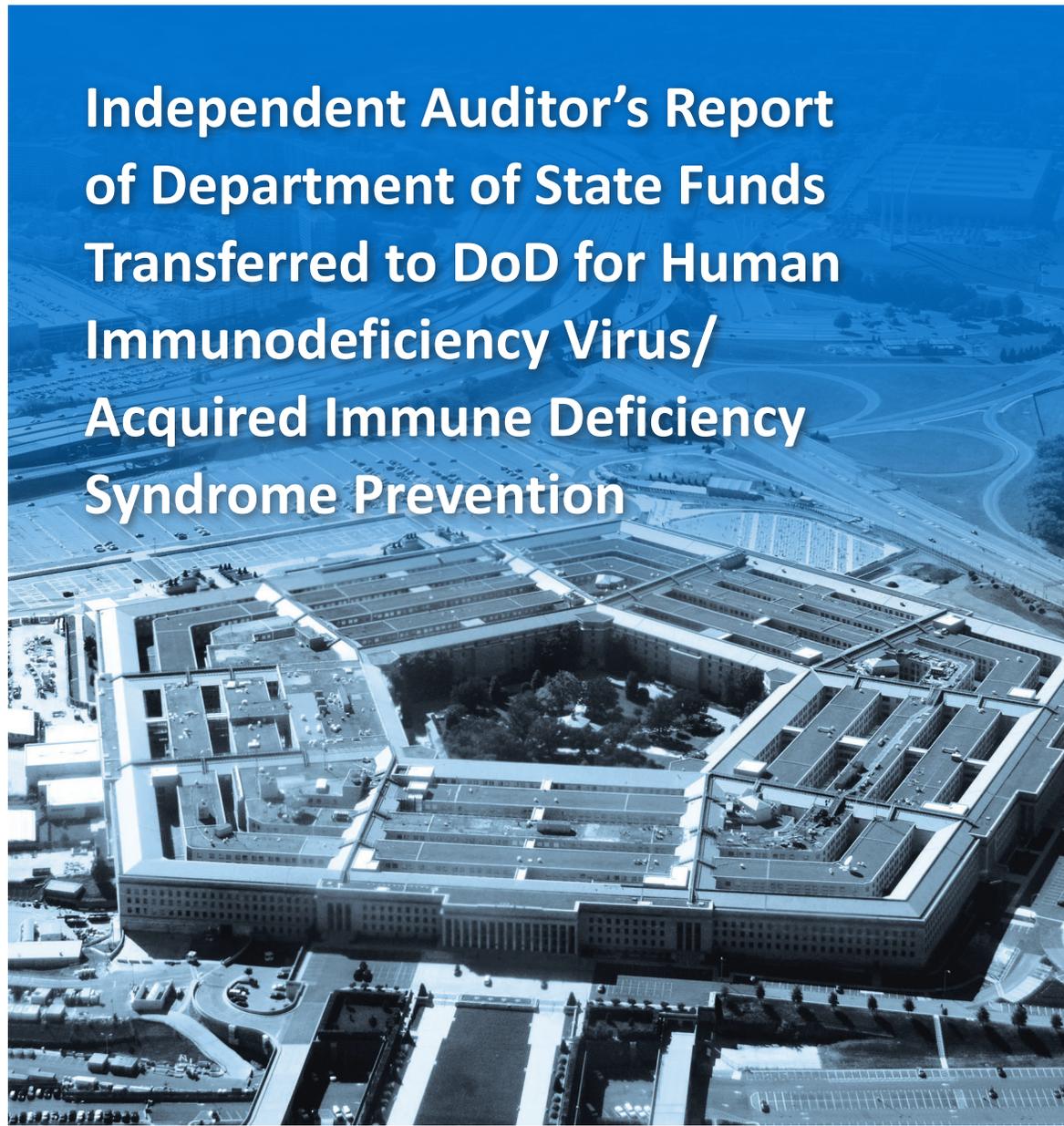




INSPECTOR GENERAL

U.S. Department of Defense

SEPTEMBER 15, 2021



Independent Auditor's Report of Department of State Funds Transferred to DoD for Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome Prevention

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





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

September 15, 2021

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE PERSONNEL AND READINESS
ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Independent Auditor's Report of Department of State Funds Transferred to DoD for
Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome Prevention
(Report No. DODIG-2021-124)

We are providing this report for information and use. This report does not contain recommendations; therefore, no written response to this report was required. We coordinated a discussion draft of this report with officials from the Defense Health Agency, DoD Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome Prevention Program, and the Walter Reed Army Institute of Research. They concurred with our report and provided no additional comments. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the staff. Please direct questions to me at

[REDACTED]

A handwritten signature in cursive script that reads "Lorin T. Venable".

Lorin T. Venable, CPA
Assistant Inspector General for Audit
Financial Management and Reporting





**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
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MEMORANDUM FOR UNDER SECRETARY OF DEFENSE PERSONNEL AND READINESS
ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Independent Auditor's Report of Department of State Funds Transferred to DoD for Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome Prevention (Project No. D2021-D000FT-0109.000; Report No. DODIG-2021-124)

Public Law 116-94, "Further Consolidated Appropriations Act, 2020," under Division G, "Department of State, Foreign Operations, and Related Programs Appropriations Act, 2020," December 20, 2019, appropriates Global Health Program (GHP) funds to the Department of State (DoS) for the prevention, treatment, control of, and research on, Human Immunodeficiency Virus (HIV)/Acquired Immune Deficiency Syndrome (AIDS). Pursuant to Section 632(a) of the Foreign Assistance Act of 1961, for FY 2016 through 2020, the DoS entered into a memorandum of agreement (MOA) with the DoD to transfer GHP funds to the DoD. Public Law 116-94 also requires the Inspector General for the agency receiving the transfer or allocation of funds from the DoS to perform periodic program and financial audits of the use of such funds.

The purpose of the MOA is to support efforts to meet the HIV/AIDS prevention, care, and treatment goals of the "United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003," and the President's Emergency Plan for AIDS Relief (PEPFAR). The GHP funds that are transferred to the DoD are allocated between the Defense Health Agency (DHA) and the Army. Two DoD programs—the DHA DoD HIV/AIDS Prevention Program (DHAPP) and the Army Military HIV Research Program (MHRP)—receive the GHP funds provided by the DoS. See the Attachment for additional background and MOA information.

The objective of our review was to determine whether the DoD used the funds transferred from the DoS in accordance with the MOA between the DoD and the DoS to support efforts for the prevention, treatment, control of, and research on, HIV/AIDS. We performed this review-level attestation in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted

government auditing standards.¹ Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with applicable criteria. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our attestation objective. A review-level attestation is substantially less in scope than an examination done to express an opinion on the subject matter. Accordingly, we do not express such an opinion.

To complete our review, we nonstatistically selected a sample of \$85,649,563.83 of the \$126,723,951.01 (67.59 percent) in DoD GHP obligations made during FY 2020. Specifically, we nonstatistically selected \$22,241,067.51 of the \$47,072,702.67 (47.25 percent) in DHAPP obligations from FY 2020 and \$63,408,496.32 of the \$79,651,248.34 (79.61 percent) in MHRP obligations from FY 2020. We requested and received supporting documentation for each sample item from the DHAPP and the MHRP. We verified the obligation amounts by comparing the accounting data to the obligation documents received. We also reviewed contracts and grant agreements relating to these obligations to ensure that the DoD obligated the funds for purposes to support efforts for the prevention, treatment, control of, and research on, HIV/AIDS as required by the MOA. See the Table below for a summary of FY 2020 DHAPP and MHRP GHP obligations.

Table. Summary of DHAPP and MHRP GHP Obligations and DoD OIG Sample Selection

Program	Total FY 2020 Obligations	DoD OIG Sample Selection
DHAPP	\$47,072,702.67	\$22,241,067.51
MHRP	79,651,248.34	63,408,496.32
Total	\$126,723,951.01	\$85,649,563.83

Based on our review of DHAPP and MHRP obligations, nothing came to our attention that caused us to believe that GHP funds transferred from the DoS to the DoD for the prevention, treatment, and control of, and research on, HIV/AIDS were not used in accordance with the MOA and the goals set forth in the U.S. Leadership Act and the PEPFAR. We are not aware of any material modifications that should be made for the obligations in order for them to be in accordance with the MOA.

We coordinated a discussion draft of this report with officials from the DHA, the DHAPP, and the Walter Reed Army Institute of Research. They concurred with our report and provided no additional comments.

¹ A review is an attestation engagement in which the practitioner obtains limited assurance by obtaining sufficient appropriate review evidence about the measurement or evaluation of subject matter against criteria in order to express a conclusion about whether any material modification should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or to the assertion in order for it to be fairly stated.

This report is intended solely for the information and use of the DHA, the DHAPP, and the Walter Reed Army Institute of Research, and is not intended to be and should not be used by anyone else. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in cursive script that reads "Lorin T. Venable".

Lorin T. Venable, CPA
Assistant Inspector General for Audit
Financial Management and Reporting

Attachment: As stated

cc: Department of State Office of the U.S. Global AIDS Coordinator



Attachment

Flow of GHP Funds from the DoS to the DoD

Memorandums of Agreement for FY 2016 Through FY 2020

The FY 2016 through FY 2020 MOAs were between the DoS Office of the Global AIDS Coordinator and the DoD. The MOAs allocated the GHP funds to the DoD. The DoS provided additional GHP funding to the DoD in subsequent MOA amendments. See Table 1 below for a summary of the amount of GHP funding provided from the DoS to the DoD.

Table 1. Summary of the Dates and GHP Funding Amounts for the MOAs and Subsequent Amendments by Fiscal Year

Fiscal Year	Date Signed ¹	Funding Amount ²
2016	August 21, 2017	\$134,014,829
2017	February 19, 2018	131,197,841
2018	February 21, 2020	136,552,240
2019	September 28, 2020	132,568,272
2020	December 16, 2020	115,106,056
Total		\$649,439,238

¹ Date of the latest DoD signature on the original fiscal year MOAs or amendments.

² Total funding amount includes original fiscal year MOA amounts and all subsequent amendments, as of December 16, 2020, which is the date of the FY 2020 MOA Amendment 1.

Two DoD programs—the DHAPP and the MHRP—received the GHP funds transferred from the DoS. See Table 2 for a summary of total GHP funding amounts by MOA for each DoD program.

Table 2. Summary of GHP Funding Amounts for MOAs and DoD Programs by Fiscal Year

Fiscal Year	DHAPP	MHRP
2016	\$44,691,997	\$89,322,832
2017	42,584,534	88,613,307
2018	45,616,613	90,935,627
2019	54,886,030	77,682,242
2020	49,288,177	65,817,879
Total for Each Program	\$237,067,351	\$412,371,887
Combined Total	\$649,439,238	

DoD HIV/AIDS Prevention Program

The DHA DHAPP is responsible for assisting foreign military partners with the development and implementation of culturally focused, military-specific HIV/AIDS prevention, care, and treatment programs in more than 55 countries around the globe. The DHAPP is also the DoD implementing agency for the PEPFAR, established in 2003. According to the DHAPP, in coordination with the DoS, the U.S. Agency for International Development, Health and Human Services, and the Peace Corps, the PEPFAR team works together to stop the spread of the AIDS virus and reach sustainable epidemic control of the HIV/AIDS epidemic. The DHAPP's overall strategy is to work within PEPFAR governance to achieve a healthy and functional military force, which can serve to provide stability and safety to the national and regional population.

U.S. Military HIV Research Program

The MHRP, under the Walter Reed Army Institute of Research, conducts research to develop an effective HIV vaccine and integrates prevention, diagnosis, treatment, and monitoring as part of an international effort to protect U.S. and allied troops and reduce the impact of HIV infection worldwide. In 2004, the program began to collaborate on HIV prevention, care, and treatment services, funded by the DoS's Office of the Global AIDS Coordinator, PEPFAR, with African militaries and in the communities where the MHRP conducts research. The integration of prevention, care, and treatment services has helped the MHRP build strong and trusting relationships with the communities, while providing an ethical framework for the conduct of HIV clinical research. The Department of International HIV Prevention and Treatment under the MHRP executes PEPFAR programs around its civilian research sites in Kenya, Tanzania, and Uganda and with militaries in Kenya, Tanzania, and Nigeria. The military programs are conducted in collaboration with the DHAPP.

Flow of Funds

The FY 2020 GHP funds were first transferred from the DoS to the DoD through the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, via nonexpenditure transfer. The GHP funds were then transferred to the Office of the Assistant Secretary of Defense (Health Affairs) using a Funding Authorization Document. Next, the Office of the Assistant Secretary of Defense (Health Affairs) transferred the funds to the DHA and to the U.S. Army Futures Command. The funds transferred to the DHA are ultimately used by the DHAPP, and the funds transferred to the U.S. Army Futures Command are ultimately used by the MHRP.

Public Laws

Public Law 87-195, “The Foreign Assistance Act of 1961,” September 4, 1961 (as amended through Public Law 116-94), under Section 632(a), allows for the transfer of funds between U.S. Government agencies for the purposes for which the funds are authorized and for carrying out the Act.

Public Law 108-25, “United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003,” May 27, 2003, established a 5-year emergency plan for AIDS relief, known as the PEPFAR, to confront HIV/AIDS with the goals of preventing, treating, and providing humane care for millions of people suffering from HIV/AIDS.

Public Law 110-293, “Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008,” July 30, 2008, amended Public Law 108-25. The purpose of this law was to strengthen and enhance the U.S. response to the HIV/AIDS pandemic and other preventable infectious diseases. This law amended the period for the allocation of funds in Public Law 108-25 from 2008 to 2013.

Public Law 113-56, “PEPFAR Stewardship and Oversight Act of 2013,” December 2, 2013, amended Public Law 108-25. The purpose of this law was to extend authorities related to global HIV/AIDS and to promote oversight of U.S. programs. This law amended the period for the allocation of funds in Public Law 108-25 from 2013 to 2018.

Public Law 115-305, “PEPFAR Extension Act of 2018,” December 11, 2018, further amended Public Law 108-25. The purpose of this law was to extend certain authorities relating to U.S. efforts to combat HIV/AIDS, tuberculosis, and malaria globally, and for other purposes. This law amended the period for the allocation of funds in Public Law 108-25 from 2018 until 2023.

Public Law 116-94, “Further Consolidated Appropriations Act, 2020,” under Division G, “Department of State, Foreign Operations, and Related Programs Appropriations Act, 2020,” December 20, 2019, appropriated FY 2020 GHP funds to the DoS for the prevention, treatment, control of, and research on, HIV/AIDS. This law requires the Inspector General for the agency receiving the transfer or allocation of funds from the DoS to perform periodic program and financial audits of the use of such funds.

Public Law 116-94 is specific to FY 2020 GHP funds. See Table 3 below for a summary of applicable public laws appropriating FY 2016 through 2020 GHP funds to the DoS for the prevention, treatment, control of, and research on, HIV/AIDS.

Table 3. Summary of the Public Laws Appropriating GHP Funds by Fiscal Year

Fiscal Year	Public Law	Title
2016	114-113	Consolidated Appropriations Act, 2016
2017	115-31	Consolidated Appropriations Act, 2017
2018	115-141	Consolidated Appropriations Act, 2018
2019	116-6	Consolidated Appropriations Act, 2019
2020	116-94	Further Consolidated Appropriations Act, 2020

Acronyms and Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
DHA	Defense Health Agency
DHAPP	DoD HIV/AIDS Prevention Program
DoS	Department of State
GHP	Global Health Program
HIV	Human Immunodeficiency Virus
MHRP	Military HIV Research Program
MOA	Memorandum of Agreement
PEPFAR	President's Emergency Plan for AIDS Relief



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Congressional Liaison

703.604.8324

Media Contact

public.affairs@dodig.mil; 703.604.8324

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www.dodig.mil
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