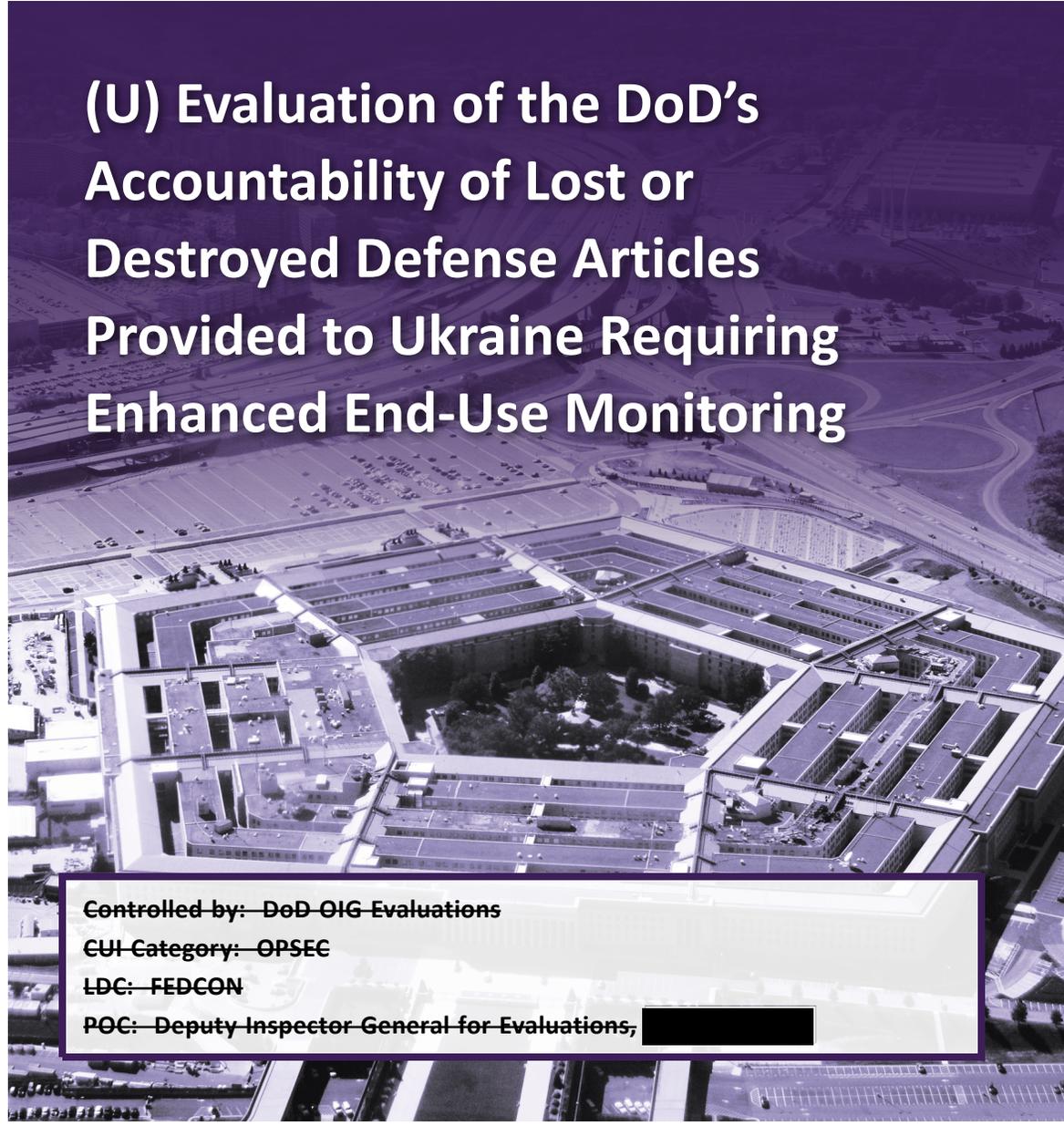


CUI

INSPECTOR GENERAL

U.S. Department of Defense

JUNE 24, 2024



(U) Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring

Controlled by: DoD-OIG Evaluations

CUI-Category: OPSEC

LDC: FEDCON

POC: Deputy Inspector General for Evaluations, [REDACTED]

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY

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(U) Results in Brief

(U) Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring

June 24, 2024

(U) Objective

(U) The objective of this evaluation was to determine whether the U.S. European Command's (USEUCOM) Office of Defense Cooperation (ODC)-Ukraine obtained complete loss reports for enhanced end-use monitoring (EEUM)-designated defense articles provided to the Ukrainian Armed Forces (UAF) in a timely manner.

(U) Background

(U) The purpose of the DoD's EEUM program is to safeguard defense articles that require additional layers of verification and protections. The Defense Security Cooperation Agency Security Assistance Management Manual and the EEUM Concept of Operation detail the requirements for partner nations to provide reports to the Security Cooperation Organization, identifying the loss or destruction of EEUM-designated defense articles, for entry in the Security Cooperation Information Portal-End-Use Monitoring database. Personnel from the ODC-Ukraine, as the Security Cooperation Organization in Ukraine, and the Defense Security Cooperation Agency also provide these loss reports to the Department of State for review to identify any potential indicators of illicit diversion or misuse. USEUCOM supports the Defense Security Cooperation Agency and oversees the ODC-Ukraine to ensure compliance with the DoD's EEUM policy.

(U) Findings

~~(CUI)~~ DoD and UAF personnel collected, reviewed, and recorded loss reporting information for [REDACTED] lost or destroyed EEUM-designated defense articles worth

~~(CUI)~~ \$22.9 million between March 1, 2022, and July 31, 2023. While 99.4 percent of the items reported during this initial period were night vision devices (for many of which the Office Inspector General has previously recommended that the DoD of reconsider the need for enhanced monitoring), during the period from August 1, 2023, through November 26, 2023, DoD and UAF personnel collected, reviewed, and recorded loss reporting information for an additional [REDACTED] lost or destroyed EEUM-designated defense articles worth an additional \$39.3 million between August 1, 2023, and November 26, 2023, which included a wider variety of EEUM-designated items. This increased the total overall value of reported lost or destroyed defense articles to \$62.2 million as of November 26, 2023.

(U) Despite this reporting, we concluded that the ODC-Ukraine did not consistently obtain timely or complete loss reports in accordance with the Security Assistance Management Manual, the Concept of Operation (CONOP) and the EEUM control plan submission standards. While not all reports contained the date of the loss, the average time from initial defense article loss to final loss report production was 301 days for those reports that contained the loss dates. This average was approximately 10 times longer than the reporting requirement in the Security Assistance Management Manual, and greatly exceeded the time requirements in the defense article control plans and the 2022 CONOP.

(U) This occurred because reporting timelines and information requirements were inconsistent, the Security Assistance Management Manual did not provide sufficient guidance for partner nation self-reporting, and the timelines and requirements did not always provide adequate time for the UAF to investigate EEUM losses. We also concluded that USEUCOM personnel did not consistently review or analyze the information received from initial loss notifications and final loss reports.

(U) The absence of timely and complete EEUM loss reporting, along with the lack of thorough analysis of the loss reports, impedes the DoD's understanding of any potential end-use

CUI



(U) Results in Brief

(U) Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring

(U) Findings (cont'd)

(U) violations on EEUM-designated defense articles. This increases the risk that the DoD could lose accountability over EEUM-designated defense articles provided to Ukraine.

(U) It was beyond the scope of our evaluation to determine whether there has been diversion of such assistance. The DoD OIG's Defense Criminal Investigative Service continues to investigate allegations of criminal conduct regarding U.S. Security assistance to Ukraine.

(U) Recommendations

(U) We recommend that the ODC-Ukraine Chief coordinate with the Ukrainian Ministry of Defense to:

- (U) update the requirements for EEUM initial loss notifications and final loss reports for the UAF, including clearly defined timelines and contents; and
- (U) develop and publish a procedure for faster retrieval of critical information from final loss report investigations.

(U) We recommend that the USEUCOM Commander, in coordination with the ODC-Ukraine:

- (U) review loss report circumstances reported by the UAF under partner nation self-reporting to determine the risk of adversary capture of EEUM-designated defense articles and potential end-use violations of those articles, other than night vision devices with no advanced technology; and
- (U) direct the ODC-Ukraine, in coordination with the UAF, to revise the November 2023 CONOP to require loss reports under partner nation self-reporting to include EEUM-designated defense articles potentially captured by an adversary or subject to end-use violations.

(U) Management Comments and Our Response

(U) The ODC-Ukraine Chief agreed with our recommendations to update the 2023 CONOP and to publish procedures for faster retrieval of critical information from final loss report investigations. We consider these recommendations resolved but open. We will close these recommendations when the ODC-Ukraine provides us with a copy of the updated CONOP and the published procedures for retrieving critical information from loss report investigations.

(U) The Chief, ECJ5 Russia/Ukraine Division, responding on behalf of the Commander, U.S. European Command, disagreed with the recommendation to review loss report circumstances provided by the UAF to determine risk of adversary capture of EEUM-designated defense articles and viewed the recommendation as a programmatic change requiring DSCA approval. We consider this recommendation unresolved and request additional comments within 30 days.

(U) The Chief, ECJ5 Russia/Ukraine Division disagreed with the recommendation to coordinate with the UAF to revise the November 2023 CONOP to require loss reports to include EEUM-designated defense articles potentially captured by an adversary. We consider this recommendation unresolved and request additional comments within 30 days, including planned actions to address the recommendation.

(U) The Chief, ECJ5 Russia/Ukraine Division disagreed with the recommendation to review loss report circumstances provided by the UAF to determine potential end-use violations of EEUM-designated defense articles. The ECJ5 Chief viewed the recommendation as a programmatic change requiring DSCA approval. We consider this recommendation unresolved and request additional comments within 30 days describing planned actions to address the recommendation.



(U) Results in Brief

(U) Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring

(U) Comments (cont'd)

(U) The Chief, ECJ5 Russia/Ukraine Division disagreed with the recommendation to coordinate with the UAF to revise the November 2023 CONOP requiring loss reports to include all instances of potential end-use violations of EEUM-designated defense articles. We consider this recommendation unresolved and request additional comments within 30 days.

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

(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commander, U.S. European Command	2.a, 2.b, 3.a, 3.b		
Chief, Office of Defense Cooperation-Ukraine		1.a, 1.b	(U)

(U) Please provide Management Comments by July 24, 2024

(U) Note: The following categories are used to describe agency management’s comments to individual recommendations.

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



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

June 24, 2024

MEMORANDUM FOR COMMANDER, UNITED STATES EUROPEAN COMMAND CHIEF,
 OFFICE OF DEFENSE COOPERATION-UKRAINE

SUBJECT: (U) Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring (Report No. DODIG-2024-097)

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

(U) This report contains both resolved and unresolved recommendations. The Chief of the Office of Defense Cooperation-Ukraine agreed with Recommendations 1.a and 1.b. We consider these recommendations resolved but open.

(U) The Chief, ECJ5 Russia/Ukraine Division, responding for the Commander of the U.S. European Command, disagreed with Recommendations 2.a., 2.b., 3.a., and 3.b. These recommendations are unresolved. We request that the Commander of the U.S. European Command provide additional comments within 30 days on the planned actions to address the recommendations.

(U) We will track these recommendations until management agrees to take actions that we determine to be sufficient to meet the intent of the recommendations and management officials submit adequate documentation showing that all agreed-upon actions are completed.

(U) DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, we request that the Commander of the U.S. European Command provide a response within 30 days addressing specific actions in process, or alternative corrective actions proposed, concerning the unresolved recommendations. We request that the Chief of the Office of Defense Cooperation-Ukraine respond within 90 days addressing specific actions in process or completed on the recommendations that are resolved but open. Send your response to [REDACTED] if unclassified or [REDACTED] if classified SECRET.

(U) If you have any questions or would like to meet to discuss this evaluation, please contact [REDACTED]. We appreciate the cooperation and assistance received during the evaluation.

FOR THE INSPECTOR GENERAL:



Michael J. Roark
Deputy Inspector General for Evaluations

cc:
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY

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(U) Introduction

(U) Objective

(U) The objective of this evaluation was to determine whether the U.S. European Command's (USEUCOM) Office of Defense Cooperation-Ukraine (ODC-Ukraine) obtained complete loss reports in a timely manner for enhanced end-use monitoring (EEUM)-designated defense articles provided to the Ukrainian Armed Forces (UAF), used all available means to verify the loss reports received, and effectively analyzed or shared the loss reports with DoD Components.¹

(U) Background

(U) The Arms Export Control Act was enacted in 1976 and requires the President to establish an end-use monitoring (EUM) program to improve the accountability of defense articles and defense services sold, leased, or exported by the U.S. Government to a partner nation. The DoD uses the Golden Sentry program to monitor the end-use of designated U.S. defense articles exported to partner nations through routine EUM and EEUM. The Golden Sentry program's purpose is to hold partner nations accountable for the proper use, storage, and physical security of U.S.-originated defense articles and services transferred to their respective nations through DoD security assistance government-to-government programs, including the Ukraine Supplemental Assistance Initiative, Presidential Drawdown Authority, the Foreign Military Sales process, and Third-Party Transfers.

(U) Different from items subject to routine EUM, EEUM-designated defense articles require additional layers of verification and protections. This includes defense articles that incorporate sensitive technology that are particularly vulnerable to diversion or other misuse, or whose diversion or other misuse could have significant consequences, as identified by DoD policy or the Military Department interagency release process. EEUM requirements are stated in the Defense Security Cooperation Agency's (DSCA) 5105.38-M, "Security Assistance Management Manual" (SAMM), and in written agreements between the Government and the partner nation. The requirements include physical security assessments of the partner nation's storage facilities; a combined inventory of all on-hand, lost,

¹ (U) The public release version of this report contains information that has been modified because it was identified by the DoD as Controlled Unclassified Information and, therefore, not publicly releasable. CUI is Government-created or owned unclassified information that allows for, or requires, safeguarding and dissemination controls in accordance with laws, regulations, or Government-wide policies.

(U) damaged, destroyed, and expended EEUM-designated defense articles by serial number; and separate loss reports for EEUM-designated defense articles lost or destroyed.²

(U) The DSCA's SMM and the Partner Nation EUM Self-Reporting Concept of Operation (CONOP) require the partner nation to identify the loss or destruction of EEUM-designated defense articles in writing to the Security Cooperation Organization (SCO) for entry in the Security Cooperation Information Portal-End-Use Monitoring (SCIP-EUM) database.³ The SMM requires the SCO to report losses to the DSCA, geographic combatant commands, and Department of State (DOS). The SMM also requires the SCO to report all potential end-use violations of EEUM-designated defense articles identified to the DSCA, combatant command, and DOS for further investigation of unauthorized end-use as necessary. The SMM requires loss reports for all EEUM-designated defense articles determined to be lost or destroyed. The UAF uses other reporting means to report defense articles that are damaged and to report defense articles, like missiles, that they fire, or expend, in combat or in training. The OIG is conducting an in-depth analysis of the UAF's expenditure reporting as part of our larger follow-up project announced on February 26, 2024, "Follow-Up Evaluation of the DoD's Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine" (DoD OIG Project No. D2024-DEV0PC-0094.000).

(U) Key Roles and Responsibilities for EEUM Loss Reporting

(U) The principal organizations responsible for implementing the Golden Sentry EUM program in Ukraine are the DSCA, ODC-Ukraine, UAF Logistics Forces Command, and DOS Bureau of Political and Military Affairs, Office of Regional Security and Arms Transfers (PM/RSAT).

(U) Defense Security Cooperation Agency

(U) The DSCA provides subject matter expertise for all EEUM-related issues. The DSCA's responsibilities include developing and providing the DoD EEUM guidance in the SMM and ensuring partner nations and SCOs implement security and accountability procedures for EEUM-designated defense articles. The SMM requires the DSCA to forward reports of possible end-use violations to the DOS PM/RSAT.

² (U) A DSCA official told the OIG that a defense article that cannot be accounted for, and is not known to have been destroyed, is considered lost. The circumstances of loss will be investigated by the UAF for both lost and destroyed defense articles. Of the [REDACTED] defense articles reported as lost or destroyed on UAF loss reports and loss notifications between March 1, 2022, and July 31, 2023, [REDACTED] were listed as lost, and [REDACTED] were listed as destroyed. Of the [REDACTED] additional defense articles reported as lost or destroyed on UAF loss reports and loss notifications between August 1, 2023, and November 26, 2023, [REDACTED] were reported as lost and [REDACTED] were reported as destroyed. We identify these items further in the Finding section of this report.

³ (U) The SCIP is a DSCA-managed web-based system that contains foreign military sales and security cooperation case-related data, as well as numerous other types of information. The SCIP-EUM database is a community within the SCIP where DSCA tracks and manages EEUM accountability and inventory data.

(U) U.S. European Command

(U) USEUCOM maintains a Golden Sentry primary point of contact to oversee and ensure that SCOs comply with DoD EUM program policy. USEUCOM must also assist DSCA in circulating EUM policy and developing standard operating procedures (SOPs) and/or compliance plans, which provide the SCO the ability to execute EUM/EEUM inventories and inspections to support execution of the Golden Sentry program. The SAMM requires USEUCOM to review the SCIP-EUM database quarterly to ensure SCOs are conducting and documenting routine EUM checks and performing annual accountability and physical security checks of EEUM in accordance with Golden Sentry EUM policy and procedures. USEUCOM must also support DSCA to ensure the SCO is meeting requirements identified in the SAMM section C8.5.5., “Conducting EUM in a Hostile Environment.”

(U) ODC-Ukraine

(U) USEUCOM’s ODC-Ukraine is the SCO in Ukraine, responsible for maintaining an accurate baseline of all EEUM-designated defense articles provided to Ukraine through DSCA’s SCIP-EUM database. The ODC-Ukraine must ensure that the partner nation reports any losses, expenditures, or disposal of any EEUM-designated defense article as required in the transfer agreement and enter the information in the SCIP-EUM database.⁴

(U) UAF

(U) The UAF Logistics Forces Command maintains primary responsibility for reporting on the status of EEUM-designated defense articles. The Logistics Forces Command is responsible for providing initial loss notifications to the ODC-Ukraine once EEUM-designated defense articles were determined to be lost or destroyed. The Logistics Forces Command also provides final loss reports to the ODC-Ukraine after the UAF completed its internal investigations into the circumstances of loss.⁵ Before the November 26, 2023 revised CONOP, the UAF Logistics Forces Command reported the status of the UAF’s EEUM-designated defense article to the ODC-Ukraine. However, as of November 2023, Ukrainian EUM officials at the UAF units are responsible for EEUM reporting, including loss reporting.

⁴ (U) The term transfer agreement refers to security and accountability documents supporting the transfer of EEUM. Control plans and CONOP serve as security and accountability documents.

⁵ (U) The ODC-Ukraine Deputy Security Assistance Officer stated that the ODC uses the term “loss report” regardless of whether the report is an initial loss notification or a final loss report. This report differentiates between initial loss notifications, which state, “investigation results will be provided,” or, “investigation is in progress,” and final loss reports, which provide an investigation number and completion date along with circumstances of loss. UAF accountability documents for EEUM-designated defense articles include initial and follow-on reports.

(U) DOS PM/RSAT

(U) The DOS PM/RSAT serves as the primary Government authority for responding to reports of potential end-use violations, communicating the DOS investigation status and other information related to potential end-use violations to the DoD.⁶ The DOS PM/RSAT receives potential end-use violations and conducts investigations in coordination with the diplomatic and security cooperation communities, and, if need be, determines the actions to be taken by the Government to address findings in the investigation reports.

(U) Criteria for EEUM Loss Reporting

(U) Criteria guiding EEUM loss reporting includes two Federal laws, a DoD directive, the DSCA SAMM, and country-specific SOPs. These criteria address the requirements for routine EEUM operations, including verifying authorized use, maintaining command oversight, and reporting loss and destruction of EEUM-designated defense articles.

(U) United States Code

(U) Section 2314, title 22, United States Code, applies to end-use verification of defense articles and defense services furnished to a country on a grant basis. It also states that no defense articles will be furnished to a country unless that country agrees not to permit the unauthorized use or transfer of the defense articles and agrees to maintain the security of the defense article.⁷

(U) In addition, Section 2785, title 22, United States Code, applies to the end-use verification of sold, leased, or exported defense articles and defense services, and states that the verification must provide reasonable assurance that the recipient is complying with the requirements imposed by the U.S. Government with respect to use, transfers, and security of defense articles and defense services.

⁶ (U) An end-use violation is an unauthorized use of an EUM or EEUM-designated defense article that can include unauthorized access, unauthorized transfer, security violations, or known equipment losses.

⁷ (U) Unauthorized end-use includes: (1) using the defense articles and services for unauthorized purposes; (2) transferring articles and services to, or permitting their use by anyone not an officer, employee, or agent of the receiving country; or (3) failing to maintain “the security of the defense articles or services.”

(U) DoD Directive 5132.03

(U) DoD Directive (DoDD) 5132.03 states that geographic combatant commanders must maintain responsibility for all security cooperation matters in their assigned areas of responsibility.⁸ Geographic combatant commanders must:

- (U) develop country-specific security cooperation sections in support of theater campaign plans, integrating inputs from DoD stakeholders and interagency partners;
- (U) provide guidance to, and oversight of, senior defense officials/defense attachés and chiefs of SCOs to direct the planning and execution of security cooperation activities in alignment with DoD policies and priorities;
- (U) assess a foreign partner's security environment and political will, willingness, and ability to protect sensitive information and technologies, and its ability to absorb and sustain assistance to determine how best to apply resources; and
- (U) monitor and evaluate ongoing security cooperation activities to gauge effectiveness, determine whether corrections are needed, and capture lessons-learned.

(U) DSCA SAMM

(U) The DSCA SAMM requires the SCO to ensure that the partner nation reports losses of EEUM-designated defense articles to the ODC-Ukraine as required in transfer agreements. The ODC-Ukraine must immediately report losses of EEUM-designated defense articles to DSCA, the USEUCOM, and DOS PM/RSAT. After the initial report, the ODC-Ukraine must work with the partner nation to obtain a written report with details of the incident and forward the report to DSCA's Office for International Operations within 30 calendar days. The report should include the steps being taken to recover the equipment (if applicable) and to prevent recurrence. The ODC-Ukraine must annotate the lost or destroyed EEUM-designated defense articles in the SCIP-EUM database by changing the item disposition and must ensure that the partner nation's report is uploaded in the database as supporting documentation and historical record of the loss.

⁸ (U) DoDD 5132.03, "DoD Policy and Responsibilities Relating to Security Cooperation," December 29, 2016, does not alter the geographic combatant command's requirement to assess the partner nation's ability to protect sensitive technology in a restricted environment, where Government-led inspections and assessments of property accountability are not possible, and the partner nation must self-report its accountability records. The information DSCA and USEUCOM require in loss reports can be a tool for these assessments.

(U) ODC-Ukraine EUM SOP

(U) The ODC-Ukraine is responsible for developing and executing EUM SOPs specific to Ukraine, in accordance with chapter 8 of the SAMM. The April 2019 ODC-Ukraine EUM Program SOP in place during this evaluation included:

- (U) responsibilities and procedures for conducting routine EUM and EEUM as a shared responsibility between the ODC, USEUCOM, DSCA, and DOS;
- (U) the requirement to maintain an annual 100 percent inventory of EEUM-designated items transferred to the partner nation and obtain partner nation reports of losses, firings/expenditures, or disposal of all EEUM-designated defense articles; and
- (U) the importance of reporting potential end-use violations of EEUM-designated defense articles, including unauthorized transfers and security violations, and reporting inventories, losses, theft, disposal, damage, and expended defense articles.⁹

(U) Partner Nation Self-Reporting of EEUM-Designated Defense Articles

(U) USEUCOM's Plans, Policy, Strategy, and Capabilities Directorate issued a memorandum to ODC-Ukraine and DSCA on February 18, 2022, outlining the increased security risk situation, restricted areas, and the necessity to modify standard peacetime accountability and physical security inspection processes. To address these challenges while maintaining reasonable accountability of EEUM-designated defense articles, UAF and ODC-Ukraine personnel implemented UAF self-reporting.

- (U) UAF personnel provided ODC-Ukraine with a signed control plan for each category of EEUM-designated defense article that the Government transferred to Ukraine under grant authorities.
- (U) UAF and ODC-Ukraine personnel signed a CONOP in December 2022, which described self-reporting procedures for conducting EUM without Government-led observation and assessment.
- (U) The DSCA updated the SAMM on December 20, 2022, to include section 8.5.5, "Conducting EUM in a Hostile Environment," which identified procedures for the conduct of EUM and EEUM when force protection limits exist that could endanger Government personnel performing EUM activities, including reporting potential violations and accountability of EEUM-designated defense articles.

⁹ (U) ODC-Ukraine updated its EUM SOP on December 12, 2023, noting the addition of partner nation self-reporting guidance in the SAMM, more clearly specifying the EEUM program responsibilities of the EUM program manager, and adding the MOD and AFU as sharing responsibility for conducting EUM and EEUM.

(U) The SAMM states that accountability documentation for all EEUM-designated defense articles that are self-reported by partner nations must include the defense article description, serial numbers, date of observation of the loss incident, and current disposition status (active, expended, destroyed, or lost).

(U) Control Plans for EEUM-Designated Defense Articles

(U) From April 2021 to June 2023, the DSCA developed control plans in coordination with UAF personnel for the eight EEUM-designated defense article types provided by the U.S. Government.¹⁰ According to DSCA personnel, the DSCA develops control plans for accountability and security of EEUM-designated defense articles provided to partner nations.¹¹ Each control plan identifies requirements for the physical security and storage of the defense article, inventory frequency, and reporting requirements for lost, compromised, or damaged defense articles.

(U) December 2022 CONOP

(U) In December 2022, the ODC-Ukraine Chief and the Commander of the UAF Logistics Forces Command signed the first CONOP since Russia's full-scale invasion began on February 24, 2022. The December 2022 CONOP listed requirements for EUM self-reporting of equipment received by UAF personnel. In a peacetime environment, the DSCA 5105.38-M requires detailed final loss reports within 30 days of initial notification of the loss of an EEUM-designated defense article. The December 2022 CONOP stated that, in case of loss or destruction of EEUM-designated defense articles, UAF military personnel appointed as EUM officials would submit a written report to the Central Support Service of the Logistics Forces Command within three days after receiving information about destruction or loss. The CONOP stated that the report must specify the name, or type, of the lost defense articles, the serial numbers of lost weapons, and the circumstances of the loss or destruction. The December 2022 CONOP stated that the UAF Logistics Forces Command must forward the loss report to the ODC-Ukraine within one day of receiving the report.

(U) November 2023 Revised CONOP

(U) The Ukrainian Minister of Defense (MOD) and the ODC-Ukraine published a revised CONOP on November 26, 2023. This CONOP established a new timeline for reporting the loss of U.S.-origin EEUM-designated defense articles "as soon

¹⁰ (U) The Stinger and Javelin control plans include both associated launch units and missiles within the same control plan. Additionally, the Air Intercept Missile (AIM-9X) control plan was signed on June 16, 2023, with the fielding of the AIM-9X weapon system in Ukraine, increasing the total defense article types requiring EEUM in Ukraine from seven to eight.

¹¹ (U) DSCA personnel stated that the DSCA developed control plans for all EEUM-designated defense articles, including those transferred through foreign military sales under a letter of acceptance, to standardize the security and accountability of like defense articles in a written document that the partner nation leaders could agree to, sign, and execute.

(U) as practicable and at least quarterly,” which, according to the U.S. military officer serving as the EUM program manager, would improve timeliness and would identify the defense article as lost for quarterly inventory reporting purposes. The CONOP also stated that Ukrainian EUM officials will work with relevant stakeholders to investigate the loss or destruction of the defense article and provide a written report to the ODC-Ukraine.¹²

(U) UAF Personnel Report Losses to the ODC-Ukraine

(U) Between March 1, 2022, and November 26, 2023, UAF personnel accounted for lost or destroyed EEUM-designated defense articles by providing ODC-Ukraine with either initial loss notifications or final loss reports. Initial loss notifications contain preliminary information establishing date of loss, loss location, and any available circumstances of defense article loss/destruction available as of the report date. Initial loss notifications state that UAF personnel will provide additional results of an investigation of the loss, and the UAF sends a final loss report with the results of a UAF internal investigation and an investigation number. The ODC-Ukraine EUM program manager stated that the ODC-Ukraine staff reviewed each initial loss notification to confirm that the defense article descriptions in the initial loss notifications either fully met the requirements for partner-nation self-reporting established in the SAMM, consisting of defense article description, serial numbers, date of observation of the loss incident, and current disposition status, or contained enough information to identify the EEUM-designated defense article as a loss until the ODC received more complete information from the UAF.

~~(CUI)~~ From March 1, 2022, to July 31, 2023, UAF personnel provided ODC-Ukraine with [REDACTED] initial loss notifications containing [REDACTED] defense articles. Additionally, through June 2023, UAF personnel provided [REDACTED] final loss reports containing [REDACTED] defense articles. Together, ODC-Ukraine received [REDACTED] loss reporting documents containing [REDACTED] lost or destroyed EEUM-designated defense article serial numbers.¹³ However, 99.4 percent ([REDACTED] of [REDACTED]) of these lost or destroyed defense articles were NVDs.

~~(CUI)~~ From August 1, 2023, to November 26, 2023, UAF personnel provided [REDACTED] additional loss notifications and [REDACTED] final loss reports for a total of [REDACTED] additional EEUM-designated defense articles, mostly night vision devices (NVDs). However, between August 1, 2023, and November 26, 2023, the ODC-Ukraine personnel also incorporated UAF quarterly inventory reports, which included both NVDs and

¹² (U) The November 2023 CONOP stated that the Ukrainian MOD, as opposed to Ukrainian Logistics Forces Command as stated in the December 2022 CONOP, will supervise compliance with the new CONOP’s self-reporting requirements. Following the implementation of the November 2023 CONOP, the ODC-Ukraine EUM program manager confirmed to the OIG that the EEUM compliance supervision was transferring from Logistics Forces Command to the Ukrainian MOD.

¹³ (U) These 16 final loss reports were different reports than the 13 initial reports mentioned previously, with different defense article serial numbers.

~~(CUI)~~ other EEUM-designated items, when updating lost and destroyed EEUM-designated defense articles in the SCIP-EUM database. We expanded the scope of our evaluation to cover the quarterly inventory reporting that took place between August 1, 2023, and November 26, 2023.

(U) In May 2023, ODC-Ukraine personnel began to collect information on lost or destroyed EEUM-designated defense articles from UAF quarterly inventory reports.¹⁴ As part of the quarterly inventory reporting documents, UAF personnel provided initial notification for defense articles that the UAF determined to be lost or destroyed in Ukraine. In October 2023, ODC-Ukraine personnel began to input information in the SCIP-EUM database on EEUM-designated defense articles that UAF personnel identified as lost or destroyed within this quarterly inventory reporting. Between August 1, 2023, and October 26, 2023, using the quarterly inventory report process to identify and input lost and destroyed EEUM-designated defense articles greatly increased the quantity, dollar value, and variety of EEUM-designated defense articles identified as lost or destroyed.

¹⁴ (U) The December 2022 CONOP required quarterly inventories for all EEUM-designated defense article types, with the exception for NVDs, which required 100 percent inventories on a semi-annual basis. The November 2023 CONOP changed the requirement to a quarterly inventory of at least 25 percent of all EEUM-designated defense article types (to get to 100 percent over a one-year period), except for NVDs. NVDs still required a 100 percent inventory semi-annually.

(U) Finding

(U) DoD and UAF Personnel Should Improve the Timeliness and Completeness, and DoD Personnel Should Review and Analyze Reports of Lost or Destroyed Defense Articles Requiring EEUM in Ukraine

~~(CUI)~~ As of November 26, 2023, UAF personnel provided loss records for 2,122 EEUM-designated defense articles, worth approximately \$62.2 million, to the ODC-Ukraine. Between March 1, 2022, and July 31, 2023, UAF personnel reported [REDACTED] lost or destroyed EEUM-designated defense articles. The loss records accounted for approximately \$22.9 million, of which all but approximately \$147,414 was due to lost or destroyed NVDs. From August 1, 2023, to November 26, 2023, the UAF provided quarterly inventory reports and standalone loss reports that accounted for [REDACTED] lost or destroyed EEUM-designated defense articles, worth approximately \$39.3 million. These [REDACTED] additional EEUM-designated defense articles included a wider variety of defense article types compared to the loss reports provided to ODC-Ukraine before July 31, 2023.

(U) However, we concluded that between March 1, 2022, and November 26, 2023, the UAF did not provide timely and complete loss reports to DoD personnel in accordance with the SAMM, the CONOP, and the EEUM control plan standards. The average time for all loss notifications and loss reports, from defense article loss to loss notification or report production, was 301 days. This exceeded by approximately 10 times the 30-day report production requirement directed in the peacetime SAMM, and greatly exceeded the “immediate” submission requirements in the control plans and the 4-day submission requirement in the December 2022 CONOP, although many of the articles were lost before December 2022. This occurred because the CONOP and control plan reporting timelines and information requirements were inconsistent, and no report timeline guidance was available for partner nation self-reporting in the SAMM.

~~(CUI)~~ Additionally, information in loss notifications was incomplete. For example, among the [REDACTED] EEUM-designated defense articles listed on [REDACTED] initial loss notifications UAF personnel provided to ODC-Ukraine as of November 26, 2023, only [REDACTED] (5 percent) of those defense article circumstances of loss included a known or tentative loss date. This occurred because information requirements among the SAMM partner nation self-reporting update, the control plans, and

~~(CUI)~~ the 2022 CONOP were inconsistent. Furthermore, the control plans and the 2022 CONOP submission requirements did not provide adequate time for the UAF to investigate EEUM losses.

(U) The SAMM requires DSCA to maintain a master repository of potential incidents of unauthorized use of EEUM-designated defense articles. The DSCA was compliant with this requirement and maintained an Action Tracker file in SCIP-EEUM database for reports of end-use violations and other potential unauthorized use. However, USEUCOM personnel in Germany who had access to SCIP did not review or analyze the information received from initial loss notifications and final loss reports for elevated risk of capture or for potential end-use violations.

~~(CUI)~~ USEUCOM personnel did not identify lost EEUM-designated defense articles with an elevated risk of capture on the Ukraine battlefield to appropriate DoD and DOS Components for situational awareness and investigation. Although the SAMM and the CONOP required information such as location, date, and circumstances of loss, which could indicate an elevated risk of defense article capture, the initial loss notifications that the UAF provided to the ODC-Ukraine did not always include this information. For example, of the [REDACTED] serial numbers we initially reviewed on EEUM-designated defense article loss reporting, we concluded that only [REDACTED] serial numbers (4 percent) contained the indicators provided in the CONOP of elevated risk of potential capture, which consist of date, location, and circumstances of loss, that we established for our search. USEUCOM personnel did not often have the necessary information to assess or analyze the UAF's security environment for risk of EEUM capture and the UAF's ability to protect sensitive technologies in accordance with DoDD 5132.03.¹⁵ This occurred because no partner nation self-reporting requirement was available until December 2022, and the SAMM requirements for loss reporting in a hostile environment did not require the SCO to identify EEUM-designated defense article losses with potential for adversary capture among lost or destroyed EEUM-designated defense articles.

(U) Additionally, ODC-Ukraine staff did not analyze initial loss notifications or final loss reports for potential end-use violations as of November 2023. The SAMM requires SCO personnel to be alert to, and report on, any indication of a potential end-use violation, including unauthorized access, unauthorized transfers, security violations, or losses because of end-use violations. This observation is particularly important as the reporting of lost or destroyed EEUM-designated items, with quarterly reporting, has expanded beyond NVDs to missiles and other items. The lack of monitoring or reviewing loss notifications and reports occurred

¹⁵ (U) DODD 5132.03, "DoD Policy and Responsibilities Relating to Security Cooperation," December 29, 2016. DODD 5132.03 requires the geographic combatant commands to assess the partner nation's security environment and its ability and willingness to protect sensitive technologies.

(U) because no guidance was available in the SAMM on the SCO's responsibility to monitor and report loss reports for EEUM end-use violations during partner nation self-reporting. Additionally, ODC-Ukraine personnel stated that they did not question loss reports from the UAF, because they viewed this information as internal to the UAF.¹⁶ By March 2024, however, ODC-Ukraine personnel had begun to analyze discrepancies between UAF-provided quarterly inventory reporting and inventory data UAF personnel had provided to ODC-Ukraine at an earlier date. A lack of reporting, review, and analysis of EEUM losses in a timely manner increases the risk of DoD's loss of accountability of EEUM-designated defense articles in Ukraine.¹⁷

(U) It was beyond the scope of our evaluation to determine whether there has been diversion of such assistance. The DoD OIG now has personnel stationed in Ukraine, and the DoD OIG's Defense Criminal Investigative Service continues to investigate allegations of criminal conduct regarding U.S. security assistance to Ukraine.

(U) ODC-Ukraine and UAF Officials Developed Quarterly Reports To Identify Losses of EEUM-Designated Defense Articles

~~(CUI)~~ As of November 26, 2023, UAF personnel provided loss records for [REDACTED] total EEUM-designated defense articles, worth approximately \$62.2 million, to the ODC-Ukraine. During 2023, ODC-Ukraine personnel developed and implemented additional data collection and input methods, such as the quarterly inventory reports, to better identify lost or destroyed EEUM-designated defense articles in Ukraine.

~~(CUI)~~ As we previously discussed, from March 1, 2022, to July 31, 2023, UAF personnel provided loss reports for [REDACTED] EEUM-designated defense articles, of which [REDACTED] (99.4 percent) were NVDs.¹⁸ In contrast, the implementation of entering quarterly inventory reporting data into the SCIP-EUM database in October and November 2023 by ODC-Ukraine personnel accounted for a greater variety of lost or destroyed EEUM-designated defense article types that more accurately reflected the nature of lost or destroyed defense articles in Ukraine. From August 1, 2023, to November 26, 2023, UAF personnel reported at least [REDACTED] lost or destroyed EEUM-designated defense articles to ODC-Ukraine, of which

¹⁶ (U) To date, we are not aware of any substantiated evidence of intentional diversion of EEUM-designated defense articles provided to the UAF.

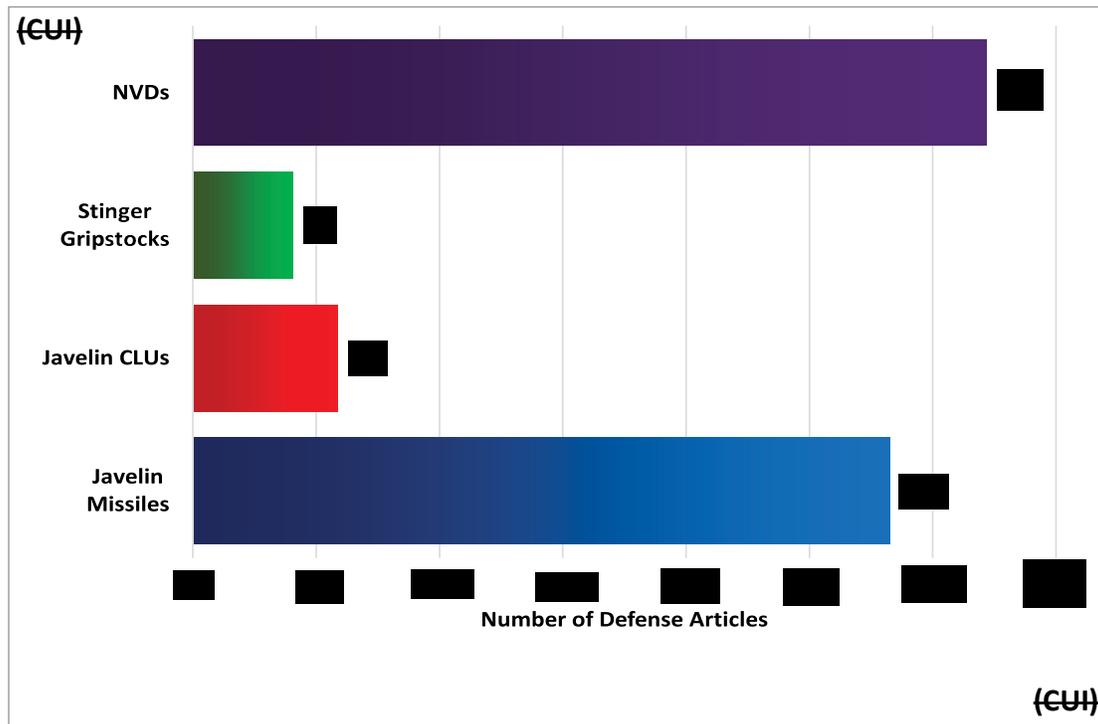
¹⁷ (U) We determined that this lack of complete information did not affect USEUCOM's capability assessment planning for UAF. SAG-U planners and USEUCOM ECJ5 personnel told us that SAG-U and USEUCOM assessed UAF capability based on equipment on hand and were not interested in equipment circumstances of loss for capability assessment purposes.

¹⁸ (U) 99.4 percent of the items reported during this initial period were night vision devices. In a recent management advisory, "DoD Review and Update of Defense Articles Requiring Enhanced End-Use Monitoring," (Report No. DODIG-2023-074), May 19, 2023, the DoD OIG recommended the DoD reconsider the need for enhanced monitoring of NVDs.

(CUI) [REDACTED] (54.1 percent) were defense articles other than NVDs.¹⁹ The ODC, by reviewing the quarterly report, cannot determine which of these defense articles are lost and which are destroyed, and will not have that information until it receives the circumstances of loss in the UAF loss report.²⁰ However, the ODC can move the defense articles to an inactive status in SCIP-EUM database, and the articles are inactivated as lost or destroyed. Of the [REDACTED] reported items, ODC-Ukraine personnel moved [REDACTED] of these lost or destroyed EEUM-designated defense articles to an inactive status in the SCIP-EUM database based on the quarterly inventory reporting.

(CUI) Additionally, UAF personnel provided ODC-Ukraine with six standalone loss reporting documents containing the remaining [REDACTED] lost or destroyed EEUM-designated defense articles from August 1, 2023, to November 26, 2023. Figures 1 and 2 provide an overview, by raw numbers and percentages, of the defense articles listed as lost or destroyed on either quarterly inventory reporting or standalone loss reporting documentation from August 1, 2023, to November 26, 2023.

(CUI) Figure 1. Loss Reporting from 8/1/2023 – 11/26/2023.

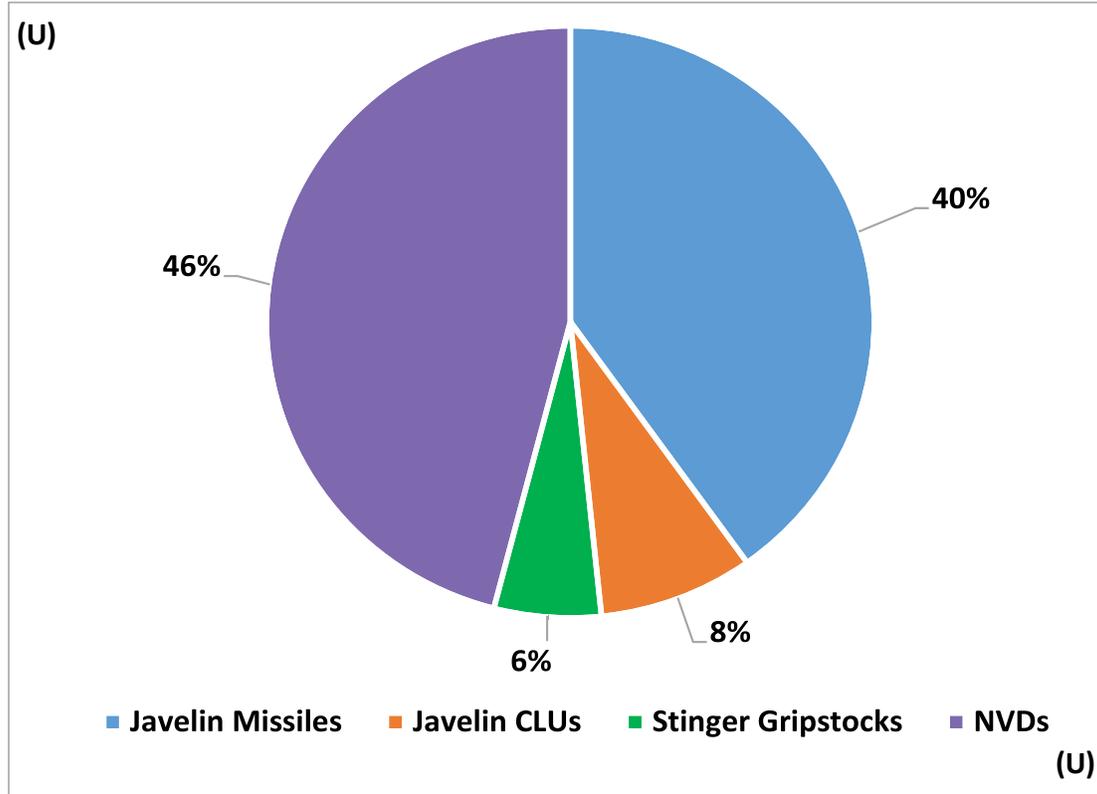


(U) Source: Loss reporting and quarterly inventory reporting produced by UAF personnel and provided to ODC-Ukraine from August 1, 2023, through November 26, 2023.

¹⁹ (U) This represents a change from 0.6 percent non-NVDs to 54.1 percent non-NVDs lost or destroyed during the later period.

²⁰ (U) We anticipate obtaining and reviewing this additional documentation as part of our recently initiated evaluation, announced February 26, 2024, which will follow-up on our prior general report on EEUM that was issued on January 10, 2024.

(U) Figure 2. Percentage of EEUM-Designated Defense Article Types Contained within Loss Reporting and Quarterly Inventory Reporting from 8/1/2023 – 11/26/2023.

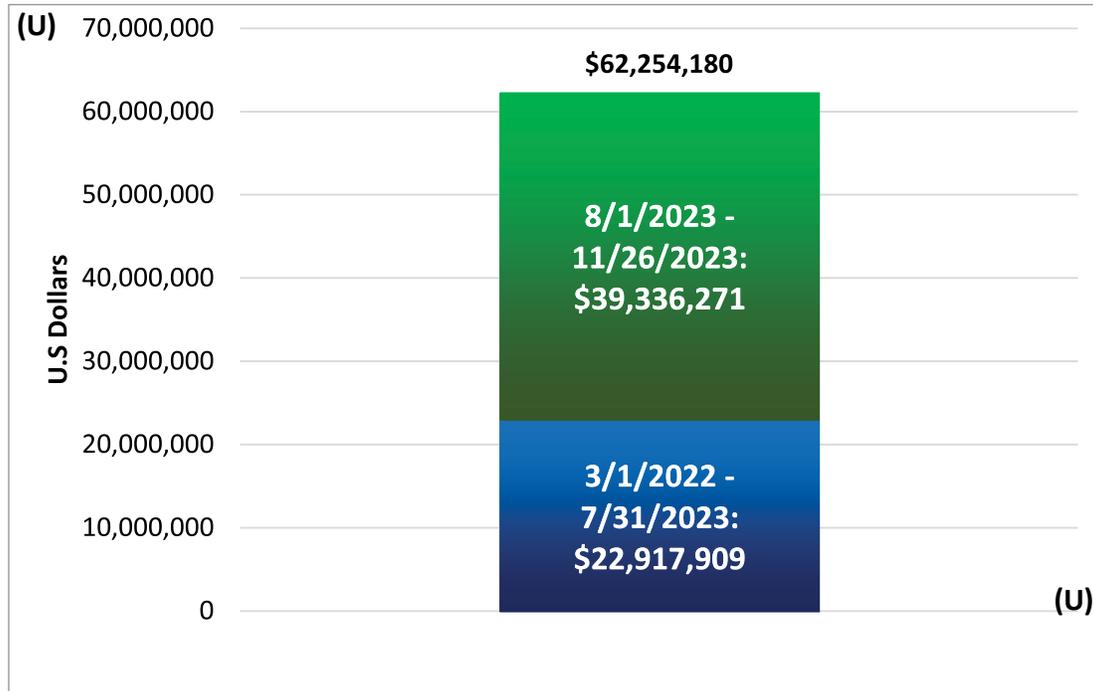


(U) Source: Loss reporting and quarterly inventory reporting produced by UAF personnel and provided to ODC-Ukraine from August 1, 2023, through November 26, 2023.

(U) We determined that the [REDACTED] EEUM-designated defense articles listed on loss reporting provided by UAF personnel to ODC-Ukraine as of July 31, 2023, of which all but [REDACTED] were NVDs, were valued at an estimated \$22.9 million. However, due to the higher estimated valuation of other EEUM-designated defense article types in comparison with NVDs, we determined that the [REDACTED] defense articles listed as lost or destroyed from August 1, 2023, to November 26, 2023, were valued at approximately \$39.3 million, resulting in a total valuation of approximately \$62.2 million reported as lost or destroyed as of November 26, 2023. Figure 3 outlines the valuation of these EEUM-designated defense articles listed as lost or destroyed during these two time periods.²¹

²¹ (U) In the quarterly report, the Stinger missiles were listed as zero combat losses and 217 expended in combat. However, UAF did report a substantial number of lost/destroyed Stinger Gripstocks.

(U) Figure 3. Estimated Valuation of EEUM-Designated Defense Articles Contained within Loss reporting and Quarterly Inventory Reporting from 3/1/2022–7/31/2023, and from 8/1/2023–11/26/2023.



(U) Source: Loss reporting produced by UAF personnel and provided to ODC-Ukraine from March 1, 2022, through November 26, 2023; defense article unit cost estimates provided by the DoD OIG Financial Management and Reporting Division.

(U) DoD Personnel Updated Most UAF-Submitted EEUM Loss Information into the SCIP-EUM Database Effectively and in a Timely Manner

(U) Since Russia’s full-scale invasion of Ukraine began on February 24, 2022, DoD personnel received, reviewed, and documented UAF reporting for EEUM-designated defense articles that were lost, damaged, destroyed, and on-hand. Between March 1, 2022, and July 31, 2023, UAF personnel submitted [REDACTED] total initial loss notifications and final loss reports documenting the loss or destruction of [REDACTED] EEUM-designated defense articles provided to Ukraine as of July 31, 2023.

(U) The ODC-Ukraine EUM program manager stated that in May 2023, in coordination with the DSCA, ODC-Ukraine personnel developed and began implementing methods to more quickly and efficiently document EEUM loss data received from the UAF. Before May 2023, the ODC-Ukraine personnel searched for loss information for each EEUM-designated defense article in the UAF’s logistics system. ODC-Ukraine and UAF officials agreed in the December 2022 CONOP that the UAF would submit quarterly reports documenting the status of all EEUM-designated defense articles provided to Ukraine.

(U) Also, the ODC-Ukraine EUM Program Manager was able to send the on-hand EEUM disposition data in bulk quantities to DSCA's SCIP-EUM Help Desk personnel for their input into the SCIP-EUM database. The ODC-Ukraine EUM program manager stated that this bulk inventory process allowed the ODC-Ukraine personnel more time to individually review and input the lost and destroyed EEUM-designated defense article information in the SCIP-EUM database. The ODC-Ukraine EUM program manager said that it is important to quickly separate EEUM initial loss notifications and final loss reports from the rest of the EEUM inventory reports, and input the notifications and reports in DSCA's SCIP-EUM database. This allows DSCA personnel to document that the UAF was aware of and reported an EEUM-designated defense article as lost or stolen. Our analysis showed that under most circumstances, ODC-Ukraine personnel quickly entered loss reporting information provided by UAF personnel into the SCIP-EUM database.

~~(CUI)~~ Of the [REDACTED] initial loss notifications and final loss reports of EEUM-designated defense articles provided to ODC-Ukraine by UAF personnel between March 1, 2022, and July 31, 2023, ODC-Ukraine personnel moved defense articles identified as lost or expended on [REDACTED] of the [REDACTED] loss notifications into an inactive status in the SCIP-EUM database.²² Of the [REDACTED] EEUM-designated defense articles on those [REDACTED] reports, ODC-Ukraine personnel entered [REDACTED] (98.9 percent) [REDACTED] in the SCIP-EUM database within 20 calendar days of receipt by ODC-Ukraine, and entered updated information into the SCIP-EUM database for [REDACTED] (51.5 percent) [REDACTED] serial numbers within 10 calendar days.²³ Among the 35 new serial numbers listed within loss reporting UAF personnel provided to ODC-Ukraine from August 1, 2023, to November 26, 2023, ODC-Ukraine personnel deactivated [REDACTED] of [REDACTED] serial numbers within two days of receiving the loss reporting from UAF. One serial number was later deactivated on account of quarterly inventory reporting provided later, and one serial number was not listed in the SCIP-EUM database as of April 2024.

~~(CUI)~~ We discovered [REDACTED] loss notification documents containing [REDACTED] more defense article serial numbers from our evaluation period that had been uploaded to the SCIP-EUM database. However, ODC-Ukraine did not use the [REDACTED] loss notification documents to update the associated defense article listings in the SCIP-EUM database as of October 2023. In the first instance, we notified ODC-Ukraine personnel of a loss notification UAF personnel sent to ODC-Ukraine

²² (U) In the SCIP-EUM database, a defense article in an inactive status is one that is no longer possessed by the partner nation due to the defense article being lost, destroyed, stolen, or otherwise damaged beyond repair. After UAF personnel provide loss reporting to ODC-Ukraine documenting the loss or destruction of EEUM-designated defense articles, ODC-Ukraine or DSCA personnel move defense articles to an inactive status in the SCIP-EUM database to reflect that UAF is no longer in possession of the defense article.

²³ ~~(CUI)~~ In addition to these [REDACTED] defense articles, [REDACTED] defense articles were listed on loss reporting documents that did not have associated serial number listings in the SCIP-EUM database and could not be verified by the evaluation team.

(~~CUI~~) in May 2023 containing [REDACTED] defense article serial numbers that remained in an active status in the SCIP-EUM database. After we notified the ODC-Ukraine EUM program manager, the program manager used the loss notification to move the listed EEUM-designated defense articles to an inactive status in the SCIP-EUM database.²⁴ The ODC-Ukraine EUM program manager stated that a lack of personnel continuity within ODC-Ukraine contributed to its personnel not updating the SCIP-EUM database using the loss notification when ODC-Ukraine initially received it. In a second instance, ODC-Ukraine personnel received a loss notification from UAF personnel containing [REDACTED] night-vision devices (NVDs) in September 2022, but did not move [REDACTED] of these NVDs to an inactive status in the SCIP-EUM database until November 2023, after UAF listed the defense article as a combat loss on UAF-provided quarterly inventory reporting. These two incidents with loss notification documents occurred in September 2022 and May 2023. We saw no further instances of the ODC overlooking the inactivation of lost or destroyed EEUM-designated defense articles between May and November 2023.

(U) EEUM Loss Reports That DoD Personnel Received from the UAF Were Not Timely or Complete

(U) For all loss reports UAF personnel submitted to DoD between March 1, 2022, and November 26, 2023, we concluded that DoD personnel did not consistently receive timely or complete EEUM loss reports from UAF personnel in accordance with SAMM partner nation self-reporting, the 2022 CONOP, and the EEUM control plan submission standards.

(U) EEUM Loss Reports the ODC-Ukraine Received from the UAF Were Not Timely

(U) In a peacetime environment, the SAMM requires an “immediate” initial loss notification from the SCO to the DSCA, the geographic combatant commands, and the DOS PM/RSAT for situational awareness.²⁵ The SAMM peacetime requirement also requires that after this initial notification, SCO personnel must work with the partner nation to obtain a written report with details of the incident and must forward the report to the DSCA within 30 calendar days of the initial notification. However, in a hostile environment, with partner nation self-reporting, the SAMM leaves timeline requirements to the partner nation control plans and the CONOP.

²⁴ (~~CUI~~) This loss notification contained at least [REDACTED] additional NVD serial numbers that were not present within the SCIP-EUM database as of October 2023, but were later added to the database by the ODC-Ukraine EUM program manager after we notified ODC-Ukraine of the document.

²⁵ (U) When referring to initial loss notification timeline requirements, the SAMM, control plans, and 2023 CONOP use the terms “immediate,” “prompt,” and “as soon as practicable,” but they do not define these terms.

~~(CUI)~~ The average time from initial defense article loss to loss report production was 301 days for the [REDACTED] defense articles containing loss dates listed on [REDACTED] initial and final loss reporting documents provided from March 1, 2022, to November 26, 2023.²⁶ This exceeded by more than 10 times the 30-day submission requirement directed in the peacetime SAMP and exceeded the “immediate” submission requirements in the control plans and the 4-day submission requirement in the

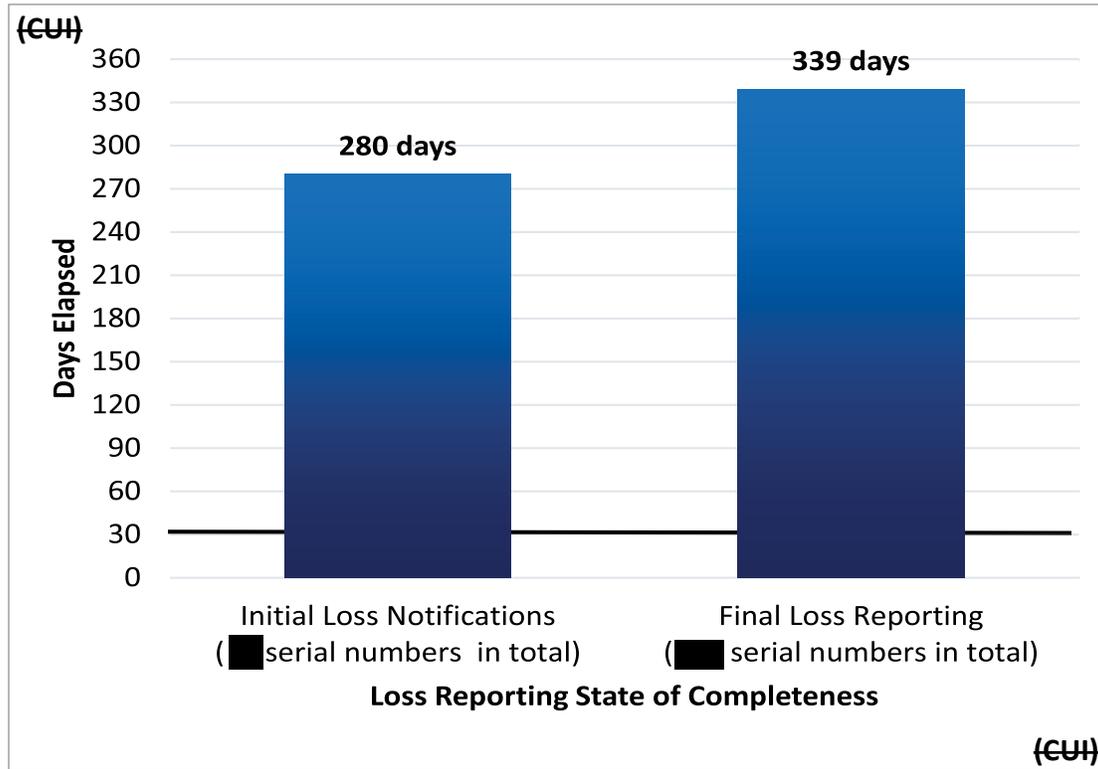
(U) The average time from defense article loss to loss report production was 301 days... this exceeded by more than 10 times the 30-day requirement.

2022 CONOP, although many of the articles were lost before December 2022. Within initial loss notifications specifically, the average time from the date of defense article loss to the loss report production date for defense articles with loss dates was 280 days. For final loss reports, the average time from initial date of defense article loss to UAF personnel submission of the final loss report to the ODC-Ukraine was 339 days.

~~(CUI)~~ Some losses initially reported in late 2023 had occurred at the beginning of Russia’s full-scale invasion in 2022. For example, one initial loss notification UAF personnel provided to ODC-Ukraine on October 24, 2023, detailed [REDACTED] NVDs that were destroyed on March 4, 2022. In this example, 599 days elapsed between the date of defense article loss in March 2022 and UAF providing an initial loss report to ODC-Ukraine in October 2023.

²⁶ (U) The average time for production of final reports increased from 335 days as of July 31, 2023, to 339 days as of November 26, 2023. The average time for production of initial loss reports increased from 194 days as of July 31, 2023, to 280 days as of November 26, 2023.

~~(CUI)~~ Figure 4. Average Time Elapsed from Date of Loss to Entry in the SCIP-EUM Database by Loss Reporting Type



(U) Source: Loss reports produced by UAF personnel and provided to ODC-Ukraine from March 1, 2022, through November 26, 2023.

(U) EEUM Loss Reports ODC-Ukraine Received from the UAF Were Not Consistently Complete

(U) Both the ODC-Ukraine EUM program manager and a previous ODC-Ukraine EUM program manager stated the importance of UAF personnel quickly reporting and documenting UAF initial loss notifications for EEUM-designated defense articles that are lost or destroyed, which verifies that the UAF is aware of the loss and has reported it. Despite the importance of this documentation, we found that loss report information the ODC received from the UAF was not always complete.

~~(CUI)~~ Among the █ EEUM-designated defense articles listed on █ initial loss notifications UAF personnel provided to ODC-Ukraine as of November 26, 2023, only █ (5 percent) of those defense article circumstances of loss included a known or tentative loss date.²⁷ However, for the █ final loss reports containing

²⁷ (U) Although almost all the initial loss notifications we reviewed were incomplete, the 18 final loss reports we reviewed met the partner nation self-reporting criteria established in the SAMM, including loss dates.

(U) ■■■ EEUM-designated defense articles as of November 26, 2023, we determined that the loss reporting for the ■■■ defense articles met the content requirements in the SAMM for partner nation self-reporting.

(U) Reporting Timelines and Information Requirements Were Inconsistent and Did Not Provide Sufficient Time for the UAF to Investigate EEUM Losses

(U) We concluded that under partner nation self-reporting, the SAMM left decisions on loss reporting timelines to partner nation CONOPs and control plans. However, the partner nation timeline and information requirements in the CONOP and control plans for the EEUM-designated defense articles in Ukraine were inconsistent and not in accordance with the partner nation self-reporting requirements in the SAMM. Additionally, the timelines did not provide adequate time for UAF loss report investigations.

(U) EEUM Loss Reporting Timelines Were Inconsistent

(U) The loss reporting timelines for defense articles requiring EEUM in Ukraine were inconsistent. The requirement in the peacetime SAMM for submitting a completed loss report was 30 days. The partner-nation self-reporting update to the SAMM did not include guidance on loss report timelines and deferred to the partner nation CONOP and control plans agreed on between the Government and Ukraine. The UAF's December 2022 CONOP required the submission of a single loss report within 4 days. The UAF EEUM-designated defense article control plans, except for the NVD control plan, did not define the reporting timelines in numerical terms. While the ODC-Ukraine EUM program manager stated that the SAMM's original 30-calendar day written report requirement was still the ODC-Ukraine's goal while reporting EEUM-designated defense article losses under partner nation self-reporting, the December 2022 CONOP and the updated SAMM did not include the 30-day timeline in the reporting requirements. The SAMM deferred to the partner nation for self-reporting procedures. The written agreement between the ODC-Ukraine and the UAF in the 2022 CONOP stated that the UAF would submit one loss report to the ODC-Ukraine in 4 days, which was much more restrictive than the SAMM's peacetime policies and was never achieved by the UAF.

(U) Tables 1 and 2 show the UAF's Control Plans and the December 2022 CONOP requirements for submitting the written report of the circumstances of loss for EEUM-designated defense articles was 4 days, while the control plan requirements for submitting a written report, as shown in Table 1 below, were either stated as "prompt," or, in the case of NVDs, was stated as "within 30 days." In November 2023, the UAF and ODC-Ukraine updated the CONOP with additional response time for

(U) initial loss notifications and final reports. The 2023 CONOP stated that “Ukrainian EUM officials will, as soon as practicable and at least quarterly, report loss or destruction information to ODC-Kyiv officials.”

(U) EEUM Loss Reporting Information Requirements Were Inconsistent

(U) Loss reporting information requirements for defense articles requiring EEUM in Ukraine were inconsistent. The SAMM partner nation self-reporting update limited its requirements to reporting defense article type, serial number, date of loss, and current disposition of each defense article. The SAMM update did not include any additional guidance on circumstances of loss, such as location of the loss and identification of the reporting unit. The UAF’s 2022 CONOP required the UAF unit to report item name, quantity, serial number, and circumstances of loss. A requirement for an initial notification or a final report in either document was not mentioned. Six of the eight control plans did require an immediate report followed by an investigation and a follow-up report. Two of the eight control plans, the AMRAAM and AIM 9-X control plans, did not require a final loss report. None of the control plans specified the information required in their loss reports. Table 1 shows the EEUM loss report information requirements in the control plans. Table 2 shows the EEUM loss report information requirements in the SAMM and the 2022 CONOP.

(U) Table 1. Comparison of the Control Plan Requirements for UAF Submission of Initial Loss Notifications and Final Loss Reports of EEUM-Designated Defense Articles in Ukraine

(U) Control Plan (Date)	Initial Loss Notification Requirements	Final Loss Report Requirements
AMRAAMs (Undated)	Immediately report to the SCO.	None stated.
Javelin Missiles (July 2021)	Immediately report to U.S. Army officials followed by a prompt investigation.	Provide results of the investigation to U.S. Army officials.
Javelin Control Launch Unit (July 2021)	Immediately report to U.S. Army officials followed by a prompt investigation.	Provide results of investigation to U.S. Army officials.
Stinger Missiles (May 2022)	Immediately report through the SCO to the DOS followed by a prompt investigation.	Provide results of the investigation through the SCO to the DOS.
Stinger Gripstocks (May 2022)	Immediately report through the SCO to the DOS followed by a prompt investigation.	Provide results of the investigation through the SCO to the DOS.

(U)

(U) Table 1. Comparison of the Control Plan Requirements for UAF Submission of Initial Loss Notifications and Final Loss Reports of EEUM-Designated Defense Articles in Ukraine (cont'd)

(U) Control Plan (Date)	Initial Loss Notification Requirements	Final Loss Report Requirements
Switchblade Missile (undated)	Immediately report to the Government, followed by a prompt investigation.	Provide results of the investigation to U.S. Army officials.
Air Intercept Missile (AIM-9X) June 2023	Immediately notify the Government through the SCO and DSCA of any missile loss and provide necessary assistance if the Government desires to initiate recovery operations.	None stated.
NVDs (April 2021)	Immediately inform ODC-Ukraine of loss or destruction.	Provide a written report to the ODC-Ukraine within 30 days with detailed information of the incident and measures taken to restore equipment and prevent a reoccurrence. (U)

(U) Source: EEUM-designated defense article control plans.

(U) Table 2. Comparison of the UAF's Loss Notification Requirements and Final Loss Reports for all EEUM-Designated Defense Articles in Ukraine

(U) Document (Date)	Initial Loss Notification Requirements	Final Loss Report Requirements
SAMM Chapter 8 (April 2012)	The partner nation reports a loss, and the SCO immediately reports the loss to the DSCA, combatant command, and the DOS PM/RSAT.	The SCO works with the partner to provide a written report to the DSCA within 30 days.
SAMM Chapter 8 (December 2022) Updated for Partner Nation Self-Reporting	All documentation must include defense article description, serial numbers, date of incident, and disposition (active, lost, expended, or destroyed).	No mention of final report requirement in the SAMM under the partner nation self-reporting section. The self-reporting section defers to the CONOP and control plans.
2022 CONOP (December 2022)	No initial loss notification mentioned.	Item name, quantity, serial number, and circumstances of loss; final report due to ODC-Ukraine in 4 days.
2023 CONOP (November 2023)	Report name, quantity, serial number, and circumstances of loss with date and location, as soon as practicable, and at least quarterly.	Investigate the loss or destruction of the defense articles and provide a written report to ODC-Ukraine. (U)

(U) Source: EEUM CONOPs, SAMM Chapter 8, and SAMM Partner Nation Self Reporting.

(U) EEUM Loss Reporting Timelines and Lack of Coordination Did Not Provide Adequate Time for the UAF to Investigate EEUM Losses

(U) EEUM loss reporting timelines in Ukraine and the lack of coordination of information requirements for loss reporting of EEUM-designated defense articles did not allow adequate time for the UAF to complete its internal investigations of all losses of EEUM before submitting its final loss reports in support of the ODC-Ukraine's report requirements. In reviewing loss notifications and final loss reports submitted during this period, we found that the UAF required its own internal investigation for every lost or destroyed defense article before the release of the final loss report to the ODC. While the final loss reports we reviewed contained the information required for partner nation self-reporting, the time the UAF spent to complete the final report did not meet partner nation self-reporting timeliness requirements.

(U) A former ODC-Ukraine EUM program manager stated that UAF investigations are a source of delays in loss reporting of EEUM-designated defense articles. This official stated that these delays can last for many months and recommended building and maintaining relationships with the Ukrainian MOD to share official information on specific UAF investigations for quicker accountability and finalization of loss reports. However, ODC-Ukraine personnel told us that they had not begun to coordinate directly with UAF representatives to more quickly retrieve EEUM loss report information important to the ODC from the UAF's investigation process.

(U) According to DSCA, ODC-Ukraine, and Office of the Under Secretary of Defense for Policy personnel, partner nation control plans and CONOPs, although signed by UAF representatives and provided to the ODC-Ukraine, were non-binding. The non-binding nature of these documents could limit the ability of the DSCA or the SCO to hold the UAF accountable for not adhering to the information requirements and timelines in these agreements.²⁸ ODC-Ukraine officials stated that they did not attempt to influence the UAF to adhere to any specific requirements for timeliness or content of loss reports beyond establishing guidelines for UAF loss reporting within the CONOP. These officials stated that the UAF General Staff reviewed all reports and decided whether the reports were sufficient or not, and there had been no instances where ODC-Ukraine asked the UAF General Staff for more information or a faster response on a loss report.

²⁸ (U) A DSCA official did state that a partner nation's non-compliance with these agreements could affect decisions on whether to provide additional equipment in the future.

~~(CUI)~~ To obtain initial EEUM loss information more quickly while waiting for UAF loss notifications and final loss reports, ODC-Ukraine and DSCA personnel began to collect EEUM data from UAF quarterly inventory reports in May 2023, and ODC-Ukraine personnel began to input this information into the SCIP-EUM database in October 2023. We noted that these efforts showed improved accountability of the EEUM-designated defense articles provided to Ukraine. The quarterly inventory reports provided extensive inventory data to ODC-Ukraine, and thereby supplemented the number of initial loss notifications ODC-Ukraine personnel entered in the SCIP-EUM database in addition to standalone initial loss notification documents.²⁹ For example, ODC-Ukraine personnel moved at least [REDACTED] additional EEUM-designated defense articles to an inactive status from October to November 2023 based on quarterly inventory reporting UAF personnel provided to ODC-Ukraine in either July or October 2023. We determined that [REDACTED] items (41 percent) of the [REDACTED] items were combat losses that ODC-Ukraine personnel moved to an inactive status based on quarterly inventory reporting.³⁰ However, while the quarterly inventory reports increased the quantity of initial loss notifications that UAF personnel provided to ODC-Ukraine, deficiencies remain on the timeliness of final loss reporting. See table 3 for an overview of days elapsed from defense article loss report production of UAF personnel, split by time periods. (Up to July 31, 2023, versus up to November 26, 2023) and loss reporting type (initial loss notification versus final loss report). Initial loss notification days’ average increased significantly due to [REDACTED] NVDs with 599 loss days accumulated each.

~~(CUI)~~ Table 3. Days Elapsed from Defense Article Loss to Loss Report Production by Time Period and Loss Reporting Type

(CUI) Time Period	March 1, 2022 – July 31, 2023	August 1, 2023 – November 26, 2023	March 1, 2022 – November 26, 2023
Time Period of Initial Loss Notifications with Loss Dates	[REDACTED] 194 days (Serial Numbers)	[REDACTED] 496 days (Serial Numbers)	[REDACTED] 280 days (Serial Numbers)
Time Period within Final Loss Reports	[REDACTED] 335 days (Serial Numbers)	[REDACTED] 391 days (Serial Numbers)	[REDACTED] 339 days (Serial Numbers)
Time Period within Initial and Final Loss Reporting Combined	[REDACTED] 277 days (Serial Numbers)	[REDACTED] 472 days (Serial Numbers)	301 days [REDACTED] Serial Numbers) (CUI)

(U) Source: Loss Reporting provided by UAF personnel to ODC-Ukraine from 3/1/2022 – 11/26/2023.

²⁹ (U) The ODC-Ukraine EUM program manager estimated that the quarterly inventory reports UAF personnel provided to ODC-Ukraine in July and October of 2023 led to approximately 19,000 individual updates to EEUM-designated defense article listings in the SCIP-EUM database.

³⁰ ~~(CUI)~~ The [REDACTED] remaining defense articles that moved to an inactive status in the SCIP-EUM database from October to November 2023 were listed as expended on quarterly inventory reporting provided to ODC-Ukraine. Expended EEUM-designated defense articles, for example, Javelin missiles, do not require follow-on loss reporting establishing specific reasons of loss to be provided to ODC-Ukraine.

(U) ODC-Ukraine Personnel Did Not Analyze UAF Loss Reports for Potential Elevated Risk of Capture

(U) We concluded that USEUCOM personnel did not review or analyze the information received from initial loss notifications and final loss reports. As the SCO, the ODC-Ukraine reviewed all initial loss notifications and final loss reports provided by UAF personnel to update the associated defense article listings in the SCIP-EUM database. Specifically, DoDD 5132.03 requires USEUCOM personnel to assess the UAF's ability to protect sensitive technologies, and as of November 2023, ODC-Ukraine personnel did not actively review these notifications and reports for potential elevated risk of adversary capture. However, neither the 2022 nor 2023 CONOP require UAF personnel to identify lost defense EEUM-designated defense articles as having an elevated risk of adversary capture.

(U) ODC-Ukraine and UAF Personnel Did Not Identify EEUM-Designated Defense Articles at Risk of Capture

(U) ODC-Ukraine and UAF personnel did not identify lost EEUM-designated defense articles with an elevated risk of capture on the Ukraine battlefield to appropriate DoD and DOS Components for situational awareness and investigation. DoDD 5132.03 requires the geographic combatant commands to assess the partner nation's security environment and its ability and willingness to protect sensitive technologies. Additionally, the SAMM identifies weapons proliferation as a threat to end-use monitoring in hostile environments, and directs implementation of partner nation self-reporting, with a CONOP signed by the partner nation that describes partner nation self-reporting procedures, to minimize such proliferation. The CONOP and the control plan agreements included loss report information requirements that could be useful when assessing potential indicators of risk of capture, such as the location, date, and circumstances of loss. However, ODC-Ukraine personnel did not review loss report information to assess the UAF's security environment for risk of battlefield capture, which could then help personnel evaluate the UAF's ability to protect sensitive technologies in accordance with DoDD 5132.03 requirements.³¹

~~(CUI)~~ We reviewed the [REDACTED] serial numbers listed within initial loss notifications and final loss reports for the EEUM-designated defense articles submitted by UAF personnel between March 1, 2022, and July 31, 2023. We searched each loss

³¹ (U) Army Regulation 735-5, "Property Accountability Policies," recognizes that in combat, situations may arise that require U.S. Forces to leave equipment behind, and the regulation states that these situations, including capture, require an investigation to determine circumstances of property loss.

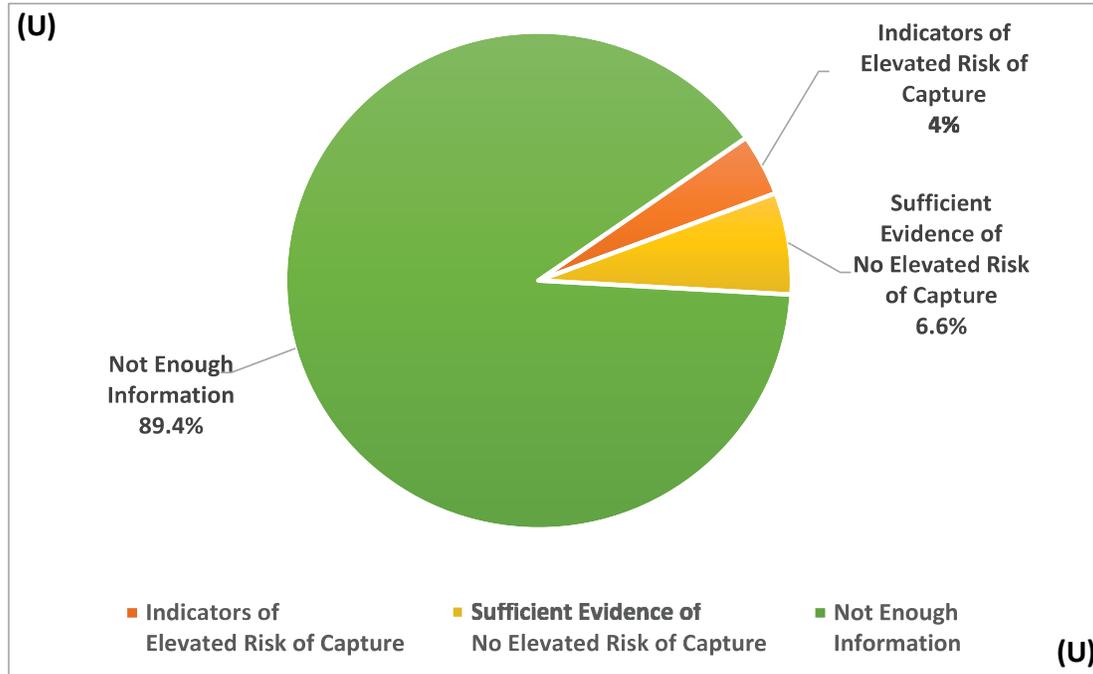
~~(CUI)~~ notification in the sample for the following indicators of elevated risk of capture. In our search, we required three indicators to be present to qualify for potential elevated risk of capture.

- (U) Location: The loss occurred in territory controlled by, or later controlled by, adversary forces.
- (U) Date: The date the defense article was lost and the date the territory was lost to the adversary confirmed that the location was controlled by adversary forces during that time.
- (U) Circumstances of loss:
 - (U) The notification stated that the position was overrun or captured by adversary forces,
 - (U) The defense article was left behind, and³²
 - (U) The loss reporting did not state the defense article was destroyed.

~~(CUI)~~ Of the █████ serial numbers we reviewed on EEUM-designated defense article loss reporting between March 1, 2022, and July 31, 2023, we concluded that █████ serial numbers (4 percent) contained the indicators of elevated risk of potential capture that we established for our search. Approximately █████ (6.6 percent) of the █████ serial numbers listed in notifications and reports had enough information to determine that no elevated risk of capture was present. Furthermore, approximately █████ (89.4 percent) of the █████ did not have sufficient information to make a risk judgment. For example, only █████ (4 percent) of the █████ initial loss notifications included a date of loss, and only █████ (3.9 percent) included a loss location. Figure 5 represents the total of initial loss notifications and final loss reports sampled, and the number of defense articles within the sample that contained elevated risks of capture.

³² (U) If no specific circumstances of loss were present on the loss notification/report, the evaluation team still considered an item to have an elevated risk of potential adversary capture if the item was considered lost in territory under adversary control on the date of defense article loss, or later came under adversary control.

(U) Figure 5. Percentage of Initial Loss Notifications and Final Loss Reports Reviewed that Included an Elevated Risk of Capture



(U) Source: Initial Loss Notifications and Final Loss Reports produced by UAF personnel and provided to ODC-Ukraine between March 1, 2022, and July 31, 2023.

(CUI) Of the approximately [redacted] serial numbers of EEUM-designated defense articles that were noted as lost in the quarterly reports provided between August 1, 2023, and November 26, 2023, none of these included loss locations. Therefore, we could not determine which of these EEUM-designated defense articles had an elevated risk of capture because not enough information was provided by the UAF in the quarterly reports. Among the [redacted] defense article serial numbers listed on standalone loss reporting documents UAF provided from August 1, 2023, to November 26, 2023, evidence sufficiently showed an elevated risk of adversary capture for 1 defense article and sufficient evidence of no elevated risk of adversary capture for [redacted] defense articles. Almost all these [redacted] defense articles were NVDs.

(CUI) As an example of elevated risk of capture, 1 final loss report provided to ODC-Ukraine in December 2022 stated that UAF personnel left [redacted] NVDs at a command post near the city of Severodonetsk, Donetsk, region in March 2022 under continual shelling of the position. The loss report specified that the UAF personnel in possession of the defense articles at the time had no information as to whether the defense articles were potentially destroyed or captured. The city of Severodonetsk came under adversary occupation in June 2022, and remained under adversary occupation as of January 2024. In such a circumstance where a group of

(U) EEUM-designated defense articles is held in territory that is overrun by adversary forces and the current status of the defense articles is in question, identifying the given defense articles as being lost with an elevated risk of adversary capture can serve as an early indicator for U.S. Government personnel of defense articles that may resurface in adversary control or may be diverted to a third party for unauthorized use.

(U) The Absence of Directive Guidance Resulted in the Lack of Identification of EEUM with an Elevated Risk of Capture

(U) SAMM requirements for loss reporting in a hostile environment and the ODC-Ukraine reporting procedures did not differentiate between EEUM-designated defense article losses that could be considered as captured by the adversary and other lost or destroyed defense articles. Under partner nation self-reporting, the SAMM includes one of four disposition statuses for each EEUM-designated defense article: active, expended, destroyed, or lost. We reviewed the SAMM, the CONOP, the EEUM control plans, and ODC-Ukraine standard operating procedures, and we determined that no written guidance was available for review and assessment of initial loss notifications and final reports provided by UAF personnel for elevated risk of capture. DoDD 5132.03 requires geographic combatant commanders to assess a foreign partner's security environment and political will, willingness, and ability to protect sensitive information and technologies.

(U) In interviews with DSCA and ODC-Ukraine officials, we verified that DSCA and ODC-Ukraine personnel did not review initial loss notifications and final loss reports for risk of capture. We asked a DSCA official about potential reporting gaps on EEUM-designated defense articles that are lost in a location later controlled by the adversary where no immediate opportunity to recover the defense article is available. The official stated that making the distinction between a routine battle loss and an elevated risk of capture could have potential benefits by better defining losses within initial loss notifications and loss reports. The official also stated that this would be a partner nation self-reporting requirement as opposed to a change in the SAMM that would make it mandatory for all SCOs. In a separate interview in November 2023, the ODC-Ukraine EUM program manager stated that although ODC-Ukraine staff did not specifically review reports for risk of EEUM violations or capture, the staff had previously responded to requests for assistance from Defense Criminal Investigative Services for data related to potential instances of battlefield capture in Ukraine.

(U) Table 2 shows that SAMM and CONOP reporting requirements differ for information that can indicate an elevated risk of capture—circumstances, locations, and dates—among EEUM accountability documents. The partner

(U) nation self-reporting requirements in the SAMM included the date of the incident, but not the location or circumstances of loss. Although the 2023 CONOP does not require loss reports to identify EEUM-designated defense articles potentially captured by an adversary, it does require circumstances of loss that must include the date of the incident and the approximate location the incident occurred, satisfying our criteria for indicators of EEUM capture.

(U) The ODC-Ukraine Did Not Actively or Consistently Review UAF Loss Reports for Potential End-Use Violations as of November 2023

(U) We concluded that ODC-Ukraine did not actively or consistently review or analyze the information received from initial loss notifications and final loss reports for potential EEUM violations. The ODC-Ukraine, as the SCO, reviewed all loss notifications and loss reports provided by UAF personnel to update the associated defense article listings in the SCIP-EUM database. However, ODC-Ukraine personnel did not actively review these notifications and reports for potential end-use violations as required by the SAMM. By March 2024, however, ODC-Ukraine personnel began to conduct analysis of discrepancies within UAF-provided quarterly inventory reporting.

(U) ODC-Ukraine Personnel Did Not Review UAF Loss Report Information for Indicators of Unauthorized End-Use as of November 2023

(U) The ODC-Ukraine, as the SCO, reviewed all loss notifications and loss reports provided by UAF personnel to update the associated defense article listings in the SCIP-EUM database. However, as of November 2023, ODC-Ukraine personnel were not actively reviewing these notifications and reports for potential end-use violations. Section 2314, title 22, United States Code states that “no defense articles . . . shall be furnished to any country on a grant basis unless it shall have agreed” not to permit the unauthorized end-use of those defense articles. Section 2785, title 22, United States Code states the same requirements “with respect to the use, transfers, and security of defense articles and defense services.” The SAMM states that SCO personnel must report all potential unauthorized end-use violations, including unauthorized access, unauthorized transfers, security violations, and known equipment losses to the geographic combatant command, DSCA, and DOS PM/RSAT.³³

³³ (U) A DOS PM/RSAT Foreign Affairs Officer stated that PM/RSAT only assessed those loss reports that indicated potential end-use violations. This official stated that PM/RSAT conducts a monthly call with the DSCA to synchronize the search for EEUM violations.

(U) ODC-Ukraine Personnel Did Not Monitor Loss Reporting for Potential End-Use Violations as of November 2023

(U) The SAMM instructed the SCOs to be alert to these potential violations while conducting EEUM checks. The SAMM assigned responsibility for reporting end-use violations to SCO personnel, and the ODC-Ukraine EUM Program Standard Operating Procedures (SOP) assigned responsibility for reporting these end-use violations to the ODC-Ukraine EUM program manager. However, neither document addressed the SCO's responsibility for reporting potential end-use violations under partner nation self-reporting. Under partner nation self-reporting in Ukraine, ODC-Ukraine suspended physical inspections and physical checks of UAF units for end-use violations.

(U) In November 2023, the ODC-Ukraine EUM program manager stated that the ODC's main EEUM priority was processing EEUM quarterly inventory data and loss reporting and updating the associated defense article listings in the SCIP-EUM database based on this information. Although ODC-Ukraine personnel reviewed all loss notifications and reports that they received from UAF as part of this inventory process, this official stated that they did not actively review EEUM loss reports for indicators of end-use violations. DSCA and DOS PM/RSAT officials confirmed that instead, the ODC-Ukraine EUM program manager sent all loss notification and loss report information to both the DSCA and the DOS PM/RSAT. The ODC-Ukraine EUM program manager also stated that, although the ODC-Ukraine personnel did not review reports for EEUM violations, if the ODC-Ukraine personnel received information on potential end-use violations from an external source, they would pass the information to the DSCA, to the DOS PM/RSAT, and to USEUCOM.

~~(CUI)~~ By March 2024, ODC-Ukraine personnel began to conduct analysis of loss reporting information UAF personnel provided to ODC-Ukraine via quarterly inventory reporting. Within this analysis, ODC-Ukraine personnel identified ■ defense article serial numbers which were moved to an active or inactive status in the SCIP-EUM database based on prior information provided by UAF which was contradicted by data within quarterly inventory reporting added to the database in March 2024. This discrepancy analysis can serve to improve the data accuracy of the SCIP-EUM database and can supplement ODC-Ukraine's ability to detect potential EUM-violations among EEUM-designated defense articles provided to Ukraine.

(U) The DSCA Maintains an Action Tracker in SCIP-EUM Database to Identify Potential End-Use Violations, but Its Loss Reports Lacked Sufficient Information

(U) Although the SAMM and the ODC-Ukraine SOP established that the SCO is responsible for reviewing and reporting loss reporting for potential end-use violations, as an addition, DSCA personnel developed an action tracker within the SCIP-EUM database to identify and report potential EEUM violations. DSCA staff told us that when they receive loss notifications and reports from the ODC-Ukraine EUM program manager, they review the data for indicators of end-use violations, add reports with potential violations to the action tracker in the SCIP-EUM database, and discuss these reports with DOS PM/RSAT personnel on a monthly basis. A DOS Foreign Affairs Officer verified that the DOS PM/RSAT still relies on DoD reviews of EEUM loss reports to help identify circumstances of loss that are potentially a result of unauthorized end-use. However, as of October 2023, DOS PM/RSAT officials stated that they had not yet found any potential end-use violations in the reports the DSCA submitted for DOS review.

(U) The SAMM requires SCO personnel to “be alert to, and report on, any indication that U.S.-origin defense articles are being used for unauthorized purposes...”

~~(CUI)~~ On December 6, 2023, we reviewed the descriptions of loss in the seven loss reports on the action tracker used to track potential end-use violations in the SCIP-EUM database. The seven listings consisted of [REDACTED] initial loss notifications and [REDACTED] final loss reports.³⁴ The [REDACTED] final reports did not include any defense articles from the [REDACTED] initial loss notifications. We determined that of the [REDACTED] (27 percent) defense articles listed in the [REDACTED] reports, [REDACTED] of the defense articles came from initial loss notifications rather than final loss reports, and these notifications did not yet have the information necessary to make a final judgement on potential for end-use violations. However, none of the [REDACTED] reports in the database contained information indicating potential unauthorized use, unauthorized transfer, or security violations. Additionally, we confirmed that no final loss reports and initial loss notifications provided by UAF personnel between March 1, 2022, and July 31, 2023, contained information indicating potential unauthorized use, unauthorized transfer, or security violations. Although ODC-Ukraine personnel review all loss notifications and reports that they receive from UAF, they told us that they do not actively review EEUM loss reports for indicators of end-use

³⁴ ~~(CUI)~~ As of December 6, 2023, this spreadsheet also contained loss reporting information for approximately [REDACTED] additional defense article loss reports and notifications added since the full-scale invasion of Ukraine in February 2022. The [REDACTED] listings we reviewed list an inquiry type of “end-use” while the [REDACTED] additional loss reports and notifications have a listed inquiry type of “loss.”

(U) violations. The ODC-Ukraine EUM program manager stated that since the UAF is not required to self-report potential EEUM violations in their circumstances of loss, they did not expect to see any reports of violations.

(U) Lack of Guidance for Monitoring End-Use Violations and Lack of Enforcement of Loss Notification Requirements Limited the SCO's Ability To Monitor EEUM Violations

(U) We concluded that the SAMM, the December 2022 CONOP, and the defense article control plans provided limited guidance to either the ODC-Ukraine or UAF personnel on EEUM violation reporting procedures under the partner nation self-reporting concept. Additionally, DoD personnel did not enforce the information requirements in initial loss reports per the CONOPs and control plans that would help identify EEUM violations. During peacetime, ODC-Ukraine personnel relied on end-use checks and visits to identify potential violations. During hostilities, however, ODC-Ukraine personnel relied on UAF self-reporting. The SAMM deferred to the partner nation CONOP and control plans for partner nation self-reporting procedures. The December 2022 CONOP stated that the UAF would continue complying with transfer and security requirements but did not address identification and self-reporting of EEUM violations. The November 2023 CONOP did not mention end-use violations. The control plans' partial guidance related to violations varied among the EEUM-designated defense articles.

(U) The ODC-Ukraine and the UAF Received Limited Guidance on Monitoring and Reporting End-Use Violations During Partner Nation Self-Reporting

(U) The guidance on monitoring end-use violations in the SAMM before Russia's full-scale invasion of Ukraine depended on SCO officials conducting partner unit checks, and so the guidance was not relevant to partner nation self-reporting in areas of heightened risk. Additionally, the partner nation self-reporting update to the SAMM provided no guidance for monitoring for unauthorized end-use. ODC-Ukraine personnel had limited ability to visit units under partner nation self-reporting in a hostile environment. ODC-Ukraine personnel primarily relied on the review of initial loss notifications and final loss reports for indicators of violations, and information received and relayed from external sources, including UAF personnel or foreign citizens reporting potential violations.

(U) Guidance on monitoring and reporting end-use violations in partner nation self-reporting documents was either vague or nonexistent. In the December 2022 CONOP, the UAF agreed to continue to comply with the prohibition on unauthorized transfers and to ensure physical security of EEUM, but the CONOP did not address

(U) how UAF end-use violations would be identified and self-reported. The November 2023 CONOP also did not address any self-reporting requirements for EEUM-designated defense article violations.

(U) The reporting requirements related to EEUM violations in the control plans for EEUM-designated defense articles varied with the type of defense article. Table 3 shows the differences in end-use violation reporting procedures among the accountability and security documents for EEUM-designated defense articles provided to the UAF. Table 4 shows the inconsistent and incomplete requirements for protecting and reporting end-use violations for the UAF’s EEUM-designated defense articles within the different guiding documents.

(U) Table 4. Differences in Partner Nation Self-Reporting Procedures for End-Use Violations Listed in Title 22 (Unauthorized Access, Unauthorized Transfers, and Security Violations)

(U) Document (Date)	Reporting Requirements Related to EEUM Violations Under Partner Nation Self-Reporting
AMRAAMs Control Plan (October 2023)	Transfers: The benefitting country will report to the SCO any hardware, technology, or software released to unauthorized nationals.
Javelin Missiles and Control Launch Unit Control Plan (July 2021)	Security: The UAF will immediately notify the ODC-Ukraine when a Javelin Weapon System or related technology is missing, destroyed, stolen, or otherwise subjected to breach of security.
	Security: The UAF will ensure that the Javelin control launch unit is accorded Category III protection as addressed in DoD 5100.76-M (current revision), “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives. *
Stinger Missiles and Gripstock Control Plan (May 2022)	Access/Use: The benefitting country will report through the SCO and country team to the DOS, by the most expeditious means, any instances of unauthorized use.
Switchblade Missile Control Plan (undated)	Access/Use: The benefitting country will report through the SCO and country team to the Government, by the most expeditious means, any instances of unauthorized use.
NVD Control Plan (April 2021)	Security: In case of security incident, immediately inform ODC-Ukraine. Within 30 days, provide written report to ODC-Ukraine with detailed information on the incident and measures taken to restore equipment (if possible) and to prevent repetition of the incident.
Air Intercept Missile (AIM 9X) June 2023	Use, Transfer, and Security: The Government is permitted, on request, to conduct end-use monitoring with respect to use, transfer, and security.
CONOP (December 2022)	Transfer and Security: The partner nation agreed to continue complying with the prohibition on transferring U.S.-provided defense articles to any third party and ensuring protection and security of U.S.-provided defense articles but did not address identification and self-reporting of violations. (U)

(U) Table 4. Differences in Partner Nation Self-Reporting Procedures for End-Use Violations Listed in Title 22 (Unauthorized Access, Unauthorized Transfers, and Security Violations) (cont'd)

(U) Document (Date)	Reporting Requirements Related to EEUM Violations Under Partner Nation Self-Reporting
CONOP (November 2023)	None: Other than loss reporting, does not address reporting requirements for end-use violations under the self-reporting concept.
SAMM (April 2012)	Access, Transfer, and Security: SCOs must be alert to, and report all potential unauthorized end-use, including unauthorized access, unauthorized transfers, security violations, or known equipment losses to the combatant command, DSCA, and DOS PM/RSAT.
SAMM Update: Partner Nation Self-Reporting (December 2022)	None: Other than loss reporting, the update did not address reporting requirements for end-use violations under the self reporting concept.

(U)

(U) * DoDM 5100.76-M defines Category III defense articles as those that are in a moderate risk category based on their relative utility, attractiveness, and availability to criminal and terrorist elements.

(U) Source: EEUM-designated defense article control plans, Partner Nation EEUM Self Reporting CONOP, and SAMM Chapter 8.

(U) DoD Personnel Did Not Coordinate with the UAF to Enforce the Information Requirements in the UAF CONOP or Control Plans

(U) DoD personnel did not enforce the information requirements in initial loss reports per the CONOPs and control plans that would help identify EEUM violations. For example, ODC-Ukraine officials said that there had been no instances where the ODC-Ukraine asked the UAF General Staff for more information on a loss report. The ODC-Ukraine officials stated that ODC-Ukraine considers every loss report to be complete even if the UAF has not sent a final report with a completed investigation.

(U) To be helpful for use by the DSCA and DOS PM/RSAT in deciding potential for end-use violations in a loss report, the circumstances of loss must include information that addresses whether indicators of unauthorized use, unauthorized transfer, or security violations exist. As an example of a useful final loss report involving a potential security violation that DOS PM/RSAT could consider and investigate further, the report explained that the circumstances of loss occurred because a Service member did not properly store a defense article as required,

(U) which caused the loss of the equipment during a rocket attack. The unit discovered the loss the next day after an investigation, and the UAF found the Service member liable.³⁵

~~(CUI)~~ However, we concluded that most initial loss notifications and loss reports between March 1, 2022, and November 26, 2023, did not contain sufficient circumstances of loss to assess the potential for end-use violations. For example, ODC-Ukraine personnel used a UAF loss notification in July 2022 to move [REDACTED] NVDs to an inactive status in the SCIP-EUM database. This loss notification only listed type and serial number of each lost defense article, and did not provide dates, locations, or any other circumstances of loss related to any potential end-use violations for any of the defense articles.³⁶ By January 9, 2024, ODC-Ukraine personnel had received final loss reporting documentation from the UAF for only [REDACTED] of these [REDACTED] defense article serial numbers.

(U) In the December 2022 CONOP, the UAF acknowledged its responsibility to comply with prohibitions on transfer of EEUM-designated defense articles, and its responsibility to ensure physical protection of the defense articles. The November 2023 CONOP did not acknowledge responsibility for reporting potential EEUM violations. Additionally, control plans did not adequately or consistently address responsibilities for reporting EEUM violations.

(U) The Absence of Timely Reporting and Analysis of EEUM Losses Increased EEUM Accountability Risks

(U) A lack of timely and complete EEUM loss reporting impedes DoD understanding of any potential security or end-use violations on EEUM-designated defense articles and, therefore, increases the risk that DoD could lose accountability over EEUM-designated defense articles provided to Ukraine. While the UAF reported approximately \$22.9 million worth of lost and destroyed EEUM-designated defense articles in Ukraine between March 1, 2022, and July 31, 2023, this figure almost tripled, to \$62.2 million by November 26, 2023. Two former ODC-Ukraine EUM program managers stated that it is essential for UAF personnel to document EEUM-designated defense article losses in loss reporting and provide the reports to ODC-Ukraine before these items potentially resurface in adversary control. USEUCOM must be able to coordinate with the UAF and complete loss notifications and reports in a timely manner, assess the potential capture of EEUM-designated defense articles, and coordinate with the Ukrainian MOD to provide input on their potential unauthorized use.

³⁵ (U) Within the evaluation period, this was the only EEUM-designated defense article serial number we discovered in UAF provided loss reporting that could potentially indicate an end-use violation.

³⁶ ~~(CUI)~~ For example, only 4 percent ([REDACTED]) of the defense articles listed in loss notifications between March 1, 2022, and July 31, 2023, included date of loss.

(U) Recommendations, Management Comments, and Our Response

(U) Recommendation 1

(U) We recommend that the Office of Defense Cooperation–Ukraine Chief, in coordination with the Ukrainian Ministry of Defense:

- a. **(U) Update the 2023 Concept of Operation to make it clear that the requirements in the 2023 Concept of Operation have priority over the defense article control plan requirements for enhanced end-use monitoring initial loss notifications and final loss reports for the Ukrainian Armed Forces, including clearly defined report timelines, contents, and procedures.**

(U) ODC-Ukraine Comments

(U) The ODC-Ukraine Chief agreed and stated that the EEUM control plans articulate the actual physical security, storage, and accountability requirements for EEUM-designated defense articles in accordance with defense article transfer agreement physical security and accountability notes. The ODC-Ukraine Chief stated that the Concept of Operation (CONOP) is an additional document that complements the control plan and describes mutually agreed bilateral procedures for execution of partner nation EEUM self-reporting during war in accordance with updated DSCA guidance. ODC-Ukraine, in coordination with the Ukrainian Ministry of Defense, will update the 2023 CONOP to reflect that the reporting procedures outlined in the CONOP for initial loss notifications and final loss reports have precedence over the control plan requirements while wartime conditions persist. The ODC-Ukraine will also ensure that the CONOP includes clearly defined report timelines, contents, and procedures.

(U) Our Response

(U) The ODC-Ukraine Chief's comments meet the intent of the recommendation. We consider this recommendation resolved but open. We will close this recommendation when ODC-Ukraine provides us a copy of the updated CONOP that both reflects that the reporting procedures outlined in the CONOP for initial loss notifications and final loss reports have precedence over the control plan requirements while wartime conditions persist, and includes clearly defined report timelines, contents, and procedures.

- b. **(U) Develop and publish procedures for faster retrieval of critical information from final loss report investigations.**

(U) ODC-Ukraine Comments

(U) The ODC-Ukraine Chief agreed and stated that ODC-Ukraine will update the 2023 bilateral CONOP to request critical information within 30 days, as conditions permit, following initial loss notification if additional information is required.

(U) Our Response

(U) The ODC-Ukraine Chief's comments meet the intent of the recommendation. We consider this recommendation resolved but open. We will close this recommendation when ODC-Ukraine provides us a copy of the updated CONOP that states that ODC-Ukraine will request critical information within 30 days, as conditions permit, following initial loss notification if additional information is required.

(U) Recommendation 2

(U) We recommend that the Commander of the U.S. European Command, in coordination with the Office of Defense Cooperation-Ukraine Chief:

- a. **(U) Establish procedures to review loss report circumstances reported by the Ukrainian Armed Forces to determine risk of adversary capture of enhanced end-use monitoring-designated defense articles other than NVDs with no advanced technology, update loss reports, and alert investigative agencies as appropriate.**

(U) USEUCOM Comments

(U) The Chief, ECJ5 Russia/Ukraine Division, responding on behalf of the Commander of the U.S. European Command, disagreed with the recommendation. The Chief stated that ODC-Ukraine reviews loss reports for potential end-use violations and reports them to USEUCOM, DOS PM/RSAT, and DoD/DSCA in accordance with DSCA SAMM paragraph C8.1.1. The Chief stated that DOS is the executive agent for investigating potential end-use violations and reporting to Congress in accordance with the Arms Export Control Act. The Chief stated the DSCA SAMM does not address risk of adversary capture as a specific end-use violation that requires separate review and reporting by the Combatant Commander or other authority. The Chief said that the requirement for a Combatant Commander to review loss reports specifically for risk of adversary capture represents a programmatic change to the Golden Sentry EUM Program and should be addressed to DSCA as the delegated authority to administer DoD's Golden Sentry EUM program.

(U) Our Response

(U) Comments from the Chief did not address the specifics of the recommendation. In our report, a DSCA official stated that making the distinction between routine battle loss and elevated risk of adversary capture could have important potential benefits. The DSCA official also stated that due to the current security environment in Ukraine, the addition of an elevated risk of adversary capture requirement would be a partner nation self-reporting consideration that, if implemented, belongs in the partner nation CONOP or in a defense article control plan rather than in the SAMM. We have added the statement to the text of this report for clarification. Chapter 8 of the SAMM identifies weapons proliferation as an end-use monitoring concern in a hostile environment and requires a CONOP agreement between the partner nation and the SCO to mitigate proliferation and to provide reasonable assurance of end-use compliance during partner nation self-reporting.

(U) Additionally, our report notes that investigators are already asking the ODC-Ukraine for information related to potential instances of adversary capture in Ukraine. Finally, as we note in our report, we extended the report's end date from July 31, 2023, to November 26, 2023, to capture the improvements in reporting that the ODC-Ukraine and DSCA put in place after July 2023. With a more efficient reporting system in place and reduced backlogs of inventory data, there may be more opportunity for ODC-Ukraine personnel to review loss reports for circumstances of loss and risk of adversary capture.

(U) We consider this recommendation unresolved. We request that the Commander of the U.S. European Command provide additional comments within 30 days describing the planned actions to address the recommendation.

- b. (U) Coordinate with the Ukrainian Armed Forces to revise the November 2023 Concept of Operation to require loss reports include enhanced end-use monitoring-designated defense articles potentially captured by an adversary.**

(U) USEUCOM Comments

(U) The Chief, ECJ5 Russia/Ukraine Division, responding on behalf of the Commander of the U.S. European Command, disagreed with the recommendation. The Chief stated that the DSCA SAMM did not address potential risk of adversary capture as a specific criterion requiring special reporting instructions. The Chief stated that this recommendation represents a programmatic change to the Golden Sentry EUM Program and should be addressed to DSCA as the delegated authority to administer DoD's Golden Sentry EUM program.

(U) Our Response

(U) Comments from the Chief did not address the specifics of the recommendation. As we stated in response to management comments in Recommendation 2.a, during this evaluation we identified a reporting gap in identifying and notifying the DoD and DOS when EEUM-designated defense articles were potentially captured by adversaries. The addition of an elevated risk of adversary capture requirement is a partner nation self-reporting consideration that, if implemented in the partner nation under self-reporting, would belong in the partner nation CONOP or in a defense article control plan rather than in the SAMP. Chapter 8 of the SAMP identifies weapons proliferation as an end-use monitoring concern in a hostile environment. Chapter 8 also states that partner nation self-reporting is used to mitigate proliferation and to provide reasonable assurance of end-use compliance in a hostile environment. Under partner nation self-reporting, the partner nation produces and signs, along with the ODC, the EEUM self-reporting CONOP, agreeing to security and accountability procedures for EEUM-designated defense articles. The ODC and the MOD implemented this bilateral agreement with partner nation self-reporting.

(U) We consider this recommendation unresolved. We request that the Commander of the U.S. European Command provide additional comments within 30 days on planned actions to address the recommendation.

(U) Recommendation 3

(U) We recommend that the Commander of the U.S. European Command in coordination with the Office of Defense Cooperation–Ukraine Chief:

- a. **(U) Establish procedures to review loss report circumstances reported by the Ukrainian Armed Forces to determine potential end-use violations of enhanced end-use monitoring-designated defense articles other than NVDs with no advanced technology.**

(U) USEUCOM Comments

(U) The Chief, ECJ5 Russia/Ukraine Division, responding on behalf of the Commander of the U.S. European Command, disagreed with the recommendation. The Chief stated that the ODC-Ukraine reviews loss reports for potential end-use violations and reports them to USEUCOM, DOS PM/RSAT, and the DoD/DSCA in accordance with DSCA SAMP paragraph C8.1.1. The Chief stated that DOS is the executive agent for investigating potential end-use violations and reporting to Congress in accordance with the Arms Export Control Act. The Chief stated that the DSCA SAMP does not address risk of adversary capture as a specific end-use violation that requires separate review and reporting by the Combatant

(U) Commander or other authority. The Chief also stated that the requirement for a Combatant Commander to review loss reports specifically for risk of adversary capture represents a programmatic change to the Golden Sentry EUM Program and should be addressed to DSCA as the delegated authority to administer the DoD's Golden Sentry EUM program.

(U) Our Response

(U) Comments from the Chief did not directly address the recommendation. This recommendation pertains to end-use violations rather than elevated risk of adversary capture. The SAMM already assigns responsibility to the SCO to report all potential unauthorized end-use violations, including unauthorized access, unauthorized transfers, security violations, and known equipment losses to the geographic combatant command, DSCA, and DOS PM/RSAT. Additionally, Chapter 8 of the SAMM states that there is a requirement in a hostile environment to provide reasonable assurance that the partner nation is complying with end-use requirements as stated in the Arms Export Control Act, Section 40A, which includes end-use violations. The SAMM states that the SCO assists the partner nations with this requirement during partner nation self-reporting through the partner nation CONOP agreement. However, at the time of our evaluation, under partner nation self-reporting with physical inspections and physical checks suspended, the ODC-Ukraine EUM program manager stated that ODC personnel did not actively review EEUM loss reports for indicators of end-use violations, as we stated in our report.

(U) Since the comments from the Chief, ECJ5 R/U did not address the specifics of the recommendation, this recommendation is unresolved. We request that the Commander of USEUCOM provide additional comments within 30 days including planned actions to address the recommendation.

- b. **(U) Coordinate with the Ukrainian Armed Forces to revise the November 2023 Concept of Operation to require loss reports to include all instances of potential end-use violations of enhanced end-use monitoring-designated defense articles, including instances of non-approved use, unauthorized access or transfer, or inadequate physical security.**

(U) USEUCOM Comments

(U) The Chief, ECJ5 Russia/Ukraine Division responding on behalf of the Commander of the U.S. European Command, disagreed with the recommendation. The Chief stated that the DSCA SAMM C.6.8.2 provides end-use violation criteria and reporting requirements. The Chief stated that any programmatic changes to the Golden Sentry EUM Program should be addressed to DSCA as the delegated authority to administer DoD's Golden Sentry EUM program.

(U) Our Response

(U) Comments from the Chief did not address the specifics of the recommendation. Under Chapter 8 of the SAMM, paragraph C8.5.5.2, "Partner Nation Self-Reporting," the terms of the CONOP between the partner nation and the U.S. Government determine procedures for partner nation self-reporting. There are no restrictions in C8.5.5.2 pertaining to the SCO and the partner nation coordinating to stay alert to and report potential instances of EEUM violations. The report states that in the 2022 CONOP, the UAF agreed to continue to comply with the prohibition on unauthorized transfers and to ensure physical security of EEUM. However, this language was missing from the 2023 CONOP, and should be included to clarify that the UAF agrees to comply with the restrictions on unauthorized end-use.

(U) We consider this recommendation unresolved. We request that the Commander of the USEUCOM provide additional comments within 30 days describing planned actions to address the recommendation.

(U) Appendix

(U) Scope and Methodology

(U) We conducted this evaluation from August 2023 through March 2024 in accordance with the “Quality Standards for Inspection and Evaluation,” published in December 2020 by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we adequately plan the evaluation to ensure that objectives are met and that we perform the evaluation to obtain sufficient, competent, and relevant evidence to support findings and conclusions, and recommendations. During this evaluation, procedures for collecting information on lost and destroyed EEUM-designated defense articles changed with the addition of the use of quarterly inventory reports. The use of quarterly inventory reports to capture data on lost and destroyed EEUM-designated defense articles allowed the ODC-Ukraine to collect information on a wider variety of defense articles in a shorter amount of time. As a result, we extended our project scope and conducted further analysis on the new collection process and the additional data. We believe that the evidence obtained was sufficient, competent, and relevant to lead a reasonable person to sustain the findings, conclusions, and recommendations.

(U) We identified and reviewed laws, policies, directives, and DoD guidance for EEUM. These criteria include U.S. Code, and DoD directives and manuals. Specifically, we reviewed the following criteria.

- (U) Section 2785, title 22, United States Code, “End-Use Monitoring of Defense Articles and Defense Services,” July 21, 1996, as amended.
- (U) Section 2314, title 22, United States Code, “Furnishing of Defense Articles or Related Training or Other Defense Service on Grant Basis,” September 4, 1961, as amended.
- (U) DoD Directive 5132.03, “DoD Policy and Responsibilities Relating to Security Cooperation,” December 29, 2016.
- (U) DSCA Manual 5105.38, “Security Assistance Management Manual,” chapter 8, “End-Use Monitoring (EUM),” April 30, 2012 (as updated through September 18, 2023).
- (U) ODC-Ukraine End-Use Monitoring (EUM) Program Standard Operating Procedure (SOP),” December 12, 2023.

~~(CUI)~~ We reviewed [REDACTED] initial loss notifications and final loss reports consisting of [REDACTED] EEUM-designated defense articles provided to ODC-Ukraine by UAF personnel between March 1, 2022, and November 26, 2023. Based on the results of our initial evaluation period that extended through July 31, 2023,

(~~CUI~~) and later changes to data collection processes at ODC-Ukraine, we expanded our scope to November 26, 2023. This allowed us to provide a more meaningful picture of EEUM-designated defense articles reported as lost or destroyed in Ukraine. Additionally, we reviewed SCIP-EUM data reports, the control plans for the EEUM-designated defense articles in Ukraine, and the December 2022 and November 2023 CONOP agreements for partner nation EUM self-reporting. We also reviewed the 2019 and 2023 ODC-Ukraine EUM Program SOPs, the ODC-Ukraine organizational charts, UAF defense article requirements briefings, and ODC-Ukraine and USEUCOM memorandums related to EEUM-designated defense articles. Finally, we collected information on EEUM loss reporting requirements, procedures, challenges, and initiatives from EEUM program stakeholder organizations, including the DSCA, ODC-Ukraine, USEUCOM, DOS PM/RSAT, and the Office of the Under Secretary of Defense for Policy.

(U) We established SCIP-EUM accounts at the DSCA to review the DSCA data pertaining to EEUM loss reporting. We conducted interviews pertaining to EEUM guidance and procedures with EEUM-timelines, reporting requirements, and details of UAF initial loss notifications and final loss reports. These included interviews with individuals from the following organizations: the Office of the Under Secretary of Defense for Policy, the DSCA, the Defense Technology Security Administration, U.S. Army export policy experts, USEUCOM's Plans, Policy, Strategy, and Capabilities Directorate, the Department of State Bureau of Political and Military Affairs, Office of Regional Security and Arms Transfers (DOS PM/RSAT), Security Assistance Group-Ukraine, and ODC-Ukraine. The interviews provided context for the loss report data the team physically observed in the DSCA SCIP-EUM database and provided clarity on the documentation we reviewed that these organizations provided.

(U) Use of Computer-Processed Data

(U) We used computer processed data obtained from the DSCA's SCIP EUM database. Specifically, we used SCIP EUM inventory reports to verify that the EEUM process accounts for defense articles by serial number and description for all EEUM designated equipment transferred to Ukraine since October 1, 2022. To assess the reliability of computer processed data, we verified that Government officials identified the EEUM-designated defense articles in the SCIP EUM database for the country of Ukraine, conducted a completeness test, and checked for duplication of serial numbers associated with individual EEUM-designated defense articles. To validate completeness, we compared inventories of equipment before transfer to Ukraine and the initial EEUM conducted in Ukraine, along with loss or other disposition reports from Ukraine. For our report, we determined that the SCIP EUM database was reliable as source data for our analysis.

(U) Prior Coverage

(U) DoD OIG

(U) Report No. DODIG-2024-043, “Evaluation of the DoD’s Enhanced End-Use Monitoring of Defense Articles Provided to Ukraine,” January 10, 2024

(U) The DoD OIG found that while the DoD has improved execution of EEUM since the full-scale invasion began in February 2022, the DoD did not fully comply with the EEUM program requirements for defense article accountability in a hostile environment. ODC-Ukraine personnel have not been able to conduct initial inventories on all EEUM-designated defense articles within 90 days of arrival. Although ODC-Ukraine and Ukrainian Armed Forces personnel conducted some required inventories, as of June 2, 2023, serial number inventories for more than \$1.005 billion of the total \$1.699 billion (59 percent of the total value) of EEUM-designated defense articles remained delinquent. Additionally, the DoD did not maintain an accurate inventory of Ukrainian EEUM-designated defense articles in the SCIP-EUM database.

(U) The DoD OIG recommended that DoD officials improve inventory procedures for EEUM-designated defense articles, as well as the completeness and timeliness of loss reporting within the SCIP-EUM database, and coordinate with the DOS to improve visibility of third-party transfers of EEUM-designated defense articles before transfer. The DoD OIG also recommended that DoD officials establish and implement procedures sufficient to meet the requirement for serialized delivery records in advance of transferring EEUM articles to a hostile environment and improve the accuracy and completeness of the SCIP-EUM database by including the serialized inventories. The DoD OIG further recommended that DoD officials should also develop internal controls and update the SAMM to improve the accuracy and timeliness of the inventory-entries within the SCIP-EUM database, including the addition of procedures and authorities for the use of scanner data and further clarification of the inventory requirements in a hostile environment.

(U) Report No. DODIG-2023-090, Management Advisory, “Sufficiency of Staffing at Logistics Hubs in Poland for Conducting Inventories of Items Requiring Enhanced End-Use Monitoring,” June 28, 2023

(U) The DoD OIG found that DoD leadership needed to address additional methods to enable ODC-Ukraine to fulfill part of their mission in Poland, including the capture of 100 percent of the serial number inventories of EEUM-designated defense articles before transfer to Ukraine.

(U) The DoD OIG recommended that the Director, DSCA update the SAMM Section C8.5.5, “Conducting EUM in a Hostile Environment,” to allow Government personnel to perform initial serial number inventories before defense articles enter hostile areas. The DoD OIG further recommended that the Director, DSCA, develop training materials describing the EEUM program requirements and procedures and conduct training for Government personnel supporting EEUM activities in a hostile environment. Finally, the DoD OIG recommended that the Chief, ODC-Ukraine implement the training developed by the DSCA Director and provide oversight of EEUM inventories conducted by Government personnel.

(U) Report No. DODIG-2023-074 Management Advisory, “DoD Review and Update of Defense Articles Requiring Enhanced End-Use Monitoring”

(U) The DoD OIG found that the DSCA did not include a regular and recurring requirement in the SAMM to review, update, and remove defense articles designated for EEUM.

(U) The DoD OIG recommended that that the Director, DSCA, in coordination with the Tri-Service Committee member representatives, review, analyze, and update the list of defense articles currently designated as requiring EEUM. The DoD OIG also recommended that the Director, DSCA, update the SAMM to: a) develop and implement a process for which defense articles no longer requiring EEUM be removed from the list, and b) add a recurring requirement to review and update the list of all defense articles provided to foreign nations to ensure designation of those requiring EEUM.

(U) Report No. DODIG-2023-002, “The DoD’s Accountability of Equipment Provided to Ukraine,” October 2022

(U) The DoD OIG found that ODC-Ukraine could not monitor EEUM provided to Ukraine in accordance with DoD policy in FY 2022. In-person monitoring of EEUM-designated defense equipment was a challenge in a non-peacetime environment, and the U.S. Embassy in Kyiv was temporarily closed between February 2022 and May 2022 under ordered departure, with all essential embassy operations suspended. USEUCOM made efforts to reduce the inability to conduct EEUM by implementing alternative methods of monitoring and accounting for EEUM-designated defense equipment transferred to Ukraine.

(U) The DoD OIG did not make any recommendations in this report because the DoD was already working to reduce their inability to conduct EEUM on defense equipment provided to Ukraine.

(U) Report No. DODIG-2020-121, "Evaluation of Department of Defense Enhanced End-Use Monitoring for Equipment Transferred to the Government of Ukraine," August 2020

(U) The DoD OIG found that DoD officials complied with EEUM requirements for Javelin missiles and their associated control launch units. However, the DoD did not fully comply with EEUM requirements for NVDs until 2018, the year ODC-Ukraine began conducting required EEUM physical inventories in Ukraine. The DoD OIG concluded that the NVD information in the DoD's database was inaccurate because the UAF did not always report the loss, theft, or destruction of its U.S.-provided, EEUM-designated NVDs in a timely manner, as required by the letters of offer and acceptance (LOAs). Also, serial number stickers on some U.S.-supplied NVDs were illegible or missing, making it difficult to conduct serialized inventories of these articles.

(U) The DoD OIG recommended that the DSCA Director withhold the DSCA's recommendation that the Government of Ukraine receive additional U.S.-provided NVDs until UAF officials provide loss reports in a timely manner as described by the terms of the LOA. The DoD OIG further recommended that the DSCA Director develop a new information field within the SCIP-EUM database to indicate when an article is lost pending an official report. The DoD OIG recommended that the DSCA Director develop a process, in coordination with the U.S. Army Security Assistance Command Commanding General, to place permanent serial numbers on each NVD provided to the Government of Ukraine and recommended that the DSCA Director establish a frequency for compliance assessment visits for countries identified as high risk, according to the criteria established in the SAMM.

(U) Management Comments

(U) U.S. European Command



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UNITED STATES EUROPEAN COMMAND
UNIT 30400
APO AE 09154

ECJ5-RU

25 APRIL 2024

MEMORANDUM FOR Department of Defense Office of Inspector General

SUBJECT: ECJ5-RU Response to Project D2023-DEVOPD-0152.000 Draft Recommendations on Accountability of Lost or Destroyed Defense Articles Provided to Ukraine

References: (a) (U) Arms Export Control Act (AECA) Section 3 (22 U.S.C. 2753)
(b) (U) Security Assistance Management Manual (SAMM) Chapter 8 – End Use Monitoring
(c) (U) Draft Report - Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring (Project No. D2023-DEVOPD-0152.000)

1. The purpose of this memorandum is to provide the EUCOM response to DoD IG D2023-DEVOPD-0152.000 Draft Recommendations on Accountability of Lost or Destroyed Defense Articles Provided to Ukraine.

2. (U) Recommendation for DoD IG: EUCOM advises against including valuations of Enhanced End Use Monitoring (EEUM)-designated items in the report's findings given that the monetary valuation of items provided via Presidential Drawdown (PD) Authority have already been reassessed and reduced from their initial amounts. The valuations will potentially change again following separate on-going DOD IG actions.

3. (U) Recommendation 2.

a. DoD IG Draft Recommendation 2a. We recommend that the Commander of the U.S. European Command, in coordination with the Chief of the Office of Defense Cooperation–Ukraine: Review loss report circumstances reported by the Ukrainian Armed Forces to determine risk of adversary capture of enhanced end-use monitoring-designated defense articles other than NVDs with no advanced technology, update loss reports, and alert investigative agencies as appropriate.

b. EUCOM Response: Non-concur. ODC Kyiv reviews loss reports for potential end use violations and reports them to USEUCOM, DoS/PM/RSAT, and DoD/DSCA in accordance with DSCA SAMM paragraph C8.1.1. DoS is the executive agent for investigating potential end use violations and reporting to Congress in accordance with the AECA. The DSCA SAMM does not address risk of capture as a specific potential end use violation that requires separate review and reporting by the Combatant Commander or other authority. This IG report acknowledges this on page 11 wherein it states that “the SAMM requirements for loss reporting in a hostile environment did not require the SCO to identify EEUM-designated defense article losses with potential for adversary capture among lost or destroyed EEUM-designated defense articles.” The

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(U) U.S. European Command (cont'd)

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requirement for a Combatant Commander to review loss reports specifically for risk of adversary capture represents a programmatic change to the Golden Sentry EUM Program and should be addressed to DSCA as the delegated authority to administer DoD's Golden Sentry EUM program.

c. DoD IG Recommendation 2b. We recommend that the Commander of the U.S. European Command, in coordination with the Chief of the Office of Defense Cooperation–Ukraine: Coordinate with the Ukrainian Armed Forces to revise the November 2023 Concept of Operation to require loss reports to include enhanced end-use monitoring–designated defense articles potentially captured by an adversary.

d. Non-concur. The DSCA SAMM does not address potential risk of adversary capture as a specific criterion requiring special reporting instructions. This recommendation represents a programmatic change to the Golden Sentry EUM Program and should be addressed to DSCA as the delegated authority to administer DoD's Golden Sentry EUM program.

4. (U) Recommendation 3.

a. DoD IG Recommendation 3a. We recommend that the Commander of the U.S. European Command, in coordination with the Chief of the Office of Defense Cooperation–Ukraine: Review loss report circumstances reported by the Ukrainian Armed Forces to determine potential end-use violations of enhanced end-use monitoring–designated defense articles other than NVDs with no advanced technology.

b. EUCOM Response: Non-concur. ODC Kyiv reviews loss reports for potential End Use violations and reports them to USEUCOM, DoS/PM/RSAT, and DoD/DSCA in accordance with DSCA SAMM paragraph C8.1.1. DoS is the executive agent for investigating potential end use violations and reporting to Congress in accordance with the AECA. The DSCA SAMM does not address risk of capture as a specific potential End Use violation that requires separate review and reporting by the Combatant Commander or other authority. This IG report acknowledges this on page 11 wherein it states that “the SAMM requirements for loss reporting in a hostile environment did not require the SCO to identify EEUM–designated defense article losses with potential for adversary capture among lost or destroyed EEUM–designated defense articles.” The requirement for a Combatant Commander to review loss reports specifically for risk of adversary capture represents a programmatic change to the Golden Sentry EUM Program and should be addressed to DSCA as the delegated authority to administer DoD's Golden Sentry EUM program.

c. DoD IG Recommendation 3b. We recommend that the Commander of the U.S. European Command, in coordination with the Chief of the Office of Defense Cooperation–Ukraine: Coordinate with the Ukrainian Armed Forces to revise the November 2023 Concept of Operation to require loss reports to include all instances of potential end-use violations of enhanced end-use monitoring–designated defense articles, including instances of non–approved use, unauthorized access or transfer, or inadequate physical security.

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(U) U.S. European Command (cont'd)

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d. Non-concur. The DSCA SAMM C.8.6.2 provides end use violation criteria and reporting requirements. Any programmatic changes to the Golden Sentry EUM Program should be addressed to DSCA as the delegated authority to administer DoD's Golden Sentry EUM program.

5. (U) The point of contact for this memorandum is [REDACTED] at [REDACTED].

[REDACTED] Digitally signed by [REDACTED]

ANDREW C. MILLER
Colonel, U.S. Air Force
Chief, ECJ5 Russia/Ukraine Division

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(U) Office of Defense Cooperation Ukraine Chief



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UNITED STATES EUROPEAN COMMAND
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ECJ5-ODC-UKR

30 APRIL 2024

MEMORANDUM FOR Department of Defense Office of Inspector General

SUBJECT: SCO Response to Project D2023-DEVOPD-0152.000 Draft Recommendations on Accountability of Lost or Destroyed Defense Articles Provided to Ukraine

References: (a) (U) Arms Export Control Act (AECA) Section 3 (22 U.S.C. 2753)
(b) (U) Security Assistance Management Manual (SAMM) Chapter 8 – End Use Monitoring
(c) (U) Draft Report - Evaluation of the DoD's Accountability of Lost or Destroyed Defense Articles Provided to Ukraine Requiring Enhanced End-Use Monitoring (Project No. D2023-DEVOPD-0152.000)

1. (U) The purpose of this memorandum is to provide ODC Kyiv response to DoD IG D2023-DEVOPD-0152.000 Draft Recommendations on Accountability of Lost or Destroyed Defense Articles Provided to Ukraine.

2. (U) Recommendation 1.

a. DoD IG Draft Recommendation 1a: We recommend that the Chief of the Office of Defense Cooperation–Ukraine, in coordination with the Ukrainian Ministry of Defense: Update the 2023 Concept of Operations with priority over the defense article control plan requirements for enhanced end-use monitoring initial loss notifications and final loss reports for the Ukrainian Armed Forces, including clearly defined report timelines, contents, and procedures.

i. **ODC Kyiv Response:** Concur. The Enhanced End Use Monitoring (EEUM) Control Plans articulate the actual physical security, storage, and accountability requirements for EEUM- designated articles in accordance with defense article transfer agreement physical security and accountability notes. The Concept of Operation (CONOP) is an additive document that complements the Control Plan and describes mutually agreed bilateral procedures for execution of Partner Nation (PN) EEUM self-reporting during wartime in accordance with updated DSCA guidance. ODC Kyiv, in coordination with the Ukrainian Ministry of Defense, will update the 2023 CONOP to reflect that the reporting procedures outlined in the CONOP for initial loss notifications and final loss reports have precedence over the Control Plan requirements while wartime conditions persist. ODC Kyiv will also ensure the CONOP includes clearly defined report timelines, contents, and procedures.

b. DoD IG Draft Recommendation 1b: We recommend that the Chief of the Office of Defense Cooperation–Ukraine, in coordination with the Ukrainian Ministry of Defense:

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(U) Office of Defense Cooperation Ukraine Chief (cont'd)

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ECJ5-ODC-UKR

SUBJECT: (U) SCO Response to Project D2023-DEVOPD-0152.000 Draft Recommendations on Accountability of Lost or Destroyed Defense Articles Provided to Ukraine

Develop and publish procedures for faster retrieval of critical information from final loss report investigations.

ii. ODC Kyiv Response: Concur. ODC Kyiv will update the 2023 bilateral CONOP to request critical information within 30 days, as conditions permit, following initial loss notification if additional information is required.

3. (U) The points of contact for this memorandum are [REDACTED], ODC Kyiv EUM Program Manager at [REDACTED], and [REDACTED], ODC Kyiv EUM Program Analyst at [REDACTED].

Digitally signed by [REDACTED]

GARRETT W. TROTT
Colonel, U.S. Army
Chief, Office of Defense Cooperation

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(U) Acronyms and Abbreviations

AMRAAM	Advanced Medium Range Air-to-Air Missile
CONOP	Concept of Operation
DOS	Department of State
DSCA	Defense Security Cooperation Agency
EEUM	Enhanced End-Use Monitoring
EUM	End-Use Monitoring
MOD	Ministry of Defense
NVD	Night Vision Device
ODC	Office of Defense Cooperation
OIG	Office of Inspector General
PM/RSAT	Bureau of Political and Military Affairs, Office of Regional Security and Arms Transfers
SAMM	Security Assistance Management Manual
SCIP	Security Cooperation Information Portal
SCO	Security Cooperation Organization
SOP	Standard Operating Procedure
UAF	Ukrainian Armed Forces
USEUCOM	U.S. European Command

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