Audit Report

U.S. SPECIAL OPERATIONS COMMAND
MUNITIONS REQUIREMENTS

Report Number 99-150 May 10, 1999

Office of the Inspector General
Department of Defense

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Acronyms

AFSOC	Air Force Special Operations Command
CBMR	Capabilities-Based Munitions Requirements
CINC	Commander in Chief
WARCOM	Naval Special Warfare Command
SOCOM	Special Operations Command

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202

May 10, 1999

MEMORANDUM FOR COMMANDER IN CHIEF, U.S. SPECIAL OPERATIONS COMMAND

SUBJECT: Audit Report on U.S. Special Operations Command Munitions Requirements (Report No. 99-150)

We are providing this report for information and use. We considered management comments on a draft of this report when preparing the final report.

The U.S. Special Operations Command comments conformed to the requirements of DoD Directive 7650.3; therefore, additional comments are not required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Ms. Jacqueline L. Wicecarver at (703) 604-9044 (DSN 664-9044) (jwicecarver@dodig.osd.mil), Ms. Kathryn M. Truex at (703) 604-9045 (DSN 664-9045) (kmtruex@dodig.osd.mil), or Ms. Mary Lu Ugone at (703) 604-9049 (DSN 664-9049) (mlugone@dodig.osd.mil). See Appendix D for the report distribution. The audit team members are listed inside the back cover.

David K. Steensma

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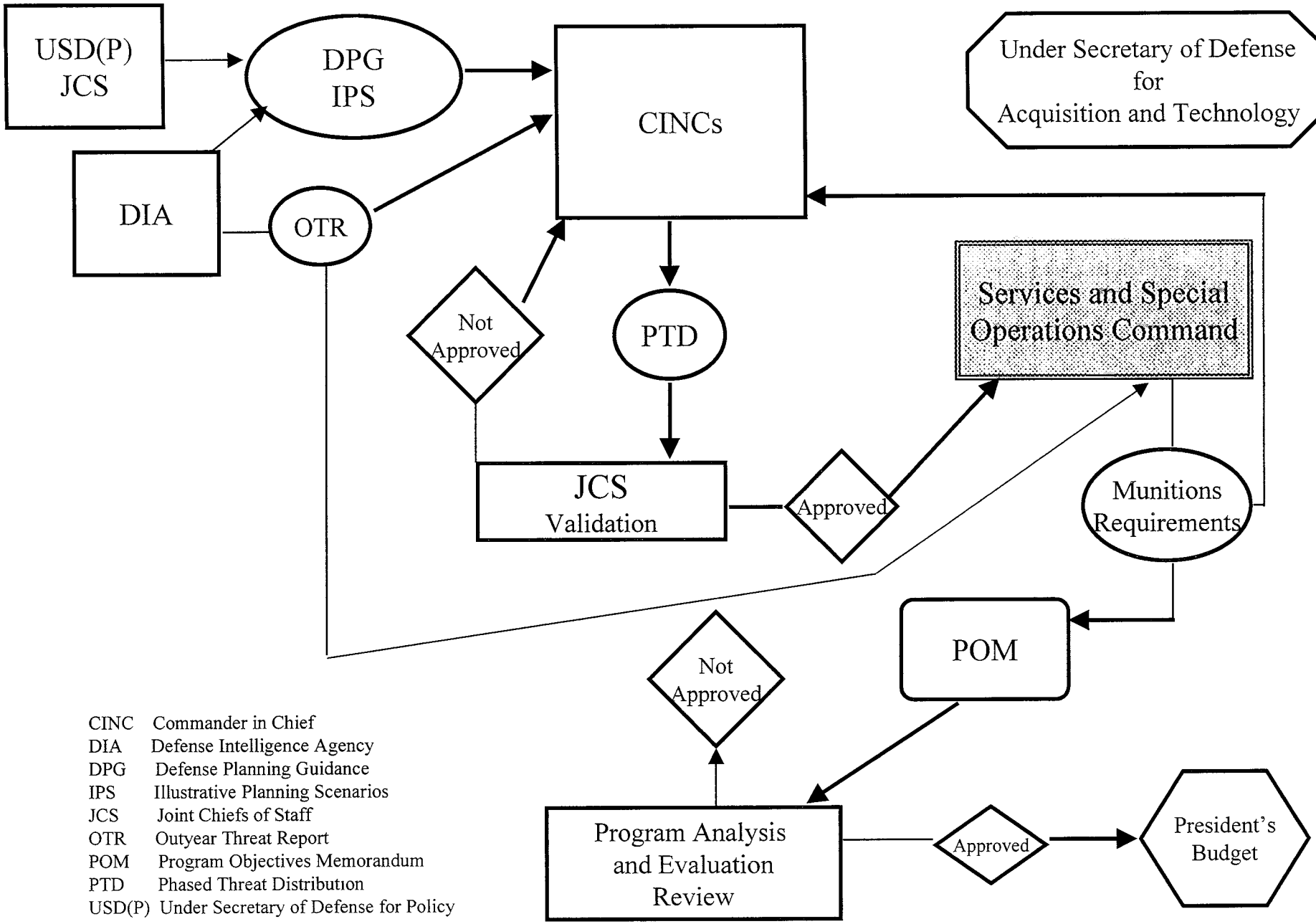
Deputy Assistant Inspector General
for Auditing



Capabilities-Based Munitions Requirements Process

Office of the Inspector General, DoD

Report No. 99-150 May 10, 1999
(Project No. 7AL-0025.06)

U.S. Special Operations Command Munitions Requirements

Executive Summary

Introduction. This report is the sixth in a series of reports on DoD management and implementation of the capabilities-based munitions requirements process. The capabilities-based munitions requirements process identifies required procedures that the Military Departments and the U.S. Special Operations Command must follow to establish munitions requirements in support of the DoD Planning, Programming, and Budgeting System. The capabilities-based munitions requirements process requires that the Commanders in Chief of the Combatant Commands distribute outyear threats to the U.S. Special Operations Command and the Services based on their warfighting concept of operations. Based on the threat distributions, U.S. Special Operations Command is to establish munitions requirements projected to the last year of the Future Years Defense Program to support planning for future procurements. The U. S. Special Operations Command did not use the capabilities-based munitions requirements process for classified munitions or those covered by special access programs. The flow chart on the preceding page illustrates the capabilities-based munitions requirements process. Previous reports addressed the capabilities-based munitions requirements theater models and associated analytical procedures used to generate threat distributions; the management of the capabilities-based munitions requirements process; and the Army, Navy, and Marine Corps processes, models, and assumptions used to generate quantitative requirements. A follow-on report will address the Air Force models and assumptions used to generate quantitative requirements.

Objectives. Our overall audit objective was to evaluate DoD models in generating quantitative munitions requirements. Specifically, we evaluated DoD theater models used to generate threat distributions of the U. S. Special Operations Command and the Services, and we evaluated the models and assumptions to generate quantitative requirements. We also reviewed the adequacy of the management control program as it applies to the audit objectives.

Results. We reviewed 30 audit sample items from a universe of 71 items from the Special Operations Command 1998 Capabilities-Based Munitions Requirements submission and determined that the sample items were incorrectly reported in one or more of the requirement categories. The U.S. Special Operations Command did not fully comply with DoD guidance and did not validate processes and requirements of the Component commands. As a result, the U.S. Special Operations Command may not have been meeting the operational objectives of the Commanders in Chief and

potentially may have misstated munitions requirements for FY 1998 through FY 2003. See the Finding for a discussion of the audit results and Appendix A for details on the review of the management control program.

Summary of Recommendations. We recommend validating Component commands' capabilities-based munitions requirements and following DoD guidance concerning identifying munitions expenditure requirements and explaining assumptions.

Management Comments. The Special Operations Command concurred with the report recommendations, and planned to make improvements before the FY 2000 capabilities-based munitions requirements submission.

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Background

The capabilities-based munitions requirements (CBMR) process identifies required procedures that the Military Departments and the U.S. Special Operations Command (SOCOM) must follow to establish munitions requirements to support the DoD Planning, Programming, and Budgeting System.[1] The CBMR process evaluates munitions procurements for adequacy, consistency, and appropriateness. DoD Instruction 3000.4, "Capabilities-Based Munitions Requirements (CBMR) Process," June 16, 1997, established procedures for military planners to base munitions requirements on the estimated quantity required to defeat specified threats within a given force structure. The capabilities-based munitions requirements process requires that the Commanders in Chief of the Combatant Commands distribute outyear threats to the U.S. Special Operations Command and the Services based on their warfighting concept of operations. Based on the threat distributions, U.S. Special Operations Command is to establish munitions requirements projected to the last year of the Future Years Defense Program to support planning for future procurements.

DoD Guidance. DoD Instruction 3000.4 directs the Commander in Chief, SOCOM, to determine munitions procurement requirements in accordance with the edition of the Defense Planning Guidance that is applicable at that time; provide munitions data according to required formats; and submit a detailed description of the methodology used to compute those requirements.

Munitions Requirements Determinations. The Services and SOCOM determine the war reserve munitions requirements[2] by scenario, considering wartime consumption and the policy to arm committed forces' designed military capability[3] of the systems. Combat requirements are based on the phased threat distributions of the Commanders in Chief (CINCs), using the Defense Intelligence Agency Outyear Threat Report as the authoritative threat estimate to evaluate wartime consumption. Combat requirements address the operational objectives of the CINCs against potential threats, consider logistics capabilities, and ensure that the Services and SOCOM have an appropriate quantity of munitions. The residual readiness requirement is the quantity of munitions needed to provide a post-major theater of war combat capability for forces that are committed to Defense Planning Guidance scenarios. The strategic readiness requirement is the quantity of munitions needed to arm forces that are not committed to support combat operations in the assigned major theaters of war. The strategic readiness requirement includes additional munitions requirements that are needed to meet treaty or statutory obligations to allies. Finally, the Services and SOCOM develop the training, testing, and current operational requirements for each munition. The Services and SOCOM completed the

[1]The DoD Planning, Programming, and Budgeting System is a cyclic process that provides a formal, systematic structure for making decisions on policy, strategy, and developing forces and capabilities to accomplish anticipated missions.

[2]War reserve munitions requirements are the sum of combat, residual, and strategic readiness requirements.

[3]Designed military capability does not mean that every system must be filled to design capacity unless warranted by the threat or the nature of the operational requirement.

munitions requirements process and provided the data to the Under Secretary of Defense for Acquisition and Technology; the Director, Program Analysis and Evaluation; and the Joint Staff (the combination of which this report calls Management Oversight) in accordance with the formats in Enclosure 3 to DoD Instruction 3000.4.

SOCOM Forces and Missions. The Military Departments provide personnel for the special operating forces, which support the national command authorities, regional combatant commanders, and American Ambassadors and country teams for successful worldwide special operations, civil affairs, and psychological operations during peace and war.

SOCOM Requirements. SOCOM munitions requirements for CBMR included unclassified ammunition items procured with Major Force Program-11 funds. Major Force Program-11 funds procure ammunition for all special operations forces-peculiar[4] and all Naval Special Warfare Command (WARCOM)[5] forces. The Army and the Air Force provide common service ammunition for special operations forces; the Navy does not. SOCOM did not report munitions for strategic readiness and did not identify WARCOM testing requirements. Further, SOCOM did not identify whether the Air Force Special Operations Command had current operational requirements and, if so, how they were calculated. SOCOM used analytical procedures to calculate quantitative requirements that had a direct and significant impact on the final requirement quantities.

SOCOM Guidance. SOCOM issued U.S. Special Operations Command Directive 700-8, "Logistics USSOCOM Policy for Development of War Reserve and Training Ammunition Requirements," June 25, 1996. The Directive established policy and procedures for determining war reserve, residual readiness requirements, and training ammunition requirements. The Directive applies to SOCOM Headquarters and Component commands. Additionally, SOCOM issued WARCOM Instruction 3502.3, "COMNAVSPECWARCOM [Commander, Naval Special Warfare Command] Ammunition Training Strategies," August 4, 1998[6], which established policy and procedures for determining training ammunitions requirements in accordance with SOCOM Directive 700-8. The reported quantities of munitions covered standard training evolutions and periods.

[4]Special operations forces-peculiar is any item or service that is particular to special operations forces. Those items include standard items used by other DoD forces but modified for special operations forces; items initially designed for, or used by, special operations forces until adopted for use as Service common by other DoD forces; and items approved by the CINC and Deputy CINC as critically urgent for the immediate accomplishment of a special operations forces mission.

[5]As of February 4, 1999, SOCOM reports requirements for three items for the Air Force and no unclassified support for the Army.

[6]Before issuing Instruction 3502.3, WARCOM used draft strategies to determine the training requirements for the CBMR.

Objectives

The overall audit objective was to evaluate DoD models in generating quantitative munitions requirements. Specifically, we evaluated DoD theater models in generating Service and SOCOM threat distributions, and we are continuing to evaluate the models and assumptions used to generate quantitative requirements. This report addresses the processes and assumptions that SOCOM used to generate munitions requirements in support of the CBMR process. We also reviewed the adequacy of the management control program as it applies to the audit objectives. See Appendix A for a discussion of the audit scope and methodology, the organizations visited and contacted, and the material management control weakness identified during the audit. See Appendix B for a summary prior coverage related to the audit.

U.S. Special Operations Command Munitions Requirements Process

We reviewed 30 audit sample items from a universe of 71 items from the SOCOM 1998 CBMR submission and determined that the sample items were incorrectly reported in one or more of the requirement categories. The sample included 27 items for WARCOM and 3 items[7] for AFSOC. SOCOM did not fully comply with DoD Instruction 3000.4 because it did not identify munitions expenditures by target category, use the CINCs phased threat distributions, provide information in the required format, and include a detailed explanation of the assumptions used for determining CBMR. Additionally, SOCOM did not validate the Component command CBMR because it relied on their processes for determining munitions requirements. As a result, SOCOM may not meet the operational objectives of the CINCs and potentially misstated munitions requirements for FYs 1998 through 2003.

Compliance With Guidance

SOCOM did not fully comply with DoD guidance for determining munitions requirements because it did not identify munitions expenditures by target category, use the CINCs phased threat distributions, provide information in the required format, and include a detailed explanation of the assumptions used for determining CBMR.

DoD Guidance. DoD Instruction 3000.4 requires SOCOM to identify the total number of targets killed by type and munitions used for each major theater of war using the target type categories and base combat requirement calculations on the CINCs phased threat distributions. SOCOM is to include the necessary combat requirements for specific capabilities to support normal deployment plans, even if that weapon has no specific threat distributed to it. The total of the combat requirements is the sum of the Defense Planning Guidance specified major theaters of war. SOCOM should define its CBMR by using the two formats in DoD Instruction 3000.4, Enclosure 3, as discussed under "Required Formats" on the next page.

Munitions Expenditures by Target Categories. SOCOM did not identify munitions expenditures by target category. The CINCs phased threat distributions allocate targets by the five categories specified in Tier II of the Defense Intelligence Agency *Outyear Threat Report*. The CINCs allocated targets to SOCOM in all five categories. SOCOM stated that it calculated and reported requirements based on level of effort because its missions included direct action, unconventional warfare, foreign internal defense, and strategic reconnaissance warfare. Nonetheless, DoD Instruction 3000.4 requires

[7]The 27 items are 40 percent of the total munitions reported for WARCOM and the 3 items are all of the munitions reported for AFSOC in the SOCOM 1998 CBMR.

SOCOM to identify the munitions that would satisfy the CINCs allocations by reporting the target category, munitions, projected kills, and consumption for each major theater of war. SOCOM must provide the number of targets killed and the projected consumption of munitions expended for each of the five categories. Additionally, SOCOM is to report the total projected consumption to accomplish the projected kills by munitions type.

CINCs Phased Threat Distributions. Representatives for SOCOM stated that it did not use the CINCs phased threat distributions because it did not use munitions that it traditionally considered threat oriented. SOCOM commented that requirements were based on the employment of major theaters of war apportioned for special operations forces conducting a variety of missions. Further, SOCOM stated that it could eliminate the few targets allocated by the CINCs with its current inventory of munitions. Although the CINCs may assign only a small number of targets to SOCOM, it is the whole, including those allocations, that ensures that the CINCs operational objectives are met. Therefore, SOCOM should follow the guidance, use the required formats, and clearly define how it will meet the CINCs operational objectives for assigned targets.

Required Formats. DoD Instruction 3000.4, Enclosure 3, Figures 3-1 and 3-2 (Appendix C), shows the different formats used to report munitions requirements. SOCOM did not provide information in the required format for target categories shown in Figure 3-1. SOCOM used the format in Figure 3-2 to report its CBMR but did not provide a detailed explanation of assumptions[8] to support the total munitions requirements. CBMR is the only document that SOCOM submits to Management Oversight to help it ensure that SOCOM is following DoD Instruction 3000.4. Management Oversight is meaningful only if SOCOM and the Services fully comply with DoD Instruction 3000.4. Also, the oversight process should point out discrepancies when CBMR submissions do not comply with the guidance.

Assumptions Used in the Munitions Determination Process. SOCOM did not document the assumptions that the Component commands used in their munitions determination process; it provided the following explanations for the WARCOM munitions requirements. For mission duration days, SOCOM used 1996 guidance and historical consumption rates for determining the duration of conflicts. The SOCOM representatives stated that the relevance of the methodology is currently under review. In the calculation of munitions, the number of units and number of missions were based on historical data and the physical ability of the troops to carry the munitions. An October 12, 1995, SOCOM memorandum established the percent of missions that require items. The memorandum provided specific percentages, which SOCOM and its Component commands reviewed, commented on, and concurred with. In February 1996, SOCOM gave its Component commands the flexibility to change the percent of missions that require items. Although WARCOM changed the assumptions for the percent of missions that require items for 20 of the 27 items in the audit sample, it did not explain why it used the different percentages, and SOCOM did not validate that the percentages continued to support its mission objectives. The last assumption in the war reserve computation is the number of items per mission. SOCOM explained that its

[8]The assumptions will be fully discussed in the next section of the report.

assumption is a typical quantity of ammunition rounds or demolition material that a WARCOM unit can carry in a training exercise for executing a specific deployment mission. Finally, SOCOM stated that for WARCOM, the war reserve requirement would be the greater quantity of the minimum unit load-out, which is the full load of munitions, or the number of units after each is multiplied by the number of mission days and missions that require weapons.

Validation of Component Command Processes and Munitions Requirements

SOCOM did not validate the CBMR of its Component commands, WARCOM and the Air Force Special Operations Command (AFSOC), because SOCOM relied on their processes for determining munitions requirements. The CBMR supports DoD major decisionmaking organizations and processes such as the Planning, Programming, and Budgeting System; therefore, SOCOM should validate the processes used by its Component commands before submitting munitions requirements to Management Oversight. SOCOM Component commands used different processes for determining munitions requirements. Following is a summary of how each Component command calculated munitions requirements.

WARCOM Process. WARCOM developed combat requirements for each major theater of war, residual readiness requirements, and training requirements for CBMR. WARCOM determined the combat requirements by assigning the type of unit that would perform the mission. Then WARCOM used a spreadsheet calculation with mission duration days, number of units, number of missions within 30 and 60 days, percent of missions requiring each item, and number of each item required per mission to calculate the required quantity of munitions. WARCOM increased that quantity for maintenance pipeline by 5 percent for small arms and by 10 percent for demolition items. The maintenance pipeline adjustment was not explained in the CBMR documentation. Using the stated methodology, each munitions requirement was calculated for 30 and for 60 days. SOCOM reported its 60-day combat requirements in the CBMR. We could not validate the reasonableness of the combat requirements because of the assumptions used by WARCOM.

SOCOM Directive 700-8 states that Component commands report residual readiness requirements as the higher quantity of munitions reported for the two major theaters of war. SOCOM officials stated that the higher number was to ensure that enough munitions were available to support special operations forces missions for one major theater of war at the end of a conflict. DoD Instruction 3000.4 states that the Services and SOCOM should compute residual readiness requirements to ensure that remaining forces retain sufficient munitions for a minimum combat capability at the end of a conflict. WARCOM sometimes did not follow either SOCOM Directive 700-8 or DoD Instruction 3000.4. SOCOM could not explain why WARCOM did not follow Directive 700-8, but more importantly, it did not question or correct the quantities before submitting its CBMR. During our continuing reviews of the CBMR process, we determined that every Service and SOCOM calculated

residual readiness requirements differently. Based on our reviews, Management Oversight agreed to reexamine and update, as needed, DoD Instruction 3000.4.

WARCOM developed detailed training strategies received from its seven subordinate commands and clearly defined the expected usage for each of the munitions. The training strategies were incorporated into WARCOM Instruction 3502.3 and used in the CBMR process to develop Navy training munitions requirements. Although the SOCOM CBMR submission showed that WARCOM testing and current operational requirements were part of the training munitions quantities, the documentation did not show the values given to the missions. If testing and current operational requirements are not included in the training quantities, SOCOM should footnote that explanation; however, if a need does exist, SOCOM should document the methodology used to determine the quantities.

AFSOC Process. AFSOC reported requirements for three items in the SOCOM CBMR. AFSOC munitions included combat requirements for each major theater of war, residual readiness requirements, and testing and training requirements. AFSOC did not include current operational requirements in the documentation provided to SOCOM. SOCOM Directive 700-8 requires AFSOC to use the Non-Nuclear Consumables Annual Analysis process to calculate munitions requirements. AFSOC provided its process for determining munitions requirements, using a basic aircraft load methodology, and it then calculated munitions requirements in 30- and 60-day quantities. AFSOC representatives stated that the factors used to calculate its basic aircraft loads were probably unrealistic and that they were being reviewed. AFSOC identified quantities for each major theater of war but did not provide threat information that supported the requirements. We were unable to validate the three audit samples reported in CBMR.

The residual readiness requirement reported by SOCOM for AFSOC did not follow either DoD Instruction 3000.4 or SOCOM Directive 700-8 for one of the three items. AFSOC did not provide an explanation or methodology for the residual readiness requirement for one of the items. SOCOM should ensure that the information provided has valid, documented assumptions.

AFSOC did not have a well-defined training strategy. It calculated training[9] requirements based on historical quantities and the average munitions that could be expended within a normal 2-hour range time. Based on the information provided, we were unable to determine whether the training requirement was reasonable. The munitions determination documentation provided to SOCOM during the audit did not state that AFSOC calculated the current operational requirements; however, the SOCOM CBMR include current operational requirements in their testing and training category. SOCOM should define and validate a current operational requirement or, if none exists, should annotate that the AFSOC quantities include only training and testing.

[9]AFSOC stated that test munitions are normally included in the forecast for training.

Results of the SOCOM Requirements Process

We reviewed 30 audit sample items from a universe of 71 items from the SOCOM 1998 CBMR submission and determined that the sample items were incorrectly reported in one or more of the requirement categories. The sample included 27 items for WARCOM and 3 items[10] for AFSOC. The following is a breakdown of the discrepancies that SOCOM could not readily explain because it did not validate its munitions requirements.

Documentation for all 27 war reserve requirements calculated by WARCOM did not match the CBMR submission. After researching the discrepancies, SOCOM explained that, for 16 items, a 5 or 10 percent allowance for maintenance pipeline had been added, but not annotated.

SOCOM Directive 700-8 states that the residual readiness requirement is equal to the higher of two major theaters of war ammunition requirements. The 1998 SOCOM CBMR residual readiness requirements for 24 of the 27 WARCOM items were incorrectly reported because the major theater of war with the largest requirement was not selected. The AFSOC requirements were incorrect for one out of three items. SOCOM did not annotate the items to explain why it accepted and reported the incorrect quantities.

Twenty of 27 WARCOM audit sample items did not match the standardized ammunitions training strategies. The undocumented explanations for 14 items included rounding up or down to the nearest packaging unit and 2 items being switched in the CBMR. In this time of austere budgets, SOCOM needs to validate requirements of its Component commands to avoid potentially misstating its munitions requirements.

Recommendations and Management Comments

We recommend that the Director, Acquisition and Logistics Center, U.S. Special Operations Command:

1. Validate Component command methods and assumptions for determining capabilities-based munitions requirements and the quantities of the munitions before submitting U.S. Special Operations Command capabilities-based munitions requirements to the Office of the Secretary of Defense and the Joint Staff.

Director, Acquisition and Logistics Center, Comments. The Director concurred with the recommendation and will ensure that the component commands methodologies for determining munitions requirements are validated.

[10]The 27 items are 40 percent of the total munitions reported for WARCOM and the 3 items are all of the munitions reported for AFSOC in the SOCOM 1998 CBMR.

2. Identify munitions expenditure requirements by target category and include a detailed explanation of assumptions used to identify the munitions requirements, as required by DoD Instruction 3000.4, "Capabilities-Based Munitions Requirements (CBMR) Process," June 16, 1997, Enclosure 3.

Director, Acquisition and Logistics Center, Comments. The Director concurred with the intent of the recommendation and agreed to work with the Joint Staff to improve the Special Operations Forces Command targeting procedures of the phased threat distributions by June 30, 1999 for review of the US Central Command area of operation. Special Operations Forces Command will include the results of the reviews in the FY 2000 and FY 2001 capabilities-based munitions requirements.

3. Use the Commanders in Chief phased threat distributions to allocate munitions as required by DoD Instruction 3000.4, "Capabilities-Based Munitions Requirements (CBMR) Process," June 16, 1997.

Director, Acquisition and Logistics Center, Comments. The Director concurred with the recommendation and will implement the revised phased threat distribution methodology developed by the Joint Staff.

4. Use the formats to report munitions requirements that DoD Instruction 3000.4, "Capabilities-Based Munitions Requirements (CBMR) Process," June 16, 1997, Enclosure 3, requires.

Director, Acquisition and Logistics Center, Comments. The Director concurred and stated the format used was correct, but they did not provide an explanation of the assumptions as required. The Director stated the requirement will be met for the FY 2000 submission.

Appendix A. Audit Process

Scope

We evaluated the methodology that SOCOM used to generate munitions requirements to determine whether it was reasonable and complied with DoD Instruction 3000.4. Specifically, we evaluated the process, models, assumptions, and associated analytical procedures, and we assessed their impact on the CBMR process. We reviewed WARCOM and AFSOC procedures and the SOCOM validation process. We assessed how SOCOM used the threat distributions of the CINCs to include warfighting analysis and inputs, operations, and outputs. We also evaluated WARCOM and AFSOC quantitative requirements procedures in their spreadsheet analyses. We evaluated records and interviewed personnel from November 1998 through January 1999.

DoD-Wide Corporate-Level Government Performance and Results Act. In response to the Government Performance and Results Act, the Department of Defense has established 6 DoD-wide corporate-level performance objectives and 14 goals for meeting these objectives. This report pertains to achievement of the following objective and goal.

- **Objective:** Fundamentally reengineer DoD and achieve a 21st century infrastructure.

- **Goal:** Reduce costs while maintaining required military capabilities across all DoD mission areas. (DoD-6)

General Accounting Office High-Risk Area. The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the Defense Weapons System Acquisition high-risk area.

Methodology

Computer-Processed Data. We relied on spreadsheets from the SOCOM 1998 munitions requirements data sheets. We did not verify the accuracy of the data; however, data validity did not affect the audit conclusions because we focused on the process and not on the data.

Sampling Procedures. We used nonstatistical sampling procedures to evaluate the SOCOM process for generating requirements for munitions. We judgmentally selected 30 of 71 items from SOCOM documentation to illustrate the methods used to determine munitions quantities.

Technical Assistance. We obtained technical assistance from operations research analysts in the Office of the Inspector General, DoD, to evaluate the models used to generate threat distributions and munitions requirements.

Audit Type, Dates, and Standards. We performed this economy and efficiency audit from November 1998 through January 1999. We conducted the audit in accordance with auditing standards issued by the Comptroller of the United States, as implemented by the Inspector General, DoD.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available on request.

Management Control Program Review

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of the Review of the Management Control Program. We reviewed the adequacy of management controls as they relate to the determination of CBMR. We included tests of management controls that we considered necessary to satisfy the audit objectives. Specifically, we reviewed the management controls for planning, developing, and documenting the requirements generation processes.

Adequacy of Management Controls. We identified a material management control weakness in the procedures to generate quantitative requirements for munitions, as defined by DoD Directive 5010.38. SOCOM did not ensure that it effectively generated quantitative requirements for its munitions. Specifically, SOCOM did not validate Component command input to the CBMR process. In addition, SOCOM did not implement existing controls, which required using phased threat distributions of the CINCs, submitting information in the required format, and validating its Component command methodologies. The recommendations in the report, if implemented, will improve the management controls for developing CBMR. A copy of this report will be provided to the senior officials responsible for management controls at SOCOM.

Adequacy of Management's Self-Evaluation. The SOCOM did not provide documentation to support that its self-evaluation was adequate. SOCOM provided a copy of its management plan, but it failed to identify any actions the assessable unit responsible for reviewing its munitions requirements took to ensure that the requirements were validated. SOCOM did not identify or report the material management control weakness.

Appendix B. Summary of Prior Coverage

During the last 5 years, the General Accounting Office issued two reports and the Office of the Inspector General, DoD, issued eight reports that relate to the generation of DoD quantitative requirements for munitions.

General Accounting Office

General Accounting Office Report No. GAO/NSIAD-97-93 (OSD Case No. 1312), "Army Acquisition: Longbow Hellfire Missile Procurement Quantities Significantly Overstated," May 1997.

General Accounting Office Report No. GAO/NSIAD-96-72 (OSD Case No. 1075), "U.S. Combat Air Power: Reassessing Plans to Modernize Interdiction Capabilities Could Save Billions," May 1996.

Inspector General, DoD

Inspector General, DoD, Report 99-051, "Marine Corps Quantitative Munitions Requirements Process," December 10, 1998.

Inspector General, DoD, Report No. 99-043, "Navy Quantitative Requirements for Munitions," December 3, 1998.

Inspector General, DoD, Report No. 98-167, "Army Quantitative Requirements for Munitions," June 26, 1998.

Inspector General, DoD, Report No. 98-160, "Management Oversight of the Capabilities-Based Munitions Requirements Process," June 22, 1998.

Inspector General, DoD, Report No. 98-092, "Threat Distributions for Requirements Planning at U.S. Central Command and U.S. Forces Korea," March 20, 1998.

Inspector General, DoD, Report No. 96-176, "Army's and Marine Corps' Quantitative Requirements for Blocks I and II Stinger Missiles," June 25, 1996.

Inspector General, DoD, Report No. 95-265, "Summary Report on the Audits of Anti-Armor Weapon Systems and Associated Munitions," June 29, 1995.

Inspector General, DoD, Report No. 95-157, "Army's Processes for Determining Quantitative Requirements for Anti-Armor Systems and Munitions," March 29, 1995.

Appendix C. Required Formats

MUNITIONS EXPENDITURES BY TARGET CATEGORY OF OTR							
Column 1	2	3	4	5	6	7	8
	(** This data should be provided in a spreadsheet. Excel is preferred **)						
Service; e.g., Army							
Target Type[1]	Munitions			Munitions			
(per OTR)							
e.g. MANEUVER							
		Projected Kills[3]	Projected Consumption[4]		Projected Kills[3]	Projected Consumption[4]	Total Projected Consumption
e.g. Tanks	MTW-East: Portion to defeat: #[2]			MTW-West. Portion to defeat: #[2]			
	155mm Howitzer			155mm Howitzer			
	155mm M898			155mm M898			
	ABRAMS TANK			ABRAMS TANK			
	120mm M829A2			120mm M829A2			
	Helicopters			Helicopter			
	Laser Hellfire \B			Laser Hellfire \B			
	Longbow Hellfire \B			Longbow Hellfire \B			
	Javelin			Javelin			
	Javelin \B			Javelin \B			
	etc			etc			
	Total			Total			
e.g. AFVs	MTW-East: Portion to defeat: #[2]			MTW-West. Portion to defeat: #[2]			
	155mm Howitzer			155mm Howitzer			
	155mm XM982			155mm XM982			
	Fuze Multi Option			Fuze Multi Option			
	Fuze Multi Option			Fuze Multi Option			
	Wide Area Munitions			Wide Area Munitions			
	Wide Area Munitions			Wide Area Munitions			
	etc			etc			
	Total			Total			
etc.							
	[1] Information should be reported for each target category listed in enclosure 5. All munitions need be reported for each target category.						
	[2] Total service apportionment should correspond to CINCs' PTD. Do not report targets for which there is no Service apportionment.						
	[3] The number of targets killed by munition type in columns 2 and 5.						
	[4] The total munitions consumed to achieve the number of projected kills by munition type.						

Figure 3-1. Combat Munitions Data Format

MUNITIONS REQUIREMENTS									
Column 1	2a	2b	3	4	5	6	7a	7b	
Weapons/Munition	Combat Requirement[1]		RRR[2]	Strategic Readiness	TTCOR[2]	Total Munitions	War Reserve Inventory		
	for: MTW-East	for: MTW-West		Requirement[2]		Requirement[3]	current year	last year of FYDP	
(Army Example)									
155mm Howitzer									
155mm M898									
155mm XM982									
ABRAMS TANK									
120mm M829A2									
HELICOPTERS									
Laser Hellfire \B									
Longbow Hellfire \B									
Javelin									
Javelin \B									
etc									
Total									
(Air Force Example)									
SPARROW									
SIDEWINDER									
MAVERICK									
HARPOON									
etc									
Total									
(NAVY Example)									
5"/54									
MAVERICK									
GATOR									
SIDEWINDER									
etc									
Total									
(Marine Corps Example)									
Javelin									
Javelin \B									
etc									
Total									
	[1] These represents the total munitions brought to the conflicts (number may exceed CINC distribution).								
	[2] Enclosure 1, definition 16.								
	[3] Provide a detailed explanation of assumptions used in deriving requirements in columns 2 through 6.								

Figure 3-2. Total Munitions Data Format

Appendix D. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
  Director, Defense Logistics Studies Information Exchange
  Director, Strategic and Tactical Systems
Under Secretary of Defense (Comptroller)
  Deputy Chief Financial Officer
  Deputy Comptroller (Program/Budget)
    Director, Program Analysis and Evaluation
    Director, Regional Assessment and Modeling Division

Department of the Army

Assistant Secretary of the Army (Financial Management and Comptroller)
Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Joint Staff

Chairman, Joint Chiefs of Staff
  Director for Force Structure, Resources, and Assessment

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
  Inspector General, National Security Agency
Inspector General, Defense Intelligence Agency

Unified Commands

Commander in Chief, U.S. European Command
Commander in Chief, U.S. Pacific Command
Commander in Chief, U.S. Forces Korea
Commander in Chief, U.S. Atlantic Command
Commander in Chief, U.S. Southern Command
Commander in Chief, U.S. Central Command
Commander in Chief, U.S. Space Command
Commander in Chief, U.S. Special Operations Command
Director, Acquisition and Logistics Center
Director, Material Division
Commander in Chief, U.S. Transportation Command
Commander in Chief, U.S. Strategic Command

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
General Accounting Office
National Security and International Affairs Division
Technical Information Center

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Reform
House Subcommittee on Government Management, Information, and Technology, Committee on Government Reform
House Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform

United States Special Operations Command Comments

UNITED STATES SPECIAL OPERATIONS COMMAND
OFFICE OF THE ACQUISITION EXECUTIVE
7701 TAMPA POINT BLVD
MACDILL AIR FORCE BASE, FLORIDA 33621-5323

19 Apr 99

MEMORANDUM FOR: DEPARTMENT OF DEFENSE INSPECTOR GENERAL, ATTN: MR THOMAS F. GIMBLE, 400 ARMY-NAVY DRIVE, ROOM 600, ARLINGTON, VA 22202-2884

SUBJECT: Audit Report on U.S Special Operations Command Munitions Requirements (Project No 7AL-0025 06)

1. REFERENCES:

a. Draft of a Proposed Audit Report, Department of Defense Inspector General (DODIG), Project Number 7AL-0025 06, U.S Special Operations Command Munitions Requirements, dated 19 Februaiy 1999.

b. Memorandum, The Joint Staff, Attn: J8/Forces Division, subject: Review of Phased Thieat Distribution (PTD) Methodology, dated 18 March 1999.

c. DoD Instruction 3000 4, Capabilities-Based Munitions Requiiements (CBMR) Process, dated 16 June 1997.

2. Purpose of this document is to provide United States Special Operations Command (USSOCOM) management comments to subject draft audit report (hereafter referred to as the audit iepoit). Comments focus on actions taken and planned in iesponse to consideration of the four recommendations made within the audit ieport.

3 USSOCOM concurs with each DODIG recommendation. Comments associated with each iecommendation aie noted below

a Recommendation: "Validate component command methods and assumptions foi deteimining capabilities-based munitions iequirements and the quantities of the munitions before submitting U S Special Operations Command capabilities-based munitions requirements to the Office of the Secretary of Defense and the Joint Staff."

Comments: USSOCOM policy currently iequires that this headquarters validate component methodologies for determining munitions requirements The CBMR submission in FY 2000 will include data deiived fiom component methodologies validated by this headquarters

b Recommendation: "Identify munitions expenditure requirements by target category and include a detailed explanation of assumptions used to identify the munitions requirements, as required by DoD Instruction 3000.4, " Capabilities-Based Munitions Requirements (CBMR) Piocess," June 16, 1997, Enclosuie 3."

SOAE
SUBJECT: Audit Report on U S. Special Operations Command Munitions Requirements (Project No 7AL-0025.06)

Comments: As noted in the findings of the audit report, USSOCOM in the past has not used the Phased Threat Distribution (PTD) plans provided by U.S. Central Command (USCENTCOM) and Combined Forces Command (CFC). Consequently, the munitions are not arrayed by the target categories specified in those documents. In reference 1. b., the Joint Staff states that previous PTDs used differing methodologies to determine Special Operations Forces (SOF) target shares To correct this deficiency, the Joint Staff J-8 has initiated a program to revise the methodology for computing PTDs. USSOCOM will work with the Joint Staff to improve the SOF targeting procedures of the PTD with the goal of 30 June 1999 for review of the USCENTCOM area of operation Based upon successful outcome of the USCENTCOM review, the CFC PTD will be revised in FY 2000. Results of the two reviews will be included in our FY 2000 and FY 2001 CBMR submissions, respectively

c. Recommendation: "Use the Commanders in Chief phased threat distributions to allocate munitions as required by DoD Instruction 3000 4, "Capabilities-Based Munitions Requirements (CBMR) Process," June 16, 1997."

Comments: As noted above, once the Joint Staff implements the revised PTD methodology, USSOCOM will integrate the new PTDs into its CBMR process

d Recommendation: "Use the formats to report munitions requirements that DoD Instruction 3000 4, "Capabilities-Based Munitions Requirements (CBMR) Process," June 16, 1997, Enclosure 3, requires "

Comments: The format used to report USSOCOM munitions (Figure 3-2, reference 1. c.) was used correctly, however, as noted in the findings, a "detailed explanation of assumptions" was not provided. This requirement will be met for the FY 2000 CBMR submission. The target-oriented portion of the reporting format (Figure 3-1, reference 1. c.) will be used once the new PTD process is implemented

4 The implementation of the recommendations noted above will correct the material control weaknesses noted in Appendix A of the audit report.

5 Points of contact this headquarters is MAJ Craig Cotter, Materiel Division, Directorate of Logistics, Center for Acquisition and Logistics, DSN 968-4028 or commercial (813) 828-4028.

Harry E Schulte

HARRY E SCHULTE
Acquisition Executive

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