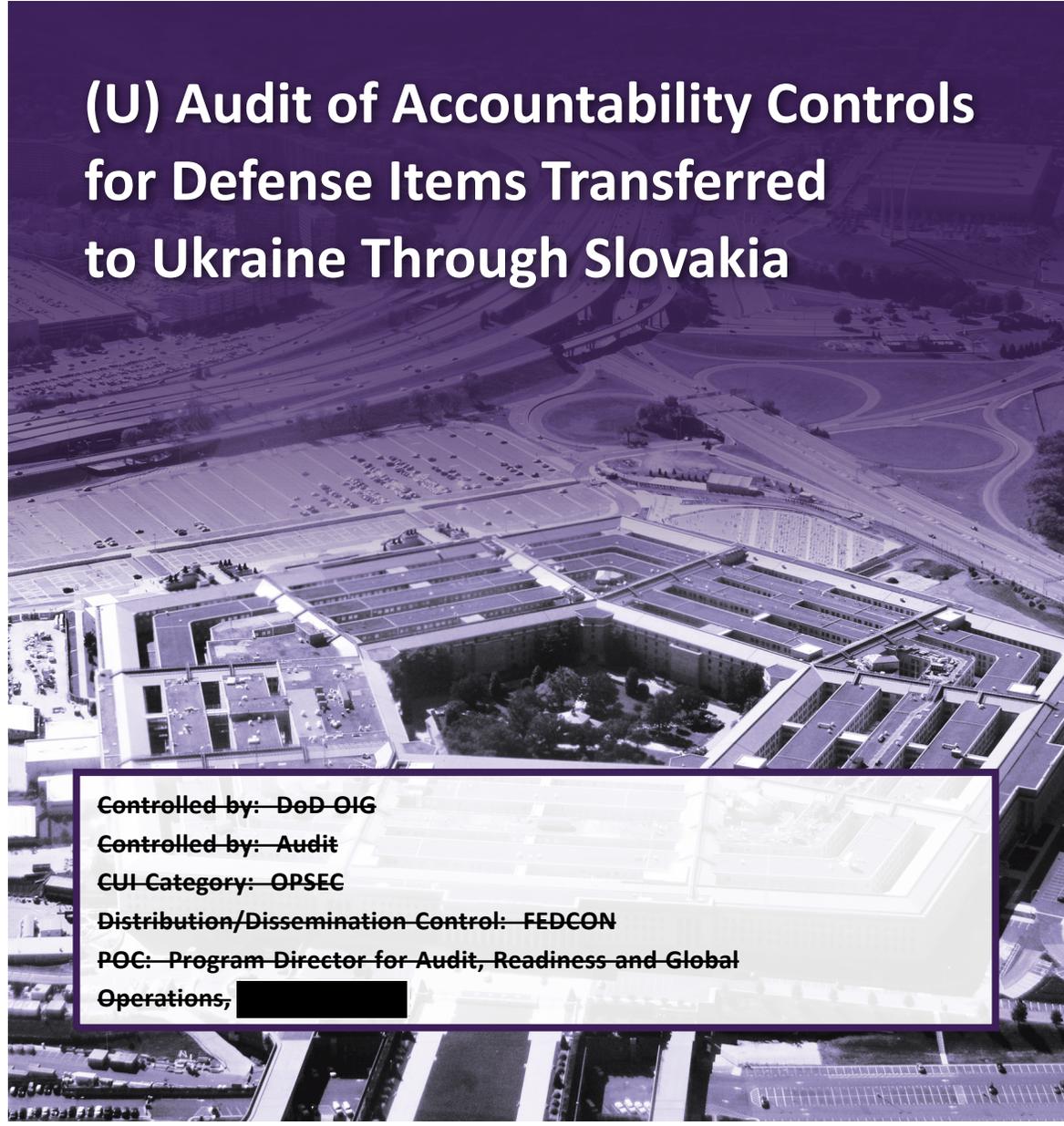


CUI

INSPECTOR GENERAL

U.S. Department of Defense

OCTOBER 11, 2024



(U) Audit of Accountability Controls for Defense Items Transferred to Ukraine Through Slovakia

~~Controlled by: DoD OIG~~

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INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY

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(U) Results in Brief

(U) Audit of Accountability Controls for Defense Items Transferred to Ukraine Through Slovakia

October 11, 2024

(U) Objective

(U) The objective of this audit was to determine the effectiveness of the DoD's accountability controls for U.S. defense items transferred to the Ukrainian Armed Forces (UAF) through the Logistics Enabling Node in Slovakia (LEN-S). For this audit, when using the term accountability, we are referring to tracking mechanisms and supporting documentation used to provide visibility of U.S. defense items transferred to the UAF through LEN-S.

(U) This is the third in a series of four reports reviewing the controls of U.S. defense items transferred to the UAF through the Logistics Enabling Nodes (LENs) in the U.S. European Command (USEUCOM) area of responsibility. A fourth project evaluating the controls of U.S. defense items transferred through the LEN in Romania is ongoing.

(U) Background

(U) From August 2021 through March 2024, the President issued 55 Presidential Drawdowns, totaling more than \$26.2 billion, for military equipment and assistance to the UAF, including weapon systems; ammunition; support equipment; spare parts; and funding for training, maintaining, and sustaining equipment.

(U) The USEUCOM is responsible for U.S. military operations across Europe. The USEUCOM Logistics Directorate serves as the directorate for integrating logistics planning and execution in support of USEUCOM operations. USEUCOM has six Service Component Commands, including the U.S. Army Europe and Africa (USAREUR-AF). The Security Assistance Group-Ukraine (SAG-U) was established in November 2022 to execute the full range of U.S. security assistance activities to support Ukraine.

(U) Background (cont'd)

(U) Slovakia—a North Atlantic Treaty Organization member since 2004—is strategically located next to Ukraine and Poland, which makes it increasingly important in the ongoing conflict between Russia and Ukraine. LEN-S, opened in April 2022, has no permanent U.S. military presence on the ground.

(U) Finding

(U) USEUCOM, USAREUR-AF, and SAG-U officials did not have effective controls to provide visibility of all U.S. defense items transferred to the UAF through LEN-S. Specifically, USEUCOM, USAREUR-AF, and SAG-U officials could not provide a complete list of all U.S. defense items provided to the UAF through LEN-S, including quantities, types, or serial numbers. This occurred because USEUCOM, USAREUR-AF, and SAG-U officials did not develop a tracking mechanism to provide visibility of all U.S. defense items transferred to the UAF until March 2023; and even after the tracking mechanism was developed, it did not include a data field to identify the LEN used for transferring the defense items. In addition, USEUCOM did not establish standard operating procedures to document roles and responsibilities for receiving, transferring, reporting, and maintaining supporting documentation when U.S. defense items transitioned through LEN-S, as exist at other LENs. Without effective controls to provide visibility, the DoD does not have reasonable assurance that its records related to all transfers to the UAF through LEN-S are accurate.

(U) Recommendations

(U) We recommend that the SAG-U Commander include an additional column in the Presidential Drawdown Authority Ukraine Security Assistance Initiative tracker to indicate the LEN location, develop a standard operating procedure for consistent entry of data into the Presidential Drawdown Authority Ukraine Security Assistance Initiative tracker, and develop a standard operating procedure for consistent entry of data into KOROVAI Digital Assistance Registry.



(U) Results in Brief

(U) Audit of Accountability Controls for Defense Items Transferred to Ukraine Through Slovakia

(U) Recommendations (cont'd)

(U) We recommend that the USEUCOM Commander develop standard operating procedures for U.S. defense items transferring to the UAF through LEN-S. The standard operating procedures should include roles and responsibilities for receiving and transferring U.S. defense items; reporting the transfer of U.S. defense items; and maintaining supporting documentation for U.S. defense items transferred.

(U) Management Comments and Our Response

(U) The SAG-U Chief of Staff, responding for the SAG-U Commander, agreed with the three recommendations and provided sufficient documentation to close them. Therefore, the recommendations are resolved and closed.

(U) The Deputy Division Chief for the USEUCOM Strategy, Plans, and Capabilities Directorate, responding for the USEUCOM Commander, partially agreed with the recommendations, stating that if the United States establishes future operations at LEN-S, USEUCOM will designate a supporting unit to create standard operating procedures for receiving and transferring U.S. defense items. We do not agree with waiting for the development of a standard operating procedure until the use of LEN-S is necessary because it could delay the transfer of critical equipment to the UAF. Therefore, we request that the Commander reconsider their position on this recommendation and provide comments on the final report within 30 days. 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	None	None	1.a, 1.b, 1.c
Commander, U.S. European Command	2.a, 2.b, 2.c	None	None (U)

(U) Please provide Management Comments by November 12, 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 11, 2024

MEMORANDUM FOR DISTRIBUTION

SUBJECT: (U) Audit of Accountability Controls for Defense Items Transferred to Ukraine Through Slovakia (Report No. DODIG-2025-004)

(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) The Commander of the Security Assistance Group-Ukraine took action sufficient to address the recommendations in this report, and we consider the recommendations directed at the Security Assistance Group-Ukraine closed.

(U) However, this report also contains recommendations that are considered unresolved because the Commander of the U.S. European Command did not fully address the recommendations presented in the report. Therefore, the recommendations remain open. We will track these recommendations until management has agreed 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, 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 followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

(U) We appreciate the cooperation and assistance received during the audit. If you have any questions, please contact me at [REDACTED]

FOR THE INSPECTOR GENERAL:

A handwritten signature in blue ink that reads "Richard B. Vasquez".

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

(U) Distribution:

UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT
UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE AND SECURITY
COMMANDER, U.S. EUROPEAN COMMAND
COMMANDER, U.S. TRANSPORTATION COMMAND
DIRECTOR, DEFENSE LOGISTICS AGENCY
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
DIRECTOR, JOINT STAFF
COMMANDER, SECURITY ASSISTANCE GROUP-UKRAINE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

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(U) Introduction

(U) Objective

(U) The objective of this audit was to determine the effectiveness of the DoD's accountability controls for U.S. defense items transferred to the Ukrainian Armed Forces (UAF) through the Logistics Enabling Node (LEN) in Slovakia.^{1,2}

(U) For this audit, when using the term accountability, we are referring to visibility of U.S. defense items transferred through the LEN in Slovakia (LEN-S). Specifically, we focused on tracking mechanisms and supporting documentation used by the U.S. European Command (USEUCOM), U.S. Army Europe and Africa (USAREUR-AF), and Security Assistance Group-Ukraine (SAG-U) to provide visibility of U.S. defense items. The objective announced for this project was broader, including the effectiveness of the DoD's security and accountability controls. However, during our audit, no defense items were transferred through LEN-S, which limited our ability to assess security controls. See the Appendix for the scope and methodology and prior coverage related to the objective.

(U) Background

(U) Security Assistance to the UAF

(U) Since 2014, the United States has provided security assistance to the UAF in the form of both nonlethal and lethal defense items to aid in the UAF's defense against Russia. Specifically, following Russia's annexation of the Crimean Peninsula and invasion of Eastern Ukraine in 2014, the United States provided Ukraine with nonlethal supplies, including night and thermal vision devices, heavy engineering equipment, and counter-mortar radars.³ In 2018, the United States began providing lethal defense items, including Javelin anti-tank missiles, sniper rifles, rocket-propelled grenade launchers, and patrol boats.

¹ (U) This is the third DoD OIG project focused on the transfer of U.S. defense items to the UAF. On September 6, 2023, the DoD OIG issued "Evaluation of Land-Based Security Controls for Equipment Being Transferred by Rail to Ukraine," (Report No. DODIG-2023-115), which focused on ground movement and transfer of cargo to Ukraine by rail. On June 8, 2023, the DoD OIG issued "Evaluation of Accountability Controls for Defense Items Transferred Via Air to Ukraine within the U.S. European Command Area of Responsibility" (Report No. DODIG-2023-084), which focused on U.S. defense items transferred to the UAF through Jasionka, Poland. On November 27, 2023, the DoD OIG announced a fourth project focused on the transfer of U.S. defense items to Ukraine, which is "Evaluation of Security and Accountability Controls for Defense Items Transferred to Ukraine through Romania" (Project No. D2024-DEV0PC-0027.000).

² (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.

³ (U) Section 2557, title 10, United States Code, defines nonlethal supplies as excess property that is not weapons, ammunition, or other equipment or material designed to inflict serious bodily harm or death.

(U) On February 24, 2022, Russia conducted a full-scale invasion of Ukraine. On March 16, 2022, the U.S. President announced that the United States would increase the number and types of defense items provided to the UAF. The United States provided additional advanced weapon systems, such as High Mobility Artillery Rocket Systems, unmanned aerial systems, and light anti-armor weapons, along with large quantities of ammunition. In addition, the United States also provided an array of other lethal assistance, including grenade launchers, 120-millimeter mortar systems, small arms, and Stinger anti-aircraft systems.

(U) Roles and Responsibilities for U.S. Defense Items Transferred Through the USEUCOM Area of Responsibility

(U) U.S. European Command

(U) USEUCOM is responsible for U.S. military operations across Europe. The USEUCOM Logistics Directorate (J4) serves as the directorate for integrating logistics planning and execution in support of USEUCOM operations and is responsible for the management of DoD cargo within the USEUCOM area of responsibility (AOR). USEUCOM has six Service Component Commands, including USAREUR-AF. In March 2022, USEUCOM and its Service Component Commands were tasked with reporting shipments of aid through the USEUCOM AOR, including LEN-S.

(U) U.S. Army Europe and Africa

(U) USAREUR-AF provides ready, combat-credible land forces to deter, and, if necessary, defeat aggression from any potential adversary in Europe and Africa. USAREUR-AF conducts weekly sync meetings with USEUCOM and its subordinate commands, discussing visibility of shipments of U.S. defense items transferred to the UAF through the USEUCOM AOR. The 21st Theater Sustainment Command (TSC) is USAREUR-AF's lead organization for all sustainment activities, including logistics support, transportation, combat sustainment, human resources, finance, contracting, and all other areas in the field of sustainment. The 21st TSC receives, delivers onward movement and integration, and provides theater sustainment in support of USEUCOM and North Atlantic Treaty (NATO) operations.

(U) Security Assistance Group–Ukraine

(U) SAG-U, established in November 2022, is a dedicated headquarters element in Wiesbaden, Germany. SAG-U’s mission is to support security assistance activities, coordinate training efforts, oversee efforts to supply and equip the UAF, and enhance Ukraine’s situational awareness as part of the U.S. long-term commitment to Ukraine alongside U.S. allies and partners. SAG-U positions are 6-to-12-month rotational appointments.

(U) Office of Defense Cooperation–Kyiv

(U) USEUCOM’s Office of Defense Cooperation–Kyiv (ODC-Kyiv) partners with Ukraine’s Ministry of Defense and Armed Forces to provide military equipment, training, familiarization events, and educational opportunities. This assistance supports the modernization of Ukraine’s military and bilateral foreign policy objectives, while engaging at the tactical, operational, and strategic levels. ODC-Kyiv officials stated that they coordinate with USAREUR-AF and SAG-U for all U.S. defense items transitioning to the UAF through the USEUCOM AOR.

(U) U.S. Defense Items Provided Through the Presidential Drawdown Authority

(U) Although the United States has provided defense items to the UAF through multiple programs and authorities, the majority of U.S. defense items provided have been provided through the Presidential Drawdown Authority (PDA). The Foreign Assistance Act of 1961 provides the President the authority under the PDA to provide up to \$100 million per fiscal year in DoD stockpiles to provide immediate military assistance to a foreign nation. However, in response to Russia’s full-scale invasion of Ukraine, Congress increased the PDA limit to \$11.0 billion for FY 2022, \$14.5 billion for FY 2023, and \$7.8 billion for FY 2024.

~~(CUI)~~ From August 2021 through March 2024, the President issued 55 Presidential Drawdowns (PDs), totaling more than \$26.2 billion, for military equipment and assistance to the UAF, including weapon systems; ammunition; support equipment; spare parts; and funding for training, maintaining, and sustaining equipment. For example, [REDACTED]

[REDACTED]

(CUI) [REDACTED]

[REDACTED] Each EXORD requires coordination with the USEUCOM J4 for equipment transfers throughout the USEUCOM AOR. [REDACTED]

(U) The Military Services are responsible for the accounting of U.S. defense items transferred under the PDA. In addition, the DSCA's 1000 System database serves as the official system of record used to account for U.S. defense items transferred under the PDA.

(U) DoD Guidance for Cargo Movement

(U) DoD guidance prescribes documents, methods, and procedures for DoD Components to transport and move defense items to, within, and outside of the Defense Transportation System, including items transferred to the UAF under the PDA.

(U) Defense Transportation Regulation (DTR) 4500.9-R Part II, chapter 203, establishes guidance and procedures to route air shipments to, from, and between locations both in, and outside of, the continental United States.⁴ The Regulation requires shippers to identify the consignee, which is usually the receiver. The shipper identifies the consignee on shipping documentation such as DD Form 1348-1A, "Issue Release/Receipt Document"; DD Form 1149, "Requisition and Invoice/Shipping Document"; or a contract.

(U) DD Forms 1149 are commonly used for PD shipments and detail the:

- (U) shipment origin and destination,
- (U) mode of shipment,
- (U) quantity of requested items and total cost of items, and
- (U) Federal stock number and description of items in the shipment.

(U) Additionally, DTR 4500.9-R Part V, chapter 510, outlines policies and procedures for the export of DoD cargo to the European Economic Union and the movement of DoD cargo within the European Economic Union, which always require a customs declaration.⁵ The primary document for customs declaration is the NATO Form 302, "Import/Export Customs Declaration." The NATO Form 302 is a serial numbered, accountable form that constitutes an official customs declaration.

⁴ (U) DTR 4500.9R, Part II, "Cargo Movement," chapter 203, "Shipper, Transshipper, and Receiver Requirements and Procedures," March 6, 2024, explains the steps the shipper, transshipper, and receiver must take to process cargo shipments, which includes determining the mode shipment, documenting shipment contents, and documenting the transfer of the shipment.

⁵ (U) DTR 4500.9-R-Part V, "Customs," Chapter 510, "United States European Command (USEUCOM)," November 22, 2023.

(U) Process for Transferring U.S. Defense Items to the UAF Through the USEUCOM AOR

(U) Once defense items are received in the USEUCOM AOR, the 21st TSC transfers the items to a LEN. USEUCOM uses LENs as staging areas where military aid arrives for future distribution to the UAF. Three LENs support the transfer of aid to Ukraine—LEN-Poland, LEN-Romania, and LEN-Slovakia.

(U) The Service Component Command or an ODC representative at the LEN receives the items and is required to complete the DD Form 1149 and NATO Form 302. DoD and UAF officials must sign the DD Form 1149 and send the signed form back to the Military Services, so that the Military Services can remove the items provided from their property books. According to SAG-U officials, the Services or officials located at each LEN should notify SAG-U of completed transfers so SAG-U can update its records.

(U) Logistics Enabling Node–Slovakia

(U) Slovakia has been a member of NATO since 2004. Slovakia’s strategic location next to Ukraine and Poland has made it geographically important in the ongoing conflict between Russia and Ukraine. LEN-S, opened in April 2022, has no permanent U.S. military presence on the ground. The United Kingdom is the only coalition presence. According to SAG-U officials, when a U.S. shipment comes through LEN-S, DoD officials travel to LEN-S to be present to receive the items.

(U) Tracking Mechanisms Used for Visibility of U.S. Defense Items Transferred to the UAF Through the USEUCOM AOR

(U) USEUCOM, USAREUR-AF, and SAG-U use two tracking mechanisms to provide visibility of the request and delivery of U.S. defense items provided to the UAF. Specifically, (1) the PDA Ukraine Security Assistance Initiative (USAI) Master List (PDA USAI tracker) and (2) the KOROVAI Digital Assistance Registry (KOROVAI).⁶ USEUCOM, USAREUR-AF, and SAG-U officials stated that although neither system is an official system of record, the PDA USAI tracker is a tool used to support visibility and reporting of all U.S. defense items transferred to the UAF. KOROVAI helps track unclassified UAF requests for defense items, as well as the United States and other NATO countries’ fulfillment of the requests.

⁶ (U) DSCA Manual 5105.38-M, “Security Assistance Management Manual,” April 30, 2012, recognizes the DSCA’s 1000 System database as the system of record used to account for drawdown deliveries. However, for the purpose of this audit, we focused on tracking mechanisms used by USEUCOM, USAREUR-AF, and SAG-U to maintain visibility of U.S. defense items transferred to the UAF through LEN-S.

(U) The Presidential Drawdown Authority Ukraine Security Assistance Initiative Master List

(CUI) [REDACTED]

Unlike the PD process, which draws equipment down from DoD stocks as well as defense services, education, and training, USAI is an authority under which the United States procures capabilities from industry for Ukraine.

[REDACTED]

(U) KOROVAI Digital Assistance Registry

(CUI) [REDACTED]

(U) In September 2022, KOROVAI became fully operational as a centralized database to log requests and offers for defense items, streamlining the donation process. Among other information tracked, KOROVAI includes the type and quantity of defense items requested and provided, the related PDA, and the LEN used to transfer the defense items. According to SAG-U officials, although fully operational in September 2022, SAG-U did not start consistently updating KOROVAI until March 2023.

(U) Finding

(U) DoD Officials Did Not Have Effective Controls to Provide Visibility of All U.S. Defense Items Transferred to the Ukrainian Armed Forces Through the Logistics Enabling Node in Slovakia

(U) USEUCOM, USAREUR-AF, and SAG-U officials did not have effective controls to provide visibility of all U.S. defense items transferred to the UAF through LEN-S. Specifically, USEUCOM, USAREUR-AF, and SAG-U officials could not provide a complete list of all U.S. defense items provided to the UAF through LEN-S, including quantities, types, or serial numbers. This occurred because USEUCOM, USAREUR-AF, and SAG-U officials did not develop a tracking mechanism to provide visibility of all U.S. defense items transferred to the UAF until March 2023; and even after the tracking mechanism was developed, it did not include a data field to identify the LEN used for transferring the defense items. In addition, USEUCOM did not establish standard operating procedures (SOPs) to provide visibility of all U.S. defense items transferred through LEN-S. Specifically, USEUCOM did not establish SOPs to document roles and responsibilities for receiving, transferring, reporting, and maintaining supporting documentation when U.S. defense items transitioned through LEN-S, as exist at other LENS. Without effective controls to provide visibility, the DoD does not have reasonable assurance that its records related to all transfers to the UAF through LEN-S are accurate.

(U) DoD Officials Did Not Have Effective Controls to Provide Visibility of Transferred Items

(U) USEUCOM, USAREUR-AF, and SAG-U officials did not have effective controls to provide visibility of all U.S. defense items transferred to the UAF through LEN-S. Specifically, USEUCOM, USAREUR-AF, and SAG-U officials could not provide a complete list of all U.S. defense items provided to the UAF through LEN-S, including quantity, type, or serial numbers.

(U) USEUCOM, USAREUR-AF, and SAG-U Officials Could Not Provide a Complete List of All U.S. Defense Items Provided to the UAF Through LEN-S

(U) USEUCOM, USAREUR-AF, and SAG-U officials could not provide a complete list of all U.S. defense items provided to the UAF through LEN-S, including quantity, type, or serial numbers. In November 2023, at the start of the audit, we requested from USEUCOM, USAREUR-AF, and SAG-U a list of U.S. defense items transferred

(U) to the UAF through LEN-S. In December 2023, USEUCOM, USAREUR-AF, and SAG-U officials concluded that they could not provide a list. USEUCOM Plans, Policy, Strategy, and Capabilities Directorate officials stated that they did not have any direct involvement or visibility over U.S. defense items transferred through LEN-S. In addition, USAREUR-AF officials stated that they were not aware of any U.S. defense items that were transferred through LEN-S. However, a USAREUR-AF official later stated that they thought some Mi-17s went through LEN-S in 2022.

(U) During our site visit to SAG-U in January 2024, we again asked SAG-U officials for a list of U.S. defense items transferred to the UAF through LEN-S. The SAG-U officials stated they were not aware of a complete list of defense items transferred through LEN-S. One SAG-U official stated that the PDA USAI tracker documented U.S. defense items provided to the UAF; however, it did not track the LEN through which the items transferred. The SAG-U official stated that the only list they were aware of that identified U.S. defense items transferred through a specific LEN was from KOROVAI. However, because transfer data was not consistently recorded at the onset of Russia's full-scale invasion of Ukraine, they estimated the accuracy of the KOROVAI data at 20 percent. Therefore, the SAG-U official cautioned that while not designed as an accountability system, KOROVAI was the only tracking mechanism that captured the LEN through which defense items transferred. We requested the SAG-U official query KOROVAI for a list of U.S. defense items transferred through LEN-S. On January 24, 2024, a SAG-U official provided a KOROVAI spreadsheet of U.S. defense items that transferred through LEN-S.

(U) KOROVAI Identified U.S. Defense Items That May Have Transferred Through LEN-S

(U) The KOROVAI spreadsheet identified nine shipments totaling more than 5.4 million U.S. defense items, including Command Launch Unit Javelins, Switchblades, rifles, and ammunition, transferred to the UAF through LEN-S.⁷ According to the spreadsheet, one shipment occurred in March 2021, and the remaining eight shipments occurred from April through July 2022.⁸ The table below provides examples of U.S. defense items transferred through LEN-S according to KOROVAI. Figure 1 shows an example of a Command Launch Unit Javelin.

⁷ (U) Of the 5.4 million U.S. defense items KOROVAI identified as transferring through LEN-S, more than 4.5 million were small arms ammunition. A USEUCOM official pointed out that small arms ammunitions would have been shipped in standardized containers, not individually.

⁸ (U) The March 2021 and July 2022 transfers through LEN-S identified in KOROVAI predated the November 2022 establishment of SAG-U.

(U) Table. Examples of U.S. Defense Items Transferred Through LEN-S

(U) U.S. Defense Item	Quantity	Related Presidential Drawdown	Delivery Date in KOROVAI	Date Data Entered into KOROVAI
Command Launch Unit Javelin	100	5	May 11, 2022	July 11, 2023
Medium Tactical Vehicle (M1083/1084)	18	13	April 11, 2022	July 11, 2023
Rifle (5.56MM M4A1)	5,000	5	April 11, 2022	July 11, 2023
Pistol (9MM)	1,000	5	April 11, 2022	July 11, 2023
Ammunition (.50 AP / CTG Caliber)	3,500,000	13	May 11, 2022	July 11, 2023
Ammunition (9 MM)	573,740	5	April 11, 2022	July 11, 2023
Ammunition (.50 CTG Caliber)	500,000	13	May 11, 2022	July 11, 2023

(U)

(U) Source: KOROVAI.



(U) Figure 1. Example of a Command Launch Unit Javelin
(U) Source: DoD.Defense.gov.

(U) We attempted to verify whether the items identified in KOROVAI as being transferred through LEN-S were actually transferred through the LEN. Specifically, we requested supporting documentation for each of the more than 5.4 million U.S. defense items from USEUCOM, USAREUR-AF, SAG-U, and ODC-Kyiv. All organizations confirmed that they did not have any supporting documentation and could not verify whether any of the more than 5.4 million U.S. defense items identified in KOROVAI transferred through LEN-S.

(U) Lack of Visibility of Shipments of Mi-17 Helicopters Transferred Through LEN-S

(U) USEUCOM, USAREUR-AF, and SAG-U officials were not aware of the number of Mi-17 helicopters transferred through LEN-S or dates of the transfers. In December 2023, a SAG-U official told the audit team that they “heard one PD shipment” went through LEN-S in mid-2022 but had no additional details. In January 2024, a USAREUR-AF official stated that they thought “some Mi-17 helicopters that were on a PD went through LEN-S in 2022,” but did not know the precise number of Mi-17 helicopters or the date of the transfer. In addition, neither organization had any documentation to support the transfer of any Mi-17 helicopters through LEN-S.

(U) To determine the number and dates of the transfers of Mi-17 helicopters through LEN-S, we reviewed documentation provided in response to our initial request for information. Included in the documentation were April 2022 emails between officials from multiple organizations, including USEUCOM and USAREUR-AF, discussing the need to transfer Mi-17 helicopters through one of the LENSs.

(U) In December 2023 and January 2024, we contacted nine organizations to determine the number and dates of the transfer of Mi-17 helicopters through LEN-S.⁹ We eventually determined that the Multi-National Aviation Special Project Office (MASPO) and Aviation and Missile Command (AMCOM) were responsible for the shipment, receipt, and transfer of Mi-17 helicopters to the UAF through LEN-S. MASPO and AMCOM transferred 13 Mi-17 helicopters through LEN-S to partially fulfill two PDs through multiple shipments. Specifically, they transferred 11 Mi-17 helicopters in May 2022 and 2 Mi-17 helicopters in June 2022 through LEN-S. Figure 2 shows 1 Mi-17 helicopter unloaded at LEN-S.

⁹ (U) We contacted USEUCOM, USAREUR-AF, SAG-U, ODC-Slovakia, ODC-Kyiv, 21st TSC, MASPO, AMCOM, and the International Donor Coordination Center.



(U) The AMCOM official who oversaw the transfer of 13 Mi-17 helicopters in May and June 2022 provided the DD Forms 1149 documenting the transfer of the Mi-17 helicopters to the UAF through LEN-S.

(U) USEUCOM, USAREUR-AF, and SAG-U Officials Did Not Develop a Tracking Mechanism for U.S. Defense Items Transferred to the UAF Until March 2023

(U) USEUCOM, USAREUR-AF, and SAG-U officials did not develop a tracking mechanism to provide visibility of U.S. defense items transferred to the UAF until March 2023; and even after the tracking mechanism was developed, it did not include a data field to identify the LEN used for transferring the defense items. In addition, the PDA USAI tracker and KOROVAI did not include complete or accurate data.

(U) SAG-U Created the PDA USAI Tracker in March 2023

(U) In November 2022, USEUCOM established SAG-U to oversee the efforts to supply and equip the UAF. In March 2023, SAG-U officials created the PDA USAI tracker as a centralized repository of information of U.S. defense items transferred to the UAF. The tracker provided visibility of U.S. defense items transferred to the UAF by capturing information such as quantities authorized and quantities transferred.

(U) In mid-2023, a SAG-U official attempted to update the PDA USAI tracker with transfer data from 2022 through early 2023, including delivery dates and quantities. According to USAREUR-AF officials, the SAG-U official updated the PDA USAI tracker by gathering transfer reports previously kept by USAREUR-AF and U.S. military units to track U.S. defense items transferred to the UAF. However, according to USAREUR-AF officials, transfer data was not consistently recorded and maintained at the onset of Russia's full-scale invasion of Ukraine. Therefore, the USAREUR-AF official concluded that because the SAG-U official relied on historical data the information for the 2022 and early 2023 time frame, including delivery dates and quantities, may not be accurate.

(U) The PDA USAI Tracker Did Not Include Complete Data

(U) The PDA USAI tracker did not include complete data for the U.S. defense items transferred through LEN-S. For example, before September 2023, the PDA USAI tracker included the list of U.S. defense items transferred; however, the tracker did not include the delivery date of the transferred U.S. defense items. In addition, for 2022 and 2023 transfers, the PDA USAI tracker did not include a data field showing the LEN location used to transfer U.S. defense items to the UAF. The absence of the data field makes it impossible to identify which of the three LEN locations the U.S. defense items transferred through to the UAF. The inability to identify the specific LEN also makes it difficult to locate the supporting documentation to reconcile the data within the PDA USAI tracker to determine whether the U.S. defense items transferred through LEN-S to the UAF. Therefore, we recommended the SAG-U Commander should include an additional column in the PDA USAI tracker to indicate the LEN location. In addition, we recommended that the SAG-U Commander should develop a SOP for consistent entry of data into the PDA USAI tracker.

(U) KOROVAI Did Not Include Accurate Data

(U) KOROVAI did not include accurate data for the U.S. defense items transferred through LEN-S. For example, KOROVAI did not identify any of the 13 Mi-17 helicopters as transferred through LEN-S; instead, KOROVAI listed the 13 Mi-17 helicopters as transferred through LEN-Poland. However, the AMCOM representative present for the transfer of 13 Mi-17 helicopters to the UAF confirmed the transfers took place at LEN-S.¹⁰

¹⁰ (U) The 13 Mi-17s transferred through LEN-S in May and June 2022. According to SAG-U officials, although SAG-U knew the Mi-17s had been delivered, SAG-U did not know the date or LEN used and did not have any supporting documentation. In addition, SAG-U officials did not consistently update KOROVAI until March 2023. Therefore, some historical data entered into both tracking mechanisms were inaccurate.

(U) SAG-U Attempts to Reconcile KOROVAI Information

(U) According to SAG-U officials, in mid-2023, a SAG-U official attempted to update the information within KOROVAI, which resulted in data added into KOROVAI nearly a year after the U.S. defense items potentially transferred through LEN-S. We asked current SAG-U officials to explain the process for updating KOROVAI data without access to supporting documentation. SAG-U officials stated that they did not know what supporting documents were used for those updates.¹¹ Without knowing what supporting documentation was used to update KOROVAI, current SAG-U officials questioned the accuracy of the data within KOROVAI. SAG-U officials stated that in mid-2023, SAG-U started to require all three LENS to provide timely data, which helped provide visibility of transfers to the UAF by improving the data entered into KOROVAI and the PDA USAI tracker. Therefore, we recommended the SAG-U Commander should develop a SOP for the consistent entry of data into KOROVAI.

(U) As detailed in our discussion of management actions below, actions have been taken sufficient to meet the intent of these recommendations to the SAG-U Commander to modify the PDA USAI tracker and develop SOPs for data entry into the PDA USAI tracker and KOROVAI.

(U) USEUCOM Did Not Establish Standard Operating Procedures for Handling U.S. Defense Items Transferred Through LEN-S

(U) USEUCOM, USAREUR-AF, and SAG-U officials did not have effective controls to provide visibility of the U.S. defense items transferred to the UAF through LEN-S because USEUCOM did not establish SOPs for all U.S. personnel involved in the transfers. Although LEN-Poland and LEN-Romania have a permanent U.S. military presence, because of their unique mission and structure, the military units on the ground at each LEN developed individual SOPs that included roles and responsibilities for receiving, transferring, reporting, and maintaining documentation when transferring U.S. defense items through either LEN location. The military units had the advantage of being located at the LEN, so they were in the position to document the procedures necessary to effectively receive, transfer, report, and maintain documentation and share the processes with incoming military units.

¹¹ (U) Due to the rotational nature of SAG-U positions (6-to-12-month appointments), the SAG-U official who added the information was not available for us to interview.

(U) Particularly given that the United Kingdom operates LEN-S without a permanent U.S. military presence, and because, according to SAG-U officials, it is becoming increasingly important to use multiple LENs, SOPs are critical to establish roles and responsibilities and continuity for receiving, transferring, reporting, and maintaining documentation when U.S. defense items transfer through LEN-S. Without a permanent U.S. military presence at LEN-S, SAG-U officials stated that for future transfers of U.S. defense items, SAG-U would need to send a small contingent of U.S. military personnel or require ODC-Kyiv officials to receive, transfer, report, and maintain supporting documentation. However, SAG-U officials stated that because ODC-Kyiv falls under USEUCOM, SAG-U officials cannot direct ODC-Kyiv officials to perform any actions at LEN-S. Therefore, USEUCOM must take the lead for establishing roles and responsibilities for U.S. personnel when U.S. defense items will transfer through LEN-S.

(U) USEUCOM Did Not Establish Procedures for Receiving and Transferring U.S. Defense Items Transferred Through LEN-S

(U) USEUCOM did not establish procedures for receiving and transferring U.S. defense items to the UAF through LEN-S. The SOPs for LEN-Poland and LEN-Romania include procedures to account for U.S. defense items during the offloading, staging, and loading phases of each shipment. In addition, the SOPs for LEN-Poland and LEN-Romania document the process to account for items transferred to the UAF. For example, at LEN-Poland, U.S. military units on the ground count and verify the U.S. defense items once unloaded from an aircraft. However, as previously mentioned, there is no U.S. military presence at LEN-S to receive and transfer U.S. defense items. When we asked how SAG-U will handle future shipments of U.S. defense items through LEN-S, SAG-U officials stated that they will send either a small number of U.S. military personnel or ODC-Kyiv officials to LEN-S to be present before the arrival of the items to receive the items and transfer them to the UAF. Yet, without documented SOPs outlining the roles and responsibilities for receiving and transferring the items, there is increased risk that USEUCOM, USAREUR-AF, and SAG-U officials will not receive the documents and data needed to provide visibility of future transferred items. Therefore, the USEUCOM Commander should develop SOPs that include roles and responsibilities for receiving and transferring U.S. defense items at LEN-S.

(U) USEUCOM Did Not Establish Procedures for Reporting U.S. Defense Items Transferred Through LEN-S

(U) USEUCOM did not establish procedures for DoD officials on the ground to report to SAG-U all U.S. defense items transferred through LEN-S. The SOPs for LEN-Poland and LEN-Romania required U.S. military units on the ground to record the quantity of U.S. defense items transferred and send this information daily to SAG-U to include in KOROVAI and the PDA USAI tracker. Specifically, according to SAG-U officials, for LEN-Poland the U.S. military unit personnel on the ground transmit the information daily through a classified network. However, USEUCOM did not develop similar reporting requirements for LEN-S. Specifically, when we asked SAG-U officials how they receive information for transfers through LEN-S, they explained that there was no process in place for them to receive this information. In addition, LEN-S does not have the capability to transmit information through a classified network. USEUCOM must determine a method for transmitting the information to SAG-U. Without documented procedures, SAG-U may not receive the data needed to track the type and quantity of the U.S. defense items transferred through LEN-S. Therefore, the USEUCOM Commander should develop SOPs that include roles and responsibilities for reporting the transfer of U.S. defense items at LEN-S.

(U) USEUCOM Did Not Establish Procedures for Maintaining Documentation for U.S. Defense Items Transferred Through LEN-S

(U) USEUCOM did not establish procedures for maintaining documentation for U.S. defense items transferred through LEN-S. The SOPs for LEN-Poland and LEN-Romania included procedures for maintaining documentation. For example, according to SAG-U officials, at LEN-Poland and LEN-Romania, the U.S. military units on the ground maintain the supporting transfer documentation onsite. However, USEUCOM officials did not establish similar requirements for LEN-S transfers. For LEN-S, with no U.S. military presence on the ground, USEUCOM officials stated that the United Kingdom has oversight of all activities. However, SAG-U officials stated that the United Kingdom cannot maintain the supporting documentation (either DD Form 1149 or NATO Form 302) for the U.S. Government. We requested the supporting documentation from USAREUR-AF and SAG-U for each item listed in KOROVAI as transferring through LEN-S. USAREUR-AF and SAG-U officials stated that they do not maintain any supporting documentation (DD Form 1149 or NATO Form 302); in fact, they never see the supporting documentation for U.S. defense items transferred through LEN-S. We contacted an ODC-Kyiv official who confirmed that they did not have any supporting documentation for previous transfers of U.S. defense items to the UAF through LEN-S. The lack of supporting documentation by USAREUR-AF, SAG-U, and ODC-Kyiv makes it impossible to reconcile records in KOROVAI or the PDA USAI tracker.

(U) We recognize that the more than 5.4 million U.S. defense items recorded in KOROVAI as having been transferred through LEN-S would have been transferred before the establishment of SAG-U. However, without a permanent U.S. military presence on the ground at LEN-S and the rotational nature of SAG-U's positions, it is critical that USEUCOM establish guidance for all parties involved on required supporting transfer documentation and the storage and retention of this documentation. Therefore, the USEUCOM Commander should develop SOPs that include roles and responsibilities for maintaining supporting documentation for U.S. defense items transferred at LEN-S.

(U) The DoD Does Not Have Reasonable Assurance That Its Records Related to All Transfers to the UAF Through LEN-S Are Accurate

(U) Without effective controls to provide visibility, the DoD does not have reasonable assurance that its records related to all transfers to the UAF through LEN-S are accurate. For example, in May 2022 and June 2022, the United States transferred 13 Mi-17 helicopters to the UAF through LEN-S. However, due to the lack of accurate and complete data in the PDA USAI tracker and KOROVAI, it took the audit team more than 60 days to determine and verify the actual number of Mi-17 helicopters transferred to the UAF through LEN-S. We held multiple phone calls, meetings, email exchanges, and in-person visits to obtain the original supporting documents to confirm the quantity and dates of Mi-17 helicopters transferred through LEN-S. We benefited from the limited number of Mi-17 helicopters provided and that each helicopter included a unique serial number to track.

(U) Management Comments on the Finding and Our Responses

(U) Although not required to, the Deputy Division Chief for the USEUCOM Strategy, Plans, and Capabilities Directorate (J5), responding for the USEUCOM Commander, provided comments on the Finding. For the full text of the Deputy Division Chief comments, see the Management Comments section of the report.

(U) U.S. European Command Comments

(U) The USEUCOM J5 Deputy Division Chief, responding for the USEUCOM Commander, stated that our finding is flawed because we failed to contact several key DoD entities directly involved with providing defense items to the UAF through the PDA. According to the Deputy Division Chief, the starting point for evaluating any PDA transaction should have been the DSCA followed by the Military Department or Service agency directed to provide equipment.

(U) The USEUCOM J5 Deputy Division Chief, responding for the USEUCOM Commander, also stated that DSCA 1000 is the system of record for recording defense articles transferred through the PDA, and USAI cases are managed in the appropriate DSCA case management systems. They added that the PDA USAI tracker is a useful tool for internal controls but does not represent a U.S. system of record. In addition, the Deputy Division Chief stated that KOROVAI is a Ukrainian-owned system used by Ukraine and international donors to record commitments and deliveries. The Deputy Division Chief further stated that KOROVAI is not an authoritative or validated U.S. system of record and may contain inaccurate information.

(U) Finally, the USEUCOM J5 Deputy Division Chief, responding for the USEUCOM Commander, stated that the report created the impression that millions of individually shipped items may have passed through LEN-S. However, the Deputy Division Chief explained that the quantities in question are primarily small arms ammunition and likely represent a markedly lower number of individual containers, shipments, and corresponding lot numbers.

(U) Our Response

(U) We acknowledge the USEUCOM J5 Deputy Division Chief's description of the PDA process and entities involved in the process. For this audit, when using the term accountability, we are referring to visibility of U.S. defense items transferred through LEN-S and made adjustments in response to the comments to clarify that point.

(U) While we understand the PDA process and acknowledge the significant involvement of the DSCA and the Military Departments, these entities are not responsible for tracking the LEN through which U.S. defense items are transferred to the UAF, or for providing visibility of U.S. defense items transferred to the UAF through the USEUCOM AOR. Rather, USEUCOM, USAREUR-AF, and SAG-U maintain that responsibility. Therefore, we disagree with the Deputy Division Chief's assertion that our finding is flawed.

(U) We also acknowledge the USEUCOM J5 Deputy Division Chief's description of the PDA USAI tracker and KOROVAI. Specifically, the PDA USAI tracker and KOROVAI do not represent U.S. systems of record, as we stated on report page five. However, because KOROVAI was the only available source that tracked transfers by LEN, we used the information from KOROVAI to identify possible U.S. defense items transferred through LEN-S and requested any available supporting documentation. We did not rely on KOROVAI as a primary source of information.

(U) With regard to the Deputy Division Chief's concern that the draft report created the impression that millions of individually shipped items may have passed through LEN-S, we revised the report to indicate that 5.4 million U.S. defense items may have transferred through LEN-S in nine shipments, and elsewhere identified the nature of those items.

(U) Recommendations, Management Comments, and Our Responses

(U) Recommendation 1

(U) We recommend that the Commander, Security Assistance Group-Ukraine:

- a. **(U) Include an additional column in the Presidential Drawdown Authority Ukraine Security Assistance Initiative tracker to indicate the logistics enabling node location;**
- b. **(U) Develop a standard operating procedure for consistent entry of data into the Presidential Drawdown Authority Ukraine Security Assistance Initiative tracker; and**
- c. **(U) Develop a standard operating procedure for consistent entry of data into KOROVAI digital assistance registry.**

(U) Management Actions Taken During the Audit

(U) During the audit, we advised SAG-U officials about deficiencies identified regarding visibility of U.S. defense items. SAG-U officials initiated corrective actions to address the deficiencies. For example, in February 2024, SAG-U added a data field within the PDA USAI tracker to identify the LEN location used to transfer U.S. defense items to the UAF. With the addition of this data field, SAG-U can now sort by LEN location the type, quantity, and date of delivery. In addition, in February 2024, SAG-U officials began to develop SOPs for the data entry process for the PDA USAI tracker and KOROVAI.

(U) Security Assistance Group-Ukraine Comments

(U) The SAG-U Chief of Staff, responding for the SAG-U Commander, agreed with Recommendation 1.a, stating that SAG-U modified the PDA USAI tracker to include a column to indicate the LEN location through which U.S. defense items transferred. The Chief of Staff, responding for the SAG-U Commander, also agreed with Recommendations 1.b and 1.c, stating that SAG-U developed SOPs to ensure the consistent entry of data into the PDA USAI tracker and KOROVAI. In addition to the SAG-U Chief of Staff's comments on the recommendation, SAG-U officials provided a copy of the modified PDA USAI tracker that included a column to indicate the LEN location through which U.S. defense items transferred, a data entry SOP for the PDA USAI tracker, and a data entry SOP for KOROVAI.

(U) Our Response

(U) Comments from the Chief of Staff addressed the specifics of Recommendations 1.a, 1.b, and 1.c. For Recommendation 1.a, we verified that the modified PDA USAI tracker included a column to indicate the LEN location. In addition, for Recommendations 1.b and 1.c, we verified that SAG-U developed SOPs designed to ensure the consistent entry of data into the PDA USAI tracker and KOROVAI. Therefore, we consider Recommendations 1.a, 1.b, and 1.c. resolved and closed.

(U) Recommendation 2

(U) We recommend that the Commander, U.S. European Command, develop standard operating procedures for U.S. defense items transferring to the Ukrainian Armed Forces through the Logistics Enabling Node in Slovakia. The standard operating procedures should include roles and responsibilities for:

- a. (U) Receiving and transferring U.S. defense items;**
- b. (U) Reporting the transfer of U.S. defense items; and**
- c. (U) Maintaining supporting documentation for U.S. defense items transferred.**

(U) U.S. European Command Comments

(U) The USEUCOM J5 Deputy Division Chief, responding for the USEUCOM Commander, partially agreed with the recommendations, stating that the United States is not currently operating at, or processing materiel through, LEN-S. The Deputy Division Chief explained that if the United States establishes future operations at LEN-S, USEUCOM will designate a supporting unit to create appropriate SOPs for receiving and transferring U.S. defense items. The Deputy Division Chief further stated that if SOPs for LEN-S are developed, the SOPs may be based on established SOPs for ongoing operations conducted at other LENs, and units will maintain records based on procedures outlined in the DSCA Security Assistance Management Manual or other directives.

(U) Our Response

(U) Comments from the Deputy Division Chief partially addressed the specifics of the recommendations; therefore, the recommendations are unresolved. The Deputy Division Chief acknowledged the need to develop a SOP for LEN-S that documents the roles and responsibilities for receiving, transferring, reporting, and maintaining support documentation for U.S. defense items transferred to the UAF. However, the Deputy Division Chief stated that USEUCOM will not require the development of a SOP until the United States establishes future operations at LEN-S. We do

(U) not agree with waiting for the development of a SOP until the use of LEN-S is necessary. Waiting to develop the SOP until a shipment is ready to be transferred through LEN-S may potentially delay the transfer of critical equipment to the UAF. In addition, if operations at LEN-Poland or LEN-Romania, which have SOPs, were to unexpectedly stop, the United States may need to immediately start using LEN-S. Therefore, we request that the Deputy Division Chief reconsider their position on this recommendation and provide comments on the final report within 30 days.

(U) Appendix

(U) Scope and Methodology

(U) We conducted this performance audit from November 2023 through June 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) Methodology

(U) To determine the effectiveness of the DoD's accountability controls of U.S. defense items transferred to the UAF through LEN-S from April 2022 through November 2023, we interviewed DoD officials from the following organizations.¹²

- (U) USEUCOM
- (U) USAREUR-AF
- (U) SAG-U
- (U) U.S. Transportation Command
- (U) AMCOM
- (U) MASPO
- (U) 21st TSC
- (U) ODC-Kyiv
- (U) International Donor Coordination Center
- (U) Office of the Under Secretary of Defense for Policy

(U) In addition, we reviewed the following guidance.

- (U) DTR 4500.9-R-Part II – Cargo Movement, Chapter 203 – “Shipper, Transshipper, and Receiver Requirements and Procedures,” March 6, 2024
- (U) DTR 4500.9-R-Part V – Customs, Chapter 510 – “United States European Command (USEUCOM),” November 22, 2023
- (U) DoD Instruction 5000.64, “Accountability and Management of DoD Equipment and Other Accountable Property,” April 27, 2017 (Incorporating Change 3, Effective June 10, 2019)

¹² (U) For this audit, when using the term accountability, we are referring to the tracking mechanisms and supporting documentation used to provide visibility of U.S. defense items transferred through LEN-S. Specifically, we focused on tracking mechanisms and supporting documentation used by USEUCOM, USAREUR-AF, and SAG-U to provide visibility of U.S. defense items.

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

(U) 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 accountability controls for U.S. defense items shipments to the UAF. 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 planned to use KOROVAI data to identify all U.S. defense items transferred to the UAF through LEN-S. However, USEUCOM, USAREUR-AF, and SAG-U officials questioned the accuracy of the KOROVAI data and could not identify documentation to support the KOROVAI data. We then attempted to use the PDA USAI tracker that SAG-U developed to identify all U.S. defense items transferred to the UAF through LEN-S. However, at the time of our site visit in January 2024, the PDA USAI tracker did not include a LEN location data field, which prevented us from identifying the U.S. defense items that transferred through LEN-S. Therefore, we collected copies of original documentation, including NATO Forms 302 and DD Forms 1149, for U.S. defense items that transferred through LEN-S. We compared these U.S. defense items to KOROVAI and the PDA USAI tracker data and used this information to support our finding that KOROVAI and the PDA USAI tracker were not accurate.

(U) Prior Coverage

(U) During the last 5 years, the DoD Office of Inspector General (DoD OIG), Government Accountability Office (GAO), and Army Audit Agency issued nine reports discussing accountability, security, and the transfer of U.S. defense items. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>. Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted Army Audit Agency reports can be accessed from .mil and gao.gov domains at <https://www.army.mil/aaa>.

(U) DoD OIG

(U) Report No. DODIG-2023-115, “Land-Based Security Controls for Equipment Being Transferred by Rail to Ukraine,” September 6, 2023

(U) The DoD OIG found that DoD personnel effectively planned, coordinated, and executed the movement of arms, ammunition, and explosives for onward movement to Ukraine. However, during the in-transit operations in March 2023 in Poland, the DoD OIG observed that DoD guard forces did not consistently implement security controls to support the ground movement and transfer of arms, ammunition, and explosives for onward movement to Ukraine by rail.

(U) Report No. DODIG-2023-084, “Evaluation of Accountability Controls for Defense Items Transferred Via Air to Ukraine within the U.S. European Command Area of Responsibility,” June 8, 2023

(U) The DoD OIG found that the DoD personnel effectively and swiftly received, inspected, staged, and transferred defense items to Government of Ukraine representatives in Jasionka. However, DoD personnel did not have the required accountability of the thousands of defense items that they received and transferred at Jasionka. They also found that as a result, the DoD did not have accountability controls sufficient to provide reasonable assurance that its inventory of defense items transferred to the Government of Ukraine through the air hub in Jasionka was accurate or complete.

(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 enhanced end use monitoring (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 had not been able to conduct initial inventories on all EEUM-designated defense articles within 90 days of arrival. The audit team also found that \$1.005 billion of the total \$1.699 billion of EEUM-designated defense articles remained delinquent and that the DoD did not maintain an accurate inventory of Ukrainian EEUM-designated defense articles in the Security Cooperation Information Portal–End-Use Monitoring database. Additionally, the DoD found that since the December 2022 update to the Security Assistance Management Manual, the DoD’s and the UAF revised inventory processes contributed to an improved delinquency rate, reducing the overall delinquency rate of EEUM-designated defense articles by 27 percentage points from February 10, 2023, to June 2, 2023, but significant personnel limitations and

(U) accountability challenges remain. Lastly, the DoD OIG found that it was beyond the scope of its evaluation to determine whether there has been diversion of such assistance and that the DoD OIG's Defense Criminal Investigative Service will continue to investigate allegations of criminal conduct with regard to U.S. security assistance to Ukraine.

(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 the Office of ODC-Ukraine personnel were not always physically present to conduct an initial 100 percent serial number inventory of all EEUM designated articles at the multiple logistics hubs in Poland before transfer or delivery to Ukraine in accordance with the Security Assistance Management Manual. According to the DoD OIG, this occurred because ODC-Ukraine personnel were not always present or staffed to cover the multiple logistics hubs in Poland, and U.S. military personnel stationed at those logistics hubs stated they were not fully aware of which defense articles required EEUM.

(U) Report No. DODIG-2023-074, "Management Advisory: DoD Review and Update of Defense Articles Requiring Enhanced End-Use Monitoring," May 19, 2023

(U) The DoD OIG found that the current list of EEUM-designated defense articles is not up to date. According to the DoD OIG, this occurred because the DSCA did not include a regular and recurring requirement in the Security Assistance Management Manual to review, update, and remove defense articles designated for EEUM.

(U) Report No. DODIG-2023-002, "Evaluation of the DoD's Accountability of Equipment Provided to Ukraine," October 7, 2022

(U) The DoD OIG found that ODC-Ukraine was unable to conduct EEUM provided to Ukraine in accordance with DoD policy in fiscal year 2022. In-person monitoring of EEUM-designated defense equipment was a challenge in a non-peacetime environment, such as Ukraine, as the DoD had a limited number of U.S. personnel in country. In addition, 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 mitigate the inability to conduct EEUM by implementing alternative methods of monitoring and accounting for EEUM-designated defense equipment transferred 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 27, 2020

~~(CUI)~~ The DoD OIG found that DoD officials generally complied with EEUM requirements for Javelin missiles and associated Command Launch Units. However, the DoD did not fully comply with EEUM requirements for Night Vision Devices until 2018, the year the ODC-Ukraine began conducting required EEUM physical inventories in Ukraine. [REDACTED]

[REDACTED]

(U) GAO

(U) Report No GAO-24-106289, "DOD Should Improve Data for Both Defense Article Delivery and End-Use Monitoring," March 13, 2024

(U) The GAO found that the DoD had established new entities to deliver an unprecedented volume of defense items to Ukraine in condensed time frames using the PDA and USAI; however, the DoD did not fully document the roles and responsibilities of these new entities. The GAO also found that the DoD did not have quality data to track delivery of defense items to Ukraine. Furthermore, the GAO found that the DoD did not use its data systems to track the delivery of some defense items provided under USAI. Additionally, the GAO found that DoD guidance on the PDA did not clearly define at what point in the delivery process defense items should be recorded as delivered or provide clear instructions for how DoD Service branches are to confirm delivery. Lastly, the GAO found that the DoD had a program to monitor the end-use of all defense items provided to Ukraine, but the DoD must alter some traditional end-use monitoring procedures in response to the ongoing conflict.

(U) Army

(U) Report No. A-2019-0107-AXZ, "Funding and Accountability of Property Supporting Operation Observant Compass," September 19, 2019

(U) The Army Audit Agency found that United States Army Africa did not follow Army procedures to account for government-owned personal and real property. The audit team also found that issues occurred because United States Army Africa mistakenly believed its role was solely to provide funding to Special Operations Command–Africa (the executing command) and that it was not responsible for accounting for property. In addition, the audit team found that United States Army Africa did not fully execute U.S. Government property transfers in accordance with established policies and transfer authorities. Lastly, the Army found that United States Army Africa’s documentation to support the disposition of foreign excess property contained various discrepancies and errors, which did not provide an accurate audit trail for the disposition of Operation Observant Compass property to host nation organizations.

(U) Management Comments

(U) Security Assistance Group–Ukraine



DEPARTMENT OF THE ARMY
UNITED STATES ARMY EUROPE AND AFRICA
HEADQUARTERS, SECURITY ASSISTANCE GROUP - UKRAINE
BOX 97 UNIT 29623
APO AE 09014

AEAG-CS

07 August 2024

MEMORANDUM FOR Office of the Inspector General, U.S. Department of Defense, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Response to DoD OIG Audit of Accountability Controls for Defense Items Transferred to Ukraine (Project No. D2024-D000RU-0024.000)

1. I concur with the three recommendations that the Department of Defense Office of Inspector General (DoD OIG) proposes in the report. These best practices will improve how Security Assistance Group – Ukraine (SAG-U) and its subordinate units report on the delivery of materiel aid to Ukraine under Ukraine Security Assistance Initiative (USAI) and Presidential Drawdown Authority (PDA).

2. DoD OIG recommended that: a) the SAG-U Commander include an additional column in the Presidential Drawdown - Ukraine Security Assistance Initiative (PD - USAI) tracker to indicate the LEN location, b) develop a standard operating procedure for consistent entry of data into the PDA/USAI tracker, and c) develop a standard operating procedure for consistent entry of data into KOROVALI. These recommendations are best practice procedures for how SAG-U and its subordinate units can improve reporting of the delivery of materiel aid in theater. The SAG-U J4 Data Integration cell has been working on this effort since March 2023, as noted in the report. They developed the PDA/USAI Excel Spreadsheet as a locally generated command product for tracking the delivery of supplies and equipment provided by the U.S. and other coalition partners. The SAG-U J4 has modified the PD – USAI tracker and published the SOPs effective 07 August 2024. Those products will be reviewed periodically to ensure we provide the best reporting possible to assist the Military Departments (MILDEPs) with accountability for U.S defense items transferred to Ukraine.

3. The SAG-U point of contact is [REDACTED], at [REDACTED] or DSN: [REDACTED].

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(U) U.S. European Command

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UNITED STATES EUROPEAN COMMAND UNIT 30400
APO AE 09154

ECJ5-RU

16 JULY 2024

MEMORANDUM FOR Department of Defense Office of Inspector General

SUBJECT: ECJ5-RU Response to Project D2024-D000RJ-0024.000 Draft Recommendations on Audit of Security and Accountability Controls for Defense Items Transferred to Ukraine through LEN-Slovakia

References: (a) (U) Arms Export Control Act (AECA) Section 3 (22 U.S.C. 2753)
(b) (U) Security Assistance Management Manual (SAMM) Chapter 11 – Special Programs and Services.
(c) (U) Draft Report – Audit of Security and Accountability Controls for Defense Items Transferred to Ukraine through Logistics Enabling Node (LEN)-Slovakia (Project No. D2023-DEVOPD-0152.000)

1. The purpose of this memorandum is to provide the USEUCOM response to DoD IG D2024-D000RJ-0024-000 Draft Recommendations on Audit of Security and Accountability Controls for Defense Items Transferred to Ukraine through Logistics Enabling Node (LEN) - Slovakia.

2. (U) This audit failed to contact several key DoD entities directly involved with the provision of defense articles to Ukraine via Presidential Drawdown Authority (PDA) and as such, its findings are flawed. PDA is a transfer of items from a military department (MILDEP) or service to a recipient country. Combatant Commands may or may not serve as intermediaries in the transfer. PDA transfers can take place in the recipient country, at the point of embarkation, or elsewhere. Policies governing PDA are outlined in the DSCA Security Assistance Management Manual (SAMM), Chapter 11. Each iteration of defense articles provided to Ukraine via PDA has an associated DSCA execution order (EXORD) which outlines roles and responsibilities of the MILDEPs and Combatant Commands for that particular tranche of equipment and services provided via PDA. The starting point for evaluating any PDA transaction should be DSCA, who generated the relevant EXORD, then the MILDEP or service implementing agency which was directed to provide the equipment.

3. (U) USEUCOM advises that internal trackers to include Presidential Drawdown Authority (PDA) and Ukraine Security Assistance Initiative (USAI) spreadsheets located at Security Assistance Group-Ukraine (SAG-U) are useful tools for internal controls, but do not represent U.S. systems of record. DSCA 1000 is the system of record for recording defense articles transferred via PDA. USAI cases are managed in the appropriate DSCA case management systems. KOROVAI is a Ukrainian owned and maintained system, not an authoritative, validated U.S. system of record. There is no standing requirement to validate information in KOROVAI; it is a tool used by Ukraine and international donors to record commitments and deliveries, but

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may contain inaccuracies regarding U.S. deliveries.

4. (U) USEUCOM notes that although ammunition is reported by quantity, it is shipped in standardized containers and tracked via lot number. The paragraph entitled “Millions of U.S. Defense Items Transferred Through LEN-S” creates the impression that millions of individually shipped items may have passed through LEN-S; however, the quantities in question are primarily small arms ammunition, and likely represent a markedly lower number of individual containers, shipments, and corresponding lot numbers. Additionally, these figures were derived from KOROVAI, which is not an established, authoritative U.S. system of record for documenting material deliveries.

5. (U) Recommendation 2.

a. DoD IG Draft Recommendation 2a. We recommend that the Commander, the U.S. European Command develop standard operating procedures for U.S. defense items transferring to the Ukrainian Armed Forces through the Logistics Enabling Node in Slovakia, the standard operating procedures should include roles and responsibilities for receiving and transferring U.S. defense items, reporting the transfer of U.S. defense items, and maintaining supporting documentation for U.S. defense items transferred.

b. EUCOM Response: Partially concur. The U.S. is not currently operating at or processing materiel through LEN-Slovakia. In the event that the U.S. establishes future operations at LEN- Slovakia, USEUCOM will designate a supporting unit to create appropriate standard operating procedures (SOP) for receiving and transferring U.S. defense items. SOPs developed in the future may be based on established SOPs for ongoing operations conducted at other LENs, as appropriate to enhance standardization. Units will maintain records based on procedures outlined in the DSCA SAMM or other appropriate directives.

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

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(U) Acronyms and Abbreviations

(U) AMCOM	Aviation and Missile Command
(U) AOR	Area of Responsibility
(U) DSCA	Defense Security Cooperation Agency
(U) DTR	Defense Transportation Regulation
(U) EEUM	Enhanced End Use Monitoring
(U) EXORD	Execute Order
(U) KOROVAI	KOROVAI Digital Assistance Registry
(U) LEN	Logistics Enabling Node
(U) LEN-S	Logistics Enabling Node in Slovakia
(U) MASPO	Multi-National Aviation Special Project Office
(U) NATO	North Atlantic Treaty Organization
(U) ODC	Office of Defense Cooperation
(U) PD	Presidential Drawdown
(U) PDA	Presidential Drawdown Authority
(U) UAF	Ukrainian Armed Forces
(U) SAG-U	Security Assistance Group–Ukraine
(U) SOP	Standard Operating Procedures
(U) TSC	Theater Sustainment Command
(U) USAREUR-AF	U.S. Army Europe and Africa
(U) USEUCOM	U.S. European Command
(U) USAI	Ukraine Security Assistance Initiative

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