

# GAO Highlights

Highlights of [GAO-23-105377](#), a report to congressional requesters

## Why GAO Did This Study

Private companies own and operate 99 percent of family housing at domestic military installations, totaling approximately 203,300 units. Since 2019, questions have been raised about assistance available to residents, poor housing conditions, and private company performance. Legislation has included requirements aimed at improving DOD's oversight of the privatized housing program.

GAO was asked to review DOD's oversight of the privatized housing program. This report evaluates the extent to which DOD has (1) implemented statutory requirements to improve assistance to residents, (2) improved oversight of privatized housing, and (3) the authorities and processes in place to hold private housing companies accountable for poor performance.

GAO analyzed DOD policies and guidance; and interviewed DOD housing officials and private company representatives at five installations selected for variation in service and experience with initiatives. GAO met with a nongeneralizable sample of residents currently living in privatized housing and solicited views from private housing companies.

## What GAO Recommends

GAO is making 19 recommendations, including that DOD clarify guidance and training on efforts to increase assistance to residents and improve home inspection standards and training. DOD generally concurred with the recommendations and described some related actions.

View [GAO-23-105377](#). For more information, contact Elizabeth A. Field, (202) 512-2775 or [FieldE1@gao.gov](mailto:FieldE1@gao.gov).

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## MILITARY HOUSING

### DOD Can Further Strengthen Oversight of Its Privatized Housing Program

## What GAO Found

The Department of Defense (DOD) has taken steps to implement statutory requirements from the Fiscal Year 2020 National Defense Authorization Act (2020 NDAA). These statutory requirements were designed to increase assistance to residents of privatized housing, ensure DOD has adequate personnel to conduct oversight activities, and improve DOD's oversight of the condition of private housing units. DOD has taken steps to implement these requirements, but gaps in guidance and training remain. For example, GAO found a need for

- **More detailed formal dispute resolution guidance.** The 2020 NDAA required DOD to provide residents the right to enter into formal dispute resolution processes to resolve issues with private housing companies. The Office of the Secretary of Defense issued guidance establishing a formal dispute resolution process and directed the military departments to work with private housing companies to implement it. However, the guidance provided to residents on the process lacks detailed information, such as how and when they can file a formal dispute. Also, military housing officials have not received adequate guidance or training for assisting residents in the process.
- **Improved guidance on the role of the tenant advocate.** The 2020 NDAA required DOD provide residents with access to a tenant advocate. Each military department has designated personnel to act in this capacity. However, the military departments have not clearly identified the roles and responsibilities for these personnel, or communicated useful information to residents about how they can and cannot use the tenant advocates.
- **Better oversight of the condition of private housing units.** The 2020 NDAA required that DOD conduct inspections of privatized homes prior to resident occupancy. GAO found that, although each of the military departments is conducting these inspections as required, DOD has not developed clear or consistent inspection standards and the military departments have not provided adequate inspector training. This has contributed to inconsistencies in how inspectors rate homes, resulting in homes with similar issues receiving different ratings and, according to private housing company representatives, has increased project costs.

By addressing these implementation weaknesses, DOD could enable personnel to more effectively perform their duties, reduce residents' confusion and frustration, and more fully meet the congressional intent of improving the privatized housing program.

DOD has authorities and processes in place to hold private housing companies accountable for poor performance or misconduct, including fraud. Specifically, according to DOD officials, it can place companies on performance improvement plans, withhold performance incentive fees, or terminate and replace specific project stakeholders. DOD can also fully terminate a project, but has never identified the need to do so. Officials stated that such need would be unlikely, in part because the projects are structured to allow the military departments to address poor performance without disrupting the entire project. Moreover, private companies have typically shown a willingness to step out of projects due to poor performance when under pressure from DOD to do so.