment Operations Division Chief address all specifics of Recommendation 2. Therefore, the recommendation is resolved, but will remain open. We will close Recommendation 2 when we receive the officially signed re-write of the Multinational Logistics Standard Operating Procedures.

Appendix A

Scope and Methodology

We conducted this performance audit from September 2019 through April 2020 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.

RSHQ is a North Atlantic Treaty Organization base with a North Atlantic Treaty Organization contractor providing the majority of the services. However, the LOGCAP contract provides for a few services, such as dining facility, billeting management, and vehicle maintenance. The original scope of the audit included all logistics support, supplies, and services provided, under LOGCAP, to Coalition partners in Afghanistan. The scope was narrowed to focus only on RSHQ dining facility services provided to Pay-to Play Coalition partners. We reviewed the list of LOGCAP services provided at RSHQ and USFOR-A's daily rate guidance and determined dining facility service was the most expensive service provided to Pay-to-Play Coalition partners at RSHQ. We determined that the other services provided under LOGCAP at RSHQ were immaterial in terms of dollar value.

We reviewed the following criteria.

- DoD Directive 2010.09, "Acquisition and Cross-Servicing Agreements," April 28, 2003, incorporating change 2, August 31, 2018
- Chairman of the Joint Chiefs of Staff Instruction 2120.01D, "Acquisition and Cross-Servicing Agreements," May 21, 2015
- DoD Regulation 7000.14-R, "Financial Management Regulation," Volume 11a, Chapter 8, "Acquisition and Cross-Servicing Agreements, Under Secretary of Defense (Comptroller)," July 2010
- Central Command Regulation 700-1, "Multinational Logistics Support Between the United States and Governments of Countries Within the USCENCOM Area of Responsibility," October 24, 2017
- Army Directive 2012-12, "Interim Army Acquisition and Cross-Servicing Agreements, Lift and Sustain, and Foreign Assistance Act Authorities," April 30, 2012
- Theater-Combined Forces Land Combatant Command G4 Multinational Logistics Standard Operating Procedures, May 1, 2016

We interviewed officials from the following organizations to discuss the roles and responsibilities of each organization as they relate to the DoD seeking reimbursement from Coalition partners at RSHQ for dining facility services provided under the LOGCAP contract.

- USFOR-A MNL
- USFOR-A Resource Management Directorate
- USFOR-A Staff Judge Advocate
- ARCENT Logistics Directorate
- ARCENT Resource Management Directorate
- Resolute Support Combined Joint Logistics Directorate
- Resolute Support Combined Joint Resource Management Directorate
- Resolute Support International Agreements Branch
- LOGCAP Afghanistan Program Management Office
- Defense Finance and Accounting Service
- Defense Logistics Agency AGATRS Team
- Army Contracting Command–Rock Island

Analysis of AGATRS Transactions for RSHQ Dining Facility Services

We obtained and reviewed all initiated ACSA transactions identified as RSHQ dining facility services in AGATRS. We analyzed these data to determine whether USFOR-A had initiated bills each month to Coalition partners who received RSHQ dining facility services between January 1, 2016, and September 30, 2019. We first determined which months Coalition partners were present at RSHQ using Coalition partner personnel numbers. We then compared the ACSA transactions in AGATRS for each Coalition partner to the months the Coalition partners were present to determine whether USFOR-A initiated a bill to the Coalition partners for each month they received dining facility services at RSHQ.

Estimate of Unbilled Amount, Underbilled Amount, and Total of Dollar Value of Dining Facility Services Provided

We used our analysis of AGATRS transactions, Coalition partner personnel numbers, and rates published by USFOR-A to estimate the total dollar value of dining facility services provided to Coalition partners at RSHQ.

- We estimated the unbilled amount (\$6.3 million) by identifying months Coalition partners were not billed even though they had personnel at RSHQ. We multiplied the number of personnel present at RSHQ during these unbilled months by the applicable dining facility rate.

- We estimated the underbilled amount (\$2.9 million) by identifying the months Coalition partners were billed, multiplying the number of personnel present at RSHQ during these months with the applicable dining facility rate, and then subtracting the actual amount billed for these months.
- We estimated the total dollar value of dining facility services provided at RSHQ (\$13.9 million) by summing the unbilled amount, underbilled amount, and the initiated bills in AGATRS (\$4.7 million).

The rates used in our estimates were published by USFOR-A's Logistics Directorate. USFOR-A's Logistics Directorate issued a memorandum on December 29, 2015, establishing a per person/day rate of \$34.90 effective October 1, 2015. USFOR-A's Logistics Directorate issued an updated memorandum on February 23, 2017, which changed the rate to \$32.60.

Resolute Support's Combined Joint Manpower and Personnel Directorate provided the Coalition partner personnel numbers we used in the analysis. The Directorate receives Coalition personnel numbers directly from the Coalition partner senior national representatives; the Directorate does not validate the personnel numbers. In addition, due to the lack of data for the period of January 1, 2016, to June 30, 2016, we estimated the number of Coalition partner personnel present at RSHQ during that time using the average personnel per month between July and December 2016.

ACSA Transaction Testing

We identified 207 ACSA transactions for RSHQ dining facility services. We coordinated with the DoD OIG Quantitative Methods Division to statistically select a sample of 36 ACSA transactions. See Appendix B for the Sample Plan and Projections. We reviewed the ACSA order forms for each sampled transaction to determine whether the method used to calculate the reimbursement amount was consistent with USFOR-A guidance and whether the ACSA order forms were signed before services were provided.

RSHQ ACSA Transaction Population

Due to a lack of standardization in AGATRS data, we were not able to confirm the completeness of the populations of ACSA transactions for RSHQ dining facility services we used in our testing. Personnel from USFOR-A and ARCENT were not able to provide any information that either confirmed or did not confirm the completeness of the population we identified. We discussed the methodology we used to identify the population with the Defense Logistics Agency AGATRS Team. The AGATRS Team confirmed that the methodology we used to identify the population was reasonable.

Use of Computer-Processed Data

During our audit planning, we determined that we would use data from AGATRS to materially support our findings. Furthermore, as part of the audit planning process, we reviewed the results of previous engagements that directly related to our audit objective. The findings from the previous audits outlined conditions that indicated that the data in AGATRS may not be reliable. To determine whether the AGATRS data were sufficiently reliable to answer our audit objective, we performed an assessment of the AGATRS data.

To design our data reliability assessment of the AGATRS data, we considered the expected importance of the data, the strength of corroborating evidence, and the risk of using the data, along with what was learned during the assessment. We interviewed officials from the Defense Logistics Agency overseeing the AGATRS system, ARCENT, and USFOR-A to gain an understanding of the system. We then consulted with the Quantitative Methods Division to develop a statistical sample of line items to compare to ACSA order forms to determine whether the computer data accurately and completely reflected the ACSA order form. We determined that the reporting obtained from AGATRS accurately and completely reflected the source documents within the system. While we identified a lack of consistency in the data, which affected our ability to confirm the completeness of our population, we determined that the data were sufficiently reliable to answer our audit objective.

Prior Coverage

During the last 5 years, the DoD Office of Inspector General (DoD OIG) issued three reports discussing ACSAs and AGATRS. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

DoD OIG

Report No. DODIG-2019-004, “DoD Oversight of Bilateral Agreements with the Republic of the Philippines,” November 2, 2018

The DoD OIG determined that the Directorate for Logistics did not have visibility of the logistical support sold to the Republic of the Philippines through the use of the bilateral agreements. Specifically, the Directorate for Logistics was unaware of 76 of 77 ACSA line items executed with the Republic of the Philippines.

Report No. DODIG-2017-121, "U.S. Africa Command's Management of Acquisition and Cross-Servicing Agreements," September 21, 2017

The DoD OIG determined that U.S. Africa Command did not effectively manage the ACSA orders it executed and was not required to oversee ACSA orders executed by its Subordinate Components. Specifically, Subordinate Components did not maintain all transactions in the system of record; know that ACSA orders were used for medical activities; and document meals provided under ACSA authorities.

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

The DoD OIG determined that ARCENT and U.S. Air Force Central Command personnel did not properly use AGATRS in support of Operation Inherent Resolve, as required by DoD policy. For example, ARCENT and U.S. Air Force Central Command personnel did not include all minimum essential data elements on the ACSA orders; upload source documentation to support line items on the ACSA orders; and close ACSA orders within AGATRS properly.

Appendix B

Statistical Sample

Population. The population consisted of 207 ACSA orders identified as dining facility services delivered to RSHQ. The total dollar value of the population was \$4,660,278.61.

Sample Plan. The Quantitative Methods Division developed a sampling plan to review ACSA orders identified as dining facility services delivered to RSHQ. DoD OIG Quantitative Methods Division selected a random sample of 36 orders, totaling \$482,807.41 to review.

Rate Review. Table 3 provides the determination as to whether the samples we reviewed were prepared in accordance with USFOR-A guidance for rates.

Table 3. Calculation Rates

Determination	Number of Orders
Correct Rate Used	2
Incorrect Rate Used	31
Could Not Determine Rate	3
Total	36

Source: The DoD OIG.

Analysis and Interpretation. Table 4 provides the Quantitative Methods Division's statistical projection of these amounts across the population at a 90 percent confidence level.

Table 4. Calculation Rate Projections

	Incorrect Rate Used	Unable to Determine
Upper Bound	207	35
Point Estimate	178	17
Lower Bound	157	3 ¹

¹Number of exceptions found in the sample is used

Source: The DoD OIG.

Agreement Review. Table 5 provides the determination as to whether the terms and conditions of the samples we reviewed were agreed to before service delivery.

Table 5. Agreement on Terms and Conditions

Determination	Number of Orders
Agreed to Before Service Delivery	0
Agreed to After Service Delivery	36
Total	36

Source: The DoD OIG.

Analysis and Interpretation. Table 6 provides the Quantitative Methods Division’s statistical projection of these amounts across the population at a 90 percent confidence level.

Table 6. Agreement on Terms and Conditions

	Agreed to After Service Delivery
Upper Bound	207 ¹
Point Estimate	207
Lower Bound	204

¹Used population size

Source: The DoD OIG.

Appendix C

Potential Monetary Benefit

Table 7 identifies the estimated amount of funds that could be put to better use if USFOR-A determines the number of months where dining facility services were provided but not billed and negotiates the collection from each Coalition partner for services provided.

Table 7. Potential Monetary Benefits

Recommendation	Type of Benefit	Amount of Benefit	Account
1.b	Funds put to better use	\$6,300,000	Multiple accounts will be impacted

Management Comments

U.S. Forces-Afghanistan



HEADQUARTERS
UNITED STATES FORCES-AFGHANISTAN
BAGRAM, AFGHANISTAN
APO AE 09354

USFOR-A DCG-O COS

13 May 2020

MEMORANDUM FOR RECORD

SUBJECT: Discussion Draft Comments and Recommendation Responses for DODIG Audit of Camp Resolute Support Dining Facility

Reference. DODIG Draft D2019-D000RJ-0209.000, Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan

1. On behalf of USFOR-A, attached are comments as requested to the draft of the DODIG audit of Camp Resolute Support LOGCAP Dining Facility.
2. Additionally, updated USFOR-A J4 Multi-National Logistics responses to recommendation #1 are provided. USFOR-A has acted on all recommendations and has included substantiating documentation to support closure.
3. Point of contact for this action is [REDACTED] DSN [REDACTED] or email [REDACTED]

- 2 Encls
1. MNL Audit Recommendations
 2. MFR Draft Comments


BARRY E. DANIELS
Colonel, U.S. Army
DCG-O Chief of Staff
United States Forces-Afghanistan

U.S. Forces-Afghanistan (cont'd)



**HEADQUARTERS
UNITED STATES FORCES-AFGHANISTAN
BAGRAM, AFGHANISTAN
APO AE 09354**

USFOR-A J-4 MNL

13 May 2020

MEMORANDUM FOR RECORD

SUBJECT: Responses to Recommendation #1 from DODIG Draft Report

Reference. DODIG Draft D2019-D000RJ-0209.000, Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan

1. USFOR-A J4 Multinational Logistics provides the following responses to recommendations in the Draft Report:
 2. Recommendation 1.A: Develop agreements with each Coalition partner detailing the terms and conditions for placing, executing, and billing for dining facility services at Resolute Support Headquarters before providing services. The terms and conditions should include billing rate and method for calculating the cost of the dining facility services provided.
 - a. Response: USFOR-A J4 MNL, in cooperation with DODIG, facilitated a series of meetings with Senior National Representatives from coalition partners at Camp RS to agree on payment terms. These efforts resulted in a process of billing based on meal "swipes" and the established meal rate for one full day of meals. This agreement was documented in meeting minutes, as well as a Memorandum for Record by the J4 MNL Chief, distributed to Senior National Representative. These agreed terms are being utilized in 2020, during which SNRs have signed 1.3a records in confirmation terms and of services provided. Based on the process established and actions taken to date, it is requested that this recommendation be closed Enclosure (1) provides documentation to support established terms and conditions.
 3. Recommendation 1.B: Determine the months for which Acquisition and Cross-Servicing Agreement orders for dining facility services provided to Coalition partners at Resolute Support Headquarters were not initiated between January 2016 and September 2019. Based on the results of the review, the U.S. Forces-Afghanistan Multinational Logistics Branch Chief should negotiate collection with each Coalition partner for services provided.
 - a. Response: USFOR-A J4 MNL ACSA Program Manager, in cooperation with DODIG, utilized a March 4, 2020 meeting to agree on terms and conditions for prior year billing with Senior National Representatives from coalition partners at Camp RS. The ACSA Program Manager, in cooperation with ARCENT, reviewed records for completed bills for the period of 2016-2019. Based on review, outstanding calendar year 2016-2019 billing has been executed in May 2020.

U.S. Forces-Afghanistan (cont'd)

USFOR-A J-4 MNL

13 May 2020

SUBJECT: Responses to Recommendation #1 from DODIG Draft Report

Based on the process established and actions taken to date, it is requested that this recommendation be closed. AGATRS record status is included in Enclosure (2).

4. Recommendation 1.C: Develop and implement a process for overseeing Acquisition and Cross-Servicing Agreement coordinators to ensure all monthly bills are initiated and consistent with established guidance.

a. Response: USFOR-A J4 MNL has implemented internal controls for centrally tracking 1.3a "buys" and "sells" by creating a master listing of recurring transactions. Oversight is facilitated by the ACSA Program Manager by ensuring that these recurring transactions, like monthly billing for RS DFAC, are completed. This process also applies to 1.3a Replacement in Kind (RIK) equipment loans. Additionally, as part of month end process, the ACSA Program Manager audits records from each location for completion and quality, providing training and correction as necessary to ACSA Coordinators. Based on the process established and actions taken to date, it is requested that this recommendation be closed. Control and audit documents are included in enclosure (3).

5. Recommendation 1.D: Update the training program provided to Acquisition and Cross-Servicing Agreement coordinators to include a full overview of the roles and responsibilities of the Acquisition and Cross-Servicing Agreement coordinators in "sell" transactions executed in Afghanistan.

a. Response: USFOR-A J4 MNL created and implemented training and processes to cover a full overview of the roles and responsibilities of an ACSA Coordinator in a "sell" transaction. Additionally, the new staff training program has been supplemented to include two weeks boots on ground in Bagram with the J4 MNL ACSA Program Manager. This is in addition to the minimum requirements provided by ARCENT G4 for AGATRS access rights. A central OneNote resource is available to all staff providing specific training and standard work aides for routine and irregular tasks, to include the full requirements for an ACSA Coordinator for "sell" transactions, to include those for services at the RS DFAC. All current staff have been trained on this documented process. Additionally, USFOR-A has made recommendations to ARCENT G4 for a published schedule of core training that can be provided to ACSA coordinators in theatre to help ensure continuity at USFOR-A and to mitigate continued staff turnover. Based on the process established and actions taken to date, it is requested that this recommendation be closed. Copies of training files are included in enclosure (4).

6. The point of contact for this memorandum is [REDACTED] at [REDACTED] or DSN [REDACTED]



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ACLG-S

13 May 2020

MEMORANDUM FOR RECORD

SUBJECT: Inspector General (IG) Audit of Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters (RSHQ), Kabul, Afghanistan

1. USARCENT conducted a thorough review of the IG Audit of Coalition Partner Reimbursement of Dining Facility Service at RSHQ, Kabul, Afghanistan; which concluded that USFOR-A did not seek full reimbursement for dining facility services provided specifically to 17 Pay-to-Play coalition partners. Coalition partners received services through the LOGCAP contract between January 2016 and September 2019.
2. USARCENT concurs with the recommendation that the USARCENT Multi-National (MNL) Branch Chief update the Acquisition Cross-Services Agreement (ACSA) Standard Operating Procedures (SOP) to specifically define the roles and responsibilities of the ACSA Program Managers (PMs). This will ensure adequate oversight of the ACSA coordinators across the USCENCOMAOR.
3. The USARCENT MNL Branch Chief has begun the re-write of the ASCA Program SOP and has included specific details of the roles and responsibilities of the ACSA Program Managers and Coordinators. The officially signed updated SOP is projected to be published NLT 15 July 2020.
4. The update to the ACSA Program SOP will include the weekly, monthly, and quarterly actions and reports required to ensure the PMs are adequately providing oversight of their coordinators on the ground. Additionally, the SOP will address the required initial training, meetings and additional training requirements for PMs and coordinators.
5. The USARCENT MNL Branch Chief has begun to implement changes to include:
 - a. Appointment orders assigning ACSA PMs and Coordinators signed by the G4/J4 in each AOR.
 - b. Requiring that all PMs ensure all personnel receive ACSA 101 training from USARCENT MNL Branch prior to receiving an ACSA Global Automated Tracking Reporting System (AGATRS) account.
 - c. Mandatory attendance of all ACSA coordinators in the monthly USARCENT ACSA meetings. These immediate changes ensures the PMs know their coordinators by location, coordinators have received the initial ACSA overview training with a glimpse into AGATRS and updates to the AGATRS system.
6. The point of contact for this memorandum is [REDACTED] or e-mail [REDACTED]

MILLER,SAMUELS
 HANE [REDACTED]
 SAMUEL S. MILLER
 COL, LG
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Department of the Army G-4



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21 May 2020

DALO-ZAX

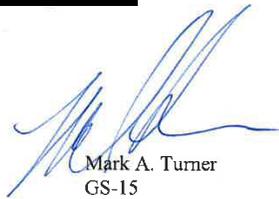
MEMORANDUM FOR U.S. Department of Defense Inspector General

SUBJECT: Recommended ODCS, G-4 (DA G-4) Response to the DODIG Draft Report: Coalition Partner Reimbursement of Dining Facility Services at Resolute Support Headquarters, Kabul, Afghanistan (D2019RJ-0209).

1. DA G-4 Comment on Report Background: *The Coalition partner senior national representative and the ACSA coordinator sign the ACSA order form, agreeing to the terms of the order form, which constitutes a binding international agreement.*
 - a. Concur with intent. However, recommend changing language: “constitutes a binding international agreement” to “[...] constitutes a binding international commitment”
 - b. Justification: An ACSA order does not constitute an international agreement as defined in DODD 2010.09.
2. Recommendation 1.a.: *The USFOR-A MNL Branch Chief should develop agreements with each Coalition partner detailing the terms and conditions for placing, executing, and billing dining facility services at RSHQ before providing services. The terms and conditions should include a billing rate and method for calculating the costs of the dining facility services provided.*
 - a. DA G-4 concurs with comment.
 - b. DA G-4 recommends changing language to “*The USFOR-A MNL Branch Chief should establish detailed terms and conditions with coalition partners for placing, executing, and billing dining facility services at RSHQ before providing services. The terms and conditions should include a billing rate and method for calculating the costs of the dining facility services provided.*”
 - c. Justification: Clarity on use of the term “agreements” is needed. The DA G-4 suggested language clarifies the intent to recommend that all USFOR-A ACSA orders should establish agreed terms and conditions by order authorization (signature), prior to the transfer of DFAC services.
 - d. The use of “agreements” could erroneously be interpreted to recommend the development of implementing arrangements (IAs), where the conclusion authority for IAs resides with the Combatant Command (USCENTCOM) and must be delegated to USFOR-A, only if USCENTCOM agrees to do so.

Department of the Army G-4 (cont'd)

3. Recommendation 1.b: *The USFOR-A MNL Branch Chief should determine the months for which ACSA orders for dining facility services provided to Coalition partners at RSHQ were not initiated between January 2016 and September 2019. Based on the results of the review, the USFOR-A MNL Branch Chief should negotiate collection with each Coalition partner for services provided.*
 - a. DA G-4 concurs.
4. Recommendation 1.c: *The USFOR-A MNL Branch Chief should develop and implement a process for overseeing ACSA coordinators to ensure all monthly bills are initiated and consistent with established guidance.*
 - a. DA G-4 concurs.
5. Recommendation 1.d: *The USFOR-A MNL Branch Chief should update the training program provided to ACSA coordinators to include a full overview of the roles and responsibilities of the ACSA coordinators in "sell" transactions executed in Afghanistan.*
 - a. DA G-4 concurs.
6. Recommendation 2: *The ARCENT MNL Branch Chief should update the MNL Standard Operating Procedures to clearly define the oversight roles and responsibilities of ACSA program managers.*
 - a. DA G-4 concurs.
7. The points of contact are [REDACTED] e-mail: [REDACTED] or [REDACTED] e-mail: [REDACTED]



Mark A. Turner
GS-15
Chief, G-45 Plans Division

Acronyms and Abbreviations

ACSA	Acquisition and Cross-Servicing Agreement
AGATRS	ACSA Global Automated Tracking and Reporting System
ARCENT	Army Central Command
CJCSI	Chairman of the Joint Chiefs of Staff Instruction
LOGCAP	Logistics Civil Augmentation Program
MNL	Multinational Logistics
RSHQ	Resolute Support Headquarters
USFOR-A	U.S. Forces – Afghanistan

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U.S. DEPARTMENT OF DEFENSE

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