MEMORANDUM FOR DISTRIBUTION


Attached for the week ending April 04, 2014, are four new GAO announcements and highlights for two GAO final reports. There was one case closed and one transferred to Audit Follow-Up during this period.

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for Communications and Congressional Liaison

Attachment:
As stated

cc:
Posted In GAO Affairs Internet Page
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April 04, 2014

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**Survey / Review**

**New Announcements**

1. USD (P&R) Department of Veterans Affairs (VA) and Department of Defense (DOD) Centers and Excellence
   Date of New Announcement: 04-03-2014
   GAO Code: 291210

   Date of New Announcement: 04-01-2014
   GAO Code: 311511

3. USD (AT&L) DOD’s Institutionalization of Operational Contract Support (OCS) Lessons Learned
   Date of New Announcement: 04-01-2014
   GAO Code: 351914

4. USD (AT&L) Contractor Management Systems
   Date of New Announcement: 04-01-2014
   GAO Code: 351917

**GAO Final Reports**

1. USD (AT&L) DEFENSE INFRASTRUCTURE: Army Has a Process to Manage Litigation Costs for the Military Housing Privatization Initiative
   GAO-14-327 351843

2. USD(P) Afghanistan: Changes to Updated U.S. Civil-Military Strategic Framework Reflect Evolving U.S. Role
   GAO-14-438R 321014

**Closed, Terminated or Transferred Cases**

1. Closed Nuclear Command, Control, and Communications (NC3) Modernization
   No Report 121118

2. Transferred Nuclear Command, Control, and Communications: Review of Current Modernization Efforts
   GAO-14-414R 121204
Information on New Engagement

Engagement subject: Department of Veterans Affairs (VA) and Department of Defense (DOD) Centers of Excellence

Engagement code: 291210

Source for the work: GAO is beginning this work pursuant to its authority under 31 U.S.C. 717 after receiving a request from Ranking Member Richard Burr of the Senate Committee on Veterans’ Affairs.

Issues under review/Objectives/Key questions:
1. What is the role of VA and DOD Centers of Excellence and what criteria were used to designate medical facilities or organizations as Centers of Excellence?
2. How are VA and DOD Centers of Excellence funded and how is spending for the Centers tracked and monitored?
3. To what extent are VA and DOD collaborating at the Centers of Excellence?

Agencies and anticipated locations (HQ and field) to be notified: We plan to contact officials within DOD’s Office of Health Affairs and other relevant agencies as determined, as well as from DOD medical facilities designated as Centers of Excellence.

Other departments/agencies to be contacted: We also plan to contact the Department of Veterans Affairs.

[Redacted text]
Enclosure

**Information on New Engagement**

**Engagement subject:** Federal Agencies’ Implementation of the *Managing Government Records Directive (M-12-18)*

**Engagement code:** 311511

**Source for the work:** Consistent with our Congressional Protocols, GAO is beginning this work in response to a request made by the Chairman of the Senate Committee on Homeland Security and Governmental Affairs.

**Objective(s)/Key question(s):**
1. To what extent have federal agencies taken the actions called for in the *Managing Government Records Directive*?
2. What actions, if any, have the Office of Management and Budget, the National Archives and Records Administration, and the Office of Personnel Management taken to assist agencies in using electronic recordkeeping and ensure that agencies comply with federal records management statutes and regulations?

**Agencies and anticipated locations (HQ and field) to be notified:**
U.S. Department of Defense

**Other departments/agencies to be contacted:** This engagement is a multiagency effort. Therefore, we plan to contact the Office of Management and Budget, the National Archives and Records Administration, and the other 23 major federal departments and agencies to accomplish our objectives.
Information on New Engagement

Engagement subject: DOD's Institutionalization of Operational Contract Support (OCS) Lessons Learned

Engagement code: 351914

Source for the work: GAO is beginning this work on its own initiative pursuant to its authority under 31 U.S.C. 717.

Objective(s)/Key question(s):
(1) To what extent has DOD comprehensively collected and analyzed OCS lessons learned?
(2) To what extent are OCS lessons learned made available and being shared within the OCS community and those tasked with managing OCS during contingencies?
(3) To what extent have DOD and the military services institutionalized OCS lessons learned in doctrine, policy and training, and education?

Agencies and Anticipated Locations to be Contacted: We plan to conduct work at offices within the Office of the Secretary of Defense such as the Defense Logistics Agency and the Defense Contract Management Agency as well as each of the four military services, the Joint Staff and others as appropriate. We will also conduct work with combatant commands and their service component commands.
Information on New Engagement

Engagement subject: Contractor Management Systems

Engagement code: 351917

Source for the work:

GAO is beginning this work in response to a congressional mandate.

Issue(s) under review/Objective(s)/Key question(s): In the FY 2013 National Defense Authorization Act (NDAA), Congress directed DOD, Department of State, and U.S. Agency for International Development to issue guidance about data collection on contract support for future contingencies involving combat operations outside the U.S.

Questions: (1) What systems do the agencies use to track contractors and the resources needed to sustain each system? (2) To what extent are systems interoperable, use compatible data standards, and meet the requirements of section 2222 of title 10, U.S. Code, to include related guidance? (3) To what extent do the systems provide personnel in contingency areas the necessary data to manage contractors? (4) What steps are the agencies taking to ensure that these systems maximize their ability to manage support contractors?

Agencies and anticipated locations (HQ and field) to be notified:

Office of the Secretary of Defense
   Acquisition, Technology, and Logistics (Logistics and Materiel Readiness)
   Personnel and Readiness
   Comptroller
Joint Staff
   J-1, Manpower and Personnel
   J-4, Logistics
Selected combatant commands
Defense Manpower Data Center
Defense Information Systems Agency

Other departments/agencies to be contacted: Department of State, U.S. Agency for International Development

[Redacted]
DEFENSE INFRASTRUCTURE

Army Has a Process to Manage Litigation Costs for the Military Housing Privatization Initiative

What GAO Found

The Army has a standard process to manage litigation costs of its Military Housing Privatization Initiative (MHPI) projects that are not accounted for in the annual budget process. Army officials indicated that there is one case between four Army MHPI projects and Pinnacle Property Management (Pinnacle) that met the dollar threshold criteria and that would have been approved through this process. However, Army officials did not use the standard process because the Army determined that it needed to limit access to Pinnacle litigation information to avoid disclosing any information material to the litigation strategy. As a result, the Army used an alternative process to review and approve litigation costs for Pinnacle that is consistent with MHPI operating agreements. Had the standard process been followed, litigation and litigation cost information would have been shared with the MHPI projects construction company, Clark Realty Capital (Clark), and four different offices within the Army. Army and Clark officials decided to use the alternative process allowed by the MHPI's operating agreements so that fewer personnel would be aware of ongoing litigation information involving Pinnacle. The alternative process allows the Army and Clark to directly approve specific actions on behalf of the MHPI project, such as approving litigation and audit expenses, and allows sharing information with only Clark and one Army office.

According to Army officials and our analysis of these four MHPI projects' accounts, Pinnacle litigation expenses have not prevented the projects from meeting their normal operating requirements, such as conducting maintenance or paying for utilities. Rents collected from these four MHPI projects funded the normal operating requirements for these projects as well as the Pinnacle litigation and audit expenses. Rents collected in excess of operating expenses normally are available for other purposes such as construction; capital, repair, and replacement of buildings; and future reinvestment. However, because litigation expenses were also paid from the rents collected at the four MHPI projects involved in the litigation, some funds have not been available for these purposes. Nevertheless, Army officials said that the Pinnacle litigation and audit costs have had no effects on the four projects’ ability to move forward with construction as planned so far or to meet any scheduled capital repair projects because these projects were developed within anticipated funding levels.

The Army property-management agreements provide that the party that substantially prevails in a legal action may recoup their legal expenses. Army officials stated that they expect the MHPI projects to prevail in the litigation and recoup most, or even all, the costs of conducting the litigation.
Congressional Committees

Afghanistan: Changes to Updated U.S. Civil-Military Strategic Framework Reflect Evolving U.S. Role

The U.S. Civil-Military Strategic Framework for Afghanistan is intended to articulate the strategic vision guiding U.S. government efforts to achieve U.S. national goals and to facilitate U.S. civilian and military cooperation and partnership in Afghanistan. The Department of State (State) notes that this framework serves as strategic guidance for all U.S. civilian and military personnel serving in Afghanistan. In March 2012, the framework replaced the Integrated Civilian-Military Campaign Plan, which was first signed in August 2009 by the U.S. Ambassador to Afghanistan and the Commanding General, U.S. Forces-Afghanistan. The framework was subsequently updated, in October 2012 and, most recently, in August 2013.¹

The August 2013 version of the framework—likely the final update, according to State officials—shows, among other things, a heightened focus on transition in Afghanistan.² The framework defines “transition” to mean a shift, through the end of 2014, in security responsibility for Afghanistan to Afghan security institutions and the Afghan National Security Forces (ANSF) as well as a shift in U.S. policy toward a more traditional diplomatic and development model. After January 1, 2015, when the last U.S. combat troops are expected to have withdrawn from Afghanistan, the United States plans to continue to support the government of Afghanistan in its efforts to achieve longer-term goals for governance and development. According to State officials, the 2013 revision of the framework was intended to reflect changes in U.S. goals and priorities, better align them with Afghan goals and priorities, and reflect changing circumstances on the ground.

Section 1220 of the National Defense Authorization Act for Fiscal Year 2013 (NDAA) mandates GAO to report on any substantial updates to the campaign plan for Afghanistan, which the strategic framework has replaced.³ To satisfy the mandate, this report broadly compares the August 2013 version of the framework with the October 2012 version, summarizing the differences between them.

To conduct this work, we reviewed the October 2012 and the August 2013 versions of the Civil-Military Strategic Framework for Afghanistan to identify differences between them. To


² According to State, the U.S. government will replace the August 2013 version of the framework with a more typical country-level planning document, known as an integrated country strategy, that State produces in other U.S. missions.