



441 G St. N.W.  
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Comptroller General  
of the United States

Accessible Version

June 28, 2024

The Honorable Lloyd J. Austin III  
Secretary of Defense  
The Honorable Kathleen H. Hicks  
Deputy Secretary of Defense  
U.S. Department of Defense  
1000 Defense Pentagon  
Washington, D.C. 20301-1000

### Priority Open Recommendations: Department of Defense

Dear Secretary Austin and Deputy Secretary Hicks:

The purpose of this letter is to provide an update on the overall status of the Department of Defense's (DOD) implementation of GAO's recommendations and to call your continued personal attention to areas where open recommendations should be given high priority.<sup>1</sup> We positively note DOD's recent focus on closing recommendations. However, its implementation rate continues to lag behind the government-wide average.

In November 2023, we reported that, on a government-wide basis, 75 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> DOD's recommendation implementation rate was 69 percent. As of June 2024, DOD had 1,447 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

GAO issues both unclassified and classified products with recommendations to DOD that, if unaddressed, could have serious consequences. For example, we have made recommendations related to improving program and portfolio management in such areas as preparedness for biological and chemical threats, strategic nuclear forces, and the defense cyber and information environment.

Further, we have made recommendations related to military force structure in developing new multi-domain units, posture in the Indo-Pacific region, preparing ships to deploy, and implementing DOD's dynamic force employment approach. We have also made

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<sup>1</sup>Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

<sup>2</sup>GAO, *Performance and Accountability Report, Fiscal Year 2023*, [GAO-24-900483](#) (Washington, D.C.: Nov. 15, 2023).

recommendations about DOD's acquisition efforts related to submarines and satellites and DOD's integration efforts related to the defense industrial base.

### **Need for Timely Comments on GAO Draft Reports**

In addition to focusing on implementing GAO's recommendations, I want to call your attention to our ongoing audits assessing DOD's timeliness in reviewing our draft reports. The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 includes a provision for GAO to report, every 6 months over a 2-year period, the extent to which DOD submitted comments to, and sensitivity/security reviews of, GAO reports in a timely manner and in accordance with GAO protocols.<sup>3</sup>

We have issued two reports detailing the timeliness of DOD's reviews. In the first semiannual report, which covered late December 2022 to mid-May 2023, we found that DOD generally did not meet GAO's deadline for providing agency comments and sensitivity or security reviews.<sup>4</sup> Specifically, DOD submitted about half of its agency comments and reviews to GAO after the deadline.

In the second semiannual report, which covered mid-May to mid-November 2023, we found DOD submitted 55 percent of its agency comments and almost 70 percent of its sensitivity reviews to GAO after the deadline.<sup>5</sup> Further, DOD conducted two security reviews, and both were submitted late. I ask for your continued support in addressing these timeliness issues moving forward. Our ability to publish reports to inform congressional oversight can be negatively affected by these delays.

### **Actions to Implement Priority Recommendations**

Since our June 2023 letter, DOD has implemented 19 of our 89 open priority recommendations. DOD's implementation actions address recommendations we made from 2011 through 2021.<sup>6</sup>

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<sup>3</sup>The statute also requires DOD to identify factors that contributed to any delays and to describe plans for improvement in follow-on reports to Congress. See Pub. L. No. 117-263, § 1064 (2022). Sensitivity reviews are conducted to identify sensitive information, such as controlled unclassified information. Reviews for classified information, such as information designated as Secret or Top Secret, are generally referred to as security reviews.

<sup>4</sup>GAO, *DOD Reviews and Responses to GAO Reports: First Semiannual Report Examining Delays*, [GAO-23-106583](#) (Washington, D.C.: Aug. 14, 2023).

<sup>5</sup>GAO, *DOD Reviews and Responses to GAO Reports: Second Semiannual Report Examining Delays*, [GAO-24-106928](#) (Washington, D.C.: Feb. 29, 2024).

<sup>6</sup>The priority status was removed from two 2016 recommendations that relate to ensuring that DOD is better positioned to make informed decisions about the volume and type of services that should be acquired over the future year defense program. Among other activities, DOD issued guidance to begin forecasting budget needs for service acquisitions. In response and according to officials, the Air Force and Navy were working to revise their programming guidance. Because of these actions and a subsequent recommendation we made in 2023 for DOD to specify how to forecast budget needs for service contracts, we removed the priority designation. We have designated the 2023 recommendation as a new priority one. We will continue to monitor DOD's implementation efforts. GAO, *DOD Service Acquisition: Improved Use of Available Data Needed to Better Manage and Forecast Service Contract Requirements*, [GAO-16-119](#) (Washington, D.C.: Feb. 18, 2016).

- DOD has taken several steps to improve its leadership commitment to preventing and responding to incidents of sexual harassment, addressing one of our recommendations.<sup>7</sup> In policy guidance, for example, DOD has directed that components' harassment prevention and response programs incorporate compliance standards for promoting, supporting, and enforcing policies, plans, and programs. Further, DOD's plan of action highlights leadership responsibility for ensuring an environment free from harm and abuse and specifies department responsibility for holding leaders accountable. Collectively, DOD's actions will help ensure there is a mechanism by which to hold military leaders accountable for identifying issues like sexual harassment and taking the actions necessary to address them.
- The Missile Defense Agency has implemented two of our recommendations.<sup>8</sup> Specifically, it began identifying all program lifecycle costs in the annual acquisition baseline reporting. It also included an appendix wherein changes to the content and cost of each program baseline can be traced back to when they were first established. The Missile Defense Agency's actions provide Congress and DOD with the necessary insight into each program's financial commitments for informed decision-making and oversight.
- DOD has taken several actions to improve its use of portfolio management for its weapon system investments, addressing one of our recommendations.<sup>9</sup> For example, DOD assigned responsibility for key aspects of portfolio management to the Under Secretary of Defense for Acquisition and Sustainment. Also, DOD updated its capability portfolio management policy requiring that key information from the requirements, acquisition, and budget processes be integrated to support decision-making.<sup>10</sup> Collectively, DOD's actions will help the department identify potentially duplicative capabilities or systems, evaluate trade-offs to address those inefficiencies, and focus on portfolios of programs that might provide greater military capability at lower risk or cost.
- DOD chartered the Services Acquisition Executive Steering Committee to enhance its oversight and management of cross-functional issues with military service acquisitions, addressing one of our recommendations.<sup>11</sup> Among other things, the committee will coordinate on planning and developing policy for military service contracting, including how to implement planned actions to forecast contract spending. DOD's actions will help reduce the risk of collecting inconsistent data across the department on future service contract spending needs.

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<sup>7</sup>GAO, *Preventing Sexual Harassment: DOD Needs Greater Leadership Commitment and an Oversight Framework*, [GAO-11-809](#) (Washington, D.C.: Sept. 21, 2011).

<sup>8</sup>GAO, *Missile Defense: Opportunity to Refocus on Strengthening Acquisition Management*, [GAO-13-432](#) (Washington, D.C.: Apr. 26, 2013).

<sup>9</sup>GAO, *Weapon System Acquisitions: Opportunities Exist to Improve the Department of Defense's Portfolio Management*, [GAO-15-466](#) (Washington, D.C.: Aug. 27, 2015).

<sup>10</sup>DOD Directive 7045.20, *Capability Portfolio Management* (Sept. 25, 2023).

<sup>11</sup>[GAO-16-119](#).

- DOD has implemented two of our recommendations on sustaining F-35 aircraft.<sup>12</sup> Specifically, DOD worked with the F-35 program’s prime contractor to obtain the data needed to analyze cost and readiness. After analyzing the data, DOD decided to pause its efforts to establish a performance-based logistics contract until cost- and performance-related certifications, among other factors, could be addressed. DOD’s actions will help reduce the risk of overpaying the contractor for sustainment support that does not meet warfighter requirements.
- DOD has implemented four of our recommendations on assessing the department’s management of its real property inventory data.<sup>13</sup> Among other activities, the Army documented its processes for recording real property information, including monitoring activities and remediating any identified deficiencies. The Navy’s actions included publishing procedures, completing 100 percent inventory checks of Navy and Marine Corps assets, and monitoring the application of real property internal controls. Also, DOD reviewed and reduced the number of required data elements in its Real Property Assets Database. DOD also established guidance stating the military services must correct or develop a correction action plan to address discrepancies identified in annual accuracy monitoring reports. DOD’s actions will help improve the completeness and accuracy of the real property inventory data.
- The Navy took multiple actions to address the main factors contributing to maintenance delays and improve the timely completion of ship maintenance at shipyards, addressing one of our recommendations.<sup>14</sup> For example, the Navy developed metrics for the identified drivers of the delays, established a metrics baseline, and set goals for the future. Further, the Navy implemented a digital dashboard to communicate data analysis results to senior leaders. By taking these actions, the Navy can increase the availability of aircraft carriers and submarines to perform needed training and operations.
- DOD implemented two of our recommendations about its need to address governance and oversight issues for electromagnetic spectrum (EMS) operations.<sup>15</sup> Among other actions, DOD designated the department’s Chief Information Officer as responsible for overseeing and executing the 2020 EMS Superiority Strategy Implementation Plan and EMS reforms. Further, the EMS Senior Steering Group developed and proposed multiple reforms, including those encompassing governance and management. DOD’s actions will help the department address governance challenges and achieve strategic goals for EMS superiority.

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<sup>12</sup>GAO, *F-35 Aircraft Sustainment: DOD Needs to Address Challenges Affecting Readiness and Cost Transparency*, [GAO-18-75](#) (Washington, D.C.: Oct. 26, 2017).

<sup>13</sup>GAO, *Defense Real Property: DOD Needs to Take Additional Actions to Improve Management of Its Inventory Data*, [GAO-19-73](#) (Washington, D.C.: Nov. 13, 2018).

<sup>14</sup>GAO, *Navy Shipyards: Actions Needed to Address the Main Factors Causing Maintenance Delays for Aircraft Carriers and Submarines*, [GAO-20-588](#) (Washington, D.C.: Aug. 20, 2020).

<sup>15</sup>GAO, *Electromagnetic Spectrum Operations: DOD Needs to Address Governance and Oversight Issues to Help Ensure Superiority*, [GAO-21-64](#) (Washington, D.C.: Dec. 10, 2020).

- In response to three recommendations, DOD has taken multiple actions to improve its suspense account transactions to strengthen financial reporting.<sup>16</sup> For example, DOD issued a policy memo that, among other things, established a process to provide implementing guidance to components and to Defense Finance and Accounting Service (DFAS) sites whenever new suspense account policy is issued. This memo also outlined specific actions the Office of the Under Secretary of Defense (Comptroller) and DFAS sites should take when new suspense account policy or guidance is issued to ensure they are accurate and up to date. Further, this memo requires components and DFAS sites to assess, identify, and remediate the root causes of suspense account transactions and to implement solutions to regularly address these causes. Collectively, DOD's actions will help improve the reliability of the department's financial reporting of suspense accounts and prevent the accumulation of large suspense account balances.
- The Navy implemented two of our recommendations about the need to evaluate and improve the career path of the Navy's Surface Warfare Officers.<sup>17</sup> Specifically, it issued a corrective action plan to improve the retention rates for these officers and periodically review the plan. Among other activities, the Navy issued a report that details the service's efforts to obtain officer perspectives on career path specialization at all levels. By taking these actions, the Navy is better positioned to improve Surface Warfare Officer retention, capitalize on the significant investments it has made in training these officers, and improve the health and competence of this officer community. Also, the Navy may realize hundreds of millions of dollars in potential financial benefits from improving officer retention as we recommended.

### **Need to Address Open Priority Recommendations**

We ask for your continued attention to the remaining 68 priority recommendations. We are also adding 22 new priority recommendations related to service contracts, financial management, military health care providers, defense articles provided to Ukraine, service member fatigue, sustainment of the missile defense system, the F-35 program, military housing and barracks, and active-duty medical personnel reductions. This brings the total number of priority recommendations to 90. (See the Enclosure for the list of recommendations.)

The 90 priority recommendations fall into the following nine areas.

**Rebuilding Readiness and Force Structure.** Implementing the 30 recommendations in this area would help DOD rebuild and maintain readiness as well as develop the joint force structure needed to execute defense missions. The National Defense Strategy identifies building a resilient joint force and defense ecosystem as one of four defense priorities. Further, it states that the department will effectively provide logistics and sustainment for continuing operations.<sup>18</sup>

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<sup>16</sup>GAO, *Department of Defense: Additional Actions to Improve Suspense Account Transactions Would Strengthen Financial Reporting*, [GAO-21-132](#) (Washington, D.C.: Mar. 25, 2021).

<sup>17</sup>GAO, *Navy Readiness: Actions Needed to Evaluate and Improve Surface Warfare Officer Career Path*, [GAO-21-168](#) (Washington, D.C.: June 17, 2021).

<sup>18</sup>Department of Defense, *2022 National Defense Strategy* (Oct. 27, 2022).

We have made recommendations, among others, about Navy readiness, ship maintenance and shipyards, and assessing DOD's oversight for service member fatigue-related efforts. We have also recommended that DOD reassess multiple F-35 sustainment elements to determine government and contractor responsibility and any required technical data, and to make final decisions on changes to F-35 sustainment to improve performance and affordability. By implementing these recommendations, DOD could address its F-35 program maintenance challenges and reduce costs. Additionally, given the importance of quality housing in maintaining readiness of service members, we have made recommendations related to DOD strengthening oversight of its privatized and barracks housing programs.

**Accident Prevention and Safety.** Implementing the eight recommendations in this area would help the department ensure the safety of service members. DOD's *Annual Performance Plan* describes creating a culture of safety across the department as a performance goal and includes progress toward zero-fatal non-combat mishaps as a performance measure.<sup>19</sup>

We have recommended that DOD take steps to help ensure that standardized aviation mishap data elements are collected by the military services' safety centers. We also recommended that DOD take steps to ensure aviation risk management worksheets for National Guard helicopter units reflect relevant safety information, such as accident data and hazard reporting. By implementing these risk management recommendations, DOD can better ensure its helicopter units have cyclical feedback and are continuously updating a key risk management process consistent with guidance.

**Cybersecurity and the Information Environment.** Implementing these 10 recommendations would assist DOD in addressing malicious cyberspace activity—the scope, pace, and sophistication of which continues to rise globally. In particular, they would drive improvements in weapon systems cybersecurity requirements, work roles, cyber hygiene, personnel vetting, and privacy programs.<sup>20</sup> We recommended, for example, that DOD direct a component to monitor the extent to which practices are implemented to protect the department's network from key cyberattack techniques. By implementing this recommendation, DOD could detect gaps in protecting the department's network.

Additionally, we recommended that DOD revise the development schedule for a key IT system, the National Background Investigation Services system, to meet all the characteristics as defined in best practice guides for scheduling and Agile software development. By implementing this recommendation, DOD could have greater confidence in the system's timeline for completion and improved decision-making for reform efforts in the government-wide personnel vetting process.

**Acquisitions and Contract Management.** Nine of the 13 recommendations in this area, if implemented, would help DOD improve management of its costliest weapon acquisition programs. DOD plans to invest more than \$2 trillion to develop and acquire its costliest weapon

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<sup>19</sup>Department of Defense, *Annual Performance Plan Fiscal Year 2025*.

<sup>20</sup>Cyber hygiene is a set of practices for managing the most common and pervasive cybersecurity risks.

programs.<sup>21</sup> However, DOD continues to struggle with delivering innovative technologies quickly to the warfighter to achieve competitive advantage with potential adversaries. To address this, we recommended, for example, that DOD define a science and technology management framework that includes emphasizing greater use of existing flexibilities to initiate and discontinue projects more quickly to respond to the rapid pace of innovation.

The remaining four recommendations, if implemented, would help DOD improve its management of contracts for goods and services. To address this, we recommended, for example, that the military departments use a balanced set of performance metrics, including outcome-oriented metrics, to manage their procurement organizations. These metrics would measure (a) cost savings/avoidance, (b) timeliness of deliveries, (c) quality of deliverables, and (d) end-user satisfaction. Implementing these recommendations would help to address risks involving contract management and potentially realize a financial benefit of a billion dollars or more by helping DOD identify improvement opportunities, set priorities, and better allocate resources.

**Financial Management.** Implementing the 15 recommendations in this area would move the department closer to its objective of an unmodified (“clean”) department-wide financial audit opinion. DOD reported that annual financial statement audits have been a catalyst for business process and business system reform across the department, resulting in greater financial integrity, increased transparency, and a better supported warfighter. Achieving a clean opinion on the Marine Corps financial statements this past year was an important milestone.

As DOD continues to improve its financial management, it has identified audit priorities such as completing the creation of an authoritative database that captures all accounting system transactions and optimizing asset valuation. We have made multiple recommendations focused on the efforts needed to correct material weaknesses and root causes that contributed to these priorities. Additionally, we recommended that the Air Force develop a systems migration plan to ensure a timelier transition to the Defense Enterprise Accounting and Management system and that DOD limit investments in financial management systems to only what is functionally essential. Implementing these recommendations would help address known systems issues and avoid wasting funds on fixes that might not support longer-term goals.

We have also recommended that DOD develop and implement an enterprise-wide strategy to remediate real property control issues as well as issue verification instructions. By implementing these recommendations, DOD would be better positioned with processes to help ensure accurate real property records and auditable information.

**Enterprise-Wide Business Reform.** Implementing the three recommendations in this area would help DOD reform its business operations to achieve greater performance and efficiencies. For example, we recommended that DOD routinely and comprehensively monitor and evaluate ongoing efficiency initiatives. This includes establishing baselines from which to measure progress, periodically reviewing progress made, and evaluating results. By implementing this recommendation, DOD could ensure that it is achieving the desired outcomes of its performance improvement initiatives.

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<sup>21</sup>GAO, *Weapon Systems Annual Assessment: DOD Is Not Yet Well-Positioned to Field Systems with Speed*, [GAO-24-106831](#) (Washington, D.C.: June 17, 2024).

**Health Care.** Implementing the eight recommendations in this area would better position DOD to reduce or manage duplication, improve efficiencies and procedures related to providers, assess the effects of active-duty medical personnel reductions, and reduce improper payments dispensed through its health program, TRICARE. In its *Fiscal Year 2023 Agency Financial Report*, DOD reported preventing and recovering improper payments as among the department's top priorities. In its 2023 report, DOD also identified TRICARE related programs that should undergo a risk assessment to determine susceptibility to improper and unknown payments above a certain threshold.

To address improper payments, we recommended that DOD implement a more comprehensive methodology to measure them that includes medical record reviews. We also recommended that DOD develop more robust corrective action plans that address the underlying causes of these improper payments. By implementing these recommendations, DOD could identify root causes and take steps to address them.

**Preventing Sexual Harassment.** Unwanted sexual behaviors in the military undermine core values, unit cohesion, combat readiness, and public goodwill. These behaviors include sexual harassment, sexual assault, and domestic violence involving sexual assault. We have issued numerous reports and related recommendations to DOD to better prevent and respond to these behaviors.

Implementing the priority recommendation in this area would help DOD enhance oversight of its program to help prevent and to address incidents of sexual harassment involving service members. Specifically, we recommended that the department develop and aggressively implement an oversight framework to help guide the department's efforts. By implementing this recommendation, DOD could improve its response to incidents of sexual harassment.

**Strengthening Diversity, Equity, and Inclusion.** Implementing the two recommendations in this area would strengthen the department's diversity, equity, and inclusion programs. For example, we recommended that DOD provide guidance to the military services on recruitment and retention efforts of female active-duty service members. We also recommended that DOD conduct an evaluation to identify and take steps to address the causes of any racial and gender disparities in the military justice system. By implementing these recommendations, DOD could help ensure it is maintaining a ready force and that there is fairness in the military justice system.

As the auditor of the consolidated financial statements of the U.S. government, and as noted above, I have observed that DOD has not achieved a clean audit opinion on its department-wide financial statements because of serious financial management problems. These limitations on the audit opinion and underlying internal control weaknesses, as well as related auditor recommendations, are important issues. I encourage you to continue to address them.

In April 2023, we issued our biennial update to our [High-Risk List](#). This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges.<sup>22</sup> DOD bears primary responsibility for five of

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<sup>22</sup>GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).



our high-risk areas: [DOD Weapon Systems Acquisition](#), [DOD Financial Management](#), [DOD Business Systems Modernization](#), [DOD Approach to Business Transformation](#), and [DOD Contract Management](#). Further, DOD has key responsibilities under the [government-wide personnel security clearance process](#) high-risk area.

Several other government-wide, high-risk areas also have direct implications for DOD and its operations. These areas include (1) [improving the management of IT acquisitions and operations](#), (2) [strategic human capital management](#), (3) [managing federal real property](#), and (4) [ensuring the cybersecurity of the nation](#).

In addition to DOD's high-risk areas, we urge your continued attention to the other government-wide, high-risk issues as they relate to DOD. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including within DOD. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.<sup>23</sup>

We also recognize the key role Congress plays in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 included a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.<sup>24</sup>

Congress can use various strategies to address our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on DOD's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress could follow up during the appropriations process and request periodic updates.

Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

Copies of this report are being sent to the Director of OMB and the appropriate congressional committees. In addition, the report will be available on the GAO website at [Priority Open Recommendation Letters | U.S. GAO](#).

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<sup>23</sup>GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

<sup>24</sup>James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389, at 43 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

I appreciate DOD's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Cathleen A. Berrick, Managing Director, Defense Capabilities and Management, at (202) 512-3404 or [berrickc@gao.gov](mailto:berrickc@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all the 1,447 open recommendations, as well as those additional recommendations in the high-risk areas for which DOD has a leading role. Thank you for your attention to these matters.

Sincerely,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Gene L. Dodaro  
Comptroller General  
of the United States

Enclosure

cc: The Honorable Shalanda Young, Director, Office of Management and Budget  
The Honorable Christine E. Wormuth, Secretary of the Army  
The Honorable Carlos Del Toro, Secretary of the Navy  
The Honorable Frank Kendall, Secretary of the Air Force  
General Randy A. George, Chief of Staff of the Army  
Admiral Lisa Franchetti, Chief of Naval Operations  
General David W. Allvin, Chief of Staff of the Air Force  
General Eric M. Smith, Commandant of the Marine Corps  
The Honorable William A. LaPlante, Under Secretary of Defense for Acquisition and Sustainment  
The Honorable Heidi Shyu, Under Secretary of Defense for Research and Engineering  
Ashish S. Vazirani, Acting Under Secretary of Defense for Personnel and Readiness  
The Honorable Michael J. McCord, Under Secretary of Defense (Comptroller)/Chief Financial Officer

Amanda Dory, Acting Under Secretary of Defense for Policy

Jennifer C. Walsh, Performance Improvement Officer & Director, Administration and Management

The Honorable Susanna V. Blume, Director, Cost Assessment and Program Evaluation

The Honorable Dr. Lester Martinez-Lopez, Assistant Secretary of Defense for Health Affairs

The Honorable Kristyn E. Jones, Assistant Secretary of the Air Force (Financial Management and Comptroller)

David M. Cattler, Director, Defense Counterintelligence and Security Agency

Vice Admiral Jon A. Hill, Director, Missile Defense Agency

James A. Hursch, Director, Defense Security Cooperation Agency

John Sherman, Department of Defense Chief Information Officer

Sean J. Burke, Executive Director, F-35 Lighting II Joint Program Office

Lieutenant General Michael J. Schmidt, Program Executive Officer, F-35 Lighting II Joint Program Office

## Enclosure

### Priority Open Recommendations to the Department of Defense

#### Rebuilding Readiness and Force Structure

*Navy Ship Maintenance: Actions Needed to Monitor and Address the Performance of Intermediate Maintenance Periods.* [GAO-22-104510](#). Washington, D.C.: February 8, 2022.

**Year Recommendation Made:** 2022

**Recommendation:** The Secretary of the Navy should ensure that the Navy's maintenance-related strategic planning and initiatives, such as the Navy's Performance to Plan efforts, include issues associated with the performance of intermediate maintenance periods.

**Actions Needed:** The Navy agreed with this recommendation. As of March 2024, the Navy stated that it will leverage the Performance to Plan and Naval Sustainment System forums to drive improvements to maintenance as a whole, encompassing both intermediate and depot level maintenance. The Navy also said that intermediate maintenance periods will be included in the strategic planning and initiatives for surface ships, submarines, and aircraft carriers. If implemented, the Navy will be better positioned to increase the readiness of submarines, surface ships, and aircraft carriers needed to perform their missions.

**Director:** Diana Maurer, Defense Capabilities and Management

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*Naval Shipyards: Actions Needed to Improve Poor Conditions that Affect Operations.* [GAO-17-548](#). Washington, D.C.: September 12, 2017.

**Year Recommendation Made:** 2017

**Recommendation:** The Secretary of the Navy should develop a comprehensive plan for shipyard capital investment that establishes (1) the desired goal for the shipyards' condition and capabilities; (2) an estimate of the full costs to implement the plan, addressing all relevant requirements, external risk factors, and associated planning costs; and (3) metrics for assessing progress toward meeting the goal that include measuring the effectiveness of capital investments.

**Actions Needed:** The Navy agreed with this recommendation. The Navy produced a Shipyard Infrastructure Optimization Plan in February 2018 to guide the improvement of naval shipyards. The plan includes some preliminary goals for desired conditions and capabilities but lacks clear metrics for how they plan to measure progress towards these goals. Also, the plan includes a preliminary cost estimate, but work is underway to determine the full costs to address all relevant requirements, risk factors, and planning costs.

Further, the plan identifies risks that could increase costs but does not identify solutions to address those risks. According to Navy officials, they will develop plans to address the risks in subsequent phases of the planning effort. In February 2023, Navy officials shared that they have developed several metrics which they used to develop the infrastructure plan at one shipyard. Officials have stated they intend to use the same metrics in future shipyard plans. As of February 2024, the Navy was developing a document that would establish the goals of the Shipyard Infrastructure Optimization Plan program. They anticipate completing this in

September 2024. Additionally, the Navy is developing shipyard-specific plans to guide project development. However, these plans will not be complete until 2026.

To fully implement this recommendation the Navy should consistently use metrics to gauge progress in planning and implementing the Shipyard Infrastructure Optimization Plan. Implementing this recommendation by developing a more comprehensive cost estimate and metrics for assessing progress would help ensure that key decision makers and Congress have the information they need to assess the effectiveness of the Navy's capital investment program at the shipyards.

**Director:** Diana Maurer, Defense Capabilities and Management

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*Navy Force Structure: Sustainable Plan and Comprehensive Assessment Needed to Mitigate Long-Term Risks to Ships Assigned to Overseas Homeports.* [GAO-15-329](#). Washington, D.C.: May 29, 2015.

**Year Recommendation Made:** 2015

**Recommendation:** To balance combatant commanders' demands for forward presence with the Navy's needs to sustain a ready force over the long term and identify and mitigate risks consistent with Federal Standards for Internal Control, the Secretary of Defense should direct the Secretary of the Navy to, to fully implement its optimized fleet response plan, develop and implement a sustainable operational schedule for all ships homeported overseas.

**Actions Needed:** DOD agreed with this recommendation. As of October 2020, the Navy approved a change to the operational schedule for ships homeported in Japan and other overseas homeports and included this change in Navy guidance for the Optimized Fleet Response Plan.

In September 2022, the Navy began a comprehensive review of the Optimized Fleet Response Plan. In January 2023, a Navy official told us that ships homeported overseas were adhering to the revised Optimized Fleet Response Plan schedule but did not maintain historical documentation to demonstrate adherence.

To fully implement this recommendation, the Navy should complete its ongoing review and assessment of the Optimized Fleet Response Plan to include codifying a sustainable operational schedule for ships homeported overseas with data demonstrating adherence. As of January 2024, and according to Navy's corrective action plan, the Navy planned to complete its assessment and make related policy changes by July 30, 2024. In April 2024, a DOD official confirmed that there was no change to the Navy's planned actions.

Without an operational schedule that balances presence demands and long-term sustainability for ships homeported overseas, the Navy risks continuing the pattern of deferred ship maintenance, which leads to higher maintenance costs over the long term and threatens achievement of full ship service lives.

**Director:** Diana Maurer, Defense Capabilities and Management

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*Navy Readiness: Additional Efforts Are Needed to Manage Fatigue, Reduce Crewing Shortfalls, and Implement Training.* [GAO-21-366](#). Washington, D.C.: May 27, 2021.

## Year Recommendations Made: 2021

### Recommendations:

- The Secretary of the Navy should ensure that the Office of Chief of Naval Operations and the Commander, U.S. Fleet Forces Command and Commander, U.S. Pacific Fleet use collected data on sailor fatigue to identify, monitor, and evaluate factors that contribute to fatigue and inadequate sleep such as the effects of crew shortfalls, work requirements, administrative requirements, and collateral duties.
- The Secretary of the Navy should ensure that the Office of Chief of Naval Operations and the Commander, U.S. Fleet Forces Command and Commander, U.S. Pacific Fleet take actions to address the factors causing sailor fatigue and inadequate sleep.
- The Secretary of the Navy should ensure that the Office of Chief of Naval Operations and the Commander, U.S. Fleet Forces Command and Commander, U.S. Pacific Fleet establish a process for identifying and assisting units that have not implemented its fatigue management policy.

**Actions Needed:** DOD agreed with all three recommendations.

With respect to the first recommendation, the Navy began two pilot programs in 2020 to (1) collect biometric sleep, activity, and health data to provide near real-time information; and (2) develop a system to leverage biometric data and assist with sailor workload planning and fatigue management. As of October 2023, the Navy expected to complete testing of these programs in 2024. According to officials, these programs show promise for their ability to identify fatigue issues and mitigate risks in real time, but both are limited from further expansion due to a lack of dedicated funding. As of April 2024, the Navy had provided no updates on its efforts to address this recommendation. To fully implement the recommendation, the Navy should reconcile the lack of funding for the pilot programs and determine how it will collect more complete and actionable fatigue data.

With respect to the second recommendation, the Navy's fiscal year 2022 Afloat Safety Climate Assessment Survey found that workload and uncomfortable mattresses, respectively, are the two leading factors causing inadequate sleep and fatigue. As of October 2023, the Navy had not addressed the enduring personnel shortfalls causing heavy workload or the issue of uncomfortable mattresses. As of April 2024, the Navy stated that it had directed all ships to replace mattresses during their maintenance phase. To fully implement this recommendation, the Navy should address personnel shortfalls and replace existing mattresses on all ships.

With respect to the third recommendation and as of October 2023, the Navy had instituted changes to identify and assist ships in managing fatigue, including debriefs with ship leadership on survey results, and both external and self-assessments of ships' implementation of crew endurance policy. As of April 2024, the Navy had provided no updates on its efforts to address this recommendation. To fully implement this recommendation, the Navy should gain more experience with its external and self-assessment efforts and collect more actionable data from fatigue-monitoring pilot programs to ensure that it has an established process for identifying and assisting units with fatigue issues.

Implementing these recommendations would help address the Navy's acute readiness challenges.

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*Military Readiness: Comprehensive Approach Needed to Address Service Member Fatigue and Manage Related Efforts.* [GAO-24-105917](#). Washington, D.C.: March 26, 2024.

**Year Recommendation Made:** 2024

**Recommendation:** The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness conducts an assessment of DOD's oversight structure for fatigue-related efforts. This assessment should identify and delegate authority to an office with sufficient authority, sufficient staffing and resources, and committed leadership to act as a focal point for and oversee all DOD-wide fatigue-related efforts. *(New Priority Recommendation for 2024)*

**Actions Needed:** DOD agreed with this recommendation. To fully implement it, DOD should address challenges with (1) organizational authority, (2) the framework used to implement and oversee fatigue-related efforts, and (3) overseeing the services' implementation of their responsibilities to help prevent and mitigate the effects of fatigue. Specifically, DOD should assess the department's oversight structure and identify an office or an individual with sufficient authority, sufficient staffing and resources, and committed leadership to oversee the implementation of the department's health promotion and disease prevention guidance and other fatigue-related efforts.

Implementing this recommendation would help DOD assign leaders capable of ensuring that the department has a culture that views sleep patterns as a key indicator of readiness and implements efforts across the department to effectively limit service member fatigue.

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*F-35 Aircraft: DOD and the Military Services Need to Reassess the Future Sustainment Strategy.* [GAO-23-105341](#). Washington, D.C.: September 21, 2023.

**Year Recommendations Made:** 2023

**Recommendations:**

- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in consultation with the Secretary of the Navy, the Secretary of the Air Force, and the F-35 Joint Program Office, reassesses the approach for the F-35's information technology systems continuous support sustainment element, to determine: (1) whether the government or contractor should assume primary responsibility; (2) what changes, if any, the Navy and Air Force should make to the leadership, responsibility, and oversight of specific sustainment activities; (3) what intellectual property the Navy and Air Force require to support any changes, including all critical technical data needs, their associated costs, and milestones to acquire the data; and (4) any Navy and Air Force resources needed to implement any changes. *(New Priority Recommendation for 2024)*

- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in consultation with the Secretary of the Navy, the Secretary of the Air Force, and the F-35 Joint Program Office, reassesses the approach for the F-35's maintenance planning and management sustainment element, to determine: (1) whether the government or contractor should assume primary responsibility of the element for the Air Force and Navy, (2) what changes, if any, the Navy and Air Force should make to the leadership, responsibility, and oversight of specific sustainment activities, (3) what intellectual property the Navy and Air Force require to support any changes, including all critical technical data needs, their associated costs, and milestones to acquire the data, and (4) any Navy and Air Force resources needed to implement any changes. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in consultation with the Secretary of the Navy, the Secretary of the Air Force, and the F-35 Joint Program Office, reassesses the approach for the F-35's supply support sustainment element, to determine: (1) whether the government or contractor should assume primary responsibility of the element for the Navy and Air Force, (2) what changes, if any, the Navy and Air Force should make to the leadership, responsibility, and oversight of specific sustainment activities, (3) what intellectual property the Navy and Air Force require to support any changes, including all critical technical data needs, their associated costs, and milestones to acquire the data, and (4) any Navy and Air Force resources needed to implement any changes. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in consultation with the Secretary of the Navy, the Secretary of the Air Force, and the F-35 Joint Program Office, reassesses the approach for the F-35's support equipment sustainment element, to determine: (1) whether the government or contractor should assume primary responsibility of the element for the Navy and Air Force, (2) what changes, if any, the Navy and Air Force should make to the leadership, responsibility, and oversight of specific sustainment activities, (3) what intellectual property the Navy and Air Force require to support any changes, including all critical technical data needs, their associated costs, and milestones to acquire the data, and (4) any Navy and Air Force resources needed to implement any changes. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in consultation with the Secretary of the Navy, the Secretary of the Air Force, and the F-35 Joint Program Office, reassesses the approach for the F-35's sustaining engineering sustainment element, to determine: (1) whether the government or contractor should assume primary responsibility of the element for the Navy and Air Force, (2) what changes, if any, the Navy and Air Force should make to the leadership, responsibility, and oversight of specific sustainment activities, (3) what intellectual property the Navy and Air Force require to support any changes, including all critical technical data needs, their associated costs, and milestones to acquire the data, and (4) any Navy and Air Force resources needed to implement any changes. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in consultation with the Secretary of the Navy, the Secretary of the Air Force, and the F-35 Joint Program Office, reassesses the approach for the F-35's training and training support sustainment element, to determine: (1) whether the government or contractor should assume primary responsibility of the element for the Navy and Air Force,



(2) what changes, if any, the Navy and Air Force should make to the leadership, responsibility, and oversight of specific sustainment activities, (3) what intellectual property the Navy and Air Force require to support any changes, including all critical technical data needs, their associated costs, and milestones to acquire the data, and (4) any Navy and Air Force resources needed to implement any changes. *(New Priority Recommendation for 2024)*

- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, in consultation with the Secretary of the Navy, the Secretary of the Air Force, and the F-35 Joint Program Office, reassesses the approach for the F-35's technical data sustainment element, to determine: (1) whether the government or contractor should assume primary responsibility of the element for the Navy and Air Force, (2) what changes, if any, the Navy and Air Force should make to the leadership, responsibility, and oversight of specific sustainment activities, (3) any critical technical data needs for the Navy and Air Force, their associated costs, and milestones to acquire them, and (4) any Navy and Air Force resources needed to implement any changes. *(New Priority Recommendation for 2024)*

**Actions Needed:** DOD agreed with all seven recommendations. As of April 2024, DOD had established implementation teams to address the transfer of F-35 sustainment elements—information technology (Recommendation (1), maintenance (Recommendation (2), supply (Recommendation (3), support equipment (Recommendation (4), training (Recommendation (6), and technical data (Recommendation (7)—to the military services from the F-35 Joint Program Office. Generally, these implementation teams are working to identify requirements, funding, timelines, and milestones to support the transfer of sustainment elements to the military services, as well as to support any of the co-related implementation teams.

DOD aims for the maintenance, supply, and technical data sustainment elements for the F-35 to achieve initial operation capability with the military services by fiscal year 2027. DOD plans to transfer the information technology, support equipment, and training sustainment elements for the F-35 after fiscal year 2027. DOD stated that the engineering sustainment support element (Recommendation (5) will remain with the F-35 Joint Program Office because the element is closely tied to on-going acquisition and development activities for the F-35.

To fully implement all seven recommendations, DOD's implementation teams and decision-makers should determine whether the government or contractor should assume primary responsibility for each of the seven sustainment elements, what specific changes should be made, and any associated resources needed to implement any changes. Implementing these seven recommendations could help DOD address F-35 maintenance challenges and potentially improve F-35 aircraft availability and reduce sustainment costs.

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*F-35 Aircraft Sustainment: DOD Needs to Address Substantial Supply Chain Challenges.* [GAO-19-321](#). Washington, D.C.: April 25, 2019.

**Year Recommendation Made:** 2019

**Recommendation:** The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, together with the F-35 Program Executive Officer, the

Secretaries of the Air Force and Navy, and the Commandant of the Marine Corps, clearly defines the strategy by which DOD will manage the F-35 supply chain in the future and update key strategy documents accordingly, to include any additional actions and investments necessary to support that strategy.

**Actions Needed:** DOD agreed with this recommendation. In January 2023, the department provided a plan for the transfer of planning, management, and execution of F-35 sustainment (and acquisition) from the F-35 Joint Program Office to the military departments, as required by the National Defense Authorization Act for Fiscal Year 2022. DOD's report emphasizes the importance of (1) the military departments having a greater degree of ownership and accountability in planning, managing, and executing the sustainment functions for the F-35; (2) the military departments leveraging their existing expertise, capability, and capacity in the sustainment of the F-35; and (3) the department normalizing F-35 sustainment through reinforcing departmental best practices and integrating them with established departmental processes.

However, DOD's plan provided no additional details regarding the military departments' plans to manage or resource supply support and the F-35 supply chain. In May 2024, a cognizant official in the Office of the Assistant Secretary of Defense for Sustainment stated that DOD is actively determining its approach to managing F-35 sustainment, including its supply chain.

To fully implement this recommendation, DOD should clearly define the strategy by which it will manage the F-35 supply chain in the future and update key strategy documents accordingly. This definition should include determining the roles of both the prime contractor and DOD in managing the supply chain and the investments in technical data needed to support DOD-led management. Until DOD implements this recommendation and clearly defines its strategy for managing the F-35 supply chain in the future—to include any additional actions and investments necessary to support that strategy—the F-35 program will lack the certainty and unity of effort needed to meaningfully improve supply chain performance and reduce costs.

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*F-35 Sustainment: Need for Affordable Strategy, Greater Attention to Risks, and Improved Cost Estimates.* [GAO-14-778](#). Washington, D.C.: September 23, 2014.

**Year Recommendations Made:** 2014

### **Recommendations:**

- To help DOD address key risks to F-35 affordability and operational readiness, and to improve the reliability of its Operating and Support (O&S) cost estimates for the life cycle of the program, the Secretary of Defense should direct the F-35 Program Executive Officer, to enable DOD to better identify, address, and mitigate performance issues with the Autonomic Logistics Information System (ALIS) that could have an effect on affordability, as well as readiness, to establish a performance-measurement process for ALIS that includes, but is not limited to, performance metrics and targets that (1) are based on intended behavior of the system in actual operations and (2) tie system performance to user requirements.
- To help DOD address key risks to F-35 affordability and operational readiness, and to improve the reliability of its O&S cost estimates for the life cycle of the program, the

Secretary of Defense should direct the F-35 Program Executive Officer, to promote competition, address affordability, and inform its overarching sustainment strategy, to develop a long-term Intellectual Property (IP) Strategy to include, but not be limited to, the identification of (1) current levels of technical data rights ownership by the federal government and (2) all critical technical data needs and their associated costs.

**Actions Needed:** DOD agreed with both recommendations. Since January 2020, DOD has been in the process of upgrading the F-35's ALIS. Upon completion, DOD plans to rename the system the Operational Data Integrated Network. According to a DOD official, based on the current transition timeline, implementation of a performance-measurement capability will not take place until the end of calendar year 2024.

Additionally, according to a DOD official, the F-35 program's Joint Program Office has been working for years on developing an IP Strategy for the F-35. However, the development of such a strategy depends on the program having a clear understanding of what sustainment work the government will perform, and what sustainment work contractors will perform. As of February 2024, according to an official, DOD is finalizing an update to the F-35 Life Cycle Sustainment Plan that will include an Intellectual Property section. The planned release date of the updated Life Cycle Sustainment Plan is late calendar year 2024. However, according to an official, the broader program strategy related to the future balance of government and contractor roles in F-35 sustainment is under review and underpins any future IP for the program.

Until DOD develops and implements a performance-measurement process for the F-35's logistics system of record, the department will not be positioned to address and mitigate performance issues that could be affecting affordability and readiness. Furthermore, until DOD develops an IP Strategy for the F-35 program, the department will not know the critical aspects of technical data ownership, needs, and associated costs that could help shape the future of sustainment for the aircraft.

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*Missile Defense: DOD Needs to Improve Oversight of System Sustainment and Readiness.* [GAO-23-105578](#). Washington, D.C.: June 7, 2023.

**Year Recommendation Made:** 2023

**Recommendation:** The Secretary of Defense should develop comprehensive guidance for sustaining the Missile Defense System (MDS) and incorporate this guidance into MDS governance policy documents. This guidance should include designating a specific entity with responsibility for overseeing the sustainment of the entire MDS and establishing a process for prioritizing and addressing sustainment challenges among the military services and the Missile Defense Agency (MDA). (*New Priority Recommendation for 2024*)

**Actions Needed:** DOD agreed with this recommendation. As of May 2024, DOD's corrective action plan stated that the department will include comprehensive guidance in a forthcoming policy directive about missile defense system policies and governance. DOD estimates completing this policy directive by the end of the 2024 calendar year.

To fully implement this recommendation, DOD's forthcoming policy directive should (1) designate a specific entity within the department with responsibility for overseeing the

sustainment of the entire MDS and (2) establish a process for prioritizing and addressing sustainment challenges among the military services and the MDA. Implementing this recommendation will help DOD have reasonable assurance that it can sustain MDS elements and infrastructure to address missile defense threats.

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*Southwest Border Security: Actions Are Needed to Address the Cost and Readiness Implications of Continued DOD Support to U.S. Customs and Border Protection.* [GAO-21-356](#). Washington, D.C.: February 23, 2021.

**Year Recommendation Made:** 2021

**Recommendation:** The Secretary of Defense, together with the Secretary of Homeland Security, should define a common outcome for DOD's support to the Department of Homeland Security (DHS), consistent with best practices for interagency collaboration, and articulate how that support will enable DHS to achieve its southwest border security mission in fiscal year 2021 and beyond.

**Actions Needed:** DOD disagreed with this recommendation. DOD expressed concern that developing a common outcome with DHS for DOD support beyond fiscal year 2021 could create an impression that DOD has a border security mission, among other things. We agree that DOD is not responsible for the border security mission and stated this point throughout our report. However, given DOD's continued support to DHS on the southwest border and the continuing disagreement between the two agencies regarding the intended outcome of that support, we maintain that establishing a common outcome for DOD's support, consistent with best practices for interagency collaboration, is needed.

As of May 2024, DOD continued to disagree with this recommendation and had not provided updates on its actions.

Implementing this recommendation would help DOD more effectively plan for the resources it will need to support DHS, enable DHS to plan to manage its border security mission more effectively with its own assets, and minimize the risks posed by DOD's continued operations on the southern border.

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*Littoral Combat Ship: Actions Needed to Address Significant Operational Challenges and Implement Planned Sustainment Approach.* [GAO-22-105387](#). Washington, D.C.: February 24, 2022.

**Year Recommendations Made:** 2022

**Recommendations:**

- The Secretary of the Navy should ensure that the Littoral Combat Ship (LCS) program office, in coordination with the Chief of Naval Operations, develops a comprehensive plan, including estimated costs and time frames, for addressing deficiencies in the seaframes,

performing adequate testing of mission modules, and implementing lessons learned from completed deployments.

- The Secretary of the Navy should ensure that the Chief of Naval Operations, to the extent practicable, makes future operational deployments contingent on demonstrated progress in addressing gaps between desired and demonstrated capabilities.

**Actions Needed:** The Navy agreed with both recommendations. With respect to the first recommendation, the Navy reported in January 2022 that it had merged the LCS Strike Team into the newly established Task Force LCS to identify reliability issues with both LCS variants. The Navy also reported that the surface warfare mission package has completed operational testing and achieved initial operational capability.

The Navy planned to complete formal testing aboard the LCS and achieve initial operational capability for the anti-submarine warfare and mine countermeasures mission packages by the end of fiscal year 2022. Further, the Navy planned to conduct additional testing of the anti-submarine warfare and mine countermeasure mission packages based in part on the Director, Operational Test and Evaluation's Integrated Evaluation Framework Process. Navy officials said that lessons learned from these testing efforts, as well as Task Force LCS's efforts to identify reliability issues, should inform the development of a comprehensive plan to address deficiencies in the seaframes and implement lessons learned from completed deployments.

As of April 2024, the Navy had not provided updates on its actions. To fully implement this recommendation, the comprehensive plan should include estimated costs and time frames for addressing these deficiencies.

With respect to the second recommendation, Navy officials stated in January 2022 that some planned operational deployments had been paused, pending correction of performance challenges. Navy officials told us that Navy Commanders began conducting recurring readiness briefs to address and resolve identified issues prior to operational deployments. Navy officials stated that they plan to complete actions to address this recommendation by the first quarter of fiscal year 2024.

As of April 2024, the Navy had not provided updates on its actions. To fully implement this recommendation, the Navy should document that it has demonstrated progress in addressing gaps between desired and demonstrated capabilities.

By identifying and taking corrective actions to address performance challenges and resolve issues prior to operational deployments, the Navy can begin to address gaps between desired and demonstrated capabilities for the LCS.

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*Northern Triangle: DOD and State Need Improved Policies to Address Equipment Misuse.*

[GAO-23-105856](#). Washington, D.C.: November 2, 2022.

**Year Recommendation Made:** 2023

**Recommendation:** The Secretary of Defense, in consultation with the Secretary of State, should evaluate DOD's Golden Sentry program to identify whether the program provides

reasonable assurance, to the extent practicable, that DOD-provided equipment is only used for its intended purpose and develop a plan to address any deficiencies identified in the evaluation.

**Actions Needed:** DOD agreed with this recommendation. As of March 2024, DOD was implementing an evaluation of the Golden Sentry program. To fully implement this recommendation, DOD should evaluate the current design of the Golden Sentry program to determine whether it responds to a legal requirement that the program provides, to the extent practicable, a reasonable assurance that recipients of equipment provided by DOD under the Arms Export Control Act or the Foreign Assistance Act are using the equipment for its intended purposes.

If DOD determines that the program is not providing such reasonable assurance, the department should develop a plan to address any identified gaps in the program. Taking these actions would help DOD (1) ensure that such equipment is only used for authorized purposes and (2) consistently identify incidents of potential misuse.

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*Ukraine: DOD Should Improve Data for Both Defense Article Delivery and End-Use Monitoring. GAO-24-106289.* Washington, D.C.: March 13, 2024.

**Year Recommendations Made:** 2024

**Recommendations:**

- The Secretary of Defense should formally evaluate the modified End Use Monitoring (EUM) requirements and practices in Ukraine to ensure they are meeting program objectives and use the results of the assessment to update requirements for monitoring defense articles in a hostile environment, as appropriate. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should instruct the Defense Security Cooperation Agency (DSCA) to develop a plan to track the status of routine EUM items provided under the Presidential Drawdown Authority (PDA) in DOD data systems. *(New Priority Recommendation for 2024)*

**Actions Needed:** DOD agreed with both recommendations. To fully implement the first recommendation, DOD should formally assess whether its adjustments for conducting EUM in a hostile environment are meeting its objective of ensuring that defense articles provided to Ukraine are used for the purposes for which they were provided. Completing this assessment would help DOD (1) make informed policy adjustments going forward and (2) ensure that EUM program objectives are being met not only in Ukraine, but also in other locations where the hostile environment policy may someday become relevant.

To fully implement the second recommendation, DSCA should develop a plan that better tracks the status of routine EUM items in DOD's data system of record for end use monitoring. Developing this plan will help DOD (1) account for certain critical defense articles delivered to Ukraine, (2) guard against misuse and undetected diversion until new data systems become operational, and (3) build its new delivery tracking system.

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*Military Housing: DOD Can Further Strengthen Oversight of Its Privatized Housing Program.* [GAO-23-105377](#). Washington, D.C.: April 6, 2023.

## **Year Recommendations Made: 2023**

### **Recommendations:**

- The Secretary of Defense should ensure that the Deputy Assistant Secretary of Defense for Housing, in collaboration with the military departments, develops a mechanism to collect and incorporate resident feedback on the formal dispute resolution process and the tenant advocate position. This mechanism could be included as part of the department's ongoing effort to develop metrics to evaluate the effectiveness of statutory requirements related to the privatized military housing program. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that the Deputy Assistant Secretary of Defense for Housing completes the Office of the Secretary of Defense's study of military housing personnel needs, and establishes deadlines for submitting a report to Congress evaluating the shortage of civilian personnel performing oversight functions at DOD's military housing offices. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that the Deputy Assistant Secretary of Defense for Housing establishes a department-wide turnover inspection guidance that includes clear and consistent inspection standards for assigning ratings to each of the components evaluated in the turnover maintenance checklist. *(New Priority Recommendation for 2024)*

**Actions Needed:** DOD agreed with all three recommendations. In addition, section 2825 of the National Defense Authorization Act for Fiscal Year 2024 required DOD to implement these recommendations or provide a report to Congress explaining non-implementation.

With respect to the first recommendation, an Office of the Deputy Assistant Secretary of Defense for Housing (ODASD(H)) official reported as of May 2024 that this office is collaborating with the military departments to develop a mechanism to collect and incorporate tenant feedback on the formal dispute resolution process and the tenant advocate. Once this collaboration is complete, the ODASD(H) plans to publish the new mechanism via appropriate means, such as a policy or survey, by September 30, 2024. Implementing this recommendation would help DOD ensure that the formal dispute resolution process and the resident advocate position are achieving their intended results.

With respect to the second recommendation, ODASD(H) acknowledged in May 2024 the importance of completing a housing manpower analysis and reporting the department-wide findings to Congress in response to a requirement set out in section 3041 of the National Defense Authorization Act for Fiscal Year 2020. Therefore, ODASD(H) tasked the military departments to complete their housing manpower analysis by summer, and estimates completing and transmitting the final report to Congress by October 31, 2024. Implementing this recommendation would help assure DOD that it has an appropriate number of positions to oversee privatized military housing.

With respect to the third recommendation, an ODASD(H) official reported as of May 2024 that this office is collaborating with the military departments to update department-wide turnover inspection guidance that includes clear and consistent inspection standards for assignment of

ratings by component. Afterwards, ODASD(H) plans to publish this updated guidance by July 31, 2024. Implementing this recommendation would help DOD reduce friction between housing offices and private housing companies, clarify processes for residents, and reduce the potential for unintended impacts on the financial health of some projects.

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*Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness.* [GAO-23-105797](#). Washington, D.C.: September 19, 2023.

**Year Recommendations Made:** 2023

**Recommendations:**

- The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment clarifies DOD guidance on minimum standards for assignment to barracks related to health and safety, such as identifying health and safety risks serious enough to prevent installations from assigning service members to live in a barracks facility or room. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that DOD develops a method to track and report complete Operation & Maintenance and Military Construction funding information in a combined manner for barracks housing programs, especially with respect to funding needed to improve barracks conditions, including both funding requirements and expenditures. In addition, the method should track and report complete Military Personnel funding with respect to funding needed to house service members typically required to live in barracks, such as service members living in private sector housing due to insufficient space in barracks, including both funding requirements and expenditures. *(New Priority Recommendation for 2024)*
- The Secretary of Defense should ensure that the Assistant Secretary of Defense for Energy, Installations, and Environment establishes an oversight structure, such as quarterly programmatic reviews, to increase oversight of military service barracks housing programs, including roles and responsibilities for relevant Office of the Secretary of Defense offices. *(New Priority Recommendation for 2024)*

**Actions Needed:** DOD agreed with the first and third recommendations and partially agreed with the second recommendation. In addition, the National Defense Authorization Act for Fiscal Year 2024 includes numerous provisions for DOD to improve the conditions of its barracks.

With respect to the first recommendation, an Office of the Deputy Assistant Secretary of Defense for Housing (ODASD(H)) official reported as of May 2024 that the Assistant Secretary of Defense for Energy, Installations, and Environment (ASD(EI&E)) holds biweekly meetings with the military departments. According to the official, these meetings ensure leadership engagement and define a common purpose for the strategy to improve barracks conditions. Further, the ASD(EI&E) established a team in January 2024 that, among other things, is developing new barracks health, safety, and livability standards. An official stated that these standards will be included in updated DOD guidance that is estimated to be completed by July 31, 2024.



With respect to the second recommendation, an ODASD(H) official reported as of May 2024 that the department has begun a phased approach to track barracks funding, starting first with specific identifiers for Operation and Maintenance (Facility Sustainment, Restoration and Modernization) and Military Construction funding required and expended in support of barracks facilities and programs. According to an official, DOD is currently unable to differentiate Military Personnel funding provided to service members who would normally reside in barracks. However, this official stated that internal discussions are underway about developing a system or tracking method with this capability. Officials estimate completing these actions by June 30, 2027.

With respect to the third recommendation, an ODASD(H) official reported as of May 2024 that the ASD(EI&E) will issue policy establishing an oversight structure and program metrics for military barracks. The official estimates completing this action by July 31, 2024.

To fully implement all three recommendations, DOD should complete efforts to clarify minimum health and safety assignment standards, develop a method to track and report complete funding information, and establish an oversight structure. Implementing these three recommendations will help DOD better prioritize investments in barracks to improve living conditions for service members and ensure that barracks housing programs across military services support quality of life and readiness.

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**Accident Prevention and Safety**

*Military Aviation Mishaps: DOD Needs to Improve Its Approach for Collecting and Analyzing Data to Manage Risks.* [GAO-18-586R](#). Washington, D.C.: August 15, 2018.

**Year Recommendation Made:** 2018

**Recommendation:** The Secretary of Defense ensures that the Offices of the Under Secretary of Defense for Personnel and Readiness and Under Secretary of Defense for Acquisition and Sustainment in coordination with the Secretaries of the Army, Navy, and Air Force take interim steps to help ensure that standardized aviation mishap data elements are collected by the safety centers.

**Actions Needed:** DOD agreed with this recommendation. According to DOD documentation provided in February 2024, the department has taken some actions to implement this recommendation. Specifically, the Defense Safety Oversight Council's DOD Safety Information Management Working Group has completed a safety management business process reengineering effort. This effort included standardizing aviation mishap data elements in all the department's safety information management systems. Further, DOD reported that this working group has standardized the procedures for collecting this data. DOD's safety information management systems are scheduled to implement the safety data standards by July 2024.

To fully implement this recommendation, DOD should ensure that each of the service safety centers implements a set of standardized aviation mishap data elements within the safety information management system each uses for mishap data collection and storage. By ensuring that DOD's safety centers collect standardized aviation mishap data, the department can minimize the inefficient, time-consuming effort related to aligning data that are provided in

different formats. This would help improve the timeliness of providing critical information to decision-makers to inform risk-management decisions.

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*Military Vehicles: Army and Marine Corps Should Take Additional Actions to Mitigate and Prevent Training Accidents.* [GAO-21-361](#). Washington, D.C.: July 7, 2021.

**Year Recommendations Made:** 2021

**Recommendations:**

- The Secretary of the Army, in consultation with the Chief of Staff of the Army, should ensure that tactical vehicle driver training programs—to include licensing, unit, and follow-on training—have a well-defined process with specific performance criteria and measurable standards to identify driver skills and experience under diverse conditions.
- The Secretary of the Navy, in consultation with the Commandant of the Marine Corps, should ensure that tactical vehicle driver training programs—to include licensing, unit, and follow-on training—have a well-defined process with specific performance criteria and measurable standards to identify driver skills and experience under diverse conditions.

**Actions Needed:** DOD agreed with both recommendations. According to DOD documentation provided in February 2024 with respect to the first recommendation, the Army issued guidance emphasizing the importance of unit commanders following the standards established in Army Regulation 600-55, *The Army Driver and Operator Standardization Program (Selection, Training, Testing, and Licensing)*. The documentation further states that the Army intends to take other actions to clarify and improve the implementation of existing guidance to address this recommendation. More specifically, by the end of fiscal year 2024, the Army plans to implement a progressive drivers' training model that would assist unit commanders with the conduct of increasingly challenging vehicle driver training scenarios.

To fully implement this recommendation, the Army should ensure that its tactical vehicle driver training programs have clearly defined performance criteria and standards to evaluate and, as needed, build the skills of the driver-in-training to operate tactical vehicles under a variety of conditions, including off-road and at night.

According to DOD documentation provided in February 2024 with respect to the second recommendation, the Marine Corps has already taken several actions to address this recommendation, including holding meetings to specifically discuss new initiatives. The Marine Corps also decided to reestablish a tactical vehicle licensing examiner Military Occupational Specialty to help manage commands' vehicle driver licensing requirements, driver qualifications, and all-weather, off-road training needs. The Marine Corps estimated that this action would be completed in June 2024. As of June 2024, DOD had not provided updates on the Marine Corps' actions.

To fully implement this recommendation, the Marine Corps should ensure that its tactical vehicle driver training programs have clearly defined performance criteria and standards to evaluate and, as needed, build the skills of the driver-in-training to operate tactical vehicles under a variety of conditions, including off-road and at night.

Developing performance criteria and measurable standards for training would better assure that Army and Marine Corps drivers have the skills to operate tactical vehicles safely and effectively.

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*National Guard Helicopters: Additional Actions Needed to Prevent Accidents and Improve Safety.* [GAO-23-105219](#). Washington, D.C.: March 14, 2023.

**Year Recommendations Made:** 2023

**Recommendations:**

- The Secretary of the Army should ensure the Chief of Staff of the Army, in coordination with the Director of the Army National Guard, updates safety or operational guidance to establish a process to continuously evaluate and update operational risk management worksheets for Army National Guard helicopter units to reflect relevant safety information such as accident data, hazard reporting, and unit culture surveys.
- The Secretary of the Air Force, in coordination with the Chief of Staff of the Air Force and the Director of the Air National Guard, should incorporate an evaluation of unit processes for updating risk management worksheets as a component of the Air Force's unit inspection program or other means to ensure that the worksheets reflect relevant safety information such as accident data, hazard reporting, and unit culture surveys.
- The Secretary of the Army should ensure the Army Training and Doctrine Command's Army Aviation Center of Excellence, in coordination with the Director of the Army National Guard, develops a coordinated plan and identifies the resources necessary for conducting in-flight aviation standardization program evaluations of Army National Guard helicopter unit aircrews on a regular and recurring basis.
- The Secretary of the Army should ensure that the Chief of Staff of the Army, in coordination with the Director of the Army National Guard, develops a comprehensive strategy that includes goals, priorities, and performance measures to address the challenges that hinder Army National Guard helicopter pilot training.
- The Secretary of the Air Force should ensure that the Chief of Staff of the Air Force, in coordination with the Director of the Air National Guard, develops a comprehensive strategy that includes goals, priorities, and performance measures to address the challenges that hinder Air National Guard helicopter pilot training.

**Actions Needed:** DOD agreed with the first, third, fourth, and fifth recommendations and partially agreed with the second recommendation.

With respect to the first recommendation, according to documentation provided in February 2024, the Army intends to update the Army Safety Program Regulation to clarify that operational risk management practices are to be informed by relevant safety information available across the Army in the areas of safety, hazards, and culture survey information. The Army expects to perform this update by December 2024.

To fully implement this recommendation, the Army should implement a process by which it reviews and updates the Army National Guard's operational risk management worksheets for helicopter units on a regular basis using information from accident and hazard reporting, unit culture surveys, and other sources, as needed. By implementing this recommendation, the Army can better ensure its National Guard helicopter units have cyclical feedback and evaluation of a key operational risk management process.

With respect to the second recommendation, according to documentation provided in February 2024, the Air Force plans to update recurring unit inspection and continual evaluation checklists to include an item to verify that safety staff Air National Guard helicopter units provide accident, hazard, and culture survey information to be included in risk management processes. Further, the Air National Guard plans to add an evaluation item to have helicopter wing commanders verify that their unit risk management worksheets comply with Air Force and Air Combat Command risk management guidance. The Air Force expects to complete these actions by September 2024.

To fully implement this recommendation, the Air Force should implement a process to ensure that National Guard units are regularly updating their operational risk management worksheets to reflect recent safety trends. By implementing this recommendation, the Air Force would better ensure its National Guard helicopter units are continuously updating a key risk management process consistent with Air Force guidance.

With respect to the third recommendation, according to documentation provided in May 2024, the Army has completed a study to identify the resources needed to perform regular and recurring in-flight aviation standardization evaluations for National Guard helicopter units. Based on this documentation, the Army is considering two courses of action to increase the frequency of Army National Guard aviation unit assessments. One longer-term course of action would require an overall increase in the number of authorized positions and staffing levels. This would allow for Army National Guard aviation unit assessment frequency on par with active Army aviation units that occur every 2-3 years. Another near-term course of action under review by the Directorate of Evaluations and Standardization would increase Army National Guard aviation unit assessment frequency to every 3-5 years by utilizing personnel from the Directorate of Evaluations and Standardization and Army National Guard and Army Reserve unit designees that would be certified to conduct the assessments. This option requires that the Directorate of Evaluations and Standardization identify enough experienced and qualified pilots within the Army National Guard and Army Reserve who would be available for temporary duty to conduct the assessments. However, the Army has not yet implemented a plan to provide these evaluations.

As a result of the actions the Army has already taken we assess that this recommendation is partially addressed. To fully implement this recommendation, the Army should implement and resource a plan based on the courses of action it developed. By implementing this recommendation, the Army could conduct more consistent aviation standardization program evaluations for Army National Guard aviation units. Further, regular and recurring in-flight assessments would give greater assurance that Army National Guard helicopter unit aircrews are performing training to standards before a potential accident occurs.

With respect to the fourth recommendation, according to documentation as of February 2024, the Army is in the process of establishing a working group to develop a strategy with the Army Aviation Enterprise and the Combat Readiness Center to meet the challenges currently

hindering pilot training and determine the trends and solutions that address pilot training shortfalls. The Army estimated that the working group would have recommendations developed by the end of April 2024. As of June 2024, the Army had not provided an update on its actions.

To fully implement this recommendation, the Army should identify the challenges hindering pilot training and develop a comprehensive strategy with goals, priorities, and performance measures to assess progress and efficiently align resources to address the identified challenges. By implementing this recommendation, the Army will be better positioned to address the complex and interrelated challenges that have hindered National Guard helicopter pilots from achieving their training objectives.

With respect to the fifth recommendation, according to documentation provided in February 2024, the Air Force plans to develop an actionable and comprehensive strategy to update its Ready Aircrew Flying Hour Program goals to reflect the issues that we described in our report. Additionally, the Air National Guard will require semi-annual flying hour reviews to ensure that units are adequately resourced to meet their flying hour goals. The Air Force estimates that it will be able to complete these actions by September 2024.

To fully implement this recommendation, the Air Force should identify the challenges hindering pilot training and develop a comprehensive strategy with goals, priorities, and performance measures to assess progress and efficiently align resources to address the identified challenges. By implementing this recommendation, the Air Force will be better positioned to address the complex and interrelated challenges that have hindered National Guard helicopter pilots from achieving their training objectives.

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## **Cybersecurity and the Information Environment**

*Weapon Systems Cybersecurity: Guidance Would Help DOD Programs Better Communicate Requirements to Contractors.* [GAO-21-179](#). Washington, D.C.: March 4, 2021.

**Year Recommendations Made:** 2021

### **Recommendations:**

- The Secretary of the Navy should develop guidance for acquisition programs on how to incorporate tailored weapon systems cybersecurity requirements, acceptance criteria, and verification processes into contracts.
- The Secretary of the Navy should take steps to ensure the Marine Corps develops guidance for acquisition programs on how to incorporate tailored weapon systems cybersecurity requirements, acceptance criteria, and verification processes into contracts.

**Actions Needed:** The Navy agreed with the first recommendation and partially agreed with the second recommendation. The Navy stated that a separate recommendation to the Marine Corps was unnecessary given that the Navy and Marine Corps operate under a single acquisition construct.

We determined that separate recommendations to each component were appropriate because each maintains independent policies and guidance relevant to cybersecurity. In April 2022, the Navy issued an updated instruction governing the Department of the Navy's program acquisition and sustainment policies and procedures. The instruction includes a new enclosure on cybersecurity requirements, which reinforces the importance of cybersecurity as a design and systems engineering consideration throughout the program lifecycle. However, the instruction does not address contracting for cybersecurity requirements, as called for by the recommendations.

In March 2024, Navy officials stated that they were developing a new instruction on technology and program protection management, which will include more specific language on cybersecurity contract and validation requirements. Officials stated that they expected to finalize the new instruction by June 2024. As of June 2024, DOD had not provided an update on the Navy's action.

By implementing both recommendations, DOD will be better able to both communicate cybersecurity requirements to the contractors developing weapon systems and verify that such contractors met the requirements.

**High-Risk Area:** [Ensuring the Cybersecurity of the Nation](#) and [DOD Weapon Systems Acquisition](#)

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*Cybersecurity: DOD Needs to Take Decisive Actions to Improve Cyber Hygiene.* [GAO-20-241](#). Washington, D.C.: April 13, 2020.

**Year Recommendations Made:** 2020

**Recommendations:**

- The Secretary of Defense should ensure that the DOD Chief Information Officer (CIO) takes appropriate steps to ensure implementation of the DOD Cybersecurity Culture and Compliance Initiative tasks.
- The Secretary of Defense should ensure that DOD components develop plans with scheduled completion dates to implement the four remaining Cybersecurity Discipline Implementation Plan tasks overseen by DOD CIO.
- The Secretary of Defense should ensure that the Deputy Secretary of Defense identifies a DOD component to oversee the implementation of the seven Cybersecurity Discipline Implementation Plan tasks not overseen by DOD CIO and report on progress implementing them.
- The Secretary of Defense should direct a component to monitor the extent to which practices are implemented to protect the department's network from key cyberattack techniques.
- The Secretary of Defense should ensure that the DOD CIO assesses the extent to which senior leaders' have more complete information to make risk-based decisions—and revise

the recurring reports (or develop a new report) accordingly. Such information could include DOD's progress on implementing (a) cybersecurity practices identified in cyber hygiene initiatives and (b) cyber hygiene practices to protect DOD networks from key cyberattack techniques.

**Actions Needed:** DOD partially agreed with the first and fifth recommendations. DOD initially partially agreed with the second recommendation but has since changed its position to disagree. DOD disagreed with the third recommendation. DOD did not initially agree with the fourth recommendation but has since changed its position to agree.

DOD has taken some action to implement the first recommendation. For example, U.S. Cyber Command and DOD CIO are working together to develop Joint Cyberspace Training and Certification Standards for cybersecurity service providers. However, as of April 2024, DOD has not implemented the seven tasks in the Cybersecurity Culture and Compliance Initiative. To fully implement this recommendation, DOD should implement the remaining tasks in the initiative or take action to improve cybersecurity culture and compliance across the department.

DOD officials told us that the department does not plan to implement the second recommendation because it has moved on from the Cybersecurity Discipline Implementation Plan. While the department stated that it has moved on from the plan, the office of the DOD CIO recognizes the value of the tasks and continues to monitor DOD component's progress in implementing them. According to DOD documentation, the components have made some progress as of April 2024, but have not achieved the performance goal for these tasks. To fully implement this recommendation, DOD should ensure that components develop plans with scheduled completion dates to implement the four remaining Cybersecurity Discipline Implementation Plan tasks overseen by DOD CIO.

DOD had not taken any action to implement the third recommendation as of April 2024. We believe that implementing this recommendation is important, as several of these tasks are consistent with basic cybersecurity standards established by DOD and the National Institute of Standards and Technology, which DOD plans to apply to certain defense contractors as a part of the Cybersecurity Maturity Model Certification framework. To fully implement this recommendation, DOD should identify a DOD component to oversee the seven tasks in the Cybersecurity Discipline Implementation Plan that are not overseen by the CIO and report on their progress.

DOD had not taken any action to implement the fourth recommendation. The Office of the DOD CIO stated that U.S. Cyber Command and one of its subordinate commands has operational responsibilities associated with DOD networks. However, DOD CIO officials did not clarify whether any DOD official or component is monitoring the extent to which the department is implementing cyber hygiene practices to prevent key cyberattack techniques. To implement this recommendation, DOD should direct a component to monitor the extent to which the department implements cyber hygiene practices to protect its network from key cyberattack techniques.

DOD has taken some action to implement the fifth recommendation. In particular, DOD officials told us that the department merged existing reporting requirements to develop the Cybersecurity Hardening Scorecard. They told us that this scorecard measures the department's tiered and prioritized initiatives for cyber maintenance, operations, and key programs for reducing overall cybersecurity risk. However, the April 2024 version of this scorecard did not include information

on (a) cybersecurity practices identified in the DOD cyber hygiene initiatives or (b) cyber hygiene practices to protect DOD networks from key cyberattack techniques. To implement this recommendation, the CIO should assess the extent to which senior leaders have information on these two topics and revise the recurring reports or develop a new report accordingly.

Implementing these recommendations would better position DOD leaders to safeguard DOD's network by removing preventable, well-known vulnerabilities; be aware of the cyber risks facing the department; and make more effective decisions to manage such risks.

**High-Risk Area:** [Ensuring the Cybersecurity of the Nation](#)

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*Cybersecurity Workforce: Agencies Need to Accurately Categorize Positions to Effectively Identify Critical Staffing Needs.* [GAO-19-144](#). Washington, D.C.: March 12, 2019.

**Year Recommendation Made:** 2019

**Recommendation:** To complete the appropriate assignment of codes to their positions performing IT, cybersecurity, or cyber-related functions, in accordance with the requirements of the Federal Cybersecurity Workforce Assessment Act of 2015, the Secretary of Defense should take steps to review the assignment of the "000" code to any positions in the department in the 2210 Information Technology management occupational series, assign the appropriate National Initiative for Cybersecurity Education framework work role codes, and assess the accuracy of position descriptions.

**Actions Needed:** DOD agreed with this recommendation. DOD reported in September 2020 that it had taken steps to decrease the number of positions that were assigned inappropriate codes. As of March 2024, according to the DOD Chief Information Officer, the department had a coding remediation initiative underway and the coding of cyber positions would evolve over time to keep pace with changes to the mission, the addition or deletion of positions, and advances in cyber technology. However, as of March 2024, DOD had not adequately demonstrated that appropriate and accurate work role codes had been assigned.

To fully implement this recommendation, DOD will need to provide evidence that it has assigned appropriate National Initiative for Cybersecurity Education framework work role codes to its positions in the 2210 Information Technology management occupational series and assessed the accuracy of position descriptions. Without implementing this recommendation, DOD is diminishing the reliability of the information it will need to identify workforce roles of critical need.

**High-Risk Area:** [Ensuring the Cybersecurity of the Nation](#)

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*Personnel Vetting: Actions Needed to Implement Reforms, Address Challenges, and Improve Planning.* [GAO-22-104093](#). Washington, D.C.: December 9, 2021.

**Year Recommendation Made:** 2022



**Recommendation:** The Secretary of Defense should ensure that the Director of the Defense Counterintelligence and Security Agency revises the National Background Investigation Services (NBIS) system schedule to meet all the characteristics of a reliable schedule as defined in GAO's best practice guides for scheduling and Agile software development.

**Actions Needed:** DOD agreed with this recommendation. In June 2022, the department stated that the NBIS Executive Program Manager had incorporated several best practices when revising the program's integrated master schedule. However, we reviewed the schedule again and found that the NBIS program had not substantially met any of the characteristics of a reliable schedule as we reported in August 2023.

As of March 2024, DOD indicated it would complete corrective actions by the end of fiscal year 2024 and had conducted an analysis that identified actions to improve the schedule. Implementing this recommendation could give DOD and Congress greater confidence in the system's schedule and provide better information to stakeholders and Congress on progress in reforming the government-wide personnel vetting process.

**High-Risk Area:** [Government-wide Personnel Security Clearance Process](#)

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*Privacy: Dedicated Leadership Can Improve Programs and Address Challenges.* [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

**Year Recommendation Made:** 2022

**Recommendation:** The Secretary of Defense should establish a time frame for fully defining a process to ensure that the senior agency official for privacy or other designated senior privacy official is involved in assessing and addressing the hiring, training, and professional development needs of the agency with respect to privacy, and document this process.

**Actions Needed:** DOD agreed with this recommendation. DOD stated that it will fully define a process to ensure the senior agency official for privacy (or other designated officials) are involved in assessing and addressing the hiring, training, and professional development needs of the agency with respect to privacy, and document this process. As of April 2024, DOD had drafted an update to its policy that assigns responsibility for hiring, training, and professional development of privacy staff to its Senior Component Officials for Privacy. However, this policy has not yet been finalized. According to a DOD official, the department plans to issue the revised policy in fall 2024.

To fully implement this recommendation, DOD should finalize the policy that defines how the senior agency official for privacy, or other designated privacy officials, will be involved in workforce management activities and document these roles in departmental policies and processes. Without implementing this recommendation, DOD could continue to struggle to fully implement key privacy practices and address challenges the department has identified.

**High-Risk Area:** [Ensuring the Cybersecurity of the Nation](#)

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## Acquisitions and Contract Management

*Army Modernization: Steps Needed to Ensure Army Futures Command Fully Applies Leading Practices.* [GAO-19-132](#). Washington, D.C.: January 23, 2019.

**Year Recommendation Made:** 2019

**Recommendation:** The Secretary of the Army should ensure that the Commanding General of Army Futures Command (AFC) applies leading practices as they relate to technology development, particularly that of demonstrating technology in an operational environment, prior to starting system development.

**Actions Needed:** The Army agreed with this recommendation. According to Army officials, they have taken actions to identify and remove infeasible or immature technologies consistent with leading practices for acquisition. However, in February 2023, Army officials stated that these actions can only be achieved with advanced component development and prototype funding, which the AFC no longer manages. In 2022, the Secretary of the Army tasked the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT)) with oversight of Army research and development, including associated resourcing decisions.

We acknowledge that circumstances have changed since the report was issued in January 2019 but note that the AFC and ASA(ALT) can address the recommendation by providing a list of technologies that are at, or past, system development and by identifying the technology readiness level they achieved prior to entering system development. In February 2024, we met with AFC and ASA(ALT) officials to discuss the status of this recommendation and the documentary evidence required to support closure. We narrowed the scope of the programs requested at Technology Readiness Level 7 and system development into a more manageable data set. AFC and ASA(ALT) officials are working together to provide the listing of programs we requested.

The Army has agreed to provide this information by January 2025.

To fully implement this recommendation, the Army should demonstrate that the technologies it is developing are matured in accordance with leading practices. By doing so, the Army will be better able to reduce the risk that technologies will not operate as intended or desired.

### **High-Risk Area:** [DOD Weapon Systems Acquisition](#)

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*Defense Science and Technology: Adopting Best Practices Can Improve Innovation Investments and Management.* [GAO-17-499](#). Washington, D.C.: June 29, 2017.

**Year Recommendations Made:** 2017

### **Recommendations:**

- To ensure that DOD is positioned to counter both near- and far-term threats, consistent with its science and technology framework, the Secretary of Defense should direct the new

Under Secretary of Defense for Research and Engineering to annually define the mix of incremental and disruptive innovation investments for each military department.

- To ensure that DOD is positioned to counter both near- and far-term threats, consistent with its science and technology framework, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to annually assess whether that mix is achieved.
- To ensure that DOD is positioned to more comprehensively implement leading practices for managing science and technology programs, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to define, in policy or guidance, a science and technology management framework that includes emphasizing greater use of existing flexibilities to more quickly initiate and discontinue projects to respond to the rapid pace of innovation.

**Actions Needed:** DOD initially disagreed with all three recommendations. As of March 2024, DOD continued to disagree with the first and second recommendations but stated it agreed with the third recommendation and identified actions it plans to take to implement it.

In 2017 when our report was published, DOD stated that implementing any of these recommendations would be premature, since the Secretary of Defense had not made final decisions on the role of the new Under Secretary of Defense for Research and Engineering. In July 2018, DOD finalized the organizational structures, roles, and responsibilities for the new Under Secretary. Since then, the department's rationale for maintaining disagreement with the first and second recommendations has shifted. DOD currently questions the merit of these recommendations, rather than just their timing. Specifically, DOD maintains that its existing structures provide the information that these recommendations seek to furnish, despite our findings to the contrary.

In the December 2022 Joint Explanatory Statement accompanying the National Defense Authorization Act for Fiscal Year 2023, the congressional armed services committees summarized their views regarding risk information in DOD's research portfolio. Among other things, the Statement noted that DOD does not group research and development activities into incremental and disruptive efforts. Absent this practice, the Statement noted that DOD lacks visibility into the balance of risk versus payoff in its research and development portfolio, especially with regard to the potential to provide the cutting-edge technology needed to combat future and emerging threats.

The Statement directed the Under Secretary of Defense for Research and Engineering to provide a briefing to the congressional armed services committees by July 31, 2023, on how DOD assesses, manages, and balances risk within its research and development portfolio. According to the Statement, the briefing is to include an update on how DOD is implementing the recommendations in our 2017 report, including the three highlighted in this letter. As of April 2024, the Office of the Under Secretary of Defense for Research and Engineering (OUSD R&E) had yet to provide such a briefing to Congress. According to OUSD R&E officials, they plan to provide this briefing to Congress in late spring 2024, and they expect that it will include information on how it uses the National Defense Science and Technology Strategy to ensure both incremental and disruptive innovation investments are part of the DOD science and technology enterprise. They also communicated their plans to identify and provide the department's perspective on new budget authorities that Congress could grant. OUSD R&E's

position is that these authorities, if granted, would remove administrative barriers and improve DOD's speed and volume of adopting innovation. As of June 2024, DOD had not provided an update on OUSD R&E's actions.

We maintain that DOD's implementation of all three recommendations would improve its science and technology investments and management. We will continue to track DOD's and Congress' actions on these recommendations, including through our planned work reviewing the functions of OUSD R&E to manage, oversee, and improve DOD's innovation investments and outcomes.

### **High-Risk Area:** [DOD Weapon Systems Acquisition](#)

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*Navy Shipbuilding: Increasing Focus on Sustainment Early in the Acquisition Process Could Save Billions.* [GAO-20-2](#). Washington, D.C.: March 24, 2020.

**Year Recommendations Made:** 2020

### **Recommendations:**

- The Secretary of Defense should change its definition for setting operational availability for ships in its Joint Capabilities Integration and Development System policy by adding information that defines the operational availability requirement by mission area in addition to the ship level and includes all equipment failures that affect the ability of a ship to perform primary missions.
- The Secretary of the Navy should direct the Assistant Secretary of the Navy for Research, Development and Acquisition to ensure that all shipbuilding programs develop and update life-cycle sustainment plans (LCSP) in accordance with DOD policy, that demonstrate how a ship class can be affordably operated and maintained while meeting sustainment requirements, including associated business case analyses and identifying sustainment risk.

**Actions Needed:** DOD partially agreed with the first recommendation, and the Navy agreed with the second recommendation. With respect to the first recommendation and as of February 2024, DOD officials stated that they planned to include revisions to the operational availability requirement in a forthcoming update to the Joint Capabilities Integration and Development System policy, which is expected to be completed in 2024.

In the meantime, the Vice Chairman of the Joint Chiefs of Staff issued interim guidance in January 2023 directing the Navy to rely on factors other than category 4 casualty reports when establishing the basis for shipbuilding programs' operational availability requirements. In our March 2020 report, we found that the use of such casualty reports was one of the reasons the Navy's operational availability requirements did not effectively account for all equipment failures that could affect a ship's ability to perform primary missions.

To fully implement this recommendation, DOD should ensure that its forthcoming policy updates require that shipbuilding programs' operational availability requirements be defined at the mission level and account for all mission-degrading equipment failures. Making these improvements would help the Navy ensure that its shipbuilding programs' operational availability

requirements provide key information about the fleet’s reliability and maintainability needs during acquisition decision-making.

With respect to the second recommendation, the Navy updated its acquisition policy in April 2022 to reiterate that all large acquisition programs—such as those for shipbuilding—were required to develop and regularly update an LCSP. The updated policy also clarified which Navy officials were responsible for drafting and approving the LCSP. Additionally, according to existing DOD policy and guidance, LCSPs should include the results of a business case analyses and discussions of sustainment risks. DOD officials stated that the Navy plans to update the LCSPs for all of its shipbuilding programs and ensure they include all required elements, as we recommended. However, given the number of LCSPs that must be updated, Navy officials estimate it could take several years to complete this effort. As of February 2024, Navy officials stated they were developing a schedule for updating shipbuilding programs’ LCSPs.

To fully implement this recommendation, the Navy should establish a plan to update all shipbuilding program’s LCSPs and ensure any new or revised LCSPs align with policy requirements. Implementing this recommendation would help the Navy ensure it adequately plans for sustainment when making acquisition decisions and does not deliver ships to the fleet that have unmitigated sustainment risks.

**High-Risk Area:** [DOD Weapon Systems Acquisition](#)

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*Navy Shipbuilding: Policy Changes Needed to Improve the Post-Delivery Process and Ship Quality.* [GAO-17-418](#). Washington, D.C.: July 13, 2017.

**Year Recommendation Made:** 2017

**Recommendation:** The Secretary of Defense should direct the Secretary of the Navy to revise the Navy’s ship delivery policy to clarify what types of deficiencies need to be corrected and what mission capability (including the levels of quality and capability) must be achieved (1) at delivery and (2) when the ship is provided to the fleet (at the obligation work limiting date). In doing so, the Navy should clearly define what constitutes a complete ship and when that should be achieved.

**Actions Needed:** DOD did not initially agree with this recommendation but has since changed its position to partially agree. As of February 2024, Navy officials stated the Navy plans to review and update its ship delivery policy by September 2024 to improve its clarity. Officials stated that when updating the policy, the Navy would consider this recommendation, as well as feedback from Navy users of the policy. However, officials noted that the Navy believes it would be impractical to fully define in its ship delivery policy what constitutes a complete ship and by when ship completion should be achieved, as we recommended. We maintain that because the Navy’s ship delivery policy is the primary policy governing quality standards for Navy ships at delivery, it must clearly describe the level of quality and completeness required for Navy ships at key points in the shipbuilding process.

To fully implement this recommendation, the Navy should ensure that forthcoming updates to its ship delivery policy include changes to more clearly identify the types of deficiencies that should

be corrected, the mission capability that must be achieved, and by when ships need to be completed during the ship delivery process. Doing so would increase the Navy's likelihood of identifying and correcting deficiencies before fleet introduction and reduce its risk of providing incomplete and deficient ships to the fleet.

**High-Risk Area:** [DOD Weapon Systems Acquisition](#)

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*Defense Industrial Base: DOD Should Take Actions to Strengthen Its Risk Mitigation Approach.* [GAO-22-104154](#). Washington, D.C.: July 7, 2022.

**Year Recommendations Made:** 2022

**Recommendations:**

- The Secretary of Defense should ensure that the National Technology and Industrial Base strategy is in a consolidated document and comprehensive, such as by including required resources and an implementation plan.
- The Secretary of Defense should ensure that the Assistant Secretary of Defense for Industrial Base Policy, in coordination with the Industrial Base Council, develops and uses performance measures to monitor the aggregate effectiveness of mitigation efforts for DOD-wide industrial base risks.

**Actions Needed:** DOD partially agreed with the first recommendation and agreed with the second one.

DOD took steps to begin implementing the first recommendation in 2023. For example, in November 2023, the department issued its first National Defense Industrial Strategy, which lays out the long-term priorities for industrial base action. DOD officials stated that, in the summer of 2024, the department will issue corresponding implementation plans that will help with resource prioritization.

To fully implement this recommendation, DOD should release the implementation plans and ensure that the plans identify the resources needed to achieve the strategy goals and organizational responsibilities. Without implementing this recommendation, DOD cannot ensure that all appropriate organizations are working toward the same priorities, promoting supply chain resiliency, and supporting national security objectives.

With respect to the second recommendation, DOD stated that it is aware of the need for performance measures to monitor the aggregate effectiveness of mitigation efforts for DOD-wide industrial base risks. It also stated that it is actively developing metrics aligned to the five focus areas in Executive Order 14017.

DOD is making progress towards implementing this recommendation. For example, in February 2024 DOD officials provided us a set of metrics that senior leaders are using to monitor the health of the defense industrial base in the five focus areas, such as microelectronics, and energy storage and batteries. According to DOD officials, they are using an implementation plan related to the department's recently released National Defense Industrial Strategy to develop

outcome metrics and performance measures to track progress for addressing industrial base risks. Officials anticipate completing the metrics and measures by July 2025.

To fully implement this recommendation, DOD should issue and use industrial base risk metrics. Without the metrics, DOD will not know the extent to which it has addressed risks and what additional actions should be taken.

**High-Risk Area:** [DOD Weapon Systems Acquisition](#)

**Director:** W. William Russell, Contracting and National Security Acquisitions

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*Federal Contracting: Senior Leaders Should Use Leading Companies' Key Practices to Improve Performance.* [GAO-21-491](#). Washington, D.C.: July 27, 2021.

**Year Recommendations Made:** 2021

**Recommendations:**

- The Secretary of the Air Force should ensure the Deputy Assistant Secretary of the Air Force (Contracting) uses a balanced set of performance metrics to manage the department's procurement organizations, including outcome-oriented metrics to measure (a) timeliness of deliveries, (b) quality of deliverables, and (c) end-user satisfaction.
- The Secretary of the Army should ensure the Deputy Assistant Secretary of the Army (Procurement) uses a balanced set of performance metrics to manage the department's procurement organizations, including outcome-oriented metrics to measure (a) cost savings/avoidance, (b) timeliness of deliveries, (c) quality of deliverables, and (d) end-user satisfaction.
- The Secretary of the Navy should ensure the Deputy Assistant Secretary of the Navy (Procurement) uses a balanced set of performance metrics to manage the department's procurement organizations, including outcome-oriented metrics to measure (a) cost savings/avoidance, (b) timeliness of deliveries, (c) quality of deliverables, and (d) end-user satisfaction.

**Actions Needed:** The Air Force disagreed with the first recommendation. The Army and Navy agreed with the second and third recommendations.

With respect to the first recommendation and in February 2024, the Air Force revised its performance metrics intended to be responsive to mission partner needs. The revised metrics are not, however, outcome-oriented, which would fully implement this recommendation.

With respect to the second recommendation, DOD shared in March 2024 the Army's ongoing efforts to establish these metrics, which have the potential to address the recommendation, and stated it was aiming to implement the metrics by the fourth quarter of fiscal year 2024. The Army communicated that its contracting enterprise review tool could provide metrics on end-user satisfaction and timeliness and quality of deliverables but did not provide specific examples. Further, the Army communicated that forthcoming category management metrics will measure cost savings and avoidance.

The Army's efforts have the potential to address the recommendation. To fully implement this recommendation, the Army will need to provide evidence that it has implemented all the performance metrics to manage its procurement organizations.

With respect to the third recommendation, DOD communicated in January 2022 that the Navy was developing tools, such as dashboards, that would provide the Deputy Assistant Secretary of the Navy (Procurement) greater visibility and real-time access to existing metrics and data and an ability to create new metrics as needed. In February 2024, DOD stated that the Navy's enterprise procurement reporting and planning capabilities are in various stages of development, and that the Navy plans to complete this effort by the end of fiscal year 2024. To fully implement this recommendation, the Navy will need to provide evidence that it has implemented all the performance metrics to manage its procurement organizations.

Using a balanced set of performance metrics, including both process- and outcome-oriented measures, can help federal agencies identify improvement opportunities, set priorities, and allocate resources. Further, implementing the recommendations will assist the agencies' senior leaders in setting priorities and allocating resources intended to improve organizational performance.

**Potential Financial Benefits if Implemented:** A billion dollars or more

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*DOD Service Contracts: Actions Needed to Identify Efficiencies and Forecast Budget Needs.* [GAO-23-106123](#). Washington, D.C.: September 7, 2023.

**Year Recommendation Made:** 2023

**Recommendation:** The Secretary of Defense should ensure that the Under Secretary of Defense, Comptroller (OUSD(C)), in coordination with other relevant offices involved in the recently established services working group, specifies the data sources and methodology for forecasting budget needs for service contracts across the Future-Years Defense Program (FYDP) to inform its fiscal year 2026 and future budget submission. *(New Priority Recommendation for 2024)*

**Actions Needed:** DOD partially agreed with this recommendation. As of April 2024, OUSD(C) officials stated that they had convened the services working group with budgeting personnel across the department to discuss current and potential methodologies for forecasting service contract budget needs across the FYDP. Since the needed data is maintained at lower levels, such as major commands and program offices, OUSD(C) and the military departments plan to issue guidance to request and compile it to develop service contract forecasts, as opposed to using other methodologies that could under- or over-state budget needs for service contracts.

To fully implement this recommendation, OUSD(C) and the military departments need to publish the guidance to inform the fiscal year 2026 budget submission with as well as future submissions. According to a DOD official, the department plans to issue the guidance in fall 2024. Issuing this guidance will help DOD ensure that the budget submissions provided to Congress for service contracts are reliable and useful for decision-making and oversight.

**High-Risk Area:** [DOD Contract Management](#)



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## Financial Management

*Department of Defense: Actions Needed to Improve Accounting of Intradepartmental Transactions.* [GAO-21-84](#). Washington, D.C.: January 14, 2021.

**Year Recommendation Made:** 2021

**Recommendation:** The Under Secretary of Defense (Comptroller) should develop a strategy to identify short-term solutions that can be implemented in advance of the full implementation of the Government Invoicing system to address the intradepartmental eliminations material weakness. Such solutions should include documented procedures to (1) identify the causes for intradepartmental differences, (2) monitor the results of action plans prepared by components, and (3) measure whether implemented action plans are effective in addressing the causes for intradepartmental differences.

**Actions Needed:** DOD agreed with this recommendation. In its response to our 2021 report, DOD stated the department (1) had established a working group to identify and develop procedures to reduce interdepartmental differences; (2) would request its components provide an action plan for reducing intradepartmental differences; and (3) would develop a dashboarding tool to track the status of reconciliations and eliminations. In April 2022, DOD updated its corrective action plan, which included actions for analyzing on a quarterly basis the journal voucher action plans database in Advanced Analytics and assessing progress in resolving interdepartmental variances. As of February 2024, the estimated completion date for these actions is October 2025.

To fully implement this recommendation, DOD should ensure that the working group identifies and develops procedures to reduce interdepartmental differences, and that its components properly implement these procedures. Without implementing this recommendation, DOD may miss the opportunity to resolve some root causes of intradepartmental differences before the Government-Invoicing system is fully implemented. This may result in an increased risk that DOD will not achieve measurable progress in addressing its intradepartmental eliminations material weakness and that long-term efforts will not fully address the underlying causes.

## High-Risk Area: [DOD Financial Management](#)

**Director:** Kristen Kociolek, Financial Management and Assurance

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*DOD Financial Management: Continued Efforts Needed to Correct Material Weaknesses Identified in Financial Statement Audits.* [GAO-21-157](#). Washington, D.C.: October 13, 2020.

**Year Recommendations Made:** 2021

## Recommendations:

- The Office of the Deputy Chief Financial Officer should incorporate appropriate steps to improve its corrective action plan (CAP) review process, including ensuring that (1) data elements not included in corrective action plans are appropriately identified and

communicated to components and resolved, (2) Notice of Findings and Recommendations (NFRs) are appropriately linked to the correct corrective action plans to address them, and (3) components document their rationale for accepting the risk associated with certain deficiencies and appropriately identify such instances in the Notice of Findings and Recommendations Database.

- The Office of the Deputy Chief Financial Officer should update DOD guidance to instruct DOD and components to document root-cause analysis when needed to address deficiencies auditors identified.

**Actions Needed:** DOD partially agreed with the first recommendation and agreed with the second recommendation. With respect to the first recommendation, DOD stated that it ensures financial statement audit findings are appropriately linked to CAPs and that it identifies and communicates to components the data elements missing from action plans through its CAP quality and monthly data control review processes. However, our review of a generalizable sample of NFRs found that findings and recommendations were not always accurately linked to CAPs in the NFR database. We also found that the CAPs for more than half of our sample did not include at least one required data element.

DOD stated that its quality review process ensures that components document their (1) rationale for accepting risk, (2) risk response, and (3) risk identification for deferring remediation associated with low-impact deficiencies. However, we found that DOD components did not prepare CAPs for 16 of the 98 NFRs in our sample. Moreover, the components did not document their rationale for accepting risks or a clear risk-mitigation strategy for three of the 16 NFRs.

To fully implement this recommendation, DOD's Office of the Deputy Chief Financial Officer should (1) improve DOD's review process to ensure that CAPs include all required data elements, (2) update its review checklist, (3) and review the components' risk acceptance rationale for reasonableness and appropriateness. In January 2024, DOD provided a CAP with key actions to address the recommendation and the supporting evidence. However, the evidence partially supported those key actions. As of March 2024, the Office of the Deputy Chief Financial Officer is in the process of developing guidance for escalating unresolved exceptions open for over 6 months. Without fully implementing this recommendation, DOD and its components may lack the assurance that appropriate corrective actions are being taken to address identified deficiencies in a timely manner.

With respect to the second recommendation, DOD stated that the department will update the appropriate DOD guidance to instruct that each CAP include documented evidence that a root-cause analysis was conducted and describe how such analysis was conducted. However, as of May 2024, DOD had not provided us with updated DOD guidance specifically instructing that CAPs meet this requirement. DOD officials provided a status update that they plan to have the guidance updated by July 31, 2024. To implement the recommendation, DOD should update the *Department of Defense Internal Control Over Financial Reporting Guide* to instruct the department and its components to document root-cause analyses. Without implementing this recommendation, DOD lacks assurance that its components are taking appropriate actions to resolve underlying causes associated with the NFRs and related material weaknesses that collectively prevent the auditability of its financial statements.

**High-Risk Area:** [DOD Financial Management](#)

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*DOD Financial Management: Significant Improvements Needed in Efforts to Address Improper Payment Requirements.* [GAO-13-227](#). Washington, D.C.: May 13, 2013.

**Year Recommendation Made:** 2013

**Recommendation:** The Secretary of Defense should direct the Under Secretary of Defense (Comptroller), with regard to estimating improper payments, to establish and implement key quality assurance procedures, such as reconciliations, to ensure the completeness and accuracy of the sampled populations.

**Actions Needed:** DOD agreed with this recommendation. The Office of the Under Secretary of Defense (Comptroller) developed an inventory of approximately 80 DOD systems related to disbursing functions. As of March 2024, DOD estimated that by May 2025, the Defense Finance and Accounting Service and DOD components will have established financial management system agreements for improper payments testing. These signed agreements will require DOD components to affirm the completeness of the payments in each financial management system to ensure the completeness and accuracy of the sampled populations. In addition, DOD estimated that by May 2025, its platform for analyzing sampling and transaction details—called Advana—will build on DOD’s capability to provide a universe of transactions for the annual financial statement audits and will also be used for the payment program.

To fully implement this recommendation, DOD should resolve material weaknesses in its department-wide universe of transactions. Specifically, it should resolve weaknesses that preclude it from performing the quality assurance procedures needed to ensure that the populations from which the samples are drawn to estimate improper payments are complete and accurate. Without implementing this recommendation, DOD remains at risk of producing incomplete and unreliable improper payment estimates.

**High-Risk Area:** [DOD Financial Management](#)

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*Financial Management: DOD Needs to Implement Comprehensive Plans to Improve Its System Environment.* [GAO-20-252](#). Washington, D.C.: September 30, 2020.

**Year Recommendation Made:** 2020

**Recommendation:** The Secretary of Defense should direct the Chief Management Officer and other entities, as appropriate, to ensure that the department limits investments in financial management systems to only what is essential to maintain functioning systems and help ensure system security until it implements the other recommendations in this report.

**Actions Needed:** DOD agreed with this recommendation. The National Defense Authorization Act for Fiscal Year 2021 eliminated the DOD Chief Management Officer (CMO) position, which previously had broad oversight responsibilities for DOD business systems. In September 2021, the Deputy Secretary of Defense directed a broad realignment of the responsibilities previously assigned to the CMO. As part of this reassignment, the Deputy Secretary assigned

responsibility for guidance associated with this recommendation to the DOD Chief Information Officer (CIO) and the Under Secretary of Defense (Comptroller).

In March 2024, officials from the office of the Under Secretary of Defense (Comptroller) stated that the department has mechanisms in place to constrain financial management system investments as part of its annual investment review process. However, as of March 2024, the department had not provided evidence to demonstrate that this process is sufficient for addressing the recommendation.

To fully implement this recommendation, the department should ensure that it establishes guidance that clearly specifies how DOD will ensure investments in financial management systems are limited to maintaining functional systems and system security. Once it does this, DOD will have better assurance that it is not wasting funds on short-term fixes that might not effectively and efficiently support longer-term department goals.

### **High-Risk Area:** [DOD Financial Management](#)

**Potential Financial Benefits if Implemented:** Millions of dollars

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*Defense Real Property: DOD-Wide Strategy Needed to Address Control Issues and Improve Reliability of Records.* [GAO-20-615](#). Washington, D.C.: September 9, 2020.

**Year Recommendations Made:** 2020

### **Recommendations:**

- The Under Secretary of Defense (Comptroller) should, in collaboration with the Under Secretary of Defense (Acquisition and Sustainment), develop and implement a DOD-wide strategy to remediate real property asset control issues.
- The Under Secretary of Defense (Comptroller) should, in collaboration with the Under Secretary of Defense (Acquisition and Sustainment), develop department-wide instructions for performing the existence and completeness verifications.

**Actions Needed:** DOD agreed with both recommendations. In its response to the first recommendation, DOD officials stated in April 2024 that they were updating policies and procedures related to real property asset accounting.

In its response to the second recommendation, DOD officials stated that they are committed to placing increased leadership emphasis on real property asset policies and instructions to ensure, among other things, that field teams perform consistent and repeatable existence and completeness verifications. In March 2024, DOD officials stated that the real property working group will continue to monitor progress of key corrective actions related to real property existence and completeness verifications and review proposed updates to policy.

Implementing both recommendations would better position DOD to develop sustainable, routine processes to help ensure accurate real property records and, ultimately, auditable information for financial reporting for the department. In addition, implementing these recommendations

would help DOD achieve an auditable real property baseline and, ultimately, its objective of achieving an unmodified (“clean”) audit opinion.

**High-Risk Area:** [DOD Financial Management](#)

**Director:** Kristen Kociolek, Financial Management and Assurance

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*Defense Real Property: DOD Needs to Take Additional Actions to Improve Management of Its Inventory Data.* [GAO-19-73](#). Washington, D.C.: November 13, 2018.

**Year Recommendation Made:** 2019

**Recommendation:** The Secretary of Defense should ensure that the Undersecretary of Defense for Acquisition and Sustainment, in collaboration with the military services, develops a strategy that identifies and addresses risks to data quality and information accessibility. At a minimum, this strategy should establish time frames and performance metrics for addressing risks related to (1) unfilled real property positions, (2) a lack of a department-wide approach to improving its data, and (3) implementation of the Office of the Secretary of Defense’s (OSD) expanded data platform.

**Actions Needed:** DOD partially agreed with this recommendation. As of March 2024, DOD has established network connectivity for all Data Analytics Integration Support (DAIS) platform users and updated policy guidance to include DAIS and to establish benchmarks and metrics. Additionally, each of the military services has used efforts associated with the financial audit to conduct existence and completeness inventories of their real property assets, which have assisted with managing the risks to data quality. We believe these actions partially address the recommendation for providing a department-wide approach and implementation of OSD’s expanded data platform.

To fully implement the recommendation, OSD should coordinate with the military services to identify opportunities to overcome unfilled positions. Potential opportunities may include using available staff more efficiently or evaluating opportunities to better address how they will manage unfilled positions. Until OSD and the military services prioritize and coordinate to identify opportunities for filling vacant positions, the vacancies will continue to contribute to workload backlogs and prevent the military services from sufficiently maintaining their real property data.

**High-Risk Area:** [Managing Federal Real Property](#) and [DOD Financial Management](#)

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*Foreign Military Sales: Financial Oversight of the Use of Overhead Funds Needs Strengthening.* [GAO-18-553](#). Washington, D.C.: July 30, 2018.

**Year Recommendations Made:** 2018

**Recommendations:**

- The Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency (DSCA) takes steps to work with Defense Finance and Accounting

Service (DFAS)—DSCA's financial service provider—and other DOD components, as appropriate, to improve the reliability of the data the DSCA obtains on all DOD components' use of Foreign Military Sales (FMS) administrative funds, including actual execution data, at an appropriate level of detail, such as by object class.

- The Secretary of Defense should ensure that the Director of DSCA takes steps to work with DFAS and other DOD components, as appropriate, to improve the reliability of the data that DSCA obtains on all DOD components' use of contract administration services funds, including actual execution data, at an appropriate level of detail, such as by object class.

**Actions Needed:** DOD agreed with both recommendations. In May 2019, DSCA officials told us that the agency had established an interface with some DOD components' accounting systems that provides daily information on those components' expenditures of FMS administrative and contract administration services funds. As of March 2024, agency officials told us they had established automatic interfaces for the other components that receive these funds. They added that DSCA was in the process of reviewing the data and verifying that a process is in place for conducting reconciliations of the data to help ensure that the data are reliable.

To fully implement both recommendations, DOD should provide documentary support showing that DSCA has taken steps to work with DFAS and the DOD components to collect reliable data on all DOD components' use of FMS administrative and contract administration services funds, including execution data. Implementing these recommendations would diminish the risk of unallowable or unapproved payments that could lead to fraud, waste, or abuse of funds.

#### **High-Risk Area:** [DOD Financial Management](#)

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*DOD Financial Management: Air Force Needs to Improve Its System Migration Efforts.* [GAO-22-103636](#). Washington, D.C.: February 28, 2022.

**Year Recommendation Made:** 2022

**Recommendation:** The Assistant Secretary of the Air Force (Financial Management and Comptroller) should develop a systems migration plan based on leading migration practices to more timely transition from the Air Force's General Accounting and Finance System—Reengineered (GAFS-R) environment to the Defense Enterprise Accounting and Management System (DEAMS).

**Actions Needed:** DOD agreed with this recommendation. In its response to our 2022 report, DOD stated that the department was developing a systems migration plan to transition transactions from GAFS-R to the target general ledger systems, including DEAMS and the Maintenance Repair and Overhaul initiative. DOD's September 2023 systems migration plan was consistent with four of the leading migration practices described in our report and partially consistent with two of the practices. In particular, the plan was partially consistent with leading practices associated with training and informing users about transition tasks and workloads. For example, while the plan recognized the importance of training, it stated that the Air Force will develop the training content and the training schedule during the execution of the system migration.

In addition, the plan provided general methods for informing users about transition tasks and workloads. However, the plan only documented high-level milestones for phase one of a three-phase migration. As of April 2024, DOD stated that the additional related documentation, such as the Air Force DEAMS roadmap and training plan, remain under development and will be completed by fiscal year 2025.

To fully implement this recommendation, DOD plans to ensure that its systems migration plan or other related documentation fully addresses relevant leading practices. DOD has provided an estimated completion date of September 2025 for this recommendation. Implementing it could enable more timely resolution of issues plaguing the GAFS-R environment.

### **High-Risk Area:** [DOD Financial Management](#)

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*DOD Financial Management: Additional Actions Would Improve Reporting of Joint Strike Fighter Assets.* [GAO-22-105002](#). Washington, D.C.: May 5, 2022.

### **Year Recommendations Made:** 2022

#### **Recommendations:**

- The Under Secretary of Defense for Acquisition and Sustainment together with the F-35 Program Executive Officer, and in coordination with the Under Secretary of Defense (Comptroller), should develop and document a comprehensive strategy to address the Joint Strike Fighter (JSF) material weakness. The strategy should include (1) complete, detailed procedures; (2) time frames based on an analysis of the time needed to accomplish the procedures; and (3) resources required to design and implement the procedures.
- The Under Secretary of Defense for Acquisition and Sustainment together with the F-35 Program Executive Officer should develop and document a plan for verifying the completeness of JSF assets recorded in its accountable property system of record, including conducting an analysis and documenting the results on the feasibility of performing a wall-to-wall inventory to capture all JSF assets.
- The Under Secretary of Defense for Acquisition and Sustainment together with the F-35 Program Executive Officer should develop procedures that outline the steps to periodically capture and verify the accuracy and completeness of JSF asset data from contractors and other DOD sources to be recorded in the Defense Property Accountability System (DPAS) until a direct interface with the prime contractors' systems has been established.

**Actions Needed:** DOD agreed with all three recommendations.

In its response to the first recommendation, DOD stated that the F-35 Joint Program Office (JPO) will continue to coordinate with the Office of the Under Secretary of Defense for Acquisition and Sustainment and Office of the Under Secretary of Defense (Comptroller), along with internal and external stakeholders, to execute a documented strategy for addressing the JSF material weakness and add detail and fidelity to time frames, procedures, and resource requirements as needed.

In its response to the second recommendation, DOD stated that under the guidance of the Office of the Under Secretary of Defense for Acquisition and Sustainment, the F-35 JPO is developing policies and procedures for both regularly scheduled inventory verification and record completeness checks in the JPO accountable property system of record to ensure capture and tracking of all JSF assets. The JPO Inventory Management Plan will incorporate analysis of feasibility for wall-to-wall inventory versus alternate inventory procedures, taking consideration to minimize disruptions to F-35 production manufacturing operations and movement of critical parts in the sustainment supply chain supporting F-35 flight operations.

In its response to the third recommendation, DOD stated that the F-35 JPO has been coordinating with the Office of the Under Secretary of Defense for Acquisition and Sustainment and the Defense Logistics Agency since fiscal year 2019 to implement the program's accountable property system of record, DPAS. With guidance from the Office of the Under Secretary of Defense for Acquisition and Sustainment, the JPO is in the process of developing procedures for periodic capture, validation, and upload into DPAS of property data from contractor and DOD sources. The periodic data management processes will support F-35 property accountability until a direct IT system interface or other DOD-approved solutions are established.

As of February 2024 and according to a DOD official, the expected date of completion for the actions to address the first recommendation is July 31, 2024. In June 2024, a DOD official stated that the expected date of completion for actions to address the second and third recommendations is June 30, 2025.

Until DOD fully implements these recommendations, it may continue to struggle to meet milestone target dates and will be at an increased risk that its efforts to remediate the JSF program material weakness will be ineffective. Further, DOD will continue to be at risk of having inaccurate property records, with the potential result of misstatements of amounts reported on its financial statements.

### **High-Risk Area:** [DOD Financial Management](#)

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*DOD Financial Management: Greater Attention and Accountability Needed over Government-Furnished Property.* [GAO-23-105198](#). Washington, D.C.: January 17, 2023.

### **Year Recommendation Made:** 2023

**Recommendation:** The Secretary of Defense should ensure that the Under Secretary of Defense (Acquisition and Sustainment), in collaboration with the Under Secretary of Defense (Comptroller), develops and documents a comprehensive strategy, separate from the financial management strategy, to clearly articulate the detailed DOD-wide efforts to address the Government-Furnished Property (GFP) material weakness. The comprehensive strategy should document (1) steps to identify and address root causes of deficiencies, (2) an overall planned remediation date with specific interim target dates based on an analysis of feasible time frames, and (3) steps to reassess actions after significant target dates so that plans can be adjusted as needed. (*New Priority Recommendation for 2024*)



**Actions Needed:** DOD partially agreed with this recommendation. As of March 2024, DOD identified steps to address the root causes of the GFP deficiencies. DOD also planned a remediation date with interim target dates and steps to reassess actions by evaluating progress on a periodic basis. To fully implement this recommendation, DOD should document these steps in a comprehensive strategy that clearly articulates detailed DOD-wide efforts to address the GFP material weakness through a collaborative effort between the offices of the Under Secretaries of Defense for Acquisition and Sustainment and Comptroller.

Implementing this recommendation would better position DOD to develop effective and efficient action plans and achievable corrective action dates. This, in turn, would help DOD make meaningful progress in addressing the GFP material weakness and ultimately help to ensure that DOD has reliable and auditable financial information.

### **High-Risk Area:** [DOD Financial Management](#)

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### **Enterprise-Wide Business Reform**

*Defense Infrastructure: DOD Should Better Manage Risks Posed by Deferred Facility Maintenance.* [GAO-22-104481](#). Washington, D.C.: January 31, 2022.

### **Year Recommendations Made:** 2022

#### **Recommendations:**

- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition & Sustainment, in coordination with the DOD components, sets milestones and holds component leadership accountable for implementing the Sustainment Management System (SMS).
- The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition & Sustainment, in coordination with the DOD components, conducts an assessment of the SMS implementing guidance to determine which elements of SMS should be applied consistently across the components, and uses the results of that assessment to update the guidance for SMS condition assessments to ensure that facility condition data are comparable across the department.

**Actions Needed:** DOD agreed with both recommendations. With respect to the first recommendation and as of April 2024, a DOD official stated that the Office of Secretary of Defense (OSD) is developing a policy instruction that will establish a lead military service, roles, responsibilities, and governance for full implementation of the Enterprise SMS (eSMS) across all the military services and activities. To fully implement this recommendation, DOD should set milestones and hold component leadership accountable for implementing eSMS.

With respect to the second recommendation and as of April 2024, a DOD official stated the department has a two-phased approach. The first phase is to issue a policy instruction that establishes a lead military service, roles, responsibilities, and governance for full implementation of eSMS across all the military services and activities. The second phase is to issue a separate policy instruction that has detailed guidance and metrics for Facility Sustainment, Restoration,

and Modernization. The official projected that DOD will issue both policies by March 30, 2025. To fully implement this recommendation, DOD should ensure updates to guidance for eSMS contain information to ensure that facility condition data are comparable across the department.

By implementing both recommendations, DOD officials would be better positioned to formulate, evaluate, and communicate their strategic investment decisions, including managing risks associated with DOD's \$137 billion facility maintenance backlog (as of fiscal year 2020).

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*Defense Management: DOD Needs to Address Inefficiencies and Implement Reform across Its Defense Agencies and DOD Field Activities.* [GAO-18-592](#). Washington, D.C.: September 6, 2018.

**Year Recommendation Made:** 2018

**Recommendation:** The Secretary of Defense should ensure that the Chief Management Officer (CMO) routinely and comprehensively monitors and evaluates ongoing efficiency initiatives within the department, including those related to the reform teams. This monitoring should include establishing baselines from which to measure progress, periodically reviewing progress made, and evaluating results.

**Actions Needed:** DOD agreed with this recommendation and has taken important steps toward implementing it. In January 2021, the CMO position was disestablished; DOD transferred responsibilities for the department's reform efforts to the Performance Improvement Directorate within the Office of the Director of Administration and Management. In 2022, DOD issued a new Performance Improvement Framework, which provides a consistent methodology to define, identify, track, and report on existing and planned opportunities for performance improvement across the department. DOD also began building an authoritative repository of performance improvement initiatives, including establishing a baseline to document current and prior year initiatives that had been overseen by the CMO. Further, DOD established an authoritative performance management executive analytics platform, known as Pulse, to monitor the implementation of these initiatives. DOD provided results from its data collection on new performance improvement initiatives as part of the department's budget overview submission for fiscal years 2024 and 2025. According to DOD officials, they have also been preparing an annual report on the department's performance improvement efforts required by 10 U.S.C. § 125a. As a part of this report, DOD is required to report on its activities and accomplishments pursuant to that section. In addition, the Deputy Secretary of Defense previously designated certain performance improvement initiatives as priority cross-cutting performance improvement initiatives and directed the Defense Performance Improvement Council to assess those initiatives on a quarterly basis. As of April 2024, DOD had developed its methodology for assessing these crosscutting initiatives and established a plan for conducting the first round of assessments by May 2024. As of late May 2024, DOD had not provided an update about its methodology or the outcome of the assessments.

To fully implement this recommendation, DOD should demonstrate its monitoring and evaluation of performance improvement initiatives through its annual reports and quarterly assessments, including establishing plans for assessments beyond its initial quarterly assessments. It should also document the establishment of appropriate baselines and evaluation of results as a part of

these reporting and assessment processes. Doing so will enable the department to ensure that it achieves the desired outcomes of its performance improvement initiatives.

**High-Risk Area:** [DOD Approach to Business Transformation](#)

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**Health Care**

*Improper Payments: TRICARE Measurement and Reduction Efforts Could Benefit from Adopting Medical Record Reviews.* [GAO-15-269](#). Washington, D.C.: February 18, 2015.

**Year Recommendations Made:** 2015

**Recommendations:**

- To better assess and address the full extent of improper payments in the TRICARE program, the Secretary of Defense should direct the Assistant Secretary of Defense (Health Affairs) to implement a more comprehensive TRICARE improper payment measurement methodology that includes medical record reviews, as done in other parts of its existing postpayment claims review programs.
- To better assess and address the full extent of improper payments in the TRICARE program, and once a more comprehensive improper payment methodology is implemented, the Secretary of Defense should direct the Assistant Secretary of Defense (Health Affairs) to develop more robust corrective action plans that address underlying causes of improper payments, as determined by the medical record reviews.

**Actions Needed:** DOD agreed with both recommendations. With regard to the first recommendation, as of March 2024, the Defense Health Agency (DHA) had taken some actions to incorporate medical record reviews in its improper payment estimate. For example, DHA reported that it had completed 2 years of medical record reviews. However, it did not incorporate the reviews into its fiscal year 2020 or 2021 improper payment rate estimates, due to challenges with low response on its requests for medical records from TRICARE providers. As a result, DHA officials told us they determined that medical record reviews would artificially increase the agency's improper payments rates due to documentation errors, and that, instead of reporting these rates, they would conduct focused studies based on claim type or other criteria. However, lack of documentation is an error to be counted as an unknown payment, according to Office of Management and Budget guidance.

As of March 2024, DOD was in the process of re-designing its improper payment reporting program and did not report improper payments for the TRICARE program in 2023. DOD was also considering an alternate approach for improper payments to leverage results of other post-payment reviews for the program to respond to our recommendation, according to agency officials.

With regard to the second recommendation, as of March 2024 further efforts will depend on the outcome of improper payment reporting per the first recommendation. DHA reported in 2022 that its medical record reviews did not uncover identifiable root causes or trends to warrant corrective action plans. However, the reviews had significant documentation problems that

could be addressed. Of the TRICARE claims that DHA sampled for medical record review in fiscal year 2021, 28 percent in the East TRICARE Region and 67 percent in the West Region had no or insufficient documentation—something that could and should be rectified.

To fully implement these recommendations, DHA should publicly note the results of medical record reviews as part of its improper payment reporting for the TRICARE program. In addition, the agency should take corrective action to address the causes of documentation and other errors identified by the reviews. Without implementing these recommendations, DHA cannot effectively identify root causes and take steps to address practices that contribute to improper payments.

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*Defense Health Care: DOD Should Demonstrate How Its Plan to Transfer the Administration of Military Treatment Facilities Will Improve Efficiency.* [GAO-19-53](#). Washington, D.C.: October 30, 2018.

### **Year Recommendations Made: 2019**

#### **Recommendations:**

- The Secretary of Defense should ensure that the Assistant Secretary of Defense for Health Affairs, in coordination with Director of the Defense Health Agency (DHA) and the Surgeons General of the military departments, define and analyze the 16 operational readiness and installation-specific medical functions currently excluded from transfer to the DHA to determine whether opportunities exist to reduce or better manage duplicative functions and improve efficiencies in the administration of the military treatment facilities.
- The Secretary of Defense should ensure that the Assistant Secretary of Defense for Health Affairs, in coordination with DHA Assistant Director for Health Care Administration and the Secretaries of the military departments, validate headquarters-level personnel requirements to determine that they are established at the minimum levels necessary—per DOD guidance—to accomplish missions and achieve objectives before transferring authority, direction, and control of the military treatment facilities to the DHA for the third phase.
- The Secretary of Defense should ensure that the Assistant Secretary of Defense for Health Affairs, in coordination with DHA Assistant Director for Health Care Administration and the Secretaries of the military departments, conduct a comprehensive review to identify the least costly mix—per DOD guidance—of military, civilian, and contractors needed to meet validated requirements—that is, to perform the functions identified at the DHA headquarters and intermediate management organizations and at the military departments’ headquarters and intermediate commands. Additionally, this comprehensive review should be completed before transferring authority, direction, and control of the military treatment facilities to the DHA for the third phase.

**Actions Needed:** DOD agreed with all three recommendations. For the first recommendation, we noted in 2020 that DOD had issued a March 2019 memorandum regarding the alignment of the operational and installation-specific medical functions, but that further detail was needed regarding what analysis DOD had completed to assess the 16 functions for duplication. In March 2021, DOD officials stated that the Assistant Secretary of Defense for Health Affairs,

DHA, and the military departments had conducted an assessment that included some of the 16 functions, such as occupational and environmental health. However, as of February 2024, DOD was still working to address this recommendation. DOD, according to officials, is waiting to reassess the remaining operational readiness and installation-specific medical functions until it develops implementation plans. According to officials, the estimated completion date for the assessment was May 2024. As of June 2024, DOD had not provided an update on the department's actions.

For the second recommendation, DOD officials told us in February 2022 that DOD's study to define functions and personnel requirements was ongoing. Officials also acknowledged that their 2018 review of DHA personnel requirements did not provide a complete assessment because it did not assess the military departments' headquarters and intermediate commands. In February 2024, officials stated that the Deputy Secretary of Defense issued a memorandum in December 2023 requiring a comprehensive review of all personnel requirements. Specifically, the memorandum requires the Under Secretary of Defense for Personnel and Readiness to complete a comprehensive review that considers all medical personnel and staffing. Per the memorandum, the completion date for the review is June 30, 2024. As of June 2024, DOD had not provided an update on the department's actions.

DOD officials stated in February 2022 that the department was working to implement the third recommendation. In February 2024, DOD officials stated that the validation of requirements depended on the completion of a medical headquarters study. DOD officials estimate that the department would complete such a validation in September 2025.

To fully implement these recommendations, DOD should analyze all 16 operational readiness and installation-specific medical functions for duplication, validate headquarters-level personnel requirements, and identify the least costly mix of personnel. Without implementing these recommendations, DOD and congressional decision-makers are not positioned to know whether, to what extent, and how undertaking this significant reform effort will improve effectiveness and efficiency in the administration of the military treatment facilities.

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*Military Health Care: Improved Procedures and Monitoring Needed to Ensure Provider Qualifications and Competence.* [GAO-22-104668](https://www.gao.gov/products/GAO-22-104668). Washington, D.C.: August 11, 2022.

**Year Recommendation Made:** 2022

**Recommendation:** The Director of the Defense Health Agency (DHA) should implement monitoring of clinical quality management procedures at military medical treatment facilities (MTFs) and ensure that the monitoring approach includes:

- an assessment of MTF adherence to credentialing and privileging, focused professional practice evaluations (FPPE) for cause, and potentially compensable event (PCE) review procedures.
- a process for obtaining and evaluating information about all patient safety events that resulted in compensation and require DHA review. (*New Priority Recommendation for 2024*)

**Actions Needed:** DOD agreed with this recommendation. As of February 2024, DHA had taken steps to improve its monitoring of MTF adherence to certain clinical quality management procedures, including credentialing and privileging and FPPE for cause. However, DHA has not implemented planned actions to improve its monitoring of patient safety events that could potentially result in compensation, including events for which a payment has not been made and events involving an active-duty death or disability payment. In February 2024, DHA estimated completing its planned actions for monitoring adherence to these procedures in September 2024.

To fully implement this recommendation, DHA should improve its monitoring of patient safety events that resulted in compensation and require DHA-level reviews. Until it does so, DHA may not be fulfilling its responsibility to report to the National Practitioner Data Bank (NPDB) providers who may have delivered substandard care that resulted in payment. Further, DHA's failure to report providers in a timely manner to the NPDB may hinder other health care organizations' efforts to obtain complete information about providers' involvement in these patient safety events when granting them privileges.

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*Defense Health Care: Additional Assessments Needed to Determine Effects of Active Duty Medical Personnel Reductions.* [GAO-23-106094](#). Washington, D.C.: July 11, 2023.

**Year Recommendation Made:** 2023

**Recommendation:** The Secretary of Defense should ensure that the Assistant Secretary of Defense for Health Affairs, in coordination with the Surgeons General of the military departments and the Director of DHA, develops and implements department-wide guidance for assessing fully and consistently the potential effect of military medical personnel reductions on the military treatment facilities (MTFs), including procedures for documenting results of the assessments. Such guidance should provide clarity on assessing feasibility of using mitigation strategies for any identified reductions and conducting a risk analysis associated with the hiring, onboarding, and retention of civilian personnel. (*New Priority Recommendation for 2024*)

**Actions Needed:** DOD agreed with this recommendation. In December 2023, the Deputy Secretary of Defense issued a memorandum about stabilizing and improving the military health system. This memo directs numerous actions related to assessing and documenting medical personnel and staffing requirements. As of May 2024, the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) was planning to complete a comprehensive review of all medical personnel and staffing requirements by the end of June 2024. Further, according to the memorandum, the USD(P&R), in coordination with the military departments, will begin implementing the approved findings in a study about future strategies for the military health system. The memorandum states that DOD is planning to begin redistribution efforts by July 1, 2024, and that these efforts are intended to distribute military medical personnel, optimize clinical readiness and care opportunities, and continue supporting critical operational needs.

To fully implement this recommendation, DOD should develop and implement department-wide guidance for assessing fully and consistently the potential effect of military medical personnel reductions on MTFs. Implementing this recommendation may help DOD senior leaders avoid taking on risk by divesting active duty medical personnel at additional cost to the unified medical budget.

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*Military Health Care: DOD Should Improve Its Process for Clinical Adverse Actions against Providers.* [GAO-24-106107](#). Washington, D.C.: April 11, 2024.

**Year Recommendation Made:** 2024

**Recommendation:** The Director of the Defense Health Agency (DHA) should strengthen its monitoring of military medical treatment facilities' (MTFs) and DHA's timeliness in completing the steps in the clinical adverse action process. (*New Priority Recommendation for 2024*)

**Actions Needed:** DOD agreed with this recommendation. To fully implement the recommendation, DHA should strengthen its monitoring of MTFs' and DHA's timeliness in completing the steps in the clinical adverse action process. Until it does so, DHA lacks assurance that it is meeting its goal of ensuring timely resolution and reporting of quality and safety issues to the National Practitioner Data Bank and state licensing boards.

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**Preventing Sexual Harassment**

*Preventing Sexual Harassment: DOD Needs Greater Leadership Commitment and an Oversight Framework.* [GAO-11-809](#). Washington, D.C.: September 21, 2011.

**Year Recommendation Made:** 2011

**Recommendation:** To enhance oversight of the department's program to help prevent and to address incidents of sexual harassment involving servicemembers, the Secretary of Defense should direct the Under Secretary of Defense for Personnel and Readiness to ensure that the Office of Diversity Management and Equal Opportunity develops and aggressively implements an oversight framework to help guide the department's efforts.<sup>25</sup> At a minimum, such a framework should contain long-term goals, objectives, and milestones; strategies to accomplish goals; criteria for measuring progress; and results-oriented performance measures to assess the effectiveness of the department's sexual harassment policies and programs. Such a framework should also identify and include a plan for ensuring that adequate resources are available to carry out the office's oversight responsibilities.

**Actions Needed:** DOD agreed with this recommendation. In May 2021, the department issued a *Harassment Prevention Strategy for the Armed Forces, Fiscal Years 2021–2026*, which, according to officials, would address the oversight framework we recommended that DOD develop. In reviewing the strategy, we found that it included the strategic planning element of long-term goals needed to implement the oversight framework. However, it did not include other key elements of strategic planning needed to help ensure successful implementation of the framework, such as criteria for measuring progress and performance measures. Further, the

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<sup>25</sup>This priority recommendation was directed to the Office of Diversity Management and Equal Opportunity. This office has since been renamed to the Office of Diversity, Equity, and Inclusion.

strategy was not a formal tasking or directive; thus, the offices responsible for implementing the oversight framework may not carry out these efforts.

In March 2024, DOD officials stated that they were no longer working to revise the strategy and that they believe other actions taken by the department, such as the development of the *Prevention Plan of Action 2.0 2022 to 2024* addressed the recommendation. In reviewing the documents provided, we found that they include the strategic planning elements of long-term goals, objectives, and strategies to accomplish goals to implement the oversight framework. However, these documents do not include other key elements of strategic planning, such as criteria for measuring progress, results-oriented performance measures, and a plan for ensuring that the necessary resources are available.

In addition to addressing all elements of strategic planning needed for an oversight framework, DOD should provide documentation that the military services have been formally tasked to implement the framework. Fully implementing this recommendation would improve DOD's response to incidents of sexual harassment.

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**Strengthening Diversity, Equity, and Inclusion**

*Female Active-Duty Personnel: Guidance and Plans Needed for Recruitment and Retention Efforts.* [GAO-20-61](#). Washington, D.C.: May 19, 2020.

**Year Recommendation Made:** 2020

**Recommendation:** The Secretary of Defense should ensure that the Under Secretary of Defense for Personnel and Readiness provides guidance to the services, for example, in its forthcoming diversity and inclusion strategic plan, to develop plans, with clearly defined goals, performance measures, and time frames, to guide and monitor recruitment and retention efforts of female active-duty service members in the military.

**Actions Needed:** DOD agreed with this recommendation. In response to our 2020 report, DOD initially stated that the department would provide guidance to the military services to develop and implement plans to guide and monitor efforts to recruit and retain female service members in the department's diversity and inclusion instruction and strategic plan, issued in 2020 and 2022, respectively. Those documents did not provide the necessary guidance to the services to develop and implement such plans.

In February 2024, DOD provided *Enduring Advantages: A Department of Defense People Strategy Fiscal Years 2024-2028*. The strategy's Objective 3.2 seeks to develop and implement an integrated framework to evaluate recruitment and retention personnel lifecycle programs to identify and remove barriers to equity. To accompany the strategy, the department also provided a series of slide presentations related to the implementation of the strategy's five goals which, according to an official, were used to convey guidance to service representatives on each goal. DOD officials stated that the documents collectively should address the recommendation; however, the focus of the department's strategy and guidance, including Objective 3.2, remain broad to ensure everyone within DOD is respected, valued, and can access experiences that enhance each person's ability to execute the mission.



Given the strategy's broad emphasis on everyone within the department, it does not provide guidance to the military services to specifically address recruitment and retention challenges of female active-duty service members through the development of individual service plans. Therefore, as of March 2024, DOD had not provided sufficient documentation to demonstrate that it has implemented this recommendation.

To fully implement this recommendation, DOD should provide guidance to the military services to develop plans with clearly defined goals, performance measures, and time frames that would guide and monitor their efforts to recruit and retain female active-duty service members. Implementing this recommendation would assist DOD with achieving its goals of maintaining a ready force that includes the best and the brightest and is representative of the population it serves.

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*Military Justice: DOD and the Coast Guard Need to Improve Their Capabilities to Assess Racial and Gender Disparities.* GAO-19-344. Washington, D.C.: May 30, 2019.

**Year Recommendation Made:** 2019

**Recommendation:** The Secretary of Defense, in collaboration with the Secretaries of the military services and the Secretary of Homeland Security, should conduct an evaluation to identify the causes of any disparities in the military justice system, and take steps to address the causes of these disparities as appropriate.

**Actions Needed:** DOD partially agreed with this recommendation. DOD's Office of the Executive Director for Force Resiliency within the Office of the Under Secretary of Defense for Personnel and Readiness had a federally funded research and development center provide analytic support to conduct an evaluation to identify the causes of any racial, ethnic, or gender disparities identified in the military justice system and take steps to address the identified causes, as appropriate. The study was completed in July 2022 and publicly released in June 2023.

According to the study approach, the study team constructed multiple datasets for each service that included records of military justice system incidents reported and resolved from fiscal year 2014 through fiscal year 2020. The study team then applied quantitative methods (primarily regression analysis) to calculate service-specific disparity measures for as many military justice system outcomes as the data allowed, controlling for other descriptive features of the offender and the incident. According to the study, this allowed the team to determine accurately where disparities first appear and how long they persist. This analysis conducted by the federally funded research and development center was essentially the same as the analysis we conducted for our 2019 report on which this recommendation is based.

The study concluded that there were significant racial and gender disparities in military justice system outcomes during the study period—similar to our findings. Regarding causes of these disparities, the study concluded that no specific factor emerged as a leading determinant of these disparities. As a result, the study team recommended DOD seek to address the disparities regardless of their causes.

As of February 2024, DOD officials said that they plan to use the results of the study, combined with other available data regarding racial disparities in the military justice system, to inform policies on racial, ethnic, and gender disparities in the military justice system. To fully implement this recommendation, DOD should conduct an evaluation to identify causes of the disparities in the military justice system and take actions to address those that have been identified, so that DOD, DHS, and the military services can help ensure that the military justice system is fair and just.

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