

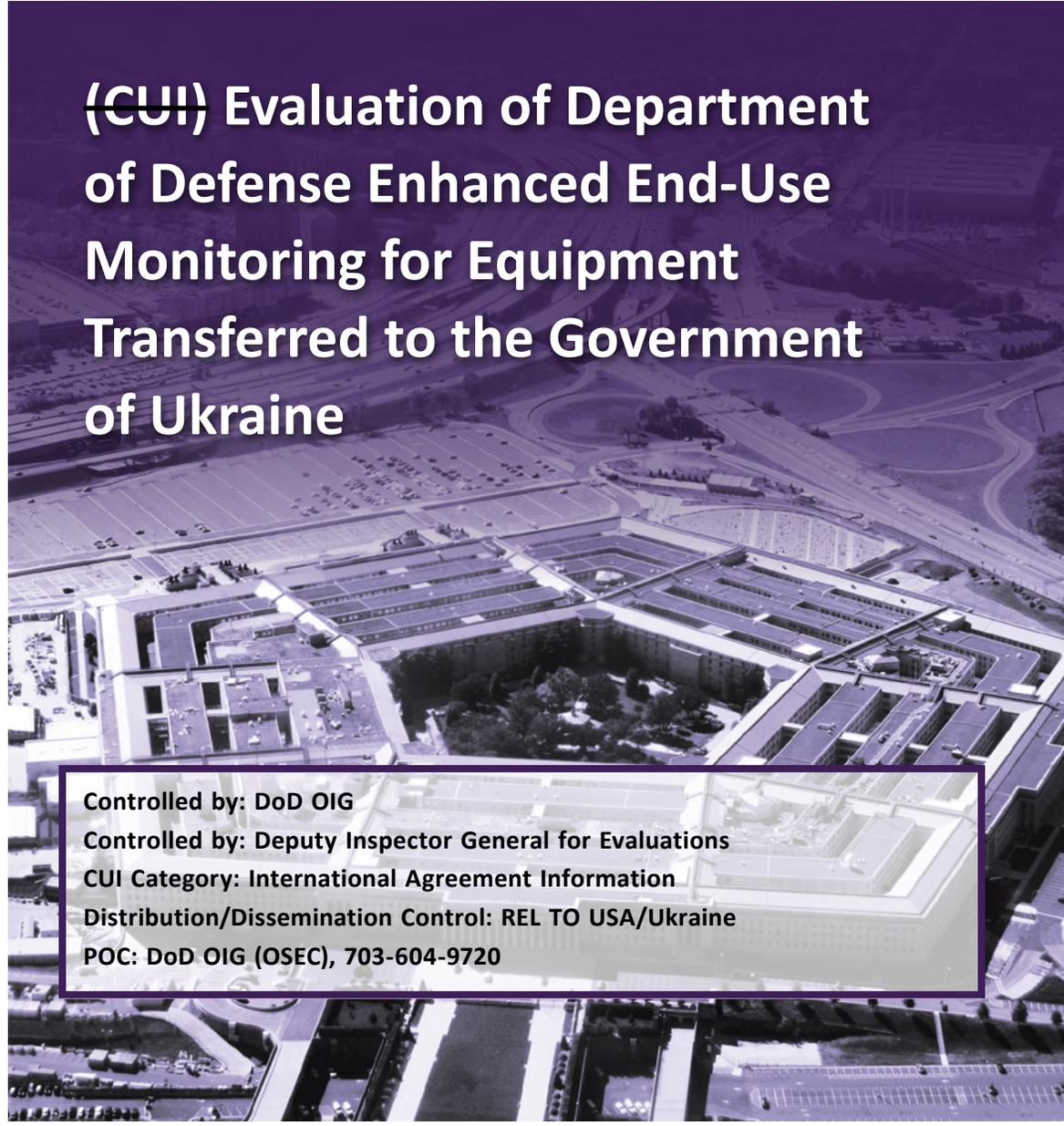


CUI

# INSPECTOR GENERAL

*U.S. Department of Defense*

AUGUST 27, 2020



## **(CUI) Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine**

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INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

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# Results in Brief

## Evaluation of DoD Enhanced End-Use Monitoring for Equipment Transferred to Ukraine

August 27, 2020

### (U) Objective

(U) The objective of this evaluation was to determine whether:

- (U) the DoD's transfer to the Government of Ukraine of military equipment requiring enhanced end-use monitoring (EEUM), including Javelin missiles, Javelin Command Launch Units, and night vision devices (NVDs), was in accordance with law and DoD guidance; and
- (U) Ukraine's security and accountability of U.S.-provided military equipment requiring EEUM met the criteria prescribed by law and regulation.

### (U) Background

(U) The purpose of the DoD's end-use monitoring program, also referred to as the Golden Sentry program, is to verify that defense articles transferred by the United States Government to foreign recipients are used in accordance with transfer agreements, such as a letter of offer and acceptance (LOA). Monitoring the use of U.S.-origin defense articles is a joint responsibility of partner nations and the United States. Partner nation recipients must agree to:

- (U) use U.S.-provided defense articles only for their intended purpose and maintain the security of any article with substantially the same degree of protection afforded to it by the United States Government, and
- (U) permit observation and review by, and furnish necessary information to, U.S. representatives.

### Background (cont'd)

(U) EEUM requires physical security assessments of storage facilities and serial number inventories of a specific list of defense articles to verify compliance with the LOA.

(~~CUI~~) [Redacted]

(~~CUI~~) [Redacted]

### Findings

(~~CUI~~) DoD officials generally complied with EEUM requirements for Javelin missiles and their associated Command Launch Units. However, the DoD did not fully comply with EEUM requirements for NVDs until 2018, the year the Office of Defense Cooperation-Ukraine (ODC) began conducting required EEUM physical inventories in Ukraine. By January 2020, however, information in the DoD's Security Cooperation Information Portal (SCIP) database about the quantity, location, and condition of NVDs was not accurate.

For example, [Redacted]

(~~CUI~~) The information in the DoD's database was inaccurate because the Armed Forces of Ukraine did not always report the loss, theft, or destruction of its U.S.-provided EEUM-designated NVDs in a timely manner, as required by the LOAs. [Redacted]

[Redacted]



# Results in Brief

## Evaluation of DoD Enhanced End-Use Monitoring for Equipment Transferred to Ukraine

### Findings (cont'd)

(U) Serial number stickers on some U.S.-supplied NVDs became illegible or fell off, especially during operational deployments or combat, making it difficult to conduct serialized inventories of these articles.

(CUI) [Redacted]

(CUI) We also found that Ukraine’s storage facilities for Javelin anti-armor missiles and their associated Command Launch Units met physical security requirements set forth in LOAs. [Redacted]

[Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

### (U) Recommendations

(U) We recommend that the DSCA Director take the following actions:

- (U) withhold DSCA’s recommendation that the Government of Ukraine receive additional U.S.-provided NVDs until Armed Forces of Ukraine officials provide loss reports in a timely manner as described by the terms of the LOA;
- (U) develop a new information field within the SCIP to indicate when an article is lost pending an official report;
- (U) develop a process, in coordination with the Commanding General of U.S. Army Security Assistance Command, to place permanent serial numbers on each NVD provided to the Government of Ukraine;
- (U) establish a frequency for Compliance Assessment Visits (CAVs) for countries identified as high risk, according to the criteria established in the Security Assistance Management Manual, with intervals between CAVs not to exceed a maximum time specified by the DSCA; and
- (U) reschedule a CAV to Ukraine within 12 months of publication of this report.

(U) We recommend that the Chief, ODC-Ukraine:

- (CUI) [Redacted]; and
- (U) request written guidance and procedures from the DSCA addressing how and when compensatory measures can replace LOA-directed requirements specified in the NVD storage facility physical security checklist and update their EEUM standard operating procedures to reflect that guidance.



# Results in Brief

## *Evaluation of DoD Enhanced End-Use Monitoring for Equipment Transferred to Ukraine*

### (U) Management Comments and Our Response

(U) The Acting Director of the DSCA agreed with four of the five recommendations directed to the DSCA. Specifically, the Acting Director agreed that Ukraine not receive more NVDs until the Ukrainian Armed Forces provides timely loss reports, or until a DSCA CAV to Ukraine reports positive findings related to NVD accountability. The Acting Director also agreed to a SCIP enhancement allowing security cooperation officials to indicate a disposition status of “Pending Official Documentation” for NVDs reported lost, but for which official partner nation documentation has not yet been received. The Acting Director further agreed to develop a process to permanently mark serial numbers on each NVD, stating that Military Departments will be requested to include a requirement for permanent serial number plates in future contracts with NVD manufacturers. Finally, the Acting Director agreed to schedule a CAV for Ukraine within 12 months of publication of this report. Therefore, the recommendations are resolved, but remain open. We will close these four recommendations when we verify that the Acting Director has implemented the corrective actions.

(U) The Acting Director did not agree with our recommendation to establish a required frequency of CAVs for high-risk countries. The Acting Director stated that requiring a specific frequency for CAVs is unworkable because the ability to conduct a visit within a set timeframe may be impacted by unsafe security conditions, scheduling conflicts, unavailability of support personnel, or other factors beyond the DSCA’s control. We agree that scheduling CAVs involves a number of factors beyond the DSCA’s control, such as constrained internal resources and unsafe operating environments. We also determined that the corrective action plan provided with the DSCA official’s response, which

(U) includes a goal to ensure that Ukraine is included as a priority on an updated CAV schedule, meets the intent of our recommendation. Therefore, this recommendation is resolved, but remains open until we verify that the DSCA has conducted a CAV in Ukraine.

~~(CUI)~~ The ODC-Ukraine Security Cooperation Chief agreed with our recommendations. [REDACTED]

This recommendation is resolved, but open; we will close the recommendation once we have verified that [REDACTED]

(U) The Security Cooperation Chief also stated that his office requested written guidance and procedures from the DSCA stating how and when compensatory physical facility security measures can replace LOA-directed requirements specified in the NVD storage facility physical security checklist. This recommendation is resolved, but open; we will close the recommendation once we have verified that ODC-Ukraine has updated its EEUM standard operating procedures to reflect that guidance.

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

## Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Director, Defense Security Cooperation Agency	None	A.1, A.2, A.3, B.2.a, B.2.b	None
Chief, Office of Defense Cooperation - Ukraine	None	B.1.a, B.1.b	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**

August 27, 2020

MEMORANDUM FOR DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY  
CHIEF, OFFICE OF DEFENSE COOPERATION-UKRAINE

(U) SUBJECT: Evaluation of DoD Enhanced End-Use Monitoring for Equipment  
Transferred to the Government of Ukraine (Report No. DODIG-2020-121)

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

(U) The Acting Director of the Defense Security Cooperation Agency agreed to address all but one of the recommendations presented in the report; however, plans described in the corrective action plan provided with DSCA officials' response meets the intent of our recommendation. We therefore consider all of the recommendations resolved but open. The Chief of the Office of Defense Cooperation in Ukraine also agreed to address all the recommendations presented in the report. As described in the Recommendations, Management Comments, and Our Response section of this report, we will close the recommendations when the Defense Security Cooperation Agency and the Office of Defense Cooperation in Ukraine provide us documentation showing that all agreed-upon actions to implement the recommendations are completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to either [REDACTED] classified SECRET.

(U) If you have any questions, please contact [REDACTED]  
[REDACTED]

A handwritten signature in cursive script that reads "Carolyn R. Hantz".

Carolyn Ramona Hantz  
Assistant Inspector General for Evaluations  
Programs, Combatant Commands, and  
Overseas Contingency Operations



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# (U) Introduction

## (U) Objective

(U) The objective of this evaluation was to determine whether DoD oversight of the military equipment requiring enhanced end-use monitoring (EEUM), including Javelin missiles, Javelin Command Launch Units, and night vision devices (NVD), provided to Ukraine was conducted in accordance with law and DoD guidance.<sup>1</sup> In addition, we determined whether Ukraine’s security and accountability of the EEUM military equipment met the criteria prescribed in agreements, law, and regulation. For more information about our scope and methodology, see the Appendix.

## (U) Background

(CUI) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

(U) Figure 1. Map of Ukraine



Source: Congressional Research Service and DoD OIG.

<sup>1</sup> (U) An explanation of end-use monitoring and enhanced end-use monitoring is provided later in the Background section.  
<sup>2</sup> (U) We were not allowed to visit non-government-controlled areas in the East, where active conflict occurs.

## **(U) U.S. Security Assistance for Ukraine Has Steadily Increased**

(U) Ukraine—comparable in size and population to France—is a large European state located between Russia and North Atlantic Treaty Organization (NATO) member states Poland, Slovakia, Hungary, and Romania. Ukraine is not a member of NATO; however, because of its location, Ukraine has historically played a prominent role in the geopolitical competition between the West and Russia.

(U) In 2014, when the conflict with Russia began in eastern Ukraine, Congress passed the Ukraine Freedom Support Act, which, among other provisions, authorized increased military and economic assistance for Ukraine.<sup>3</sup> Since FY 2016, the Ukraine Security Assistance Initiative, along with more than a dozen other programs, have been financed by the U.S. Government to deter Russia's aggression by increasing the capability of the Ukrainian military.<sup>4</sup> Funding for Ukrainian security assistance has been provided through a combination of Foreign Military Sales and Foreign Military Financing.<sup>5</sup> Since 2014, U.S. security assistance to support Ukraine has totaled approximately \$1.75 billion, including \$250 million in Fiscal Year 2020 Ukraine Security Assistance Initiative funding announced in a June 2020 DoD press release.

~~(CUI)~~ While the DoD provides intelligence support, personnel training, logistics support, and other services to the Ukrainian Armed Forces and National Guard, equipment constitutes a sizeable share of what the U.S. Government sends to Ukraine. For example, the United States began [REDACTED]

[REDACTED] In 2018, the Defense Security Cooperation Agency (DSCA) announced the sale of 210 Javelin anti-tank missiles and their Command Launch Units (CLUs), at an estimated value of \$47 million, to Ukraine. The Javelins represented the first provision of U.S. lethal weaponry to the Ukrainian government since Russia's 2014 invasion of the Crimea and showed, according to a press release from the Chairman of the Senate Armed Services Subcommittee on Emerging Threats and Capabilities, that "...the United States is serious about protecting the interests of our nation and our allies."<sup>6</sup>

<sup>3</sup> (U) Public Law 113- 272, "Ukraine Freedom Support Act of 2014," December 18, 2014.

<sup>4</sup> (U) Public Law 114-92, "National Defense Authorization Act for Fiscal Year 2016," Section 1250, "Ukraine Security Assistance Initiative," November 25, 2015.

<sup>5</sup> (U) The Foreign Military Financing program provides financing of the purchase of defense articles, services, and training (usually on a grant basis) through the Foreign Military Sales system—the U.S. Government's conduit for selling weapons, equipment, and associated training to friendly foreign countries.

<sup>6</sup> (U) The term Security Cooperation Organization refers to those DoD organizations permanently located in a foreign country and assigned responsibilities for carrying out security cooperation management functions, regardless of the actual name given to such a DoD element. In the case of Ukraine, the Security Cooperation Organization is the Office of Defense Cooperation (ODC).

(U) In October 2019, the U.S. Department of State approved a possible sale to Ukraine of an additional 150 Javelin missiles. In March 2020, DoD officials were coordinating requirements for delivery of the missiles to Ukraine.

(U) In December 2019, Congress authorized \$300 million for Ukraine under the Ukraine Security Assistance Initiative, which is part of the National Defense Authorization Act for FY 2020. The act specifically provided for the delivery of air defense and coastal defense radars and anti-ship missile systems.

### ***(U) Ukrainian Military Structure***

(U) The United States provided EEUM equipment to both the Armed Forces of Ukraine and the Ukrainian National Guard. The Armed Forces of Ukraine fall under the jurisdiction of both the Ministry of Defense and the Chief of the Defense Force. The Armed Forces consists of an Army, Navy, Air Force, and Special Operations Command. The General Staff does not report to the Minister of Defense, but to the Chief of the General Staff, who reports to the President of Ukraine.

(U) The Ministry of the Interior oversees the National Guard, whose mission has traditionally been different than that of the Armed Forces. The National Guard, assigned responsibility for armed conflict inside of Ukraine, deploys many of its units to the front lines of the ongoing conflict in eastern Ukraine. In peacetime, the National Guard acts in support of the police. National Guard personnel have a separate reporting chain independent of the Armed Forces and a separate logistics chain independent of the Ukrainian Army.

### ***(U) Routine and Enhanced End-Use Monitoring Processes and Purposes***

(U) The DoD developed the Golden Sentry program in 2001 to comply with the requirements of the Arms Export Control Act. The Arms Export Control Act authorizes the President to control the sale or export of defense articles and services and to establish a program for monitoring the end-use of defense articles provided or sold by the United States. The Golden Sentry End-Use Monitoring program is designed to verify that defense articles or services transferred by the U.S. Government to foreign recipients are being used in accordance with the terms and conditions of the transfer agreement or other applicable agreement, such as a Letter of Offer and Acceptance (LOA).<sup>7</sup>

(U) Under the Golden Sentry program, DoD officials at U.S. embassy missions worldwide conduct two levels of monitoring of defense articles and services: routine end-use monitoring (EUM) and enhanced end-use monitoring (EEUM).

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<sup>7</sup> (U) LOAs are government-to-government sales agreements.

(U) Routine EUM consists of observing, during the conduct of routine security cooperation activities, and monitoring readily available sources of information for any potential misuse or unapproved transfer of U.S.-provided defense articles. For example, the U.S. has provided Ukraine with, among other defense articles, armored Humvees, sniper rifles, and counter-battery radar, all of which require only routine end-use monitoring.

(U) Enhanced EUM requires physical security assessments of the storage facilities and serial number inventories of a specific list of defense articles to verify compliance with the conditions of the LOAs and other transfer agreements. EEUM is required for defense articles and services designated for EEUM by the Military Department's export policy, the inter-agency release process, or by DoD policy, as a result of consultation with Congress. EEUM items are specifically identified as sensitive because unauthorized disclosure or diversion of such equipment would provide a critical military or intelligence advantage to potential adversaries.

~~(CUI)~~ Ukraine has received three types of EEUM items: Javelin missiles, Javelin CLUs, and night vision devices. [REDACTED]

(U) Under the Golden Sentry program, DoD officials conduct monitoring to verify that recipient countries, such as Ukraine:

- (U) use the U.S.-provided defense articles, training, and services only for their intended purpose;
- (U) do not transfer title to or possession of any defense article or related training to anyone that is not an official representative of the recipient country or the U.S. Government without prior written consent of the U.S. Government;
- (U) maintain security over the defense articles with substantially the same degree of protection afforded to them by the U.S. Government; and
- (U) permit observation and review by, and furnish necessary information to, U.S. Government representatives regarding the use of such articles.

### ***(U) Physical Security Assessments for EEUM***

(U) EEUM requires that members of the relevant Security Cooperation Organization conduct physical security assessments of the storage facilities and serial number inventories of a specific watch list of defense articles to verify compliance with the

(U) transfer conditions of the LOAs and other transfer agreements.<sup>8</sup> An LOA contains requirements for EUM or EEUM, depending on the specific defense articles and services that are sold or transferred. The U.S. Government and Ukraine entered into multiple LOAs under which Ukraine agreed to develop a control plan (or compliance plan) to explain how it will comply with all agreements.<sup>9</sup>

(U) The DSCA and the applicable U.S. Military Department facilitate EEUM by developing security checklists that align with the LOA requirements and include physical security and accountability control requirements. The Office of Defense Cooperation (ODC), which U.S. European Command (USEUCOM) funds and oversees and which operates within the U.S. Embassy in Kyiv, is responsible for conducting physical security inspections using the checklists when conducting EEUM inventories to verify that Ukraine complied with the LOA terms.

### ***(U) The Role and Responsibilities of DoD Organizations Implementing the Golden Sentry Program in Ukraine***

(U) For Ukraine, the principal DoD organizations responsible for implementing the Golden Sentry program are the DSCA Directorate of Security Assistance and Equipment, Europe Division; USEUCOM J5/8 - Policy, Strategy, Partnering, and Capabilities; and the ODC-Ukraine, specifically the officials designated to perform security cooperation duties.

### ***(U) The Role of the Defense Security Cooperation Agency in End-Use Monitoring***

(U) The DSCA manages the EUM Golden Sentry program and has the following responsibilities:

- (U) developing and promoting EUM guidance within the DoD using the Security Assistance Management Manual (SAMM), the primary guidance for the EUM program that describes the procedures for monitoring defense articles;
- (U) ensuring that LOAs for defense technologies and weapons systems designated for EEUM contain appropriate security and accountability requirements;
- (U) visiting the combatant command headquarters and the areas of responsibility, the ODCs, host nations, and international organizations to conduct Compliance Assessment Visits (CAV) that assess the ODCs'

<sup>8</sup> (U) The term Security Cooperation Organization refers to those DoD organizations permanently located in a foreign country and assigned responsibilities for carrying out security cooperation management functions, regardless of the actual name given to such a DoD element. In the case of Ukraine, the Security Cooperation Organization is the Office of Defense Cooperation (ODC).

<sup>9</sup> (U) There is no practical or legal difference between the terms Control Plan and Compliance Plan; however, Ukraine has two Control Plans for NVDs and a Compliance Plan for Javelins.

- (U) compliance with Golden Sentry policy as well as partner nations' compliance with specific physical security and accountability agreements, provisos, and other terms of sale and transfer;
- (U) conducting Investigative Visits and Focused Verification Checks that examine possible violations of partner nation obligations imposed by the transfer agreement or other applicable agreement regarding the end use of U.S.-origin defense articles;
  - (U) conducting Familiarization and Assistance Visits that assist ODCs and partner nations in developing EUM programs;
  - (U) drafting and submitting CAV reports to the appropriate combatant command, ODC, other DoD organizations, and the Department of State to ensure EUM compliance and to report possible arms export control act violations; and
  - (U) providing professional training and education for the ODC.

### ***(U) The Role of United States European Command in End-Use Monitoring***

(U) Because Ukraine is located within USEUCOM's area of responsibility, USEUCOM plays a key role in the Golden Sentry EUM program in Ukraine. USEUCOM is required to maintain a primary Golden Sentry Program Manager (GSPM), who is responsible for verifying that specific ODC officials:

- (U) are assigned the Golden Sentry program as their primary responsibility;
- (U) conduct routine EUM and EEUM in accordance with the Golden Sentry program policy and procedures; and
- (U) update all accountability and physical security assessments in the SCIP.

(U) USEUCOM assesses the effectiveness of the ODC's EUM compliance during evaluation visits conducted by the USEUCOM Inspector General.

(U) In addition, according to USEUCOM's End-Use Monitoring Program Standard Operating Procedure, the USEUCOM Golden Sentry Program Manager is responsible for conducting two different categories of Staff Assistance Visits. One type of Staff Assistance Visit is periodic and is conducted 60 to 90 days before a DSCA inspection. The periodic visit helps the ODC officials charged with security cooperation manage their EUM programs and prepare for future DSCA CAVs. The second category of Staff Assistance Visit occurs when the DSCA has not conducted a CAV during the tenure of the most senior security cooperation official within the ODC responsible for security cooperation and end-use monitoring.

### ***(U) The Role of the Security Cooperation Organization in End-Use Monitoring***

(U) The ODC is the Security Cooperation Organization that has primary responsibility for Golden Sentry program execution within Ukraine. The ODC:

- (U) conducts EEUM in accordance with established checklists to verify that Ukrainian recipients comply with the physical security and accountability requirements in the LOAs;
- (U) immediately reports the destruction or loss of any EEUM-designated defense articles to the DSCA;
- (U) uses the SCIP-EUM database to establish and maintain a baseline of all EEUM-designated defense articles and services exported via government-to-government transfers to Ukraine; and
- (U) conducts annual serial number inventories to verify that all EEUM-designated defense articles in Ukraine are accounted for, including the verification and recording of an item's final disposition (for example, whether a missile was fired, lost, or destroyed) into the SCIP.

### ***(U) Security Cooperation Information Portal***

(U) The Security Cooperation Information Portal (SCIP) is an electronic database operated by the DSCA that contains information about EUM and EEUM equipment, such as serial number, location, and last date of inspection. The EUM and EEUM application within SCIP provides reports that help responsible officials within the DSCA and the ODC plan future inspections and identify sites that have not been inspected within required timeframes.

## (U) Finding A

### (U) DoD Officials Maintained Limited Visibility Over Night Vision Devices, While Closely Tracking Javelins Provided to Ukraine

(U) DoD officials complied with the EEUM requirements for the Javelin missiles and their Command Launch Units. However, the DoD did not fully comply with EEUM physical inventory requirements for NVDs until 2018, despite the fact that Ukraine's Armed Forces first received them in 2014. The ODC-Ukraine did not start conducting the required EEUM physical inventories for NVDs in Ukraine until 2018. This occurred because the large increase in U.S. assistance was not matched by an increase in U.S. Embassy staff, and the prohibition on U.S. officials traveling to eastern parts of Ukraine, where some equipment was deployed.

~~(CUI)~~ Almost two years after the EEUM physical inspections began, we found in the first quarter of FY 2020 that the SCIP contained inaccurate information about the location and condition of NVDs. [REDACTED]

(U) The information in the DoD's database was inaccurate because:

- ~~(CUI)~~ [REDACTED]
- (U) No information field or code was included in the SCIP to denote items that had been lost or destroyed, for which a formal loss report had not been submitted. Two months after completion of our November 2019 site visits to observe the EEUM physical inventory of NVDs, the ODC-Ukraine had not updated the SCIP with information about NVD losses at the five sites where we identified misreported information because the SCIP does not provide an information field to report the date of an unconfirmed loss pending the receipt of an official loss report.
- ~~(CUI)~~ [REDACTED]

(U) [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

In addition, DoD officials cannot confirm how well Ukrainian Armed Forces and National Guard are safeguarding NVDs and, as a result, U.S. decisions on future equipment assistance may be negatively impacted.

**(U) DoD Officials Closely Tracked Javelins Provided to Ukraine**

(U) DoD officials complied with the EEUM requirements for the Javelin missiles and their Command Launch Units (CLUs) delivered to Ukraine in 2018. To maintain an accurate baseline of the EEUM-designated defense articles, the SAMM requires DoD officials to ensure that the partner nation reports any losses, including expenditures of EEUM articles, and to enter the information in the SCIP-EUM database. A DSCA official also informed us that specific locations for missiles and their CLUs must be masked in the SCIP. We found that the SCIP accurately reflected the serial numbers and encoded locations of the Javelin missiles and their CLUs. During our visit to Ukraine in November 2019, we conducted a 100 percent physical inventory of all Javelin missiles and the CLUs in Ukraine and verified that the SCIP data on the Javelins’ serial numbers and locations were accurate for all Javelin missiles and 35 CLUs.

**(U) DoD Officials Did Not Monitor NVDs Before 2018**

(U) The DoD did not comply with EEUM physical inventory requirements for NVDs until 2018. The United States began providing NVDs to Ukraine in 2014. The regular Ukrainian military had collapsed and, from 2014 to 2016, the central government in Kyiv relied heavily on volunteer battalions. However, by the end of 2016, the Ukrainian military was fully staffed, logistically supported, and had a solid military structure. Nevertheless, ODC officials did not conduct inventories or inspections of the NVDs before 2018 and, as a result, the SCIP did not have current information about the location or condition of NVDs. In 2018, a U.S. Army officer was assigned to the ODC in Kyiv to monitor sensitive equipment, among other duties. Accompanied by locally employed staff, he began traveling throughout Ukraine to conduct the required EEUM physical inventories of NVDs at Armed Forces and National Guard sites.

## **(U) Increase in U.S. Security Assistance Not Matched With Increased DoD Staff**

(U) Officials from the U.S. Embassy in Kyiv explained that, before 2018, the ODC lacked enough staff to properly monitor EUM and EEUM equipment. The large increase in U.S. defense assistance spending to Ukraine from \$35 million in 2013 to \$400 million in 2019 was not matched by an increase in ODC staffing. In addition, U.S. Embassy officials stated that a USEUCOM policy required any DoD official who wanted to go east of the Dnieper River to obtain an approved Force Protection Concept of Operations. Since the main international airport servicing Kyiv is east of the Dnieper River, it was difficult for DoD officials to visit Ukraine.

## **(U) SCIP Did Not Accurately Track NVDs in Ukraine**

(~~CUI~~) Ukraine's Armed Forces first received NVDs in 2014; however, by the first quarter of FY 2020, information in the SCIP contained inaccurate information about the location and condition of NVDs. [REDACTED]

(U) Although the DSCA's Security Assistance Management Manual (SAMM) designates the SCIP as the database of record for EEUM equipment, including NVDs, ODC personnel maintained separate spreadsheets to track EEUM equipment. This occurred because of the impracticality of using the SCIP, which requires a secure Internet connection, while conducting physical inventories at Ukrainian sites. While the ODC inventory tracker reflected the quantity and location of EEUM items more accurately than the SCIP, neither source provided fully accurate information about the location and condition of NVDs.

(~~CUI~~) During our site visits, we verified that the serial numbers, conditions, and locations of the Javelins and their CLUs were accurately recorded in the SCIP.

[REDACTED] Specifically, we observed the following:

- (~~CUI~~) [REDACTED]

<sup>10</sup> (~~CUI~~) [REDACTED]

(~~CUI~~) [Redacted]

- (~~CUI~~) [Redacted] The NVD serial numbers at the five National Guard units were recorded accurately in ODC’s inventory tracker, but not in SCIP.
- (~~CUI~~) [Redacted] The NVD serial numbers were also accurately recorded.

**(U) Ukrainian Officials Did Not Report Losses Promptly, and U.S. Officials Did Not Enter Lost or Stolen Equipment Into SCIP or Fix Serial Number Stickers Permanently Onto Devices**

(U) NVDs were not accurately reported in the SCIP for three reasons:

- (U) Ukrainian officials failed to report the loss of NVDs in a timely manner,
- (U) the SCIP lacked an information field to record a loss as pending official verification,
- (U) NVD serial numbers were difficult or impossible to read because of illegible or missing serial number stickers.

***(U) Ukraine Did Not Report the Destruction, Loss, or Theft of NVDs Within the Required Timeframe***

(~~CUI~~) The Armed Forces of Ukraine did not always report the loss of their EEUM inventory in a timely manner. [Redacted]

[Redacted]

(~~CUI~~) [Redacted]

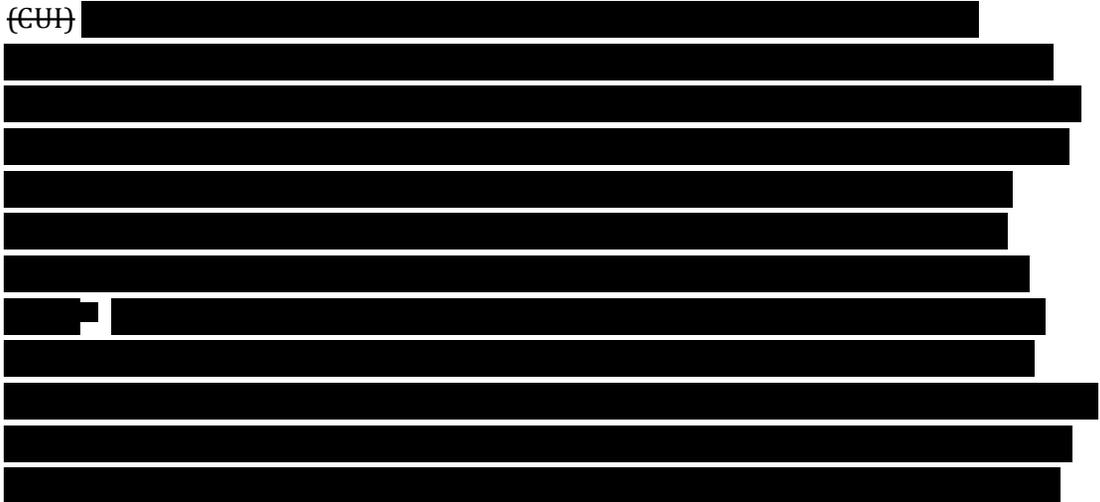
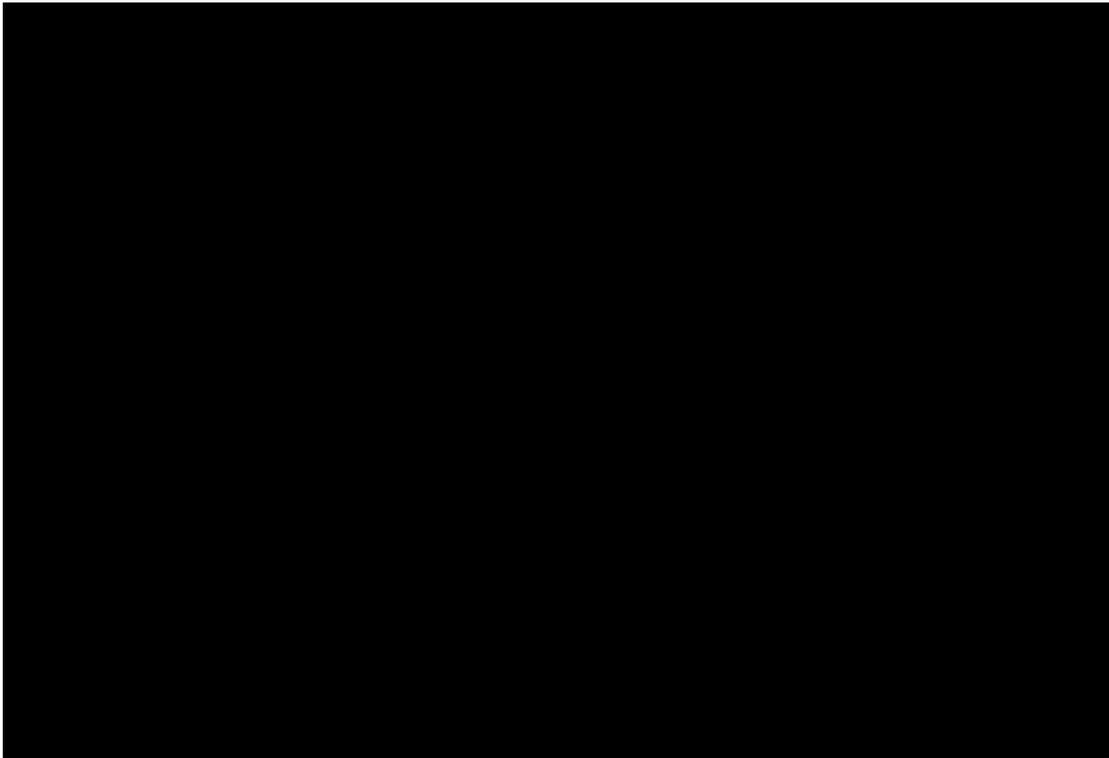


Figure 2 shows recovered pieces of destroyed NVDs sent to the Office of Defense Cooperation in Ukraine for demilitarization.



(CUI) Figure 2.  
Source: Office of Defense Cooperation in Kyiv, Ukraine.

(CUI) The DSCA sent us 10 NVD loss reports from the Armed Forces of Ukraine before our site visit in November 2019; these were still the only loss reports the DSCA had received through the ODC-Ukraine as of March 2020.

<sup>11</sup> (U) An image intensifier tube increases the intensity of available light in night vision devices in low light conditions.

(CUI) [Redacted]

(U) The LOAs lack any enforcement mechanism for the requirement to report losses immediately or to file an official loss report within 30 days. ODC officials also said that they had repeatedly raised the issue of timeliness of the loss reports with Ukrainian officials. They cited three possible reasons for the continued failure to provide timely reports:

- (U) Ukrainian Armed Forces leadership did not make EEUM a priority,
- (U) senior Ukrainian Armed Forces leadership “impose no consequences” on lower-level commanders for losses and mismanagement of U.S.-provided defense items, and
- (U) a propensity by Ukrainian leadership to avoid creating personal liability in the form of fines of up to three times the cost of the device imposed on soldiers who lose NVDs.

***(U) SCIP Does Not Allow Users to Report Unconfirmed Equipment Losses***

(U) The SAMM requires ODC officials to immediately report the destruction or loss of any EEUM-designated item and annotate disposition of those items in the SCIP-EUM database to the DSCA. However, we found that the SCIP did not include all updates, specifically for NVD losses, several weeks after completion of the ODC inspections we observed. According to ODC representatives, the ODC-Ukraine does not annotate a device as lost until the ODC-Ukraine has received an official report from the Ukrainian General Staff. While the SCIP enables users to annotate inventory losses after receiving an official loss report, it does not provide an information field to report the date of an unconfirmed loss pending the receipt of an official loss report. As a result, the SCIP may show equipment as present at a specific location when it has, in fact, been destroyed, lost, or stolen months earlier.

(CUI) [Redacted]

(CUI) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**(U) Serial Number Stickers on NVDs Were Not Durable**

(CUI) [REDACTED]

[REDACTED]

[REDACTED] According to ODC officials, the loss of serial number stickers occurred more frequently during operational deployments or combat. [REDACTED]

[REDACTED]

[REDACTED] At one unit, 9 out of 80 devices had stickers that could not be read or were missing. Figure 3 demonstrates a device with a sticker where the serial number information has become illegible, and Figure 4 shows another device where the serial number has been engraved, making it easier to inventory the NVDs.



(U) Figure 3. Sticker with Illegible Serial Number on an NVD  
Source: General Staff of the Armed Forces of Ukraine.

<sup>12</sup> (CUI) [REDACTED]

[REDACTED]



(U) Figure 4. Engraved Serial Number on an NVD  
Source: General Staff of the Armed Forces of Ukraine.

(CUI) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] Stickers on NVDs were

~~(CUI)~~ not always durable under deployment conditions. During a site visit, we observed a National Guard unit beginning to engrave its NVDs, and we learned that some of the Armed Forces units had also started engraving their NVDs.

## **(U) The DoD Cannot Ensure That NVDs Are Being Used for Their Intended Purpose in Ukraine**

~~(CUI)~~ [REDACTED]

Furthermore, the DoD's support to Ukraine may be negatively impacted as DoD officials could not confirm how well Ukrainian Armed Forces and National Guard safeguarded NVDs, which could result in denial of future requests for assistance.

## **(U) Recommendations, Management Comments, and Our Response**

### ***(U) Recommendation A.1***

**(U) We recommend that the Defense Security Cooperation Agency Director withhold her recommendation that Ukraine be eligible to receive more night vision devices until the Ukrainian Armed Forces begin providing loss reports in a timely manner, as described under the terms of the Letters of Offer and Acceptance.**

### ***(U) The Defense Security Cooperation Agency Acting Director Comments:***

(U) The DSCA Acting Director agreed with the recommendation that Ukraine should not receive additional NVDs until the Government of Ukraine provides timely loss reports. The Acting Director stated that the DSCA will reconsider this position after all NVD losses are properly identified in the SCIP-EUM database, the Government of Ukraine reports losses within 30 days, as required by the terms of the LOA, or after a DSCA CAV to Ukraine reports no significant findings related to NVDs. Additionally, the Acting Director provided a May 31, 2021 estimated completion date for the contract modification required to establish a new SCIP-EUM enhancement to properly identify pending loss reports.

### ***(U) Our Response***

(U) Comments from the DSCA Acting Director addressed the specifics of the recommendation; therefore, the recommendation is resolved, but open. We will close the recommendation once we verify that the DSCA has confirmed that all NVD

(U) losses in Ukraine are properly identified in the SCIP-EUM database, that the Armed Forces of Ukraine and the National Guard of Ukraine are reporting all NVD losses to the ODC-Ukraine within 30 days, or that a DSCA CAV to Ukraine reports no significant discrepancies related to NVDs.

### ***(U) Recommendation A.2***

**(U) We recommend that the Defense Security Cooperation Agency Director develop a new information field within the Security Cooperation Information Portal to record devices that have been reported as lost but for which the partner nation has not yet transmitted an official investigation report.**

#### ***(U) Defense Security Cooperation Agency Acting Director Comments:***

(U) The DSCA Acting Director agreed with the recommendation to enhance the SCIP's features to allow security cooperation officials to indicate a disposition status of "Pending Official Documentation" for NVDs reported lost, but for which official partner nation documentation has not yet been received. With this update to the SCIP, the lost NVD will be categorized as "Pending Official Documentation" until the documentation is uploaded to the SCIP and the item's status is permanently changed to "Loss." The Acting Director identified a requirement for a contract modification to update the SCIP to meet the intent of the recommendation and provided an October 31, 2021, estimated completion date for the contract modification.

#### ***(U) Our Response:***

(U) Comments from the DSCA Acting Director addressed the specifics of the recommendation; therefore, the recommendation is resolved, but open. We will close the recommendation once we verify that DSCA officials have confirmed that the SCIP has been updated with the addition of a new information field to indicate the status of NVDs which have been reported by the partner nation as lost and for which the partner nation has not yet submitted an official investigation report.

### ***(U) Recommendation A.3***

**(U) We recommend that the Defense Security Cooperation Agency Director, in coordination with the Commanding General of U.S. Army Security Assistance Command, develop a process to permanently mark serial numbers on each Night Vision Device to avoid serial number stickers that, with use, can become detached from the device or become illegible.**

***(U) Defense Security Cooperation Agency Acting Director Comments***

(U) The DSCA Acting Director agreed with the recommendation that Military Departments include a requirement for permanent serial number plates in future contracts with NVD manufacturers. The Acting Director plans to have the contract requirement in place by December 31, 2022, and stated that partner nations would bear the additional contract cost associated with affixing permanent serial numbers to NVDs.

***(U) Our Response:***

(U) Comments from the DSCA Acting Director addressed the specifics of the recommendation; therefore, the recommendation is resolved, but open. We will close the recommendation once the DSCA, in coordination with the Military Departments or subordinate agencies of the Military Departments, such as the U.S. Army Security Assistance Command, develops and implements a process to permanently mark serial numbers on each NVD.

## (U) Finding B

### (U) Ukraine Met U.S. Requirements for Physical Security at Facilities Storing Military Equipment Requiring Enhanced End-Use Monitoring, But Targeted Improvements Will Increase Protections

(U) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

(U) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

(U) [REDACTED] occurred because DSCA officials did not carry out their oversight roles required in the SAMM to provide Familiarization Assistance Visits and compliance inspections. The DSCA did not conduct a CAV to evaluate ODC officials' compliance with Golden Sentry EUM and EEUM policy and the partner nation's compliance with specific physical security requirements. In addition, ODC officials did not annotate [REDACTED] on their EEUM inspection checklists at [REDACTED]  
[REDACTED]  
[REDACTED]

(U) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

## **(U) Javelin Missile and Command Launch Units Were Stored in Accordance With U.S. Requirements**

~~(U)~~ Ukraine's physical security for storing Javelin anti-armor missiles and their associated CLUs generally met EEUM criteria prescribed in Letters of Offer and Acceptance. [REDACTED]

### ***(U) The Armed Forces of Ukraine Provided the Required Level of Physical Security Storage for Javelin Missiles and CLUs***

(U) Ukraine's physical security for storing Javelin anti-armor missiles and their associated CLUs generally met EEUM criteria prescribed for physical security and storage in LOAs. The DoD Manual 5100.76 covers the physical security requirements for storage of the Javelin and the CLUs and includes 11 physical security areas such as fencing, lighting, and key control.<sup>13</sup>

~~(U)~~ [REDACTED] During site visits, we used the DSCA-developed Javelin and CLU physical security and accountability checklist to assess compliance. We used the DSCA-provided security checklist after cross-referencing the DSCA checklist requirements with the Javelin Compliance Plan requirements and with other relevant LOA-specified requirements and determining that the checklist covered all requirements. We determined, through physical observation, interviews, and completion of the Javelin and CLU physical security checklists that the Armed Forces of Ukraine provided physical security storage for Javelin missiles and CLUs that met or exceeded the Javelin Compliance Plan and the LOA requirements.

~~(U)~~ [REDACTED]

<sup>13</sup> DoD Manual (DoDM) 5100.76, "Physical Security Of Sensitive Conventional Arms, Munitions, And Explosives," April 17, 2012, (Incorporating Change 1, May 8, 2018).

<sup>14</sup> (U) Compliance Plan from the General Staff of the Armed Forces of Ukraine Physical Security and Accountability of Javelin Weapon System, dated April 5, 2018.

(CUI) [Redacted]

[Redacted] These physical security provisions specific to the storage facility met the requirements within the LOA and defined within DoD Manual 5100.76 for the Javelin weapon.

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

<sup>15</sup> (U) Security Risk Category (SRC) is a risk designation for Arms, Ammunitions, and Explosives based on its utility, casualty or damage effect, adaptability, and portability. DoD Manual 5100.76 designates the Javelin Command Launch Unit as SRC III, or “Moderate Sensitivity.” There are specific physical security requirements for each Security Risk Category I through IV, with SRC I the most stringent.

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) The U.S. Army develops the NVD facility physical security criteria that are included within each LOA for NVDs provided by the DoD to a partner nation.

[Redacted]

(CUI) [REDACTED] As required by the SAMM, chapter 8, the Military Department’s international affairs unit coordinates with DSCA and other key organizations to develop an NVD checklist that lists specific guidance on how to implement double-barrier protection and controlled access. Ukrainian facilities with EEUM NVDs must comply with seven specific physical security requirements listed in the NVD physical security checklist. These seven requirements, contained in each of the NVD LOAs, were available to the ODC-Ukraine through the SCIP. [REDACTED]

- (CUI) [REDACTED]
- (CUI) [REDACTED]
- (CUI) [REDACTED]
- (CUI) [REDACTED]
- (CUI) [REDACTED]
- (CUI) [REDACTED]
- (CUI) [REDACTED]

(CUI) [REDACTED]

(CUI) [REDACTED]

[REDACTED]

(CUI) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(CUI) [REDACTED]

[REDACTED]

[REDACTED]

(CUI) [Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

(CUI) [Redacted]  
[Redacted]

(CUI) [Redacted]  
[Redacted]

(CUI) [Redacted]  
[Redacted]

**(U) ODC Officials Conducted NVD Storage Physical Security Inspections but Did Not Always Document Non-Compliance With Security Requirements**

(~~CUI~~) [Redacted]

(~~CUI~~) ODC personnel did not document storage site physical security deficiencies at the [Redacted] or confirm with the DSCA what kind of mitigations might be acceptable in lieu of strict adherence to the requirements. These deficiencies, if identified as part of the ODC physical security assessment, could have been provided to Ukrainian officials so that corrective action could be initiated. According to the SAMM, ODC staff are required to assess the physical security of partner-nation storage sites or other facilities where EEUM-designated defense articles are kept to verify that recipients are complying with the terms and conditions stated in the transfer agreement or LOA. [Redacted]

[Redacted]

[Redacted] He also stated that ODC staff seek guidance from the DSCA if storage sites do not meet specific physical security requirements. However, we could not find where the DSCA provided any guidance in its EEUM procedures that specified whether all, or just some, checklist security measures must be met. In addition, USEUCOM staff did not provide specific guidance on whether, and under what circumstances, alternate security provisions, such as an alarm system or cameras, could serve to waive a particular checklist requirement.

**(U) The DSCA Could Have Prevented Potential Shortfalls in Physical Security and Planning by Conducting More Oversight**

(U) The DSCA did not conduct any CAVs to evaluate ODC-Ukraine compliance with Golden Sentry EUM and EEUM policy or the partner nation’s compliance with specific physical security requirements for the protection of EEUM defense articles. DSCA oversight could have prevented potential shortfalls in physical security

(U) and planning for EEUM during transportation and deployments. The DSCA also did not evaluate Ukraine's compliance with physical security and accountability requirements, as set forth in the various NVD LOAs. With a CAV, DSCA could have:

- (U) identified the gaps in NVD storage sites' physical security,
- (U) cited U.S. officials for not consistently requiring adherence to specific measures outlined in Ukraine's NVD Control Plan, and
- ~~(CUI)~~ [REDACTED]

### ~~(CUI)~~ DSCA Officials [REDACTED] Did Not Conduct Assessments

~~(CUI)~~ [REDACTED]

[REDACTED] Despite this, the DSCA never conducted a CAV in Ukraine.<sup>16</sup>

(U) The DSCA published a schedule of inspections in February 2019 advising Combatant Commands of DSCA EUM CAVs planned for CY 2019. The same message listed countries, including Ukraine, under consideration for a Familiarization Assistance Visit or CAV during CY 2020. In October 2019, the DSCA published a schedule listing the countries, including Ukraine, for which it planned a CAV between October and December 2019. However, the DSCA did not conduct a CAV in Ukraine in 2019.

(U) According to the SAMM, each CAV is unique to the partner nation and to the equipment being assessed and can be tailored to a specific partner nation's EEUM situation. Additionally, the SAMM states that ODC officials should be prepared for a DSCA-led CAV every 18 to 24 months. However, until DSCA conducts a CAV, the DSCA cannot directly review and evaluate ODC-Ukraine and partner nation compliance with Golden Sentry EUM Policy, Physical Security, and accountability requirements. As a result, U.S.-provided EEUM-designated defense articles were at risk of loss, misuse, diversion, and reverse engineering.

<sup>16</sup> Section C8.5.3.1 of the Security Assistance Management Manual identifies a number of factors, including the types and quantities of defense items requiring EEUM, current or previous reports of concerns relative to the country's protection of U.S.-provide defense articles, and the region's political or military stability, in establishing risk.

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

(CUI) [Redacted]

The loss or theft of NVDs could compromise the technological advantages and security of the United States and its allies. Furthermore, failure to identify weaknesses in the partner-nation NVD storage facilities and failure to require partner nations to correct deficiencies that are noted increases the risk that these devices could be stolen or misused.

## (U) Recommendations, Management Comments, and Our Response

### (U) Recommendation B.1

(U) We recommend that the Office of Defense Cooperation-Ukraine Security Cooperation Chief:

- a. (CUI) [Redacted]

- b. (U) Request written guidance and procedures from the Defense Security Cooperation Agency addressing how and when compensatory measures can replace Letter of Offer and Acceptance-directed requirements specified in the Night Vision Device storage facility physical security checklist; and update Enhanced End-Use Monitoring Standard Operating procedures to reflect that guidance.

***(U) Security Cooperation Chief, Office of Defense Cooperation-Ukraine Comments:***

(~~CUI~~) [REDACTED]

(U) The Security Cooperation Chief, ODC-Ukraine, agreed with the recommendation to request written guidance and procedures from the DSCA addressing how and when compensatory measures can replace LOA-directed requirements specified in the NVD storage facility physical security checklist. Specifically, the Security Cooperation Chief stated that the Office of Defense Cooperation-Ukraine has requested that the DSCA provide written guidance addressing the replacement of LOA-directed physical security requirements with compensatory measures.

***(U) Our Response:***

(~~CUI~~) Comments from the Security Cooperation Chief addressed the specifics of the recommendation [REDACTED]

[REDACTED] Therefore, the recommendation is resolved, but open. [REDACTED]

(U) Additionally, comments from the Security Cooperation Chief addressed the specifics of the recommendation to request written guidance and procedures from the DSCA addressing how and when compensatory measures can replace

(U) LOA-directed requirements specified in the NVD storage facility physical security checklist. Therefore, the recommendation is resolved, but open. We will close the recommendation once we have verified that ODC-Ukraine has updated its EEUM standard operating procedures to reflect that guidance.

### ***(U) Recommendation B.2***

**(U) We recommend that the Defense Security Cooperation Agency Director:**

- a. **(U) Establish a frequency for Compliance Assessment Visits for countries identified as high risk, according to the criteria established in the Security Assistance Management Manual, with intervals between Compliance Assessment Visits not to exceed a maximum time specified by the Defense Security Cooperation Agency.**
- b. **(U) Reschedule a Compliance Assessment Visit for Ukraine within 12 months of publication of this report.**

### ***(U) Defense Security Cooperation Agency Acting Director Comments:***

(U) The DSCA Acting Director disagreed with our recommendation to establish a frequency for CAVs for countries identified as high risk because requiring a specific frequency would be unworkable due to factors beyond the DSCA's control, such as unsafe security conditions, scheduling conflicts, and the unavailability of support from the Security Cooperation Organization in the country to be visited.

(U) The Acting Director agreed with the recommendation to reschedule a Compliance Assessment Visit for Ukraine within 12 months of publication of this report and specified that CAV to Ukraine will be completed in Fiscal Year 2021.

### ***(U) Our Response***

(U) We agree that the DSCA faces factors outside of its control when scheduling CAVs, such as possible unsafe conditions and constrained internal resources. Because the scope of our work did not include countries outside of Ukraine, we cannot cite evidence that a failure to prioritize conducting CAVs in high risk countries has caused harm beyond the single case of Ukraine. We also determined that the corrective action plan provided with the DSCA official's response includes a goal to ensure that Ukraine is included as a priority on an updated CAV schedule. Therefore, by agreeing to ensure that Ukraine is included as a priority on an updated CAV schedule, current pandemic-related travel restrictions permitting, the DSCA has met the intent of both parts of our recommendation. Therefore, the recommendation is resolved, but open. We will close the recommendation once we verify that the DSCA has conducted a CAV in Ukraine.

## (U) Appendix

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### (U) Scope and Methodology

(U) We conducted this evaluation from July 2019 through March 2020 in accordance with the “Quality Standards for Inspection and Evaluation,” published in January 2012 by the Council of Inspectors General on Integrity and Efficiency. Those standards require that we adequately plan the evaluation to ensure that objectives are met and that we perform the evaluation to obtain sufficient, competent, and relevant evidence to support the findings, conclusions, and recommendations. We believe that the evidence obtained was sufficient, competent, and relevant to lead a reasonable person to sustain the findings, conclusions, and recommendations.

~~(CUI)~~ To determine whether the DoD had conducted oversight of the military equipment requiring enhanced end-use monitoring in Ukraine, we reviewed relevant laws and regulations, DoD policy guidance, and reports and other documents. We analyzed end-use monitoring data from the SCIP and interviewed officials from the DSCA, the DTSA, and the Department of State. Specifically, we interviewed State Department officials in the Bureau of Europe and Eurasian Affairs, and the Office of Regional Security and Arms Transfer in Washington, D.C., and officials at the U.S. Embassy in Kyiv. We interviewed members of Ukraine’s General Staff, the Ministry of Defense, and the National Guard headquarters in Kyiv. We also interviewed unit commanders and military members [REDACTED]

~~(CUI)~~ At each of [REDACTED], we independently conducted a 100-percent serial number inventory of all EEUM items and a physical security inspection of the EEUM storage based on our own analysis of the DSCA criteria and the terms and conditions drawn from relevant LOAs. For example, during our site visits we observed whether storage entrances had sufficient lighting and locks were of the required size.

(U) We based our site selection on three factors: location (geographical diversity), type of military unit (for example, Armed Forces versus National Guard, Army versus Navy), and availability during our proposed duration of travel. Availability was limited because of troop deployments and trainings. Geographical diversity was also limited because the embassy Regional Security Office restricted the team (and all U.S. personnel) from visiting certain locations in the eastern part of the country, such as the Donetsk Oblast. These sites consisted of Armed Forces, Navy, and National Guard operational units, and administrative training centers and military academies.

(U) We also reviewed policy and guidance documents governing the DoD's Golden Sentry program for End-Use Monitoring and Enhanced End-Use Monitoring. This included the DSCA's SMM, DSCA's DoD Transfer of Night Vision Devices Handbook, the ODC-Ukraine's Standard Operating Procedures, the SCIP Customer Assistance Handbook, and USEUCOM regulations and relevant program Standard Operating Procedures. We also reviewed relevant DoD guidance, such as DoD Manual 5100.76.<sup>17</sup>

(U) We also obtained and analyzed:

- (U) USEUCOM Staff Assistance Visit reports from 2015 to 2020,
- (U) USEUCOM Inspector General Reports for the ODC-Ukraine from 2013 to 2019,
- (U) Ukrainian reports of lost or destroyed U.S. equipment (translated from Ukrainian to English) from 2015 to 2019,
- (U) Ukrainian control and compliance plans for safeguarding U.S. equipment from 2017 to 2018, and
- (U) DSCA physical security checklists required for inspecting the storage of enhanced end-use equipment in Ukraine.

(U) We used the SCIP-EUM database to identify defense articles provided to Ukraine that required EEUM and the compliance actions taken for the items. Specifically, we asked the DSCA to provide us with "Ad Hoc" reports for Ukraine from the SCIP, which included multiple categories of information on defense articles that required enhanced end use monitoring, such as their location, Foreign Military Sale case number, the date of last inventory, and "disposition status" (their condition).<sup>18</sup> We also compared the serial numbers obtained from the SCIP with serial numbers for NVDs provided by the ODC-Ukraine. We reviewed the data in each list for duplicate serial numbers and misspellings to verify the efficacy of the data.

## (U) Use of Computer-Processed Data

~~(CUI)~~ We used computer-processed data obtained from the SCIP-EUM database. Specifically, we used SCIP inventory reports to verify that the ODC's EEUM process accounted for defense articles by serial number and description at each of the evaluated locations. To assess the reliability of computer-processed data, we verified that Government officials identified the EEUM-designated defense articles in the SCIP-EUM database for the country of Ukraine, conducted a completeness

<sup>17</sup> (U) DoD Manual (DoDM) 5100.76, "Physical Security Of Sensitive Conventional Arms, Munitions, And Explosives," April 17, 2012 (Incorporating Change 1, May 8, 2018).

<sup>18</sup> (U) Ad Hoc reports are SCIP reports where the user selects criteria and fields to view in a report format. Disposition Status is an information field in SCIP, which allows the user to see whether an item in inventory has been observed and its serial number confirmed, among other options.

(~~CUI~~) test, and checked for duplication of serial numbers associated with individual EEUM defense articles. To validate completeness, we conducted a 100-percent inventory of EEUM designated defense articles by serial number [REDACTED]. We subsequently compared the aggregated EEUM list from our physical inventory against the serial numbers within the SCIP-EUM database. We determined the data were sufficiently reliable for the purposes of the report.

## (U) Prior Coverage

(U) During the last 5 years, the Government Accountability Office (GAO) and the DoD Office of Inspector General issued three reports discussing end-use monitoring of equipment transferred to Allies and partner nations.

(U) Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD OIG reports can be accessed at [www.dodig.mil/reports](http://www.dodig.mil/reports).

## (U) GAO

(U) Report No. GAO 20-176, “Actions Needed to Assess U.S. Activities and Ensure Timely Inspections of Equipment Transferred to Lebanon,” December 2019

(U) Department of Defense standards require the Office of Defense Cooperation in Beirut to conduct enhanced end-use monitoring for sensitive defense articles, such as night vision devices provided to the Lebanese Armed Forces. The DoD conducted required inventory checks of equipment provided to Lebanese forces but did not meet its own timeliness standards for nearly one-third of its observations. According to DoD officials, the method the DoD uses to determine when it should complete annual inspections does not consider the date of the equipment’s last inspection, which results in some inspections taking longer than prescribed by DoD’s timeliness standards. Without conducting checks in a timely manner, the DoD cannot fully ensure the equipment is properly accounted for and safeguarded.

(U) Report No. GAO 16-435, “U.S. Government Should Strengthen End-Use Monitoring and Human Rights Vetting for Egypt,” April 2016

(U) The DoD completed all required end-use monitoring inventories and physical security inspections of storage sites for missiles and night vision devices (NVDs) in FY 2015, but the DoD lacked documentation showing that it completed physical security inspections for these sensitive items in prior years. Despite agreeing to give access, the Government of Egypt prevented DoD officials from accessing a storage site to verify the physical security of some NVDs. For example, on at least two occasions before FY 2015, Egyptian officials prevented U.S. personnel from conducting required physical

(U) security inspections at a storage site housing many of Egypt's U.S.-origin NVDs that at the time were subject to Golden Sentry enhanced end-use monitoring. A DoD official stated that he asked Egyptian officials to comply with the requirement to permit physical inspections of NVD storage facilities, but the officials did not comply.

**(U) DoD OIG**

(U) Report No. DODIG-2017-056, "U.S. European Command Needs to Improve Oversight of the Golden Sentry Program," February 17, 2017

(U) USEUCOM did not effectively conduct the Golden Sentry Program. Specifically, Security Cooperation Organization officials for two of four countries did not correctly perform oversight duties when conducting enhanced end-use monitoring of defense articles, including Javelin missiles and night vision devices. Although the report did not identify any misuse of these defense articles, their compromise, theft, or misuse could jeopardize the safety and security of DoD personnel, missions, and installations worldwide.

## (U) Management Comments

### (U) Defense Security Cooperation Agency



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

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Response to the Department of Defense Office of Inspector General (OIG)  
Evaluation of Department of Defense Enhanced End-Use Monitoring (EUM) for  
Equipment Transferred to the Government of Ukraine (Project No. D2019-  
DEVOPB-0169.000)

Thank you for the opportunity to review and respond to your recommendations provided in the subject report. I reviewed and concur with recommendations A.1, A.2, A.3, and B.2.b. The attached corrective action plan lists a description of the actions taken and actions planned in order to accomplish these recommendations.

I non-concur with recommendation B.2.a. for the DSCA Director to establish a required frequency by which DSCA must conduct Compliance Assessment Visits (CAV) for high risk countries. There are several considerations in determining if a country is “high risk” and the designation does not necessarily imply non-compliance with EUM requirements. Though DSCA prioritizes high risk countries, a number of other factors – including security conditions, SCO availability, and other conditions beyond DSCA’s control (E-SAMM C8.5.3.1) – inform DSCA’s recommended two-year CAV schedule. By continuously assessing these factors and updating planned CAV schedules annually, DSCA ensures a proper CAV balance across all countries with EUM requirements. Additionally, the CAV is not the only mechanism with which DSCA can assess EUM compliance. For example, DSCA has developed a continuous feedback loop within the SCIP-EUM database for SCOs to update the status of corrective actions DSCA recommended following a CAV. These updates allow DSCA to actively monitor and address identified issues and ensure partner nations, regardless of assessed risk, are complying with the terms and conditions of the LOAs and other applicable EUM requirements. DSCA also has the option to conduct Focused Verification Checks to countries to address targeted areas of concern.

I appreciate the thorough and comprehensive work that went into this report. I have directed my staff to monitor the implementation of recommendations identified in this report as outlined in the attached Corrective Action Plan.

Please direct any questions or comments regarding this response to my primary action officers for this matter:

[REDACTED]

ABERCROMBIE.CA  
R.A.L. [REDACTED]  
Digitally signed by  
ABERCROMBIE.CARAL [REDACTED]  
Date: 2020.08.04 15:46:28 -0400

Cara L. Abercrombie  
Acting Director

Attachment:  
As stated

# (U) DSCA Corrective Action Plan for Recommendations

	<p style="text-align: center;"><b>Corrective Action Report</b></p> <p style="text-align: center;"><b>“Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine” June 23, 2020 (DODIG Project No. D2019-DEVOPB-0169.000)</b></p> <p style="text-align: center;"><b>DEFENSE SECURITY COOPERATION AGENCY (DSCA)</b></p> <table border="0"> <tr> <td style="vertical-align: top;"> <p><b>Recommendation A.1:</b> (U) We recommend that the Defense Security Cooperation Agency Director withhold its recommendation that Ukraine be eligible to receive more night vision devices until the Ukraine Armed Forces begin providing loss reports in a timely manner, as described under the terms of the Letters of Offer and Acceptance.</p> <p><b>DoD Position:</b> Concur</p> <p><b>Estimated Completion Date:</b> 10/31/2022</p> <p><b>Status/Comments:</b> During the new NVD transfer process, the EUCOM EUM Program Manager will continue recommending that Ukraine should not receive additional Night Vision Devices until the Government of Ukraine provides timely loss reports. DSCA will reconsider this position after all NVD losses are properly identified in the SCIP-EUM database, Government of Ukraine starts reporting losses within 30-days as described under the terms of the LOA, or after a successful DSCA Compliance Assessment Visit.</p> </td> <td style="vertical-align: top;"> <p><b>Recommendation Follow-up POC:</b> Mr. George Lumpkin, Division Chief, Assessment, Monitoring and Program (AMP), (703) 697-9151, george.a.lumpkins.civ@mail.mil</p> <p><b>Budget Implication:</b> N</p> <p><b>Budget Implication Explanation:</b> N/A</p> <p><b>Potential Monetary Benefit:</b> N</p> <p><b>Potential Monetary Benefit Amount:</b> N/A</p> <p><b>Potential Monetary Benefit Methodology:</b> N/A</p> </td> </tr> </table>	<p><b>Recommendation A.1:</b> (U) We recommend that the Defense Security Cooperation Agency Director withhold its recommendation that Ukraine be eligible to receive more night vision devices until the Ukraine Armed Forces begin providing loss reports in a timely manner, as described under the terms of the Letters of Offer and Acceptance.</p> <p><b>DoD Position:</b> Concur</p> <p><b>Estimated Completion Date:</b> 10/31/2022</p> <p><b>Status/Comments:</b> During the new NVD transfer process, the EUCOM EUM Program Manager will continue recommending that Ukraine should not receive additional Night Vision Devices until the Government of Ukraine provides timely loss reports. DSCA will reconsider this position after all NVD losses are properly identified in the SCIP-EUM database, Government of Ukraine starts reporting losses within 30-days as described under the terms of the LOA, or after a successful DSCA Compliance Assessment Visit.</p>	<p><b>Recommendation Follow-up POC:</b> Mr. George Lumpkin, Division Chief, Assessment, Monitoring and Program (AMP), (703) 697-9151, george.a.lumpkins.civ@mail.mil</p> <p><b>Budget Implication:</b> N</p> <p><b>Budget Implication Explanation:</b> N/A</p> <p><b>Potential Monetary Benefit:</b> N</p> <p><b>Potential Monetary Benefit Amount:</b> N/A</p> <p><b>Potential Monetary Benefit Methodology:</b> N/A</p>
<p><b>Recommendation A.1:</b> (U) We recommend that the Defense Security Cooperation Agency Director withhold its recommendation that Ukraine be eligible to receive more night vision devices until the Ukraine Armed Forces begin providing loss reports in a timely manner, as described under the terms of the Letters of Offer and Acceptance.</p> <p><b>DoD Position:</b> Concur</p> <p><b>Estimated Completion Date:</b> 10/31/2022</p> <p><b>Status/Comments:</b> During the new NVD transfer process, the EUCOM EUM Program Manager will continue recommending that Ukraine should not receive additional Night Vision Devices until the Government of Ukraine provides timely loss reports. DSCA will reconsider this position after all NVD losses are properly identified in the SCIP-EUM database, Government of Ukraine starts reporting losses within 30-days as described under the terms of the LOA, or after a successful DSCA Compliance Assessment Visit.</p>	<p><b>Recommendation Follow-up POC:</b> Mr. George Lumpkin, Division Chief, Assessment, Monitoring and Program (AMP), (703) 697-9151, george.a.lumpkins.civ@mail.mil</p> <p><b>Budget Implication:</b> N</p> <p><b>Budget Implication Explanation:</b> N/A</p> <p><b>Potential Monetary Benefit:</b> N</p> <p><b>Potential Monetary Benefit Amount:</b> N/A</p> <p><b>Potential Monetary Benefit Methodology:</b> N/A</p>		

## (U) DSCA Corrective Action Plan for Recommendations (cont'd)

Key Corrective Actions	Estimated Completion Dates	Actual Completion Date	Measure(s) Capturing Demonstrated Results	Clarifying Comments
1. Establish a new SCIP-EUM enhancement to properly identify when the USG is awaiting loss reports from the Government of Ukraine.	5/31/2021			The completion of the new contract modification.
2. Ensure the Government of Ukraine is properly reporting losses in a timely matter during next SCO scheduled inventory.	9/30/2021			Determined based on SCO inventories and ensure all NVDs are accountable.
3. Consider the outcome of the Compliance Assessment Visit.	9/30/2021			The CAV will be scheduled during the next annual two-year CAV message.



# (U) DSCA Corrective Action Plan for Recommendations (cont'd)

	<p style="text-align: center;"><b>Corrective Action Report</b></p> <p style="text-align: center;"><b>“Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine”</b>  <b>June 23, 2020 (DODIG Project No. D2019-DEVOPB-0169.000)</b></p> <p style="text-align: center;"><b>DEFENSE SECURITY COOPERATION AGENCY (DSCA)</b></p> <p><b>Recommendation A.2:</b> (U) We recommend that the Defense Security Cooperation Agency Director develop a new information field within the Security Cooperation Information Portal to record devices that have been reported as lost but for which the partner nation has not yet transmitted an official investigation report</p> <p><b>DoD Position:</b> Concur</p> <p><b>Estimated Completion Date:</b> 06/30/2021</p> <p><b>Status/Comments:</b> An enhancement to the SCIP-EUM database requires a contract modification. The modification will allow the SCO to properly indicate the disposition status of “pending official documentation.” The enhancement will also automatically send notifications to the SCO and DSCA program managers until the documentation is added to SCIP and the disposition has been permanently changed to “Loss”.</p> <p><b>Recommendation Follow-up POC:</b> Mr. George Lumpkin, Division Chief, Assessment, Monitoring and Program (AMP), (703) 697-9151, george.a.lumpkins.civ@mail.mil</p> <p><b>Budget Implication:</b> Y</p> <p><b>Budget Implication Explanation:</b> Requires a SCIP-EUM software change</p> <p><b>Potential Monetary Benefit:</b> N</p> <p><b>Potential Monetary Benefit Amount:</b> N</p> <p><b>Potential Monetary Benefit Methodology:</b> No monetary benefit however, properly tracking the disposition outweighs the budget implications.</p>
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## (U) DSCA Corrective Action Plan for Recommendations (cont'd)

Key Corrective Actions	Estimated Completion Dates	Actual Completion Date	Measure(s) Capturing Demonstrated Results	Clarifying Comments
1. Establish a contract modification with the new SCIP enhancement.	10/31/2020			This will be using FY21 Funding; so, contract cannot be established until after October.
2. Contractor to complete software enhancement.	5/31/2021			Government acceptance.
3. Introduce new enhancement to SCO and verify everything works properly.	6/30/2021			



## (U) DSCA Corrective Action Plan for Recommendations (cont'd)

Corrective Action Report “Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine” June 23, 2020 (DODIG Project No. D2019-DEVOPB-0169.000) DEFENSE SECURITY COOPERATION AGENCY (DSCA)	
<p><b>Recommendation A.3:</b> (U) We recommend that the Defense Security Cooperation Agency Director, in coordination with the Commanding General of U.S. Army Security Assistance Command, develop a process to permanently mark serial numbers on each Night Vision Device to avoid serial number stickers that, with use, can become detached from the device or become illegible.</p> <p><b>DoD Position:</b> Concur</p> <p><b>Estimated Completion Date:</b> 12/31/2022</p> <p><b>Status/Comments:</b> DSCA will request that the Military Department includes a requirement to attach permanent serial number plates to NVDs in future contracts with the manufactures. This will be additional cost to the Partner Nation and involves the MILDEPs contracting this requirement with the manufactures.</p>	<p><b>Recommendation Follow-up POC:</b> Mr. George Lumpkins, Division Chief, Assessment, Monitoring and Program (AMP), (703) 697-9151, george.a.lumpkins.civ@mail.mil</p> <p><b>Budget Implication:</b> Y</p> <p><b>Budget Implication Explanation:</b> MILDEPS will need to include changes with the manufacture</p> <p><b>Potential Monetary Benefit:</b> N</p> <p><b>Potential Monetary Benefit Amount:</b> Too early to tell</p> <p><b>Potential Monetary Benefit Methodology:</b> This would need to be answered by the MILDEP</p>

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## (U) DSCA Corrective Action Plan for Recommendations (cont'd)

Key Corrective Actions	Estimated Completion Dates	Actual Completion Date	Measure(s) Capturing Demonstrated Results	Clarifying Comments
1. Submit a request to the implementing agencies/MILDEPS to have manufactures affix permanent serial number markings to NVDs.	12/31/2020			
2. Assist with MILDEPS and Manufacture negotiations to permanently mark NVDs. Report final decision and way forward.	07/31/2021			Without talking with the manufacture and seeing what can be done, it is too early to tell.
3. MILDEPS to start contracting with the Manufactures to permanently mark NVDs.	12/31/2022			



## (U) DSCA Corrective Action Plan for Recommendations (cont'd)

US DEPARTMENT OF DEFENSE Corrective Action Report "Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine" June 23, 2020 (DODIG Project No. D2019-DEVOPB-0169.000) DEFENSE SECURITY COOPERATION AGENCY (DSCA)	
<p><b>Recommendation B.2.a:</b> (U) . We recommend that the Defense Security Cooperation Agency Director:</p> <p>(U) Establish a frequency for Compliance and Assessment Visits for countries identified as high risk, with intervals between Compliance and Assessment Visits not to exceed a maximum time specified by Defense Security Cooperation Agency.</p> <p><b>DoD Position:</b> Non-Concur</p> <p><b>Estimated Completion Date:</b></p> <p><b>Status/Comments:</b> While DSCA prioritizes conducting CAVs for high risk countries, requiring a specific frequency is unworkable because the ability to conduct a visit within a set timeframe may be frustrated due to unsafe security conditions, scheduling conflicts, SCO unavailability to support, or other factors beyond DSCA's control. Rather than establishing a one-size fits all frequency requirement, it's preferable for DSCA to continue to schedule CAVs on an ad hoc basis while considering the specific circumstances for each location and overall EUM workload. The need to adapt to constantly changing circumstances and EUM workload is why DSCA publishes an annual update, to the two-year CAV message. The lack of a required frequency of CAVs for high risk countries will not diminish DSCA's resolve to apply increased EUM scrutiny of high risk countries.</p>	<p><b>Recommendation Follow-up POC:</b> Mr. George Lumpkins, Division Chief, Assessment, Monitoring and Program (AMP), (703) 697-9151, george.a.lumpkins.civ@mail.mil</p> <p><b>Budget Implication:</b> Y</p> <p><b>Budget Implication Explanation:</b> This could cause additional visits and travel costs. Many factors can trigger a CAV and we need to concentrate worldwide, not just high risk countries.</p> <p><b>Potential Monetary Benefit:</b> N</p> <p><b>Potential Monetary Benefit Amount:</b> N/A</p> <p><b>Potential Monetary Benefit Methodology:</b> N/A</p>

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## (U) DSCA Corrective Action Plan for Recommendations (cont'd)

	<p align="center"><b>Corrective Action Report</b></p> <p align="center"><b>“Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine”</b>  <b>June 23, 2020 (DODIG Project No. D2019-DEVOPB-0169.000)</b></p>	<p align="center"><b>DEFENSE SECURITY COOPERATION AGENCY (DSCA)</b></p>	<p><b>Recommendation B.2.b:</b> (U) . We recommend that the Defense Security Cooperation Agency Director:</p> <p>(U) Reschedule Compliance and Assessment Visit for Ukraine within 12 months of publication of this report.</p> <p><b>DoD Position:</b> Concur</p> <p><b>Estimated Completion Date:</b> 09/30/2021</p> <p><b>Status/Comments:</b> DSCA publishes an annual two-year CAV message the beginning of every fiscal year. Ukraine will be scheduled during FY21.</p>	<p><b>Recommendation Follow-up POC:</b> Mr. George Lumpkin, Division Chief, Assessment, Monitoring and Program (AMP), (703) 697-9151, george.a.lumpkins.civ@mail.mil</p> <p><b>Budget Implication:</b> Y</p> <p><b>Budget Implication Explanation:</b> Travel to Ukraine</p> <p><b>Potential Monetary Benefit:</b> N</p> <p><b>Potential Monetary Benefit Amount:</b> N/A</p> <p><b>Potential Monetary Benefit Methodology:</b> N/A</p>
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## (U) DSCA Corrective Action Plan for Recommendations (cont'd)

Key Corrective Actions	Estimated Completion Dates	Actual Completion Date	Measure(s) Capturing Demonstrated Results	Clarifying Comments
1. Create new Golden Sentry annual two-year CAV message to ensure Ukraine is listed.	10/31/2020			
2. Work with SCO to schedule a CAV. Dates will be dependent on current travel restrictions.	9/31/2021			



## (U) Office of Defense Cooperation, Ukraine



HEADQUARTERS  
UNITED STATES EUROPEAN COMMAND  
OFFICE OF DEFENSE COOPERATION  
25 LESI UKRAINKY BLVD  
KYIV, UKRAINE 01133

ODC-414-20

16 July 2020

Office of the Department of Defense Inspector General

1. (U) This letter is to certify that the management of United States (U.S.) Office of Defense Cooperation (ODC) Kyiv, Ukraine concurs with the two comments pertaining to ODC Ukraine and provides an initial response below.

2. ~~(FOUO)~~ [REDACTED]

~~(FOUO)~~ [REDACTED]

3. (U) Recommendation B.1b: Request written guidance and procedures from the Defense Security Cooperation Agency (DSCA) addressing how and when compensatory measures can replace Letter of Offer and Acceptance-directed requirements specified in the Night Vision Device storage facility physical security checklist; and update Enhanced End-Use Monitoring Standard Operating procedures to reflect that guidance.

(U) ODC Ukraine response: the management of the ODC Ukraine agrees with the recommendation to request DSCA for updated written guidance and procedures addressing how and when compensatory measures can replace Letter of Offer and Acceptance-directed requirements. The ODC Ukraine has already requested DSCA to provide written standard operating procedures and guidance on when compensatory measures can replace Letter of Offer and Acceptance-directed requirements, putting this recommendation in a resolved status. This task will likely be completed in the coming months, deferring the completion and closing date of the recommendation to DSCA.

4. (U) The content classified as For Official Use Only (FOUO) in this letter is exempt from public release under the Freedom of Information Act (FOIA) Exemption 3 Section (b)(3).

## (U) Office of Defense Cooperation, Ukraine (cont'd)

5. (U) If you have any questions or concerns, please contact [REDACTED]  
[REDACTED]

Respectfully,

MILLER.DANIEL.ROBERT.  
BERT. [REDACTED]

Digitally signed by  
MILLER.DANIEL.ROBERT. [REDACTED]  
Date: 2020.07.17 15:41:29 +03'00'

Daniel R. Miller  
Colonel, USA  
Chief, Office of Defense Cooperation

## **(U) Acronyms and Abbreviations**

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<b>CAV</b>	Compliance Assessment Visit
<b>CLU</b>	Command Launch Unit
<b>DSCA</b>	Defense Security Cooperation Agency
<b>EUM</b>	End-Use Monitoring
<b>EEUM</b>	Enhanced End-Use Monitoring
<b>LOA</b>	Letter of Offer and Acceptance
<b>NVD</b>	Night Vision Device
<b>ODC</b>	Office of Defense Cooperation
<b>SCIP</b>	Security Cooperation Information Portal
<b>SAMM</b>	Security Assistance Management Manual
<b>USEUCOM</b>	U.S. European Command

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