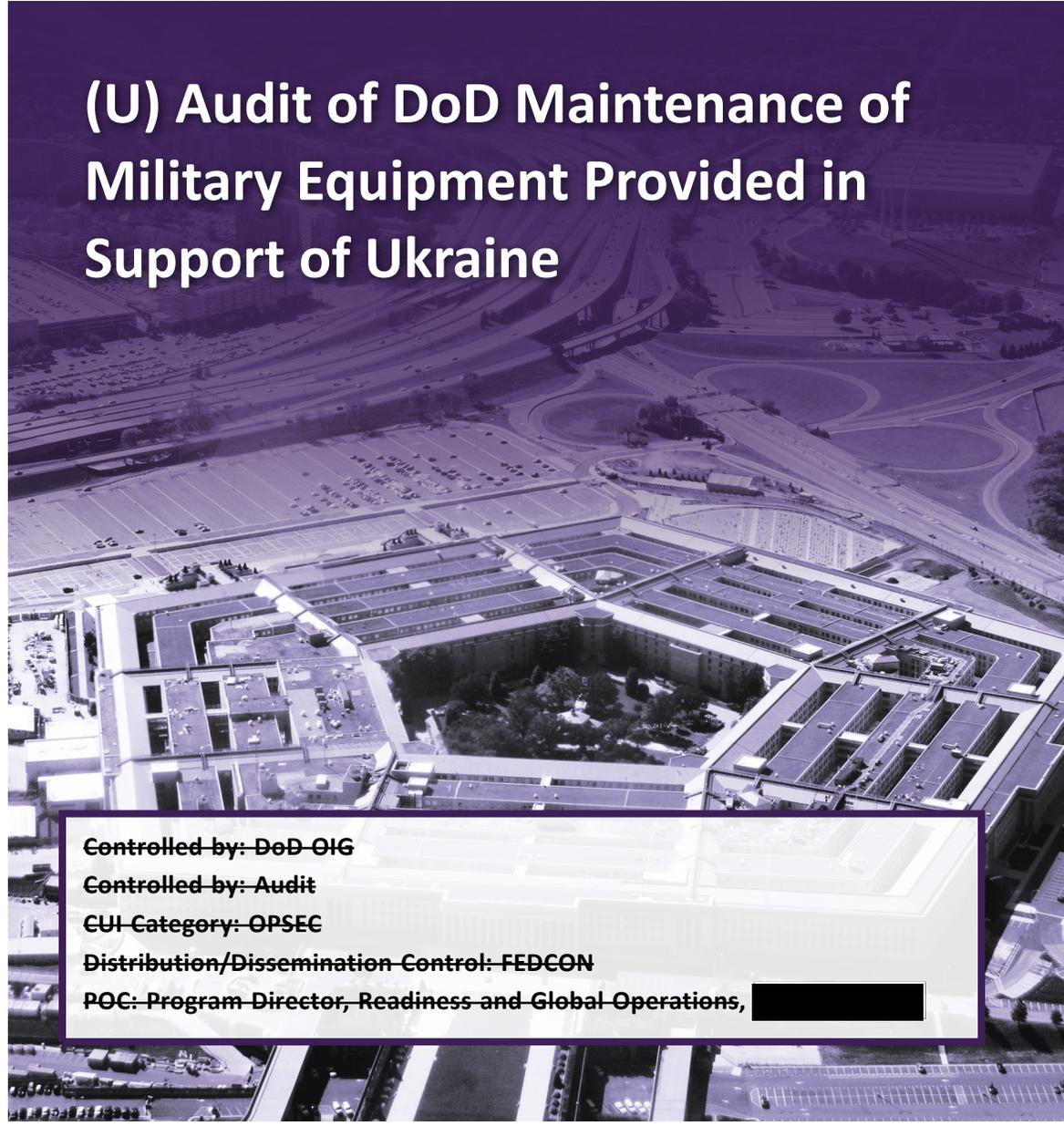


CUI

INSPECTOR GENERAL

U.S. Department of Defense

OCTOBER 8, 2024



(U) Audit of DoD Maintenance of Military Equipment Provided in Support of Ukraine

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CUI





(U) Results in Brief

(U) Audit of DoD Maintenance of Military Equipment Provided in Support of Ukraine

October 8, 2024

(U) Objective

(U) The objective of this audit was to determine the extent to which the DoD provided maintenance support for U.S. military equipment provided to Ukraine. This audit focused only on maintenance support performed at the Remote Maintenance and Distribution Center-Ukraine (RDC-U) but did not review matters related to the RDC-U Restructuring Contract, which were the subject of a separate audit.

(U) Background

(U) Since 2021, the United States has provided defense items to Ukraine using Presidential Drawdown Authority, by which the President can authorize the immediate transfer of articles and services from U.S. stocks in response to an unforeseen emergency. As of March 12, 2024, the DoD had announced 53 PDAs, totaling \$26 billion, for military equipment and assistance for Ukraine in response to Russia's full-scale invasion.

~~(CUI)~~ To support the military equipment that the United States provided to Ukraine for its fight against Russian aggression, the Army Sustainment Command established the RDC-U in Jasionka, Poland. The RDC-U's mission is to [REDACTED]. The RDC-U consists of [REDACTED]. The RDC-U also [REDACTED].

(U) Findings

(U) The DoD had provided maintenance and repair on 649 military equipment items, as of August 15, 2023, to ensure the equipment was fully mission capable before providing or returning the items to the Ukrainian Armed Forces (UAF). However, several issues impacted maintenance and repair operations. For example, DoD units did not provide fully mission capable equipment in accordance with Defense Security Cooperation Agency guidance and the UAF's increased use of equipment provided under the PDA resulted in a higher demand for repair parts, placing a strain on the supply chain. In addition, the UAF did not always return reparable, which are repair parts that can be repaired or refurbished, to the DoD. Such returns could have mitigated stress to the supply chain by reducing the amount of new reparable ordered.

(U) These issues impacted maintenance and repair operations at the RDC-U, DoD readiness, and the supply chain. While DoD officials have initiated actions to address these challenges, as outlined in this report, continued awareness, attention, and implementation of actions to further mitigate these challenges is needed to ensure minimal impact to maintenance operations of military equipment provided to support the UAF.

(U) Recommendations

(U) We recommend that the Commander, Security Assistance Group-Ukraine (SAG-U), in coordination with the Defense Security Cooperation Agency and the Military Services, establish processes and implement controls to mitigate the challenges regarding non-mission capable military equipment arriving at the RDC-U for repair and maintenance including requiring technical inspections in advance of shipping military equipment to the theater.

(U) We also recommend that the Commander, SAG-U, review the possibilities of establishing a memorandum of understanding with the UAF that formalizes the April 22, 2023, and July 13, 2023, letters, and incentivizes the UAF to



(U) Results in Brief

(U) Audit of DoD Maintenance of Military Equipment Provided in Support of Ukraine

(U) Recommendations (cont'd)

(U) return reparables, instead of delaying or declining to return them, and implement the result of the review as determined appropriate.

(U) Management Comments and Our Response

(U) The Chief of Staff, SAG-U, responding for the Commander, SAG-U, agreed with the recommendation concerning an agreement with the UAF to return reparables; therefore, the recommendation is open and resolved. We will close the recommendation once we obtain and verify SAG-U's formalized agreement with the UAF fully addresses the recommendation. Additionally, the Chief of Staff, SAG-U, neither agreed nor disagreed with the other recommendation; therefore, that recommendation is unresolved. We request that the Commander provide additional comments within 30 days describing how the command will meet the intent of the recommendation. 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, Security Assistance Group–Ukraine	1	2	None (U)

(U) Please provide Management Comments by November 7, 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

October 8, 2024

MEMORANDUM FOR COMMANDER, SECURITY ASSISTANCE GROUP-UKRAINE
 DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
 AUDITOR GENERAL, DEPARTMENT OF THE ARMY
 AUDITOR GENERAL, DEPARTMENT OF THE NAVY
 AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: (U) Audit of DoD Maintenance of Military Equipment Provided in Support of Ukraine (Report No. DODIG-2025-002)

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

(U) This report contains a recommendation that is considered unresolved because the Chief of Staff, Security Assistance Group-Ukraine, responding for the Commander, Security Assistance Group-Ukraine, neither agreed nor disagreed with the recommendation presented in the report. We will track this recommendation until management has agreed to take actions that we determine to be sufficient to meet the intent of the recommendation 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, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Send your response to either audrgo@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

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

FOR THE INSPECTOR GENERAL:

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

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(U) Introduction

(U) Objective

(U) The objective of this audit was to determine the extent to which the DoD provided maintenance support for U.S. military equipment provided for Ukraine operations.¹ This audit focused only on maintenance support performed at the Remote Maintenance and Distribution Center–Ukraine (RDC-U) but did not review matters related to the RDC-U Restructuring Contract, which are the subject of a separate audit. See the Appendix for our, audit scope, methodology, and prior audit coverage.

(U) Related Remote Maintenance and Distribution Center–Ukraine Work

(U) The DoD OIG announced Project No. D2023-D000AX-0116.000, “Audit of Remote Maintenance and Distribution Cell–Ukraine Restructuring Contract,” on May 15, 2023. The objective of the audit was to determine whether Army contracting personnel appropriately planned for and established controls to conduct surveillance of contractor performance, and effectively monitored contractor performance for the maintenance of military equipment at the RDC-U. Report No. DODIG-2024-101, “Audit of Remote Maintenance and Distribution Cell–Ukraine Restructuring Contract Surveillance Planning and Contractor Oversight,” June 25, 2024, addressed the Army’s surveillance controls and Army contracting personnel’s efforts to monitor contractor performance related to the maintenance of equipment at the RDC-U. To avoid duplication of effort, we did not review contract-related aspects during our audit. For details on the RDC-U Restructuring Contract Surveillance Planning and Contractor Oversight project, please see the Appendix.

(U) Background

(U) Since 2014, the United States has provided security assistance to Ukraine in the form of non-lethal and lethal defense items to aid in Ukraine’s defense against Russian aggression. On February 24, 2022, Russia conducted a full-scale invasion of Ukraine. In response, on March 16, 2022, the President announced that the United States would increase the amount and types of defense items provided to Ukraine. Since then, the United States has provided additional advanced military equipment, such as M777 howitzers, High Mobility Artillery Rocket Systems, Stryker Combat Vehicles, and Bradley Infantry Fighting Vehicles.

¹ (U) This report contains information that has been redacted because it was identified by the Department of Defense as controlled unclassified information (CUI) that is not releasable to the public. 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) Providing Defense Articles Through Presidential Drawdown Authority

(U) Since 2021, the United States has provided defense items to Ukraine using Presidential Drawdown Authority (PDA), by which the President can authorize the immediate transfer of articles and services from U.S. stocks in response to an unforeseen emergency. As of March 12, 2024, the DoD announced 53 PDAs, totaling \$26 billion, for military equipment and assistance for Ukraine in response to Russia's full-scale invasion.

(U) Following Presidential authorization of a drawdown, the Defense Security Cooperation Agency (DSCA) issues an execute order directing the Military Services and Defense agencies to fulfill the authorization. The purpose of the execute order is to facilitate the immediate movement of defense items from military units and existing DoD resources to assist and support Ukraine's ongoing war efforts. Subsequently, each Military Service directed to fulfill the order issues an execute order within its respective Service to coordinate and synchronize timely transfer of fully mission capable (FMC) equipment to the U.S. European Command area of responsibility for onward movement to Ukraine.²

(U) Defense Security Cooperation Agency and Military Services

(U) The DSCA directs, administers, and supervises the execution of all Security Assistance programs for the DoD. The DSCA issues the DoD execute orders and supervises execution of presidential drawdowns. Additionally, the DSCA provides policies and guidelines regarding presidential drawdown, to include directing that equipment provided to foreign partners must be FMC. Further, the DSCA must ensure the execute orders contain firm and specific requirements for the type of defense articles and defense services to be provided. Military Services providing equipment are responsible for pre-shipment inspection of all cargo to ensure it is FMC.

(U) Security Assistance Group–Ukraine

(U) On November 4, 2022, the DoD announced the establishment of the Security Assistance Group–Ukraine (SAG-U). SAG-U is a dedicated headquarters element in Wiesbaden, Germany, that provides the full range of U.S. security assistance activities. SAG-U's mission is to support security assistance activities, coordinate training efforts, oversee efforts to supply and equip the Ukrainian Armed Forces (UAF), and enhance Ukraine's situational awareness. SAG-U is co-located with the International Donor Coordination Center to help coordinate

² (U) FMC is defined as a material condition indicating that systems and equipment are safe and have all mission-essential subsystems installed and operating as designated by Army policy.

(U) and synchronize delivery of contributions from allies and partners.³ An Army fragmentary order assigned SAG-U operational control over the RDC-U in September 2023.⁴

(U) Army Materiel Command

(U) The Army Materiel Command is the Army’s primary logistics and sustainment command that manages the global supply chain and ensures installation and materiel readiness. It has 10 major subordinate commands, including the Army Sustainment Command (ASC) and the Life Cycle Management Commands, to meet Army readiness requirements.⁵

(U) Army Sustainment Command

(U) According to Army officials, the Army Materiel Command and ASC established the RDC-U in Jasionka, Poland in July 2022 to support maintenance of U.S. military equipment provided to Ukraine in its fight against Russian aggression.⁶ According to Army officials, the 405th Army Field Support Brigade, assigned to the ASC, has managed RDC-U operations from its initial establishment in July 2022.

(U) Remote Maintenance and Distribution Center–Ukraine

~~(CUI)~~ The RDC-U was established with the overall mission to [REDACTED]

[REDACTED] Since the U.S. military is not authorized to operate in Ukraine, the RDC-U conducts remote maintenance sessions leveraging Ukrainian translators and voice, video, and chat channels to guide Ukrainian counterparts through the entire maintenance process of military equipment they may find unfamiliar.⁷

~~(CUI)~~ As of December 2023, the RDC-U occupied an [REDACTED] The RDC-U footprint consists of [REDACTED]

[REDACTED] The RDC-U includes

³ (U) The International Donor Coordination Center is a United Kingdom–led, multinational organization collocated with SAG-U, where personnel from 20 different countries accept and coordinate donations for Ukraine from more than 50 donating nations.

⁴ ~~(CUI)~~ During the audit, another Army fragmentary order was issued in August 2024 that directed the [REDACTED]

⁵ (U) The Life Cycle Management Commands consist of the U.S. Army Aviation and Missile Command, U.S Army Communications–Electronics Command, Joint Munitions and Lethality Command, and U.S. Army Tank-Automotive and Armaments Command.

⁶ (U) The RDC-U was previously known as the Tele-Maintenance and Distribution Cell–Ukraine from July 2022 through December 16, 2022, which is when Army officials changed the name of the activity to better reflect “Remote Maintenance.”

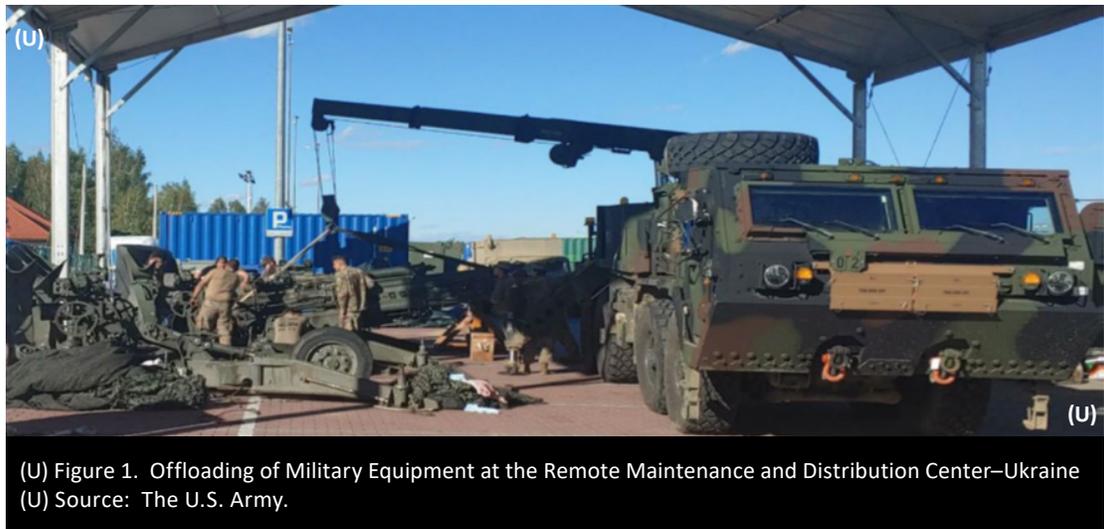
⁷ (U) Remote Maintenance is defined as the use of any telecommunication system to perform maintenance actions remotely. Remote maintenance was not in our scope of review.

(CUI) [REDACTED]
[REDACTED]

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

(U) As of August 15, 2023, the RDC-U repaired 649 military equipment items with another 56 military equipment items undergoing repair. In addition, as of August 15, 2023, the RDC-U ordered 548,236 repair parts, totaling \$159.7 million, to support maintenance and repair of military equipment at the RDC-U and in Ukraine.

(U) According to Army officials, the Army provided much of the military equipment supporting current Ukraine operations; therefore, the RDC-U’s primary focus has been on maintaining and repairing Army equipment. Figure 1 shows the offloading of equipment requiring maintenance and repair at the RDC-U in support of the UAF.



(U) Finding

(U) Although the DoD Provided Maintenance Support for Military Equipment Supporting Ukraine Operations, Challenges Existed

(U) The DoD provided maintenance and repair on 649 military equipment items, as of August 15, 2023, to ensure the equipment was FMC before providing or returning the military equipment to the UAF. However, several issues impacted maintenance operations. Specifically:

- (U) DoD units did not provide FMC equipment in accordance with the DSCA guidance;
- (U) the UAF's increased use of equipment provided under the PDA resulted in a higher demand for repair parts, which placed strain on the supply chain; and
- (U) the UAF did not always return reparable, which placed a significant strain on the supply chain.⁸

(U) These issues impacted maintenance and repair operations at the RDC-U, DoD readiness, and supply chain. While DoD officials have initiated actions to address these challenges, as outlined in this report, continued awareness, attention, and implementation of actions to further mitigate these challenges is needed to ensure minimal impact to maintenance operations of military equipment provided to support the UAF.

(U) Drawdown Equipment Was Not Fully Mission Capable and Required Maintenance Before It Could Be Provided to the Ukrainian Armed Forces

(U) As of August 15, 2023, the RDC-U had completed maintenance and repair on 649 military equipment items to ensure the equipment was FMC before providing or returning the military equipment to the UAF. Of the 649 military equipment items, 609 were PDA equipment that arrived non-mission capable (NMC) and 40 were returned by the UAF for repair at the RDC-U due to extensive battle damage or complex repair efforts.⁹ An additional 56 military equipment items were undergoing repair as of August 15, 2023. Specifically, 41 were PDA equipment

⁸ (U) Reparables are repair parts that can be repaired or refurbished.

⁹ (U) NMC is a material condition indicating that systems and equipment are not capable of performing any of their assigned missions.

(U) and 15 were retrograded equipment from the UAF. See the Table for a list of equipment items for which the RDC-U completed maintenance and repair of as of August 15, 2023.

(U) Table. List of Military Equipment the Remote Maintenance and Distribution Center–Ukraine Completed Maintenance and Repair of as of August 15, 2023

(U) Military Equipment	Quantity of Military Equipment Maintained and Repaired
High Mobility Multipurpose Wheeled Vehicle	419
Mine-Resistant Ambush Protected Vehicle	55
M777A2 Howitzer	33
M142 High Mobility Artillery Rocket System	26
M1126 Stryker Infantry Carrier Vehicle	21
Trailer	20
Medium Tactical Vehicle	19
Self-Protection Adaptive Roller Kit System II	14
M2A2 Bradley Infantry Fighting Vehicle	11
Heavy Equipment Transporter	5
Mine Clearing Line Charge	5
M109 Self-Propelled Howitzer	5
Light Weight Mine Roller	3
Generator	3
M978A4 Fuel Tanker	3
M7 Forward Repair System	2
M983A4 Light Equipment Transporter	2
624KR Front Loader	1
Mortar Carrier	1
Radar	1
Total	649 (U)

(U) Source: The DoD OIG.

(~~CUI~~) Although the RDC-U maintained or repaired 649 U.S. military equipment items provided to the UAF, one of the issues impacting maintenance and repair operations was that DoD units did not always provide FMC equipment as required by the DSCA guidance.¹⁰ According to the DSCA guidance, unless authorized otherwise, materiel must be provided in FMC condition.¹¹ Military Services and Defense agencies providing equipment are responsible for pre-shipment inspection of all cargo to ensure it is FMC. In addition to the DSCA guidance, the Army issued execution orders directing Army commanders to [REDACTED]

(U) Upon receipt of the military equipment, RDC-U personnel inspected it to ensure FMC status before issuing it to the UAF. However, according to RDC-U officials, PDA equipment sent to Poland by DoD units arrived in a NMC status, impacting workload at the RDC-U. Specifically, we identified that 609 (94 percent) of the 649 military equipment items maintained and repaired by the RDC-U were PDA equipment that arrived in Poland NMC, requiring maintenance prior to delivery to the UAF. Sources for some of the NMC military equipment were from the Army's prepositioned stocks, National Guard, Air Force, and Marine Corps units.

(U) Based on the DSCA guidance, military equipment should be provided FMC; however, the majority of the maintenance performed at the RDC-U is on PDA military equipment. The remaining 40 (6 percent) of the 649 military equipment items were returned by the UAF for repair at the RDC-U due to extensive battle damage or complex repair efforts according to Army officials. Figure 2 below shows PDA equipment requiring maintenance at the RDC-U.



(U) Figure 2. Presidential Drawdown Authority Equipment Requiring Maintenance at the Remote Maintenance and Distribution Center-Ukraine
 (U) Source: The DoD OIG.

¹⁰ (U) Defense Security Cooperation Agency Handbook for Foreign Assistance Act, Drawdown of Defense Articles and Services, June 10, 2004.

¹¹ (U) The guidance also refers to providing equipment in condition code "B" and -10/-20 standards. It defines condition code "B" as new, used, or repaired material, which is serviceable and issuable for its intended purpose but restricted from issuance to certain units, activities, or geographical areas. It defines -10/-20 standards as all faults identified, corrective actions completed, and all basic issue items and components of end items present and serviceable.

(U) Challenges related to the NMC military equipment provided to support the UAF was not an anomaly. For example, the DoD OIG previously reported on issues with poor military equipment maintenance of the Army's prepositioned stocks that resulted in unanticipated maintenance, repairs, and extended lead times to ensure the readiness of the military equipment to be provided to the UAF.¹² Specifically, the DoD OIG determined that M1167 High-Mobility Multipurpose Wheeled Vehicles and M777 howitzers transferred from Army Prepositioned Stock-5 (Southwest Asia) to the RDC-U were NMC and required repairs before the DoD could transfer the equipment to the UAF.

(U) Although the RDC-U maintained or repaired 649 military equipment items, Army officials expressed concern with the amount of PDA equipment arriving in NMC condition, thereby straining the maintenance activity to repair the items to FMC condition and meet timelines for delivery to the UAF. According to Army officials, ASC established additional repair capability for pre-transfer PDA equipment at the 404th Army Field Support Battalion at Charleston, South Carolina, and the 405th Army Field Support Brigade at Coleman Barracks, Germany, to relieve pressure at the RDC-U. However, the required maintenance identified was not always performed before the equipment was transferred to the RDC-U.

(U) ASC officials acknowledged that the majority of PDA equipment that arrived at the RDC-U in NMC condition could be more easily repaired at U.S.-based maintenance facilities that are located closer to supply sources and have specialized tools and facilities. Additionally, an ASC official acknowledged that there may be instances in which military equipment would be shipped NMC for various reasons, such as to meet operational tempo requirements. However, the official stated that if the RDC-U was provided information regarding the maintenance and repair parts needed, the RDC-U could proactively order repair parts in advance for timelier turnaround of the NMC equipment. In addition, SAG-U officials stated that receiving the technical inspections in advance would expedite the repair of NMC equipment arriving in theater.

(U) The Army assigned SAG-U operational control over the RDC-U in September 2023; therefore, we recommend that SAG-U, in coordination with the Defense Security Cooperation Agency and Military Services, establish processes and implement controls to address and mitigate the challenges regarding NMC military equipment arriving at the RDC-U for repair and maintenance, to include requiring technical inspections in advance of shipping military equipment to the theater.

¹² (U) Report No. DODIG-2023-076, "Management Advisory: Maintenance Concerns for the Army's Prepositioned Stock-5 Equipment Designated for Ukraine," May 23, 2023.

(U) Repair Part Shortages and Impact to the Remote Maintenance and Distribution Center–Ukraine and DoD Supply Chain

(U) The DoD encountered challenges obtaining repair parts to assist in the maintenance and repair of PDA equipment provided to the UAF. RDC-U officials reported that there were repair part shortages and long-lead times for repair parts.¹³ DoD officials stated the shortages and long-lead times were exacerbated by the UAF's increased use of equipment provided under the PDA beyond what was expected and the UAF not always returning reparable.

(U) Increased Demand of Repair Parts

(U) Throughout our audit, DoD officials reported that there were repair part shortages and long-lead times for repair parts. According to Army officials, the UAF's heavy use of equipment provided under the PDA placed higher demands on repair parts that were already in limited supply. In addition, Army officials stated that the UAF used equipment at its maximum capability, which could cause more frequent repairs than anticipated. For example, as of November 3, 2023, the United States provided 198 M777 howitzers to the UAF.

~~(CUI)~~ An ASC Readiness Report for the M777 howitzer identified that the UAF were firing the howitzer at its maximum capability and consuming 10 times the DoD demand for repair parts per system during the first 6 months of operations. According to the Defense Logistics Agency, which manages most of the DoD's repair parts, [REDACTED] at the RDC-U were for the M777 howitzer. Figure 3 provides an example of the M777 howitzer.

¹³ (U) According to DoD officials, they define long-lead time at the RDC-U as a delivery equal to or greater than 30 days.



(U) The higher demand for repair parts may have contributed to long-lead times for repair parts. Specifically, as of August 15, 2023, the RDC-U was awaiting the delivery of 2,459 repair parts of which 1,211 (49 percent) were identified as long-lead time parts with an average estimated delivery date of 5 months. However, there were outliers with much longer estimated delivery dates. For example, three of the M777's highest demand repair parts had a long-lead time of over 5 months, and the RDC-U had other repair parts with long-lead times exceeding more than 2 years. According to DoD officials, most of the equipment provided to the UAF was legacy equipment from obsolete or excess stock. Therefore, the equipment did not have a robust supply chain to continue replenishing repair parts.

(U) To help mitigate and manage the shortages and long-lead times for repair parts, DoD officials have implemented several process improvements. For example:

- (U) Army officials established a long-lead time repair parts working group to expedite critical repair parts for PDA equipment,
- (U) Defense Logistics Agency representatives were co-located at the RDC-U to help manage repair parts and assist in obtaining long-lead time repair parts, and
- (CUI) The Army Materiel Command developed [REDACTED] to help Army officials determine [REDACTED] throughout the service.

(U) Because of the challenges with repair part shortages, the DoD placed more emphasis on the UAF returning reparable as discussed below, and in some cases the DoD had to restart supply chains. This is a lengthy process and contributes to long-lead times.

(U) Ukrainian Armed Forces Did Not Always Return Repairables

(U) According to Army officials and the documentation provided, the UAF did not always return reparable in exchange for replacement reparable. Army maintenance policy requires requesting units to return unserviceable reparable before obtaining a new reparable.¹⁴ The Army’s requirement extends the life of military equipment and mitigates stress to the supply chain by reducing the amount of new reparable ordered.

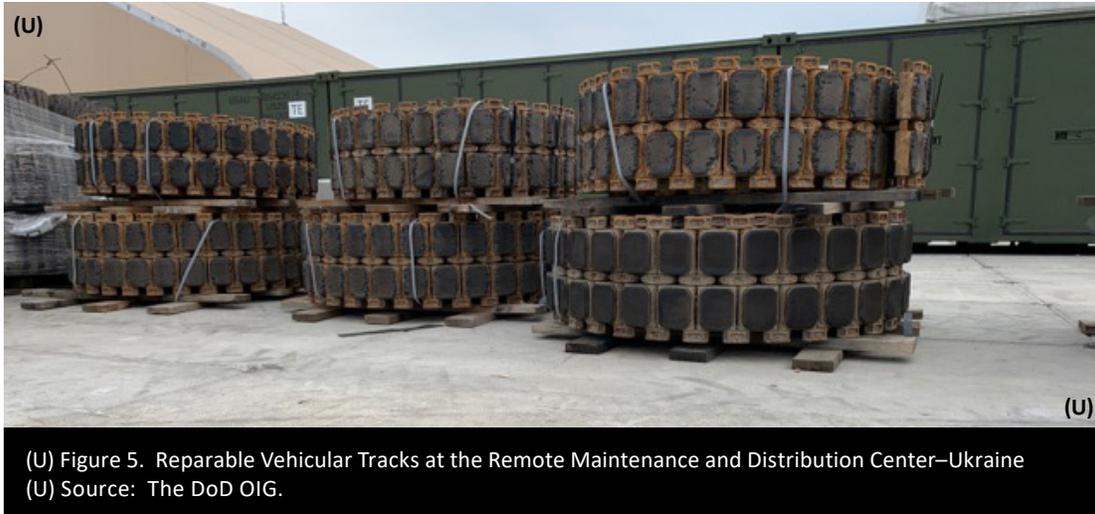
(U) According to ASC officials, they did not initially plan for the UAF to return reparable since the military equipment was donated to the UAF. Specifically, from July 2022 through August 15, 2023, the RDC-U ordered 1,256 reparable, valued at \$51.7 million, to support Ukraine operations. We identified that the RDC-U did not expect the return of 588 reparable, valued at \$30.1 million. According to Army officials, this was because prior to December 2022, the RDC-U did not intend for the UAF to return reparable. However, after December 2022 the RDC-U’s mission



(U) Figure 4. Repairable Vehicle Transmission Returned to the Remote Maintenance and Distribution Center–Ukraine by the Ukrainian Armed Forces
(U) Source: The DoD OIG.

changed to include continuous supply support to the UAF and they began tracking reparable that the UAF should return to allow for continuous supply support. Additionally, much of the military equipment provided to Ukraine was no longer in production and key suppliers were no longer producing new reparable. Therefore, the return and repair of reparable is a critical means for continuing to support the UAF as repair parts will not be available in the supply chain. Figures 4 and 5 provide two examples of reparable, a vehicle transmission that the UAF returned to the RDC-U and vehicular tracks that the RDC-U planned to send to the UAF.

¹⁴ (U) Army Regulation 750-1, “Army Material Maintenance Policy,” March 2, 2023.
(U) Army Regulation 710-2, “Supply Policy Below the National Level,” March 28, 2008.

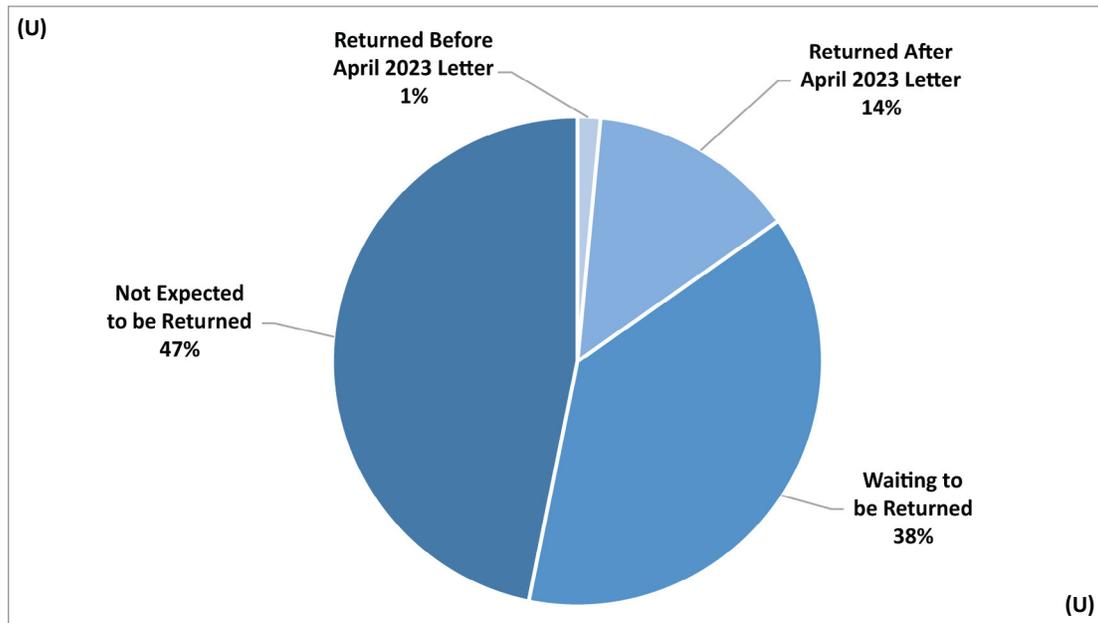


(U) DoD officials emphasized the lack of agreements with Ukraine officials regarding the return of reparable. However, the DoD has taken the following actions to highlight the importance of the UAF returning reparables to continue supporting the UAF.

- (U) April 22, 2023, the SAG-U Commander sent a letter to the UAF Commander of Logistics Forces requesting two UAF Liaison Officers be integrated in the RDC-U to assist in coordinating the return of reparables for repair. The letter further noted that the lack of reparables being returned diminished repair parts supply and support to the UAF.
- (CUI) May 24, 2023, the Commander for the International Donor Coordination Center/SAG-U Deputy Commanding General Support sent a letter to the UAF Commander of Logistics Forces outlining proposed measures to improve support to the UAF. The Commander noted that there were [REDACTED].
[REDACTED]
[REDACTED] The Commander also emphasized that [REDACTED] was an essential part of enduring support to the UAF. Finally, the Commander stated that each donating nation would provide [REDACTED].
[REDACTED]
- (U) July 13, 2023, the SAG-U Deputy Commander sent a letter to the UAF Commander of Logistics Forces that included the list of U.S. reparable parts that must be returned in exchange for a serviceable reparable upon determination that the repair part is unserviceable.

(U) According to Army Materiel Command officials, the absence of returning reparable creates a significant risk to Army readiness and continued support of the UAF by reducing the number of reparables in the supply chain. Of the 1,256 reparables that the RDC-U ordered, as of August 15, 2023, it is awaiting the return of 476 reparables, valued at \$14.2 million. Since the issuance of the April 22, 2023, letter from the SAG-U Commander to the UAF Commander of Logistics Forces, the UAF has been returning more reparables. For example, from July 2022 through August 2023, the UAF returned 192 reparables, valued at \$7.4 million. Of the 192 reparables returned, the UAF returned 173 reparables, valued at \$5.5 million, after issuance of the April 22, 2023, letter. Figure 6 shows the status of reparables returned in exchange for replacement reparables ordered by the RDC-U to support Ukraine operations, which highlights only 1 percent of reparables were returned before the April 2023 letter, and 14 percent were returned after the April 2023 letter.

(U) Figure 6. Status of Reparables Returned in Support of Ukraine Operations



(U) Source: The DoD OIG.

(U) Since the issuance of the respective letters, the return of reparables from the UAF continues to improve. SAG-U’s continued actions in recovering reparables is critical to reducing risks to DoD readiness and the supply chain. Therefore, the SAG-U should review the possibilities of establishing a memorandum of understanding with the UAF that formalizes the April 22, 2023, and July 13, 2023, letters, incentivizes the UAF to return reparables, instead of delaying or declining to return them, and implement the results of the review as determined appropriate.

(U) Although DoD Took Corrective Action to Mitigate Risks, Continued Attention Is Needed

(U) Although the DoD provided maintenance support to U.S. military equipment provided to support Ukraine operations, several issues impacted operations, DoD readiness, and the supply chain. DoD officials have taken action to mitigate and address these challenges. Continued awareness, attention, and implementation of actions to further mitigate these challenges are needed to ensure minimal impact to maintenance operations for support of military equipment provided to support the UAF.

(U) Recommendations, Management Comments, and Our Response

(U) Recommendation 1

(U) We recommend the Commander, Security Assistance Group-Ukraine, in coordination with the Defense Security Cooperation Agency and Military Services, establish processes and implement controls to mitigate the challenges regarding non-mission capable military equipment arriving at the Remote Maintenance and Distribution Center - Ukraine for repair and maintenance, to include requiring technical inspections in advance of shipping military equipment to theater.

(U) Security Assistance Group - Ukraine Comments

(U) The Chief of Staff, Security Assistance Group-Ukraine, responding for the Commander, Security Assistance Group-Ukraine, neither agreed nor disagreed with the recommendation. The Chief of Staff stated that there are established controls and processes currently in use for maintenance operations at the RDC-U, to include technical inspections and quality assurance or quality control inspections, before returning equipment back to theater. Additionally, the Chief of Staff stated that there is an external RDC-U standard operating procedure pending approval to enhance control measures in place.

(U) Our Response

(U) Comments from the Chief of Staff partially addressed the specifics of the recommendation; therefore, the recommendation is unresolved. We agree controls and processes are in place for maintenance operations at the RDC-U, as stated by the Chief of Staff. However, coordination with the Defense Security Cooperation Agency and Military Services to establish controls and processes for mitigating the challenges regarding NMC military equipment arriving at the RDC-U for repair and maintenance, is required to meet the intent of our recommendation. We request

(U) that the Commander describe the specific enhanced measures in the draft external RDC-U standard operating procedure that provide controls pertaining to the delivery of NMC equipment to the RDC-U and how these measures will be communicated to Military Services donating the equipment.

(U) Recommendation 2

(U) We recommend the Commander, Security Assistance Group-Ukraine, review the possibilities of establishing a memorandum of understanding with the Ukrainian Armed Forces that formalizes the April 22, 2023 and July 13, 2023 letters, incentivizes the Ukrainian Armed Forces to return reparable, instead of delaying or declining to return them, and implement the results of the review as determined appropriate.

(U) Security Assistance Group-Ukraine Comments

(U) The Chief of Staff, Security Assistance Group-Ukraine, responding for the Commander, Security Assistance Group-Ukraine, agreed with the recommendation. The Chief of Staff stated that SAG-U would formalize an agreement to aid in the return of reparable and coordinate the agreement with the U.S. European Command and the Office of Defense Cooperation-Kyiv for validation purposes. The Chief of Staff also stated that the agreement would address reparable that are missing or destroyed and mentioned that prior identification of these assets has not been occurring to this point but would be codified in the agreement.

(U) Our Response

(U) Comments from the Chief of Staff addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we obtain SAG-U's formalized agreement and verify that it fully addresses the recommendation, including incentivizing the UAF to return reparable instead of delaying or declining to return them.

(U) Appendix

(U) Scope and Methodology

(U) We conducted this performance audit from February 2023 through July 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(U) *Announced and Revised Audit Objective*

(U) Our announced objective was to determine whether the DoD was efficiently and effectively providing maintenance support for U.S. military equipment provided for Ukraine operations; however, during our audit, we revised our objective to determine the extent to which DoD provided maintenance support for U.S. military equipment provided for Ukraine operations. We revised the objective because:

- (U) The DoD OIG announced the Audit of Remote Maintenance and Distribution Cell–Ukraine Restructuring Contract (Project No. D2023-D000AX-0116.000) on May 15, 2023, and the objective included determining whether Army contracting personnel appropriately planned for and established controls to conduct surveillance of contractor performance, and effectively monitored contractor performance. To avoid duplication of effort, we did not review standards and measures established in the Quality Assurance Surveillance Plan, which would have allowed us to determine the effectiveness of maintenance operations. In addition, as stated in the report (DODIG-2024-101), performance requirements and surveillance procedures were evolving based on the RDC-U mission, and not defined at the time of the audit.
- (U) The RDC-U was not closing work orders during our fieldwork phase of the audit. Army officials stated they left the work orders open to show a historical list of weapon systems worked on. For example, RDC-U personnel opened work orders, ordered repair parts, and completed required maintenance on military equipment but did not close the work orders upon completion. Therefore, we did not have reliable data to determine the efficiency of maintenance operations. Army officials eventually updated processes in June 2023 and began closing work orders; however, our fieldwork ended in August 2023 which was not enough time for the process to mature for reviewing the work orders.

(U) We anticipate doing additional work to examine whether maintenance support for military equipment is efficient and effective when the performance requirements and the work order process have had time to mature, and data is readily available to review.

(U) Audit Universe and Sample Selection

(U) We identified a universe of 649 military equipment items maintained and repaired at the RDC-U as of August 15, 2023, in support of the UAF. In addition, there were 56 additional military equipment items in repair at the RDC-U as of August 15, 2023. To determine the universe of military equipment, we reviewed a spreadsheet the RDC-U manually created to track equipment maintained and repaired at the RDC-U.

(U) We identified a universe of 548,236 repair parts, totaling \$159.7 million, ordered at the RDC-U and in Ukraine to support maintenance and repair of military equipment supporting the UAF. To determine the universe of repair parts ordered, we reviewed transactional documentation from Global Combat Support System–Army.

(U) Interviews and Documentation

(U) We conducted two site visits to the RDC-U in Jasionka, Poland. During the site visits, we conducted walkthroughs and observations of the RDC-U maintenance and supply support activity facilities. We interviewed RDC-U Commanders to obtain an overview of the operations, and understand challenges at the RDC-U. Additionally, we interviewed Army Contracting Command personnel to understand DoD oversight of the maintenance contractor.

(U) We reviewed a:

- (U) list of reparables the United States requested back from the UAF;
- (U) report showing all repair parts returned by the UAF to the RDC-U supply support activity;
- (U) report showing all repair parts ordered by the RDC-U; and
- (U) spreadsheet the RDC-U manually created to track equipment maintained and repaired at the RDC-U.

(U) We also reviewed the following regulations and guidance.

- (U) DoD Manual 4140.01 Volume 2, “DoD Supply Chain Material Management Procedures: Demand and Supply Planning,” November 9, 2018
- (U) DoD Manual 5105.38, “Security Assistance Management Manual,” October 3, 2003
- Defense Security Cooperation Agency Handbook for Foreign Assistance Act, “Drawdown of Defense Articles and Services,” June 10, 2004

- (U) Army Regulation 750-1, “Army Material Maintenance Policy,” March 2, 2023
- (U) Department of the Army Pamphlet 750-1, “Army Material Maintenance Procedures,” February 2, 2023
- (U) RDC-U Maintenance Standard Operating Procedure, July 22, 2023

(U) Internal Control Assessment and Compliance

(U) We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the RDC-U’s internal control activities related to ordering of repair parts. We did not identify internal control weakness related to the ordering of repair parts. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

(U) Use of Computer-Processed Data

(U) We relied on transactional reports generated from Global Combat Support System–Army related to the RDC-U. We performed testing on the accuracy and completeness of data in the system and concluded it was sufficiently reliable for our purposes. To determine if the data were reliable, we ensured it included all applicable unit identification codes, data fields were consistent, and data entries followed system business rules. Our assessment did not include a review of system controls.

(U) Prior Coverage

(U) During the last 5 years, the DoD OIG issued two reports discussing maintenance of equipment provided in support of Ukraine. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

(U) DoD OIG

(U) Report No. DODIG-2024-101, “Audit of Remote Maintenance and Distribution Cell–Ukraine Restructuring Contract Surveillance Planning and Contractor Oversight,” June 25, 2024

(U) The DoD OIG determined that Army contracting personnel planned and established controls to conduct surveillance of contractor performance at the RDC-U. The DoD OIG also determined that Army contracting personnel also adjusted the surveillance procedures and number of oversight personnel located onsite to adapt to changing requirements in the RDC-U’s mission and to ensure

continued surveillance of the contractor's maintenance efforts. Finally, the DoD OIG determined that Army contracting personnel performed adequate contract oversight to ensure satisfactory contractor performance.

(U) Report No. DODIG-2023-076, "Management Advisory: Maintenance Concerns for the Army's Prepositioned Stock-5 Equipment Designated for Ukraine," May 23, 2023

(U) The DoD OIG determined that the 401st Army Field Support Battalion-Kuwait did not adequately oversee the maintenance of M1167 High-Mobility Multipurpose Wheeled Vehicles and M777 howitzers in the Army's Preposition Stock-5 inventory. Issues with poor maintenance and lax oversight of Army Prepositioned Stock-5 equipment could result in future delays for equipment support provided to the UAF.

(U) Management Comments

(U) Security Assistance Group–Ukraine



DEPARTMENT OF THE ARMY
UNITED STATES ARMY EUROPE AND AFRICA
HEADQUARTERS, SECURITY ASSISTANCE GROUP - UKRAINE
UNIT 29007
APO AE 09096

AEAG-CS

2 September 2024

MEMORANDUM FOR U.S. Department of Defense Inspector General (DoDIG)

SUBJECT: Response to Audit of DoD Maintenance of Military Equipment Provided in Support of Ukraine, Project No. D2023-D000RH-0088.000

1. (U) This memorandum serves as the Security Assistance Group-Ukraine (SAG-U) recommendations to the DoDIG regarding the establishment of processes and controls to mitigate challenges of non-mission military equipment arriving at the RDC-U. It also explains how SAG-U intends to formalize an agreement to aid in the return of retrograded recoverable parts and the documentation process through European Command (EUCOM) and the Office of Defense Cooperation-Kyiv (ODC-K).
2. (U) DoDIG recommendation #1: We recommend that the SAG-U CG, in coordination with the Defense Security Cooperation Agency and the Military Services, establish processes and implement controls to mitigate the challenges regarding non-mission capable military equipment arriving at the RDC-U for repair and maintenance including requiring technical inspections in advance of shipping military equipment to the theater.
 - a. (U) SAG-U response: There are currently established controls and processes in use during maintenance operations executed at the Remote Maintenance and Distribution Center-Ukraine (RDC-U). Technical Inspections and implemented controls such as the Quality Assurance/Quality Control (QA/QC) inspection are established and executed prior to return to theater. The publication of an approved external RDC-U Standard Operating Procedure is pending but aims to enhance control measures in place.
3. (U) DoDIG recommendation #2: We also recommend that the SAG-U CG explore the possibilities of establishing a memorandum of understanding with the AFU that formalizes the April 22, 2023 and July 13, 2023 letters, incentivizes the AFU to return reparables instead of delaying or declining to return them, and implement the result of the review as determined appropriate.
 - a. (U) SAG-U response: SAG-U concurs with formalizing an agreement that would aid in the return of retrograded recoverable repair parts and the document would be routed through European Command and Office of Defense Cooperation-Kyiv for validation. Furthermore, the agreement would take into account the recoverable parts that are missing or catastrophically destroyed and for specific recoverable tool kits, combat spares, and other assets that will be consumed. The prior identification of these

(U) Security Assistance Group–Ukraine (cont'd)

AEAG-CS
SUBJECT: Response to Audit of DoD Maintenance of Military Equipment Provided in Support of Ukraine, Project No. D2023-D000RH-0088.000

assets has not been occurring to this point and would be an identified process codified in the agreement.

4. (U) The point of contact for this memorandum is the SAG-U J4 at [REDACTED] or DSN: [REDACTED].

Digitally signed by
FREEMAN, WILLIAM C. [REDACTED]
M.C. [REDACTED]
Date: 2024.09.09 [REDACTED]
WILLIAM C. FREEMAN
Brigadier General, U.S. Air Force
Chief of Staff

(U) Acronyms and Abbreviations

- (U) ASC** Army Sustainment Command
- (U) DSCA** Defense Security Cooperation Agency
- (U) FMC** Fully Mission Capable
- (U) NMC** Non-Mission Capable
- (U) PDA** Presidential Drawdown Authority
- (U) RDC-U** Remote Maintenance and Distribution Center–Ukraine
- (U) SAG-U** Security Assistance Group–Ukraine
- (U) UAF** Ukrainian Armed Forces

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Congressional Liaison

703.604.8324

Media Contact

public.affairs@dodig.mil; 703.604.8324



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