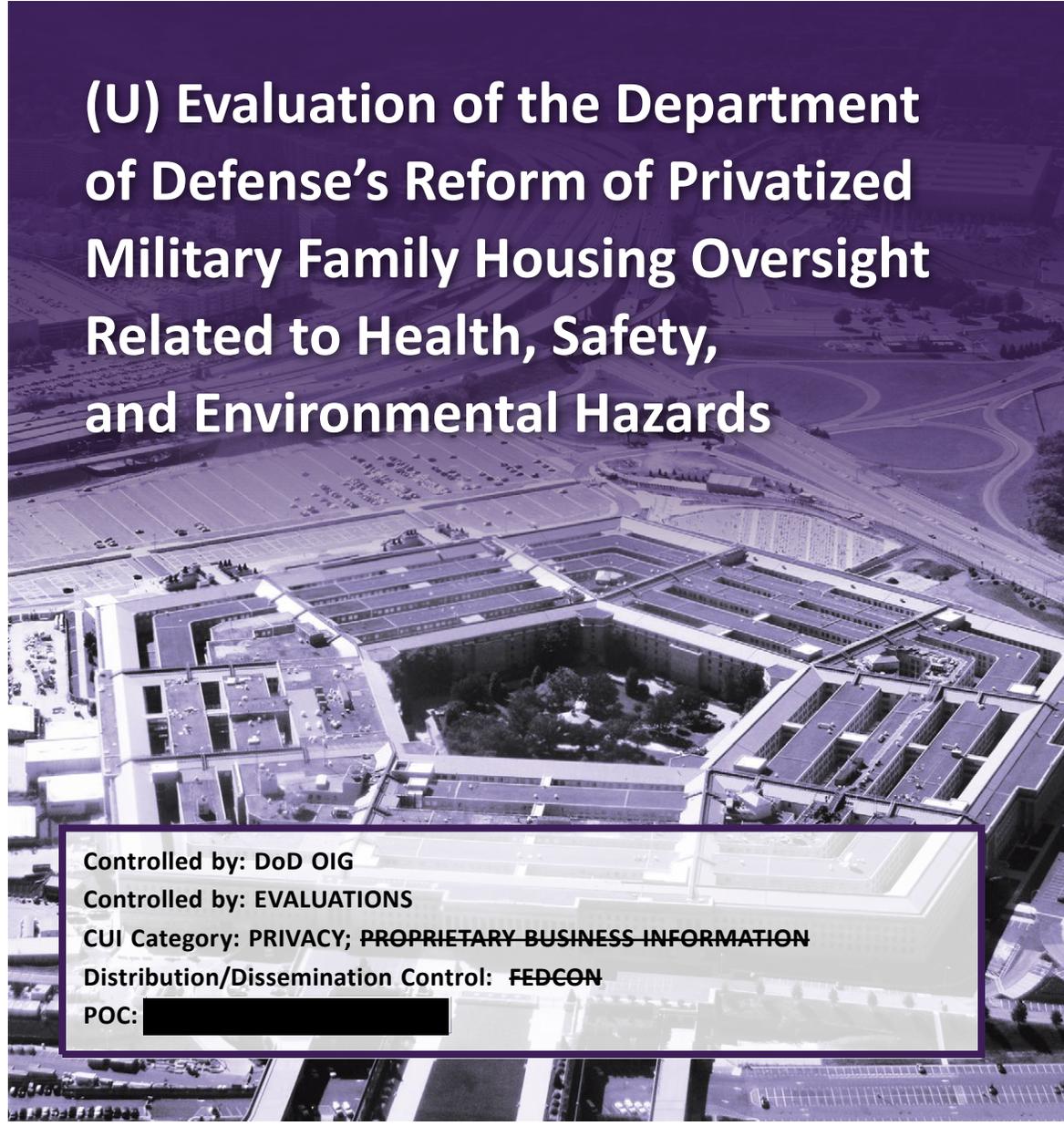


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INSPECTOR GENERAL

U.S. Department of Defense

SEPTEMBER 29, 2022



(U) Evaluation of the Department of Defense's Reform of Privatized Military Family Housing Oversight Related to Health, Safety, and Environmental Hazards

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**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
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September 29, 2022

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT
AUDITOR GENERAL, DEPARTMENT OF THE NAVY
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE
INSPECTOR GENERAL, DEPARTMENT OF THE ARMY
NAVAL INSPECTOR GENERAL
INSPECTOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: (U) Evaluation of the Department of Defense’s Reform of Privatized Military Family Housing Oversight Related to Health, Safety, and Environmental Hazards (Report No. DODIG-2022-139)

(U) This final report provides the results of the DoD Office of Inspector General’s evaluation. We are providing this report for information and use. We coordinated a discussion draft of this report with officials from the Office of the Deputy Assistant Secretary of Defense (Housing) and the MILDEPs. We considered management’s comments on a discussion draft copy of this report when preparing this final report. We did not make any recommendations; therefore, no management comments are required.

(CUI) [Redacted]

Randolph R. Stone
Assistant Inspector General for Evaluations
Space, Intelligence, Engineering, and Oversight

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(U) Report

(U) Objective

(U) The objective of this evaluation was to determine the extent of the DoD's compliance with provisions in the FY 2020 National Defense Authorization Act (NDAA) related to health, safety, and environmental hazards in privatized military family housing.

(U) Specifically, our evaluation focused on whether the DoD implemented the health, safety, and environmental hazard provisions within FY 2020 NDAA sections 3011, 3012, 3013, 3014, 3017, 3018, 3019, 3041, 3042, 3056, 3057, and 3058, as amended.¹ Throughout this report, we use the term:

- (U) "FY 2020 NDAA oversight provisions" to refer to the provisions directed to the Office of the Secretary of Defense and the Military Departments (MILDEPs) responsible for oversight of privatized military family housing;
- (U) "FY 2020 NDAA provisions" to describe the body of provisions in general and when we refer to the provisions directed to the companies that own, operate, and maintain privatized military family housing;
- (U) "landlords" to describe the companies that own, operate, and maintain privatized military family housing; and
- (U) "tenants" to describe military members and their families who are tenants of privatized military family housing.

(U) See Appendix A and Appendix B for detailed descriptions of the NDAA provisions included in our evaluation. Our finding describes the status of the DoD's implementation of these FY 2020 NDAA provisions through January 2022.

(U) Executive Summary

(U) DoD officials have taken steps to implement the FY 2020 NDAA provisions related to health, safety, and environmental hazards.² Specifically, DoD officials:

- (U) issued policies to require installation military housing office (MHO) officials to perform the FY 2020 NDAA oversight provisions;³
- (U) issued policies to require the inclusion of FY 2020 NDAA provisions in future legal agreements; and

¹ (U) Public Law 116-92, the FY 2020 NDAA, was enacted on December 20, 2019. On January 1, 2021, Public Law 116-283, the FY 2021 NDAA, amended the language of some FY 2020 NDAA provisions within the scope of this evaluation. For example, the provisions in section 3019 of Public Law 116-92 were amended by section 2811 of Public Law 116-283. For consistency, we refer to the NDAA provisions, as amended, by their FY 2020 NDAA section number throughout this report.

² (U) Throughout this report, we use the term "implemented" to describe NDAA provisions for which DoD officials developed and issued policies. We use the term "available" to describe NDAA provisions that DoD officials implemented, the landlords accepted, and the landlords made accessible to tenants at military installations.

³ (U) The FY 2020 NDAA refers to the military housing office, as the "housing management office."

- (U) sought agreement from landlords to retroactively include FY 2020 NDAA provisions in existing legal agreements.

(U) However, despite DoD officials' attempts to seek agreement from the landlords, not all landlords have agreed to voluntarily include three FY 2020 NDAA provisions retroactively in existing legal agreements. The FY 2020 NDAA provisions include the following rights for tenants:

- (U) access to the housing unit's 7-year maintenance history,
- (U) the right to enter into a dispute resolution process, and
- (U) the right to have basic allowance for housing payments withheld from the landlord pending completion of the dispute resolution process.

(U) This occurred because the landlords are not legally required to retroactively include the three FY 2020 NDAA provisions in existing legal agreements. As a result, tenants whose landlords refused to voluntarily include the FY 2020 NDAA provisions retroactively in existing legal agreements do not have access to the same rights as tenants whose landlords agreed to include those provisions.

(U) Additionally, installation MHO officials are required to track and document implementation of the FY 2020 NDAA oversight provisions related to health, safety, and environmental hazards in the enterprise Military Housing information management system (eMH). However, we found that installation MHO officials at certain installations cannot track and document their oversight activities in eMH or do not have access to the full functionality of eMH. This occurred because DoD officials did not populate eMH with all privatized military family housing records, as required by a 2014 Under Secretary of Defense for Acquisition and Sustainment (USD[A&S]) policy memorandum.⁴ Additionally, Army and Air Force officials did not initiate the development of the software needed to connect the landlords' third-party vendor information management systems.⁵ Therefore, eMH program management officials could not develop the software needed to make eMH fully functional.⁶

⁴ (U) Under Secretary of Defense for Acquisition, Technology and Logistics memorandum, "Enterprise Military Housing Information Management System," April 16, 2014.

(U) The Office of the Under Secretary of Defense for Acquisition and Sustainment was formerly the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

⁵ (U) All 14 landlords use a third-party vendor information management system, such as Yardi, Entrata, or RealPage, to manage occupancy data in their privatized military family housing units.

⁶ (U) According to the 2014 USD(A&S) memorandum, the Navy is the eMH owner and the eMH program management office is part of the Commander, Navy Installations Command. The current eMH user organizations include the Army, Navy, and Air Force.

(U) Furthermore, landlords are not required to connect their third-party vendor information management systems with eMH to share additional data, such as occupancy data, unless such data sharing is in the privatized military family housing project legal agreement. Consequently, neither the FY 2020 NDAA nor DoD housing policies, including the 2014 USD(A&S) policy memorandum, could unilaterally require retroactive changes to existing legal agreements. As a result, installation MHO officials at certain installations perform additional work to track and document their oversight of privatized military family housing outside of eMH.

(U) In 2019, the DoD Office of Inspector General (OIG) published Report No. DODIG-2019-056. That OIG audit found that DoD officials did not populate eMH with all privatized military family housing records. The 2019 report recommended that DoD officials populate eMH with all privatized military family housing records.⁷ That recommendation remains open.

(U) This report is the second of three DoD OIG reports required by the FY 2020 NDAA. This report provides an update on the DoD's implementation of FY 2020 NDAA provisions since the first report.⁸ Additionally, this report identifies challenges that are unique to each privatized military family housing project as the DoD implements provisions related to health, safety, and environmental hazards to comply with FY 2020 NDAA oversight reform. We have no new recommendations; however, we suggest that DoD officials consider the discussions in this report when:

- (U) responding to the relevant open recommendation from the 2019 report;
- (U) developing the implementation guidance for the remaining FY 2020 NDAA oversight provisions; and
- (U) seeking retroactive inclusion of FY 2020 NDAA provisions in existing legal agreements with the landlords.

⁷ (U) Report No. DODIG-2019-056, "Accounting and Financial Reporting for the Military Housing Privatization Initiative," February 12, 2019, Recommendation B.1.e.

(U) During this evaluation, we found that MILDEP officials made progress populating eMH with the inventory of privatized military family housing.

⁸ (U) Report No. DODIG-2022-004, "Evaluation of the Department of Defense's Implementation of Oversight Provisions of Privatized Military Housing," October 21, 2021.

(U) Background

(U) Since 2014, the DoD OIG has published 10 reports on the condition of military family housing.⁹ Each report highlighted the need for DoD officials to take action to improve their oversight of the management of health and safety hazards in military family housing. On December 20, 2019, the FY 2020 NDAA added and amended sections in title 10 of the United States Code, including provisions related to privatized military family housing directed to the Office of the Secretary of Defense, the Military Departments (MILDEPs), and landlords.¹⁰ Among these provisions, the FY 2020 NDAA included provisions to enable effective identification and remediation of health, safety, and environmental hazards in privatized military family housing. Section 3011 of the FY 2020 NDAA introduced a Tenant Bill of Rights describing 18 rights for tenants residing in privatized military family housing. For example, the 14th right in the Tenant Bill of Rights gives tenants the right to enter into a dispute resolution process.¹¹

(U) Some of the tenant rights in the Tenant Bill of Rights are also provisions described in other FY 2020 NDAA sections. For example, section 3019, concerning 7-year maintenance histories, is also listed as the third right in the Tenant Bill of Rights. Section 3019 requires that landlords provide prospective tenants information regarding maintenance conducted on the housing unit for the previous 7 years. These 7-year maintenance histories allow prospective tenants to review maintenance of mechanical systems and health and safety

⁹ (U) Report No. DODIG-2013-099, “Compliance with Electrical and Fire Protection Standards of U.S. Controlled and Occupied Facilities in Afghanistan,” July 18, 2013.

(U) Report No. DODIG-2014-121, “Military Housing Inspections–Japan,” September 30, 2014.

(U) Report No. DODIG-2015-013, “Military Housing Inspections–Republic of Korea,” October 28, 2014.

(U) Report No. DODIG-2015-162, “Continental United States Military Housing Inspections–National Capital Region,” August 31, 2015.

(U) Report No. DODIG-2015-181, “Continental United States Military Housing Inspections–Southeast,” September 24, 2015.

(U) Report No. DODIG-2016-106, “U.S. Military-Occupied Facilities Inspection–King Abdullah II Special Operations Training Center,” July 7, 2016.

(U) Report No. DODIG-2017-004, “Summary Report–Inspections of DoD Facilities and Military Housing and Audits of Base Operations and Support Services Contracts,” October 14, 2016.

(U) Report No. DODIG-2019-056, “Accounting and Financial Reporting for the Military Housing Privatization Initiative,” February 12, 2019.

(U) Report No. DODIG-2020-082, “Evaluation of the DoD’s Management of Health and Safety Hazards in Government-Owned and Government-Controlled Military Family Housing,” April 30, 2020.

(U) Report No. DODIG-2022-004, “Evaluation of the Department of Defense’s Implementation of Oversight Provisions of Privatized Military Housing,” October 21, 2021.

¹⁰ (U) Public Law 116-92 enacted the FY 2020 NDAA into law.

(U) On January 1, 2021, the FY 2021 NDAA updated or changed the language of some FY 2020 NDAA provisions.

(U) Public Law 116-283 enacted the FY 2021 NDAA into law.

(U) The Military Departments, created by the National Security Act of 1947, are the Army, Navy, and Air Force.

¹¹ (U) Although state and local laws require dispute resolution, the Tenant Bill of Rights describes a dispute resolution process specific to privatized military family housing tenants.

(U) devices in the home, such as smoke alarms. The 7-year maintenance histories also show whether prior tenants submitted recurring work orders. We describe the implementation status of the Tenant Bill of Rights in Appendix B.

(U) Furthermore, the FY 2020 NDAA directed the DoD OIG to evaluate, annually until 2022, the oversight of privatized military family housing by the Secretary of Defense.¹² In response to this requirement, the DoD OIG published the first report in October 2021.¹³ The DoD OIG announced this evaluation of the DoD's oversight of privatized military family housing at military installations on March 29, 2021. This report is the second of the three DoD OIG reports required by the FY 2020 NDAA.¹⁴

(U) Description of Military Housing

(U) Military housing is divided into two broad categories: (1) Government-owned and Government-controlled and (2) privatized. Government-owned and Government-controlled military housing is owned, managed, and maintained by the DoD. Privatized military family housing is owned, operated, and maintained by companies. In this report, we evaluated the DoD's oversight of privatized military family housing. As part of 1996 legislation establishing the Military Housing Privatization Initiative (MHPI), the MILDEPs privatized almost 99 percent (more than 200,000 housing units) of military family housing in the United States.¹⁵

(U) Description of Privatized Military Family Housing Legal Agreements

(U) The MHPI authorizes the MILDEPs to enter into legal agreements with landlords that allow the landlords to own, operate, and maintain privatized military family housing through 50-year leases.¹⁶ As of January 2022, the MILDEPs have legal agreements with 14 landlords. Each legal agreement is unique to the associated privatized military family housing project.¹⁷ The legally enforceable agreements between the MILDEPs and the landlords outline the management, operation, and maintenance of privatized military family housing projects, among other things.

¹² (U) Public Law 116-92, "National Defense Authorization Act for Fiscal Year 2020," section 3044, "Inspector General Review of Department of Defense Oversight of Privatized Military Housing."

¹³ (U) Report No. DODIG-2022-004, "Evaluation of the Department of Defense's Implementation of Oversight Provisions of Privatized Military Housing," October 21, 2021.

¹⁴ (U) The DoD OIG announced the third evaluation of the DoD's oversight of privatized military family housing in August 2022.

(U) DoD OIG Project No. D2022-DEV0SR-0001.000, "Evaluation of the Department of Defense's Health, Safety, and Environmental Hazard Identification and Remediation Oversight Reform in Privatized Military Housing," August 1, 2022.

¹⁵ (U) Public Law 104-106, "National Defense Authorization Act for Fiscal Year 1996," "Title XXVIII—General Provisions," "Subtitle A—Military Housing Privatization Initiative," February 10, 1996.

¹⁶ (U) Although the Military Departments selected the landlords through a competitive process, the legal agreements are not enacted under the Federal Acquisition Regulation and the parties are not required to comply with the provisions of the Federal Acquisition Regulation. We previously referred to the privatized military family housing project legal agreements as business agreements in Report No. DODIG-2022-004.

¹⁷ (U) According to the FY 1996 NDAA that established the MHPI, privatized military family housing projects may include acquisition or construction of housing units suitable for use as military housing units. Specifically, each privatized military family housing project involves a landlord that acquires existing military family housing units from a MILDEP. The landlord maintains, constructs, and demolishes privatized military family housing units to meet community needs.

(U) The FY 2020 NDAA was enacted into law on December 20, 2019. According to the FY 2020 NDAA, legal agreements signed on or after December 20, 2019, are legally required to include the FY 2020 NDAA provisions. However, legal agreements signed before December 20, 2019, are not legally required to retroactively include the FY 2020 NDAA provisions. The FY 2020 NDAA provisions include tenants’ rights to receive 7-year maintenance histories, enter into a dispute resolution process, and have basic allowance for housing payments withheld from the landlord pending completion of the dispute resolution process.¹⁸ Instead, the FY 2020 NDAA required DoD officials to seek agreement with each landlord to voluntarily include the FY 2020 NDAA provisions in existing legal agreements.

(U) Privatized Military Family Housing Oversight Roles and Responsibilities

(U) In accordance with DoD Instruction 4165.63, the Office of the Secretary of Defense and the MILDEPs are required to manage privatized military family housing within their respective jurisdictions, including program and financial management, accounting, and reporting.¹⁹ The Office of the Secretary of Defense, specifically the Office of the Deputy Assistant Secretary of Defense (Housing) (ODASD[H]) and the MILDEPs share oversight roles and responsibilities for the MHPI. Section 3012 of the FY 2020 NDAA required the Secretary of Defense to designate a Chief Housing Officer to oversee the MHPI for the DoD. Installation military housing office (MHO) officials perform the day-to-day oversight of the MHPI at DoD installations and serve as the primary liaison between the tenants and the 14 landlords.

(U) As previously discussed, each legal agreement is unique to the associated privatized military family housing project. Some installations host multiple privatized military family housing projects, project phases, or landlords. There are 172 installations with MHOs performing day-to-day oversight of the privatized military family housing units. For example, some landlords are responsible for a single privatized military family housing project at a single installation, while other landlords are responsible for multiple privatized military family housing projects. In sum, there are 14 landlords and 172 installation MHOs. Table 1 describes the number of installation MHOs by MILDEP.

(U) Table 1. Installation MHOs with Privatized Military Family Housing by MILDEP, as of January 2022

(U) MILDEP	Army	Navy*	Air Force**	Total
Installation MHOs	43	66	63	172

(U)

Source: DoD OIG.

* This column includes 46 Navy and 19 Marine Corps installations.

** This column includes 57 Air Force and 6 Space Force installations.

¹⁸ (U) The 7-year maintenance histories; the dispute resolution process; and withholding of a tenant’s basic allowance for housing payments from the landlord pending completion of the dispute resolution process are tenant rights 3, 14, and 15, respectively, in the Tenant Bill of Rights. See Appendix B for a detailed list of the Tenant Bill of Rights.

¹⁹ (U) DoD Instruction 4165.63, “DoD Housing,” July 21, 2008.

(U) Additionally, in April 2014, the Under Secretary of Defense for Acquisition and Sustainment [USD(A&S)] issued a policy memorandum that required the MILDEPs to use the enterprise Military Housing (eMH) information management system for operations and inventory management of military housing, including privatized military family housing.²⁰ We refer to the eMH information management system as eMH throughout this report. The policy memorandum designated eMH as the authoritative data source for all military housing units and required the MILDEPs to “migrate to the eMH system” by September 30, 2015.²¹ Furthermore, eMH program management officials must develop the appropriate software for eMH to connect with landlords’ third-party vendor information management systems and accept additional data, such as occupancy data.²² According to DoD officials, installation MHO officials use eMH to track and document their oversight of privatized military family housing, including their oversight activities required by the FY 2020 NDAA oversight provisions. However, landlords are not required to connect their third-party vendor information management systems with eMH to share additional data, such as occupancy data, unless the privatized military family housing project legal agreement includes a requirement for data sharing. Instead, DoD officials request that landlords voluntarily connect their third-party vendor information management systems with eMH. We describe the oversight provisions relevant to this evaluation, the implementation status of the FY 2020 NDAA oversight provisions included in this evaluation, and detailed descriptions of roles and responsibilities related to the privatized military family housing in Appendixes A through C.

(U) Scope and Methodology

(U) The scope of our evaluation included the privatized military family housing provisions related to health, safety, and environmental hazards within FY 2020 NDAA sections 3011, 3012, 3013, 3014, 3017, 3018, 3019, 3041, 3042, 3056, 3057, and 3058.²³ We conducted this evaluation from March 2021 through January 2022 in accordance with the “Quality Standards for Inspection and Evaluation,” published in January 2012 by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we adequately plan

²⁰ (U) Under Secretary of Defense for Acquisition, Technology and Logistics memorandum, “Enterprise Military Housing Information Management System,” April 16, 2014.

(U) The Office of the Under Secretary of Defense for Acquisition and Sustainment was formerly the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

²¹ (U) DoD Instruction 5025.01, “DoD Issuances Program,” May 22, 2019, states that policy memorandums expire 1 year after their effective date. Therefore, the 2014 USD(A&S) policy memorandum is expired and is not publicly available on the DoD publication website. However, we found that ODASD(H) and MILDEP officials treat the 2014 USD(A&S) policy memorandum as though it were current and enforceable by incorporating the requirements of the memorandum into MILDEP policies and by repeatedly choosing eMH as the information management system to track and document the implementation and oversight of FY 2020 NDAA provisions, among other things.

²² (U) According to the 2014 USD(A&S) memorandum, the Navy is the eMH owner and the eMH program management office is part of the Commander, Navy Installations Command. The current eMH user organizations include the Army, Navy, and Air Force.

(U) All 14 landlords use a third-party vendor information management system, such as Yardi, Entrata, or RealPage, to manage occupancy data in their privatized military family housing units.

²³ (U) As previously discussed, we also included section 2811 of the FY 2021 NDAA in the scope of our evaluation because section 2811 of the FY 2021 NDAA modified the FY 2020 NDAA provisions in section 3019.

(U) 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.

(U) This report was reviewed by the DoD Components associated with this oversight project to identify whether any of their reported information, including legacy FOUO information, should be safeguarded and marked in accordance with the DoD CUI Program. In preparing and marking this report, we considered any comments submitted by the DoD Components about the CUI treatment of their information. If the DoD Components failed to provide any or sufficient comments about the CUI treatment of their information, we marked the report based on our assessment of the available information.

(U) We conducted our evaluation at the DoD, MILDEP, and installation levels to determine the extent of the DoD's compliance with the FY 2020 NDAA provisions related to health, safety, and environmental hazards for all 14 landlords and 172 installation MHOs with privatized military family housing. Since we conducted our evaluation at the DoD, MILDEP, and installation levels, the findings in this report discuss the extent of the DoD's compliance with the FY 2020 NDAA provisions for all 14 landlords and 172 installation MHOs with privatized military family housing.

(U) We interviewed ODASD(H) officials, MILDEP officials, and installation officials. We reviewed and analyzed applicable laws, including the FY 2020 NDAA; DoD policies and guidance; and correspondence between the DoD and the 14 landlords to validate the DoD's compliance with the NDAA provisions at the 172 installation MHOs with privatized military family housing.

(U) To validate the MILDEPs' implementation of the FY 2020 NDAA provisions, we evaluated a non-statistical sample of three privatized military family housing projects, as required by the FY 2020 NDAA. We selected the three privatized military family housing projects based on factors such as geographic location and project size.²⁴ The following military installations represent each of the three MILDEPs and 3 of the 14 landlords.

1. (U) Army: Fort Riley, Kansas (landlord: Corvias Military Living)
2. (U) Navy/Marine Corps: Marine Corps Air Station (MCAS) Beaufort/Marine Corps Recruit Depot Parris Island, South Carolina (landlord: Lendlease)²⁵
3. (U) Air Force/Space Force: Buckley Space Force Base, Colorado (landlord: Hunt Military Communities)

²⁴ (U) Due to COVID-19 travel restrictions, we did not physically visit the installations identified in this report. We relied on teleconferences, interviews, questionnaires, and data calls to collect testimonial and documentary evidence to verify information.

²⁵ (U) Although Marine Corps Air Station Beaufort and Marine Corps Recruit Depot Parris Island are separate military installations, their privatized military family housing is owned, operated, and maintained by the same landlord under one privatized military family housing project. We included both military installations in our evaluation to compare the extent to which the FY 2020 NDAA provisions were implemented for a privatized military family housing project with multiple military installations.

(U) For each installation, we interviewed the installation MHO officials and the landlord, or the landlord's representative, to determine the implementation status of the NDAA provisions. Additionally, we reviewed documents, such as installation policies and procedures, records of landlord communications, eMH data reports, prospective tenant educational documents, status reports to MILDEP headquarters, and privatized military family housing inspections records, to determine whether installation MHO officials were implementing the FY 2020 NDAA oversight provisions.²⁶

(U) The DoD Encountered Oversight Challenges Unique to Each Privatized Military Family Housing Project While Implementing Provisions Related to Health, Safety, and Environmental Hazards to Comply with FY 2020 NDAA Oversight Reform

(U) DoD officials have taken steps to implement the FY 2020 NDAA provisions related to health, safety, and environmental hazards in privatized military family housing. Specifically, to implement the FY 2020 NDAA provisions, DoD officials:

- (U) issued policies to require installation MHO officials to perform the FY 2020 NDAA oversight provisions;
- (U) issued policies to require the FY 2020 NDAA provisions in future legal agreements; and
- (U) sought agreement from landlords to voluntarily include FY 2020 NDAA provisions retroactively in existing legal agreements.²⁷

(U) However, despite DoD officials' attempts to seek agreement from the landlords, not all 14 landlords have agreed to voluntarily include three FY 2020 NDAA provisions retroactively in existing legal agreements. The FY 2020 NDAA provisions include tenants' rights to receive 7-year maintenance histories, enter into a dispute resolution process, and have their basic allowance for housing payments withheld from the landlord pending completion of the dispute resolution process. Specifically, two landlords, Boyer Hill Military Housing and Burlington, have not voluntarily made two FY 2020 NDAA provisions available to tenants. Additionally, three landlords, Capital Real Estate, JL Properties, Miller-Valentine Group, and United Communities, have not voluntarily made three FY 2020 NDAA provisions available to tenants.

(U) This occurred because the landlords are not legally required to retroactively include the three FY 2020 NDAA provisions in existing legal agreements. According to an August 2020 DoD Office of the General Counsel memorandum, landlords are not legally required to retroactively include the provisions unless they sign a new or renewed legal agreement

²⁶ (U) We did not use computer-processed data to perform this evaluation.

²⁷ (U) We describe the offices of responsibility and the implementation status of the FY 2020 NDAA MHPI oversight provisions related to health, safety, and environmental hazards in Appendix A through Appendix C.

(U) after the date the FY 2020 NDAA was enacted into law, in December 2019.²⁸ As a result, tenants whose landlords refused to retroactively include the FY 2020 NDAA provisions in existing legal agreements do not have access to the same rights as tenants whose landlords voluntarily agreed to make the provisions fully available.

(U) Additionally, according to DoD officials, installation MHO officials are required to track and document the implementation of the FY 2020 NDAA oversight provisions related to health, safety, and environmental hazards in eMH.²⁹ However, we found that installation MHO officials at certain installations cannot track and document their FY 2020 NDAA oversight activities in eMH or do not have access to the full functionality of eMH. Specifically:

- (U) as of January 2022, the inventory of privatized military family housing units at 20 of 172 Army and Air Force installations (approximately 12 percent) was not populated in eMH, as required by the 2014 USD(A&S) policy memorandum;
- (U) landlord third-party vendor information management systems did not have the software to share occupancy data with eMH at 106 of 172 Army and Air Force installations (approximately 62 percent); and
- ~~(CUI)~~ three landlords, [REDACTED], responsible for 43 of 172 installations (approximately 25 percent) refused to voluntarily connect landlord third-party vendor information management systems with eMH to share occupancy data.

(U) This occurred because Army and Air Force officials did not populate eMH with all privatized military family housing records, as required by the 2014 USD(A&S) policy memorandum. Additionally, Army and Air Force officials did not initiate the development of the software needed to connect landlord third-party vendor information management systems. Therefore, eMH program management officials could not develop the software needed to make eMH fully functional. Furthermore, landlords are not required to connect their third-party vendor information management systems with eMH to share additional data, such as occupancy data, unless the privatized military family housing project legal agreement includes a requirement for data sharing. Instead, DoD officials request that landlords voluntarily connect their third-party vendor information management systems with eMH. Consequently, neither the FY 2020 NDAA nor DoD housing policies, including the 2014 USD(A&S) policy memorandum, could unilaterally require retroactive changes to existing legal agreements. As a result, installation MHO officials at certain installations perform additional work to track and document their oversight of privatized military family housing outside of eMH.

²⁸ (U) DoD Office of the General Counsel, "Military Housing Privatization Initiation Question," August 25, 2020.

²⁹ (U) As previously discussed, when eMH officials develop appropriate software, eMH is capable of connecting with landlords' third-party vendor information management systems to accept additional data, such as occupancy data.

(U) DoD Officials Have Taken Steps to Increase Oversight of Privatized Military Family Housing

(U) DoD officials have taken steps to implement the FY 2020 NDAA provisions related to health, safety, and environmental hazards. According to an ODASD(H) official, DoD officials took a three-phase approach to implementing the FY 2020 NDAA provisions, because DoD officials determined that it would not be possible to implement all of the provisions concurrently. We found that DoD officials included many of the FY 2020 NDAA provisions related to health, safety, and environmental hazards in the scope of our evaluation in the first phase. For example, DoD officials included the FY 2020 NDAA section 3042 provision to establish councils on privatized military family housing and the section 2011 provision to implement the Tenant Bill of Rights in the first phase.

(U) DoD officials completed the first phase of their three-phase approach to implement the FY 2020 NDAA provisions. Specifically, to implement the FY 2020 NDAA provisions, we found that DoD officials:

- (U) issued policies to require installation MHO officials to perform the FY 2020 NDAA oversight provisions;
- (U) issued policies to require the FY 2020 NDAA provisions in future legal agreements; and
- (U) sought agreement from the landlords to voluntarily include the FY 2020 NDAA provisions retroactively in existing legal agreements.

(U) For example, MILDEP officials issued policies to require installation MHO officials to perform oversight provisions in section 3014 of the FY 2020 NDAA. We reviewed the MILDEP policies and found that they comply with section 3014 of the FY 2020 NDAA.³⁰ Accordingly, installation MHO officials must physically inspect each vacant housing unit and determine that the unit is habitable before authorizing the landlord to offer the unit to prospective tenants. Installation MHO officials are also required to contact tenants regarding their satisfaction with the privatized military family housing unit no later than 15 days after move-in and 60 days after move-out.

(U) In another example, on February 16, 2021, the Assistant Secretary of Defense (Sustainment) issued a policy memorandum to require landlords to provide 7-year maintenance histories to prospective tenants for all new or renewed legal agreements and directed MILDEP officials to seek voluntary agreement from landlords to retroactively include the 7-year maintenance history policy in existing legal agreements, as required by section 3019 of the

³⁰ (U) MILDEP policies requiring installation MHO officials to implement the FY 2020 NDAA section 3014 provisions included Headquarters Department of the Army Executive Order 17-2020, "FY20 NDAA Task Implementation," April 20, 2020; Commander, Navy Installations Command policy memorandum, "Housing Service Center Resident Contact After Move In," May 21, 2020; and Air Force Instruction 32-6000, "Housing Management," March 18, 2020.

(U) FY 2020 NDAA.³¹ In response, MILDEP officials sought voluntary agreement from landlords to provide 7-year maintenance histories to prospective tenants at existing privatized military family housing project locations.³²

(U) Certain Landlords Have Not Agreed to Voluntarily Include Three FY 2020 NDAA Provisions Retroactively in Existing Legal Agreements

(U) DoD officials sought agreement from landlords to voluntarily include three FY 2020 NDAA provisions related to health, safety, and environmental hazards retroactively in existing legal agreements. The FY 2020 NDAA provisions include tenants' rights to receive 7-year maintenance histories, enter into a dispute resolution process, and have their basic allowance for housing payments withheld from the landlord pending completion of the dispute resolution process. However, despite DoD officials' attempts, not all 14 landlords have agreed to voluntarily include the FY 2020 NDAA provisions retroactively in existing legal agreements. This occurred because the landlords are not legally required to retroactively include the three FY 2020 NDAA provisions in existing legal agreements.

(U) Section 3011 of the FY 2020 NDAA, the Tenant Bill of Rights, describes 18 tenant rights.³³ An ODASD(H) official told us that 5 of 14 landlords had not made all rights in the Tenant Bill of Rights available to tenants. The five landlords have legal agreements only with the Air Force. Those landlords have a total of 10,056 privatized military family housing units, which make up approximately 18 percent of the Air Force portfolio and approximately 5 percent of the portfolio of privatized military family housing across the DoD.³⁴ The five landlords own, operate, and maintain privatized military family housing at the following installations.

- (U) Boyer Hill Military Housing: Hill Air Force Base (AFB), Utah

³¹ (U) Assistant Secretary of Defense (Sustainment) memorandum, "Provision of a Seven-Year Maintenance History for Military Housing Privatization Initiative Housing Units to Tenants," February 16, 2021.

(U) The Assistant Secretary of Defense (Sustainment) originally issued a 7-year maintenance history policy on May 1, 2020, that was updated and superseded by the February 2021 policy. We evaluated the implementation of the 7-year maintenance histories according to section 3019 of the FY 2020 NDAA and modifications to the provision in section 2811 of the FY 2021 NDAA.

(U) Public Law No. 116-283, "National Defense Authorization Act for Fiscal Year 2021," section 2811, "Modifications and Technical Corrections Related to Military Housing Privatization Reform."

³² (U) As part of seeking agreement from landlords, MILDEP officials sent the landlords memorandums requesting their voluntary compliance with FY 2020 NDAA section 3019 provisions. The MILDEP memorandums included Deputy Assistant Secretary of the Army memorandum, "Department of the Army Policy Guidance –Provision of 7-Year Maintenance History to Residents," March 16, 2021; Commander, Navy Facilities Engineering Systems Command memorandum, "Universal Lease for DON Privatized Housing–Draft Universal Lease Template, Dispute Resolution Process, Rent Segregation, and Seven-Year Maintenance History," March 1, 2021; and a February 25, 2021 Office of the Assistant Secretary of the Air Force memorandum. Additionally, at the installations we visited, we found that the landlords had voluntarily agreed to provide 7-year maintenance histories to prospective tenants.

³³ (U) Some of the rights in the Tenant Bill of Rights are also provisions described in detail in other FY 2020 NDAA sections. For example, as previously discussed, section 3019 describes the 7-year maintenance histories, which are listed as the third right in the Tenant Bill of Rights.

³⁴ (U) These values represent the portfolio of privatized military family housing units and do not include privatized unaccompanied military housing units.

- (U) Burlington Capital Real Estate: Offutt AFB, Nebraska
- (U) JL Properties: Joint Base Elmendorf-Richardson, Alaska
- (U) Miller-Valentine Group: Wright-Patterson AFB, Ohio
- (U) United Communities: Joint Base McGuire-Dix-Lakehurst, New Jersey

(U) Specifically, the five landlords did not implement:

- (U) the right to enter into a dispute resolution process; and
- (U) the right to have the tenant’s basic allowance for housing payments held in escrow pending completion of the dispute resolution process.

~~(CUI)~~ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

~~(CUI)~~ Additionally, three of the five landlords, JL Properties, Miller-Valentine Group, and United Communities, did not make the right to 7-year maintenance histories available to prospective tenants.³⁵ These three landlords and installations have a total of 7,010 privatized military family housing units, which make up approximately 14 percent of the Air Force portfolio and approximately 3 percent of the portfolio of privatized military family housing across the DoD. [REDACTED]

~~(CUI)~~ This occurred because landlords are not legally required to retroactively include the three FY 2020 NDAA provisions for 7-year maintenance histories, the dispute resolution process, and withholding of the tenant’s basic allowance for housing payments from the landlord pending completion of the dispute resolution process in existing legal agreements.

[REDACTED]

³⁵ (U) Two of the five landlords described by the ODASD(H) official, Boyer Hill Military Housing and Burlington Capital Real Estate, were providing 7-year maintenance histories to prospective tenants.

³⁶ (U) The three tenant rights described in this section are the right to access seven-year maintenance histories; the right to enter into a dispute resolution process; and the right to have the tenant’s basic allowance housing payments withheld from the landlord pending completion of the dispute resolution process.

(CUI) [Redacted text block]

(U) The FY 2020 NDAA included provisions related to privatized military family housing directed to the Office of the Secretary of Defense, the MILDEPs, and the landlords. DoD officials are legally required to comply with the FY 2020 NDAA oversight provisions directed to them. According to the DoD Office of General Counsel, each existing privatized military family housing project is governed by an individual legal agreement between the MILDEP and the landlord. Neither party can unilaterally change the terms of the governing legal agreement; any changes require the consent of both parties. Therefore, many of the FY 2020 NDAA provisions do not apply to existing legal agreements, as a matter of law. Instead, the FY 2020 NDAA instructs the Secretary of Defense to seek voluntary agreement from all landlords with existing legal agreements to accept and implement the relevant provisions. Consequently, the implementation of the FY 2020 NDAA provisions directed to the landlords is required only when:

- (U) all parties, including the landlords, voluntarily accept and agree to include the provisions in existing legal agreements; or when
- (U) landlords sign a new or renewed legal agreement after the date the FY 2020 NDAA was enacted into law, in December 2019.³⁷

(U) During the course of our evaluation, we found that DoD officials were continuing to seek agreement from landlords to voluntarily include the FY 2020 NDAA provisions retroactively in existing legal agreements. We also found that DoD officials were continuing work to implement the second and third phases of the DoD’s three-phase approach to address the FY 2020 NDAA provisions. We have no recommendations at this time. However, we suggest that DoD officials consider the challenges discussed in this report when implementing the second and third phases of the DoD’s three-phase approach.

(U) Installation MHO Officials Will Not Have Access to the Full Functionality of eMH

(U) Although DoD officials have taken steps to implement the FY 2020 NDAA provisions related to health, safety, and environmental hazards, installation MHO officials at certain installations cannot track and document their oversight activities in eMH and do not have access to the full functionality of eMH. The USD(A&S) designated eMH as the authoritative data source for all military housing units, including privatized military family housing, in April 2014. Installation MHO officials need the full functionality of eMH to track and

³⁷ (U) Therefore, the Air Force landlords who did not voluntarily implement the FY 2020 NDAA provisions will be required to implement the FY 2020 NDAA provisions if and when they sign an applicable new or renewed legal agreement.

(U) document their oversight of privatized military family housing, including their oversight activities required by the FY 2020 NDAA oversight provisions. Specifically, the full functionality of eMH requires the following:

- (U) the inventory of privatized military family housing units must be populated in eMH at the individual address level; and
- (U) accurate occupancy data are needed to prompt installation MHO officials to perform specific oversight activities required by the FY 2020 NDAA.

(U) For example, installation MHO officials need the inventory of privatized military family housing units they oversee to be populated in eMH so that they can attach a record of each physical inspection they perform in vacant housing units to each address in eMH. In another example, installation MHO officials need an accurate move-in date for each tenant to meet their requirement for contacting tenants regarding their satisfaction with the privatized military family housing unit no later than 15 days after move-in.³⁸

(U) Installation MHO Officials at Certain Installations Cannot Track and Document Their Oversight Activities in eMH

(U) MILDEP officials are required to create a real property record for each unit of privatized military family housing and populate the inventory of privatized military family housing units in eMH to comply with the 2014 USD(A&S) policy memorandum. Navy officials had the inventory of privatized military family housing units populated in eMH. However, as of January 2022, the inventory of privatized military family housing units at 20 of 172 installations (approximately 12 percent) were not available to Army and Air Force installation MHO officials in eMH. This occurred because Army and Air Force officials did not populate eMH with all privatized military family housing records.

(U) In 2019 Report No. DODIG-2019-056, the DoD OIG reported that DoD officials did not identify and correct discrepancies between privatized military family housing inventories or populate eMH with all privatized military family housing records due to a lack of procedures to reconcile DoD records of privatized military family housing inventories with landlords' records.³⁹ Additionally, although the 2014 USD(A&S) policy memorandum required the MILDEPs to migrate to eMH by September 2015, the 2014 USD(A&S) policy memorandum did not specifically describe to what extent the MILDEPs were required to use the capabilities of eMH by September 2015. We found that each of the MILDEPs was using eMH, but not all to the same extent.⁴⁰ The eMH Program and System Manager told us that Army and

³⁸ (U) As previously discussed, section 3014 of the FY 2020 NDAA required installation MHO officials to conduct a physical inspection of a vacant housing unit before the landlord is authorized to offer the housing unit to a prospective tenant. Additionally, section 3014 required installation MHO officials to contact tenants regarding their satisfaction with the privatized military family housing unit no later than 15 days after move-in and 60 days after move-out.

³⁹ (U) Report No. DODIG-2019-056, "Accounting and Financial Reporting for the Military Housing Privatization Initiative," February 12, 2019.

⁴⁰ (U) The Navy hosts the eMH information management system, and therefore uses eMH to the greatest extent among the MILDEPs.

(U) Air Force officials had not populated their privatized housing unit inventory, at least in part, because “there was no established timeline as the effort requires significant labor to create real property records for tens of thousands” of privatized military family housing units. Therefore, Army and Air Force officials did not use the capabilities of eMH for privatized military family housing oversight.

(U) However, during this evaluation, we found that Army and Air Force officials made progress populating eMH with the inventory of privatized military family housing. As of January 2022, Army officials told us that their inventory of privatized military family housing units was populated and available in eMH to installation MHO officials at 33 of 43 Army installations. The Army officials told us that they were still working to populate the inventory of privatized military family housing units at 10 Army installations (approximately 23 percent). According to an Army official, the Army is on track to populate eMH with all privatized military family housing inventory by the end of October 2022. As of January 2022, Air Force officials told us that their inventory of privatized military family housing units was populated and available to installation MHO officials in eMH at 53 of 63 Air Force installations. The Air Force officials told us that they were still working to populate the inventory of privatized military family housing units at 10 Air Force installations (approximately 16 percent). According to an Air Force official, the projected completion date is December 2022.

(U) In 2019 Report No. DODIG-2019-056, the DoD OIG recommended that DoD officials:

(U) Coordinate with the enterprise Military Housing Program Management Office to ensure the development and implementation of detailed procedures for Military Department personnel to input privatized housing records into the enterprise Military Housing system, which would allow all Military Departments to comply with the “Enterprise Military Housing Information Management System” memorandum, dated April 16, 2014.⁴¹

(U) We have no additional recommendations at this time. We suggest that Army and Air Force officials continue to input the inventory of privatized military family housing records into eMH to meet the FY 2022 completion goals so that installation MHO officials can use eMH to track and document their oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA.

(U) Installation MHO Officials Do Not Have Access to Occupancy Data Sharing in eMH

(U) Landlords are responsible for operating and maintaining privatized military family housing. Landlord responsibilities include occupancy management, such as gathering tenants’ information and scheduling tenant move-in and move-out dates. All 14 landlords use a third-party vendor information management system to manage occupancy data in their

⁴¹ (U) Report No. DODIG-2019-056, “Accounting and Financial Reporting for the Military Housing Privatization Initiative,” February 12, 2019.

(U) privatized military family housing units. According to the eMH Program and System Manager, the landlords do not own proprietary information management systems, but instead contract with third-party vendors that offer information management systems. In order for occupancy data sharing to occur with eMH:

- (U) eMH program management officials must work with the landlords’ third-party vendors to develop software that meets the needs and requirements of the MILDEPs and is also compatible with both the landlords’ third-party vendor information management system and eMH; and
- (U) the landlords must voluntarily agree to pay for and use the additional software.

(U) However, the software necessary to connect landlord information management systems with eMH to share occupancy data was not available for Army and Air Force landlords’ third-party vendor information management systems at 106 of 172 installations (approximately 62 percent). This occurred because eMH program management officials did not complete development of software that met the needs and requirements of the Army and Air Force to connect landlords’ third-party vendor information management systems and make eMH fully functional. As previously discussed, the Army and Air Force did not prioritize the use of eMH for privatized military family housing oversight in the past; therefore, eMH program management officials could not complete development of software, as required by the 2014 USD(A&S) policy memorandum. During this evaluation, the eMH Program and System Manager told us that eMH program management officials were working with three landlord third-party vendors to develop the software necessary to connect landlords’ third-party vendor information management systems with eMH that meets the needs and requirements of the Army and Air Force.

~~(CUI)~~ Additionally, three landlords, [REDACTED] responsible for privatized military family housing at 43 of 172 installations (approximately 25 percent) refused to voluntarily use the software necessary to connect their third-party vendor information management systems with eMH to share occupancy data. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(U) The refusal by landlords to voluntarily connect their third-party vendor information management systems occurred because neither the FY 2020 NDAA nor DoD housing policies, including the 2014 USD(A&S) policy memorandum, could require retroactive changes to existing legal agreements. Specifically, landlords are not required to agree to pay for and use the software to connect their information management systems with eMH to share occupancy data unless it is in the privatized military family housing project legal agreement. Instead,

(U) DoD officials request landlords voluntarily connect their third-party vendor information management systems with eMH. We have no new recommendations at this time. However, we suggest that DoD officials consider the challenges discussed in this report when seeking agreement from landlords for changes to existing legal agreements and when signing new legal agreements.

(U) Implementation of the FY 2020 NDAA Oversight Provisions Presents Challenges for Installation MHO Officials and Tenants at Certain Installations

(U) As a result of the DoD's challenges to implement the FY 2020 NDAA oversight provisions, tenants whose landlords refused to retroactively apply the provisions to existing legal agreements do not have the same tenant rights as tenants whose landlords apply the provisions. For example, prospective tenants of the 3 of 14 landlords that are not providing 7-year maintenance histories do not have the same tenant rights as the prospective tenants of the 11 landlords providing 7-year maintenance histories. As previously discussed, approximately 13 percent of prospective tenants in Air Force privatized military family housing are not receiving 7-year maintenance histories. These prospective tenants do not have access to the same level of information about the housing unit as other prospective tenants when deciding whether a housing unit is an acceptable choice for themselves and their families.

(U) Additionally, installation MHO officials at certain installations perform additional work to track and document their oversight of privatized military family housing outside of eMH. As previously discussed, 23 percent of Army and 16 percent of Air Force installation MHO officials do not have the inventory of privatized military family housing populated in eMH. Therefore, these installation MHO officials perform additional work to track and document their oversight. For example, installation MHO officials at Buckley Space Force Base told us that until they have eMH functionality, they replicate the inventory of privatized military family housing units in various documents, such as spreadsheets, to track their oversight activities outside of eMH. Buckley Space Force Base MHO officials told us that they will start to document and track oversight activities in eMH once they have the inventory of privatized military family housing units they oversee populated in eMH.

~~(CUI)~~ Furthermore, installation MHO officials at 43 of 172 installations, overseeing the three landlords that refused to voluntarily connect landlord information management systems with eMH to share occupancy data, perform additional work to obtain and input the occupancy data needed to track and document their oversight in eMH. For example, installation MHO officials [REDACTED] obtain daily occupancy reports via e-mail from the landlord and manually input the data into eMH. [REDACTED] occupancy data changes occur often due to events outside of their control, such as adjustments to tenant move-in and move-out dates. Therefore, the [REDACTED] officials

~~(CUI)~~ must manually input those data into eMH, as well. The lack of eMH functionality at certain installations creates significant workload for those installation MHO officials. The manual data entry performed by installation MHO officials at certain installations introduces potential errors in oversight reporting and reduces the DoD's visibility of oversight effectiveness for privatized military family housing.

(U) This report is the second of three DoD OIG reports required by the FY 2020 NDAA. The first report, Report No. DODIG-2022-004, was published in October 2021 and described the status of the DoD's implementation of FY 2020 NDAA provisions as of February 2021 and included a recommendation that remains open.⁴² This report provides an update on the DoD's implementation of FY 2020 NDAA provisions. Additionally, this report identifies the challenges encountered by the DoD that are unique to each privatized military family housing project while implementing provisions related to health, safety, and environmental hazards to comply with FY 2020 NDAA oversight reform. As previously discussed, the DoD OIG made a recommendation in 2019 Report No. DODIG-2019-056 relevant to the findings of this evaluation that remains open.⁴³ Since DoD officials have not completed the implementation of the FY 2020 NDAA provisions, we are not making new recommendations. However, we suggest that ODASD(H) and MILDEP officials consider the challenges discussed in this report, as appropriate, when:

- (U) responding to the relevant open recommendation from the 2019 DoD OIG report;
- (U) developing guidance for implementing the remaining FY 2020 NDAA oversight provisions; and
- (U) seeking retroactive application of FY 2020 NDAA provisions to existing legal agreements with the landlords.

⁴² (U) Report No. DODIG-2022-004, "Evaluation of the Department of Defense's Implementation of Oversight Provisions of Privatized Military Housing," October 21, 2021.

⁴³ (U) Report No. DODIG-2019-056, "Accounting and Financial Reporting for the Military Housing Privatization Initiative," February 12, 2019.

(U) Appendix A

(U) Relevant Oversight Provisions for Privatized Military Family Housing in the FY 2020 NDAA

(U) The FY 2020 National Defense Authorization Act (NDAA) included provisions to enable effective identification and remediation of health, safety, and environmental hazards in privatized military family housing. The scope of our evaluation included FY 2020 NDAA sections 3011, 3012, 3013, 3014, 3017, 3018, 3019, 3041, 3042, 3056, 3057, and 3058. Additionally, we included section 2811 of the FY 2021 NDAA in the scope of our evaluation because section 2811 of the FY 2021 NDAA modified the FY 2020 NDAA provisions in section 3019. Furthermore, section 3044 of the FY 2020 NDAA directed the DoD Office of Inspector General (OIG) to conduct annual evaluations, until 2022, of the oversight of privatized military family housing by the Secretary of Defense. Table 2 describes the responsible offices named by the FY 2020 NDAA.

(U) Throughout this report and in Table 2, we use the term “implemented” to describe NDAA provisions for which DoD officials developed and issued policies. We use the term “available” to describe NDAA provisions that DoD officials implemented and that the landlords accepted and made accessible to tenants. We use the term “complete” to describe NDAA provisions that are both implemented and fully available to all tenants of privatized military housing.

(U) Table 2. FY 2020 NDAA Provisions Related to Health, Safety, and Environmental Hazards, as of January 2022

(U) FY 2020 NDAA Provisions	Relevant Requirements	Status	Responsible Office(s)
Section 3011: Improved accountability and oversight of privatized military family housing and protections and responsibilities for tenants of privatized military family housing.	The Secretary of Defense shall develop the following documents and the Secretary of each Military Department should ensure that the documents are attached to each lease: 1. Tenant Bill of Rights; and 2. Tenant Responsibilities.	1. Eighteen rights are implemented; availability varies (see Table 3) 2. Complete	Office of the Secretary of Defense and Military Departments
Section 3012: Designation of Chief Housing Officer for privatized military family housing.	The Secretary of Defense shall designate a Chief Housing Officer who oversees housing units.	Complete	Office of the Secretary of Defense (U)

(U) Table 2. FY 2020 NDAA Provisions Related to Health, Safety, and Environmental Hazards, as of January 2022 (cont'd)

(U) FY 2020 NDAA Provisions	Relevant Requirements	Status	Responsible Office(s)
Section 3017: Maintenance work order system for privatized military family housing.	The Secretary of Defense shall require that each landlord of a housing unit have an electronic work order system to track all maintenance requests relating to the housing unit and that it is accessible to DoD personnel.	Complete	Office of the Secretary of Defense
Section 3018: Access by tenants of privatized military family housing to maintenance work order system.	The Secretary of Defense shall require each landlord to provide access to the maintenance work order system to the tenant of the housing unit to permit the tenant to track the status and progress of work orders for maintenance requests relating to the housing unit.	Complete	Office of the Secretary of Defense
Section 3019: Access by tenants to historical maintenance information for privatized military family housing.	The Secretary concerned shall require each landlord that offers a housing unit to provide a prospective tenant of the housing unit, before the prospective tenant moves into the housing unit, all information regarding maintenance conducted to that unit for the previous 7-years.	Implemented but not fully available (described in the Finding section of this report)	Office of the Secretary of Defense
Section 3041: Report on civilian personnel shortages for appropriate oversight of management of military housing constructed or acquired using alternative authority for acquisition and improvement of military housing.	<p>The Secretary of Defense, in coordination with the Secretaries of the Military Departments, shall submit to the congressional defense committees a report containing:</p> <ol style="list-style-type: none"> 1. an evaluation of the extent to which shortages in the number of civilian personnel performing oversight functions at DoD military housing offices or assigned to housing-related functions at headquarters levels contribute to problems regarding the management of privatized military family housing; and 2. recommendations to address such personnel shortages. 	Incomplete	Office of the Secretary of Defense and MILDEPs

(U)

(U) Table 2. FY 2020 NDAA Provisions Related to Health, Safety, and Environmental Hazards, as of January 2022 (cont'd)

(U) FY 2020 NDAA Provisions	Relevant Requirements	Status	Responsible Office(s)
Section 3057: Standardized documentation, templates, and forms for privatized military family housing.	The Secretary of Defense shall develop standardized documentation, templates, and forms for use throughout the DoD with respect to privatized military family housing.	Implemented but not fully available (described in the Finding of this report)	Office of the Secretary of Defense
Section 3058: Satisfaction survey for tenants of military housing.	The Secretary of Defense shall require that each installation use the same satisfaction survey for tenants of military housing, including privatized military family housing.	Complete	Office of the Secretary of Defense (U)

Source: The DoD OIG.

(U) Appendix B

(U) Elements of the Tenant Bill of Rights

(U) The FY 2020 National Defense Authorization Act (NDAA) describes 18 rights for tenants residing in privatized military family housing (Tenant Rights Outlined in the FY 2020 NDAA column of Table 3). On February 25, 2020, the Secretary of Defense and the Secretaries of the Military Department (MILDEPs) signed the initial Tenant Bill of Rights, including 15 of the 18 rights outlined in the FY 2020 NDAA.⁴⁴ On July 1, 2021, the Secretary of Defense and the Secretaries of the MILDEPs updated the Tenant Bill of Rights to include all 18 tenant rights described in the FY 2020 NDAA (DoD Issued Tenant Bill of Rights column of Table 3). On August 1, 2021, the Secretary of Defense and the Secretaries of the MILDEPs updated the Tenant Bill of Rights to reflect provision changes required by the FY 2021 NDAA. Table 3 provides an update to the status of the Tenant Bill of Rights as of January 2022 (Availability of the Rights to the Tenants column).⁴⁵

(U) As previously discussed, we use the term “available” to describe NDAA provisions that DoD officials implemented and that landlords accepted and made accessible to tenants at military installations. According to the August 2021 Tenant Bill of Rights, DoD officials developed and issued all policies necessary to implement the 18 tenant rights. However, as described in this report, landlords are not legally required to make the provisions available in existing legal agreements governing privatized military projects unless they sign a new or renewed legal agreement after the date the FY 2020 NDAA was enacted into law, in December 2019. Therefore, we described the rights available to the tenants at all locations governed by existing legal agreements with landlords as Fully Available in the Table 3 column titled “Availability of the Rights to the Tenants.” The availability of the rights shown as “Not Fully Available” in Table 3 were described in the Finding of this report.

(U) Table 3. Elements of the Tenant Bill Of Rights, as of January 2022

(U) Tenant Rights Outlined in the FY 2020 NDAA	DoD Issued Tenant Bill of Rights	Availability of the Rights to the Tenants
1. The right to reside in a housing unit and community that meets applicable health and environmental standards.	Included	Fully Available
2. The right to reside in a housing unit that has working fixtures, appliances, and utilities and reside in a community with well-maintained common areas and amenity spaces.	Included	Fully Available

(U)

⁴⁴ (U) On June 1, 2020, the Chief Housing Officer issued a memorandum announcing that 14 of the 18 rights were available to the tenants. These were updated and superseded by the August 1, 2021, Tenant Bill of Rights.

⁴⁵ (U) Table 1 in Appendix B of Report No. DODIG-2022-004 described the status of the Tenant Bill of Rights as of February 2021.

(U) Table 3. Elements of the Tenant Bill Of Rights, as of January 2022 (cont'd)

(U) Tenant Rights Outlined in the FY 2020 NDAA	DoD Issued Tenant Bill of Rights	Availability of the Rights to the Tenants
4. The right to be provided with a maintenance history of the prospective housing unit before signing a lease, as provided in section 2892a of this title.	Included	Not Fully Available
5. The right to a written lease with clearly defined rental terms to establish tenancy in a housing unit, including any addendums and other regulations imposed by the landlord regarding occupancy of the housing unit and use of common areas.	Included	Fully Available
6. The right to a plain-language briefing, before signing a lease and 30 days after move-in, by the installation housing office on all rights and responsibilities associated with tenancy of the housing unit, including information regarding the existence of any additional fees authorized by the lease, any utilities payments, the procedures for submitting and tracking work orders, the identity of the military tenant advocate, and the dispute resolution process.	Included	Fully Available
7. The right to have sufficient time and opportunity to prepare and be present for move-in and move-out inspections, including an opportunity to obtain and complete necessary paperwork.	Included	Fully Available
8. The right to report inadequate housing standards or deficits in habitability of the housing unit to the landlord, the chain of command, and military housing office without fear of reprisal or retaliation.	Included	Fully Available
9. The right of access to a military tenant advocate, as provided in section 2894(b)(4) of this title, through the military housing office of the installation of the Department at which the housing unit is located.	Included	Fully Available
10. The right to receive property management services provided by a landlord that meet or exceed industry standards and that are performed by professionally and appropriately trained, responsive, and courteous customer service and maintenance staff.	Included	Fully Available
11. The right to have multiple, convenient methods to communicate directly with the landlord maintenance staff, and to receive consistently honest, accurate, straightforward, and responsive communications.	Included	Fully Available
12. The right to have access to an electronic work order system through which a tenant may request maintenance or repairs of a housing unit and track the progress of the work.	Included	Fully Available (U)

(U) Table 3. Elements of the Tenant Bill Of Rights, as of January 2022 (cont'd)

(U) Tenant Rights Outlined in the FY 2020 NDAA	DoD Issued Tenant Bill of Rights	Availability of the Rights to the Tenants
13. With respect to maintenance and repairs to a housing unit, the right to the following: <ul style="list-style-type: none"> a. prompt and professional maintenance and repair; b. to be informed of the required time frame for maintenance or repairs when a maintenance request is submitted; and c. in the case of maintenance or repairs necessary to ensure habitability of a housing unit, to prompt relocation into suitable lodging or other housing at no cost to the tenant until the maintenance or repairs are completed. 	Included	Fully Available
14. The right to receive advice from military legal assistance on procedures involving mechanisms for resolving disputes with the property management company or property manager to include mediation, arbitration, and filing claims against a landlord.	Included	Fully Available
15. The right to enter into a dispute resolution process, should all other methods be exhausted and, in which case, a decision in favor of the tenant may include a reduction in rent or an amount to be reimbursed or credited to the tenant.	Included	Not Fully Available
16. The right to have the tenant’s basic allowance for housing payments segregated and held in escrow, with approval of a designated commander, and not used by the property owner, property manager, or landlord pending completion of the dispute resolution process.	Included	Not Fully Available
17. The right to have reasonable, advance notice of any entrance by a landlord, installation housing staff, or chain of command into the housing unit, except in the case of an emergency or abandonment of the housing unit.	Included	Fully Available
18. The right to not pay nonrefundable fees or have application of rent credits arbitrarily held.	Included	Fully Available
19. The right to expect common documents, forms, and processes for housing units will be the same for all installations of the Department, to the maximum extent applicable without violating local, State, and Federal regulations.	Included	Fully Available

(U)

Source: DoD OIG.

(U) Appendix C

(U) Roles and Responsibilities Related to Oversight of Privatized Military Family Housing

(U) In accordance with DoD Instruction 4165.63, the Office of the Secretary of Defense and the Military Departments (MILDEPs) manage privatized military family housing within their respective jurisdictions, including program and financial management, accounting, and reporting. The Office of the Secretary of Defense and the MILDEPs share oversight roles and responsibilities for the Military Housing Privatization Initiative (MHPI). Installation military housing office (MHO) officials perform the day-to-day oversight of the MHPI. Table 4 describes the oversight roles and responsibilities for the MHPI.

(U) Table 4. Roles and Responsibilities Related to MHPI Oversight, as of January 2022

(U) Organization / Position	Responsibilities
Office of the Secretary of Defense, Assistant Secretary of Defense (Sustainment)	<ul style="list-style-type: none"> Oversees MHPI program. Designates a Chief Housing Officer (CHO) to oversee MHPI housing units, and supports the CHO by providing programmatic oversight of DoD privatized military family housing. Directs MILDEPs to use the enterprise Military Housing (eMH) information management system for MHPI inventory management. Manages the Deputy Assistant Secretary of Defense (Housing)
Office of the Secretary of Defense, Chief Housing Officer	<ul style="list-style-type: none"> Creates and standardizes privatized military family housing policies and processes, and oversight of the administration of any DoD-wide MHPI policies. Maintains the enhanced level of DoD senior leader engagement with the MHPI landlords. Holds quarterly tri-Service roundtable meetings and quarterly installation meetings with the senior leaders of the MHPI landlords.
Department of the Army, Assistant Secretary of the Army (Installations, Energy, and Environment)	<ul style="list-style-type: none"> Sets the strategic direction for and ensuring that Army policies and programs related to installations, including Army real estate, joint basing, military construction, energy and water security and sustainability, and the environment, safety, and occupational health are executed consistent with law, regulation, and policy. Oversees the military construction, real property, real estate, energy, and environmental safety and occupational health programs. Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.

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(U) Table 4. Roles and Responsibilities Related to MHPI Oversight, as of January 2022 (cont'd)

(U) Organization / Position	Responsibilities
Department of the Army, Army Materiel Command	<ul style="list-style-type: none"> • Provides asset management oversight, guidance, and support to the Installation Management Command, Senior Commander, Garrison Commander, and garrison housing representatives. • Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Army, Installation Management Command	<p>Provides asset management oversight.</p> <ul style="list-style-type: none"> • Serves as the subject matter expert on all private company issues. • Ensures that the Garrison Housing Manager executes compliance oversight responsibilities. • Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Army, Garrison Commanders	<ul style="list-style-type: none"> • Serves as the Secretary of the Army’s local representative to the landlords. • Assist with landlord-tenant disputes that the Property Manager or Garrison Housing Manager cannot resolve. • Maintain health, safety, security, and protection of the project. • Use eMH to conduct oversight of privatized military family housing, including their oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Army, Garrison Housing Manager (Installation MHO)	<ul style="list-style-type: none"> • Serves as the Garrison Commander’s chief advisor on the Residential Communities Initiative Program. • Coordinates and implements the plans, resolution of issues, and long-term oversight of the landlord at the installation level. • Uses eMH to track and document oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Navy, Assistance Secretary of the Navy (Energy, Installations, and Environment)	<ul style="list-style-type: none"> • Oversees all functions and programs involving Navy and Marine Corps installations and contingency bases, real estate, infrastructure, energy, resilience, environment, safety and occupational health, strategic sourcing. • Establishes program, policies, and procedures, and oversees execution, implementation, and review to determine the long-term financial viability of the Navy’s privatized military family housing. • Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.

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(U) Table 4. Roles and Responsibilities Related to MHPI Oversight, as of January 2022 (cont'd)

(U) Organization / Position	Responsibilities
Department of the Navy, Commander, Navy Installations Command (CNIC)	<ul style="list-style-type: none"> Leads eMH system software development, deployment, and management. Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Navy, Marine Corps Installations Command	<ul style="list-style-type: none"> Oversee all Marine Corps housing programs , including ensuring the delivery of quality housing and property management services directly to military residents on-site at privatized military family housing neighborhoods. Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Navy, Housing (Installation MHO)	<ul style="list-style-type: none"> Develops and implements housing management programs, policies, procedures, and resolves management problems related to the use and operation of housing facilities and assets provided for military Service members and families. Supervises the Housing Referral program and the Military Housing Maintenance Staff. Uses eMH to track and document oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Navy, Marine Corps Military Housing Office Director (Installation MHO)	<ul style="list-style-type: none"> Develops and implements housing management programs, policies, procedures, and resolving management problems related to the use and operation of housing facilities and assets provided for military Service members and families. Supervises the Housing Referral program and the Military Housing Maintenance Staff. Uses eMH to track and document oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Air Force, Assistant Secretary of the Air Force (Installations, Environment, and Energy)	<ul style="list-style-type: none"> Provides policy, guidance, strategic direction, priorities, and oversight for the management and execution of Air Force housing programs for accompanied and unaccompanied members. Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Air Force, Air Force Civil Engineer Center	<ul style="list-style-type: none"> Serves as the Air Force Portfolio Manager and Execution Agent with specific roles and fiduciary responsibilities. Approves or disapproves quarterly performance incentive fee payments for privatized housing projects for the Air Force MHPI. Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.

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(U) Table 4. Roles and Responsibilities Related to MHPI Oversight, as of January 2022 (cont'd)

(U) Organization / Position	Responsibilities
Department of the Air Force, Installation Commander	<ul style="list-style-type: none"> Oversees the acquisition, operations, and management of the privatized housing projects. Uses eMH to conduct oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
Department of the Air Force, Military Housing Office (Installation MHO)	<ul style="list-style-type: none"> Provides oversight of the privatized housing projects, and advocates for all Service members and families for safe, affordable, and quality housing. Acts as the first point of contact for all complaint resolution issues and assists in the mediation of complaints associated with privatized housing. Uses eMH to track and document oversight of privatized military family housing, including oversight activities required by the FY 2020 NDAA oversight provisions.
eMH Working Group: Offices of the Assistance Secretary of the Army (Installation, Energy, and Environment); Assistance Secretary of the Navy (Installation, Energy, and Environment); and Assistance Secretary of the Air Force (Installation, Energy, and Environment)	<ul style="list-style-type: none"> Adjudicates issues that could not be resolved by the eMH Configuration Management Board. Presents recommendations and issues related to eMH to the Director of Facilities Investment and Management for discussion of further actions.

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Source: DoD OIG.

(U) Acronyms and Abbreviations

AFB	Air Force Base
CHO	Chief Housing Officer
eMH	Enterprise Military Housing
MHO	Military Housing Office
MCAS	Marine Corps Air Station
MHPI	Military Housing Privatization Initiative
MILDEP	Military Department
NDAA	National Defense Authorization Act
ODASD(H)	Office of the Deputy Assistant Secretary of Defense (Housing)
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment

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