



November 2022

NORTHERN TRIANGLE

DOD and State Need Improved Policies to Address Equipment Misuse

GAO Highlights

Highlights of [GAO-23-105856](#), a report to congressional committees

Why GAO Did This Study

The three countries that make up the Northern Triangle of Central America have historically faced security challenges. To assist these countries, DOD has provided them with equipment and other support. From fiscal years 2017 to 2021, DOD and State provided over \$66 million in assistance to the Northern Triangle.

Section 1336 of the National Defense Authorization Act for Fiscal Year 2022 includes a provision for GAO to evaluate DOD's end-use monitoring procedures regarding equipment misuse by Northern Triangle countries. This report examines (1) the extent to which steps taken by DOD and State to address alleged misuse aligned with relevant procedures and guidance, (2) how, and the extent to which, DOD monitored equipment, and (3) the extent to which this monitoring ensures that recipients are using equipment for its intended purposes.

GAO analyzed DOD and State documentation about their response to alleged incidents of misuse and data about DOD's monitoring completed in the Northern Triangle. GAO also interviewed agency officials.

What GAO Recommends

GAO is making five recommendations, including that DOD and State improve their policies for recording allegations and that DOD improves policies to maintain accurate equipment data. State agreed with its recommendation. DOD disagreed with two recommendations, stating that existing guidance is sufficient. GAO maintains that additional guidance is necessary to ensure DOD records allegations and has accurate data.

View [GAO-23-105856](#). For more information, contact Chelsa Kenney at (202) 512-2964 or kenneyc@gao.gov.

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DOD and State Need Improved Policies to Address Equipment Misuse

What GAO Found

Within the Northern Triangle countries of El Salvador, Guatemala and Honduras, the Departments of Defense (DOD) and State reviewed multiple allegations of misuse of DOD-provided equipment in Guatemala. From August 2018 to October 2021, according to agency officials, DOD-provided Jeeps (shown below) were allegedly misused on multiple occasions for purposes outside their intended operations. In one case, DOD determined they were deployed to intimidate U.S. embassy officials. However, neither DOD nor State recorded most of these allegations because they do not have policies outlining how to record them. As a result, the agencies could not identify potential trends in alleged misuse. Further, DOD does not have policies to investigate alleged misuse for equipment provided under certain authorities, and may not be addressing allegations of misuse effectively.

Jeeps Provided by DOD to the Government of Guatemala



Source: Department of Defense (DOD). | GAO-23-105856

DOD established the Golden Sentry program to monitor equipment provided under the Foreign Assistance Act and the Arms Export Control Act, but DOD did not complete required end-use monitoring. GAO found that DOD did not maintain accurate data on which equipment is subject to enhanced end-use monitoring. As a result, DOD did not complete all required enhanced end-use monitoring of sensitive equipment. Without accurate data about the equipment and type of required end-use monitoring, DOD cannot account for the equipment it provided.

Federal law requires for certain defense articles and defense services, to the extent practicable, an end-use monitoring program to provide reasonable assurance that recipients use these defense articles and defense services for the purposes for which they are provided. However, DOD officials told GAO that the Golden Sentry program is not designed to verify how recipients use equipment. Instead, according to DOD officials, the program is designed to verify whether the recipient has maintained custody of the equipment and implemented any required physical security protections. DOD officials said they primarily rely on third-party reports to identify misuse but officials had not considered looking into allegations in third-party reports GAO identified. Because it has not designed its program to identify potential misuse, DOD may lack reasonable assurance that recipients are using equipment for authorized purposes only.

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Abbreviations

AECA	Arms Export Control Act, as amended
CICIG	International Commission Against Impunity in Guatemala
DOD	Department of Defense
DSCA	Defense Security Cooperation Agency
EUM	end-use monitoring
FAA	Foreign Assistance Act of 1961, as amended
IATF	interagency task forces
SCIP	Security Cooperation Information Portal
SCO	security cooperation organizations
Section 1033	Section 1033 of the National Defense Authorization Act for Fiscal Year 1998, as amended
SOUTHCOM	U.S. Southern Command

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November 2, 2022

Congressional Committees

The three countries that make up the Northern Triangle of Central America—El Salvador, Guatemala, and Honduras—have historically struggled with high levels of poverty, unemployment, weak governance, and widespread insecurity and violence. These challenges present serious consequences for the national security of these countries and the United States. The Department of Defense (DOD) administers and implements programs to help address these challenges by providing security assistance and equipment to Northern Triangle countries. From fiscal years 2017 to 2021, through the Foreign Military Financing program authorized by the Arms Export Control Act (AECA) and Global Train and Equip program authorized under Title 10 of the United States code, DOD and State provided more than \$66 million in security assistance and equipment to these three countries.¹ The Arms Export Control Act requires that, to the extent practicable, agencies design a monitoring program to provide reasonable assurance that recipients use equipment and services provided under the AECA or the Foreign Assistance Act for the purposes for which it is provided.² However, in 2018, an incident in front of the U.S. embassy in Guatemala sparked allegations that Guatemalan government officials were misusing U.S.-provided equipment, raising questions about DOD and the Department of State equipment monitoring programs.

Section 1336 of the National Defense Authorization Act for Fiscal Year 2022 includes a provision for GAO to evaluate DOD's end-use monitoring (EUM) procedures for tracking credible information regarding the misuse of DOD provided equipment by Northern Triangle countries.³ This report examines (1) the steps DOD and State have taken to address alleged misuse of DOD-provided equipment in Northern Triangle countries from calendar years 2017 through 2021, and to what extent those steps were aligned with applicable procedures and guidance; (2) how, and to what

¹Codified at 10 U.S.C. § 333.

²22 U.S.C. § 2785. This statute generally does not apply to programs authorized under Title 10 of the United States Code or the National Defense Authorization Acts. However, it can be incorporated by reference in bilateral agreements under which security assistance is provided.

³Pub. L. No. 117-81, § 1336(c), 136 Stat. 2012.

extent, DOD monitored the use of equipment it provided; and (3) the extent to which DOD's EUM ensures that the countries are using equipment for its intended purposes.

To determine the steps DOD and State have taken to address alleged misuse and the extent to which those steps aligned with relevant procedures and guidance, we reviewed the agencies' spreadsheets for tracking EUM violations and interviewed DOD and State officials to identify incidents of alleged misuse that occurred in the Northern Triangle from calendar years 2017 through 2021. We also examined copies of DOD EUM investigative reports, agreements between the U.S. government and recipients, and DOD and State documents to identify actions the agencies took to investigate and respond to incidents of alleged misuse. We determined that the internal control principle related to control activities was significant to this objective. We compared the actions the agencies took to applicable procedures and guidance.

To determine how, and to what extent, DOD monitored the use of equipment, we reviewed documents to identify the types of equipment DOD provided to the countries, their intended use, and related EUM requirements. We also analyzed data from DOD's Security Cooperation Information Portal (SCIP) on enhanced and routine EUM to determine the equipment subject to this monitoring and whether DOD completed the required monitoring in each country. To assess the reliability of these data, we conducted several validity checks and interviewed DOD officials. We found data limitations related to enhanced EUM, as discussed in this report. We found the data related to routine EUM to be sufficiently reliable for the purposes of our reporting objectives. Further, we interviewed DOD officials who manage and implement EUM to understand how they monitor the use of equipment.

To determine the extent to which DOD's monitoring ensures that recipients are using equipment for its intended purposes, we reviewed applicable laws and guidance outlining EUM requirements as well as documents affecting the transfer of defense equipment. We determined that the internal control principle related to monitoring was significant to this objective. We interviewed DOD officials about the intent of enhanced and routine EUM and how they identify incidents of misuse while conducting this monitoring.

We conducted this performance audit from March 2022 to November 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to

obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

DOD and State Assistance to Northern Triangle Countries

DOD and State provide various security assistance to Northern Triangle countries including defense articles and services, military education, training, and advising. These programs are executed through both DOD-administered programs (authorized under Title 10 of the United States Code or pursuant to annual National Defense Authorization Acts) and DOD-implemented security assistance and security cooperation programs authorized by the Foreign Assistance Act of 1961, as amended (FAA), or the Arms Export Control Act, as amended both of which are codified within Title 22 of the United States Code. The programs are to encourage and enable partner nations to work with the United States to achieve strategic objectives, and are considered a key tool for achieving U.S. national security and foreign policy objectives.⁴

Various DOD and State components oversee and implement programs that support the security services of our foreign partners, including El Salvador, Guatemala, and Honduras. DOD's Defense Security Cooperation Agency (DSCA) works to build the capacity of foreign partners to encourage and enable them to respond to shared challenges. State's Bureau of Political-Military Affairs is State's main point of contact with DOD. The bureau provides policy direction in such areas as international security, security assistance, and military operations.

DOD End-Use Monitoring for Equipment Provided to Partner Nations

In 1996, Congress amended the AECA to require the President to establish a program for monitoring the end use of defense articles and defense services sold, leased, or exported under that act or the FAA. The law requires that, to the extent practicable, the program be designed to provide reasonable assurance that recipients are complying with restrictions imposed by the U.S. government on the use, transfers, and

⁴Congressional Research Service, *Defense Primer: DOD "Title 10" Security Cooperation IF11677* (Washington, D.C.: May 17, 2021).

security of defense articles and defense services, and that recipients use such articles and services for the purposes for which they are provided.⁵

In response, DOD established the Golden Sentry program to monitor globally the end-use of defense articles and defense services transferred by DOD.⁶ According to the program's guidance, Golden Sentry is designed to verify that defense articles are being used in accordance with the terms and conditions of transfer agreements or other applicable agreements. DSCA is responsible for administering the program, under which in-country security cooperation organizations (SCOs), managed by DOD, conduct enhanced and routine EUM.⁷

- **Enhanced EUM.** DOD requires enhanced EUM for specifically designated sensitive items, such as advanced medium range air-to-air missiles, Harpoon Block II missiles, and certain night vision devices. In addition to an initial inventory by serial number for all items, enhanced EUM requires officials to annually assess the physical security of the storage facilities and review the serial numbers of all items to verify compliance with transfer agreements.
- **Routine EUM.** DOD requires SCOs to conduct at least one quarterly observation of any item or group of items provided to the partner nation. This monitoring can occur in conjunction with other security

⁵The President delegated responsibilities for the program to the Secretary of Defense, insofar as they relate to defense articles and defense services sold, leased, or transferred under Foreign Military Sales, and to the Secretary of State, insofar as they relate to commercial exports licensed under the Arms Export Control Act. DOD established the Golden Sentry program and State established the Blue Lantern program to help carry out these responsibilities. See Ex. Ord. No. 13637, §1(p), Mar. 8, 2013.

⁶The Golden Sentry program covers items transferred by DOD. State's Blue Lantern program monitors the end use of defense articles and defense services exported through direct commercial sales. Direct commercial sales are licensed arms exports from a U.S. commercial supplier to a foreign buyer. Under the Blue Lantern program, State conducts end-use monitoring based on a case-by-case review of export license applications against established criteria for determining potential risks. DOD typically does not conduct any end-use monitoring for items subject to the Blue Lantern program.

⁷Department of Defense, *Security Assistance Management Manual*, Chapter 8, End-Use Monitoring. <https://samm.dsca.mil/chapter/chapter-8>. Throughout this report we refer to this as the Golden Sentry program guidance.

cooperation functions.⁸ Routine EUM is required for defense articles and services provided via government-to-government programs. Equipment subject to routine EUM is typically less sensitive than equipment subject to enhanced EUM.

Under the Golden Sentry program, geographic combatant commands, such as U.S. Southern Command (SOUTHCOM), should ensure SCOs are conducting enhanced and routine EUM in accordance with the program's policies. SCOs are required to report all potential end-use violations of equipment monitored by Golden Sentry to DSCA, State, and in the case of Northern Triangle countries, SOUTHCOM. According to DOD guidance, end-use violations include using donated equipment for unauthorized purposes. State investigates alleged end-use violations and determines whether to report them to Congress.

However, according to agency officials, not all equipment provided by DOD is subject to these monitoring requirements.⁹ For instance, DOD officials said equipment provided under the counter-narcotics authority contained in Section 1033 of the National Defense Authorization Act for Fiscal Year 1998, as amended (Section 1033), to provide assistance for a foreign partner's counter-narcotic and counter-transnational criminal organization efforts, does not require enhanced or routine EUM.¹⁰ According to agency officials, DOD provided equipment under this authority to each of the three Northern Triangle countries.¹¹ Officials noted that while DOD is not required to monitor this equipment, partner countries that received this equipment signed transfer agreements stating

⁸DOD officials working in SCOs worldwide liaise with partner nations and DOD organizations to address security cooperation issues. According to DOD guidance, SCO is the generic term that encompasses all DOD elements located in a foreign country to carry out security cooperation and security assistance management functions.

⁹According to DOD officials, some of this equipment is not subject to monitoring requirements because it is not provided pursuant to the AECA or the FAA and was not subject to agreements incorporating by reference Golden Sentry EUM provisions.

¹⁰Pub. L. No. 105-85, § 1033, 111 Stat. 1881, as amended. This authority was repealed by Section 1241 of the National Defense Authorization Act for Fiscal Year 2017 which enacted a new chapter for defense security cooperation within Title 10 of the U.S. Code including the train and equip authority codified at 10 U.S.C. § 333. Pub. L. No. 114-328, § 1241, 130 Stat. 2497. According to State officials, equipment provided to El Salvador, Guatemala, and Honduras under Section 333 is subject to routine or enhanced end-use monitoring pursuant to agreements incorporating the Golden Sentry program monitoring requirements to this assistance.

¹¹Though our review only examined DOD-provided equipment in Northern Triangle countries, other countries are eligible to receive support through Section 1033.

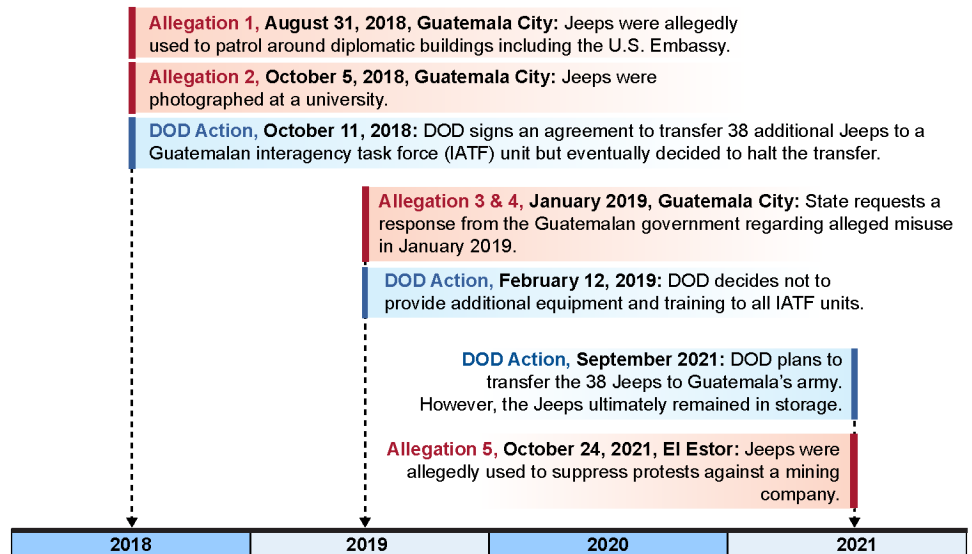
that DOD may monitor the equipment. Some agreements with partner countries outlined the equipment's intended purposes.

Agencies Reviewed Multiple Misuse Allegations, but Lacked Policies to Record and Investigate Some Allegations

DOD and State Reviewed At Least Five Allegations of Equipment Misuse in Guatemala but Do Not Have Policies to Record Them

We found that DOD and State reviewed multiple allegations of misuse of DOD-provided Jeeps in Guatemala but initially only recorded one in internal tracking documents. The agencies, according to our review of agency documentation, examined at least five allegations in Guatemala involving Jeep vehicles provided to one government unit (see fig. 1). According to DOD and State officials, they did not review any allegations of misuse of DOD-provided equipment in Honduras or El Salvador during calendar years 2017 through 2021.

Figure 1: Allegations of Misuse Involving DOD-Provided Jeeps in Guatemala



Source: GAO analysis of Department of Defense (DOD) and Department of State documentation. | GAO-23-105856

Note: According to DOD officials, Guatemala's IATFs are joint battalion-sized task forces composed of National Counter-narcotics Police, Guatemalan Army soldiers, and Customs and Public Ministry officials, with the goal of preventing, combating, dismantling, and eradicating criminal activities.

According to DOD officials, from 2013 to 2018, the U.S. government delivered 220 Jeeps using the counter-narcotics authority contained in Section 1033 to Guatemala to support the country's interagency task forces (IATFs). The IATFs are joint battalion-sized task forces composed of National Counter-narcotics Police, Guatemalan Army soldiers, and Customs and Public Ministry officials, with the goal of preventing, combating, dismantling, and eradicating criminal activities, according to DOD officials. The IATFs are designed to work independently along the border, interdict irregular traffic, bolster security in border areas, and inspect border crossings to deter narcotics and other illicit trafficking. According to DOD officials, Guatemala's Ministry of Government controls the IATF units (see fig. 2).

Figure 2: Jeeps Provided by DOD to the Government of Guatemala



Source: Department of Defense (DOD). | GAO-23-105856

State and DOD initially stated that they had reviewed two allegations of equipment misuse in Guatemala on August 2018 and October 2021. Both involved Jeeps that were to be stationed in Zacapa, Guatemala and used for counter-narcotics or counter-terrorism operations, according to DOD documentation (see fig. 3).

Figure 3: Locations in Guatemala of Alleged Misuse Involving DOD-Provided Jeeps



Source: GAO analysis of Department of Defense (DOD) documentation. | GAO-23-105856

August 31, 2018: The government of Guatemala allegedly used seven Jeeps provided by DOD to intimidate U.S. and international organizations. On August 31, 2018, former President Jimmy Morales of Guatemala announced his intention not to renew the mandate of the United Nations-backed International Commission Against Impunity in Guatemala (CICIG). As an independent international body, CICIG aimed to investigate illegal security groups and clandestine security organizations in Guatemala as well as criminal groups believed to have infiltrated state institutions. CICIG, according to multiple reports, was investigating alleged campaign finance violations involving President Morales.

The Morales administration, after announcing that Guatemala was not renewing the mandate, gave CICIG staff 24 hours to leave the country. According to DOD and State documentation, on the day the decision was announced, seven DOD-provided weapons-mounted Jeeps circled the U.S. Embassy and were later observed parked on a street directly in front of the CICIG headquarters in Guatemala City. The U.S. government viewed this as an act of intimidation, according to DOD officials.

After receiving the allegation, both DOD and State officials said they submitted requests for additional information about the use of the Jeeps to Guatemalan officials. DOD officials discussed the incident with the Guatemalan Minister of Defense in at least two meetings in September 2018. In documentation submitted to a U.S. government official, a Guatemalan government official denied that they had sent the Jeeps to patrol for reasons related to CICIG. Instead, they said the Jeeps were ordered to “protect different justice and security entities.”

October 24, 2021: The government of Guatemala allegedly used Jeeps provided by DOD to intimidate protestors. DOD became aware of multiple reports in the press and via social media that an IATF unit had misused DOD-provided Jeeps in El Estor, Guatemala. A news outlet and various social media accounts in Guatemala reported that DOD-provided Jeeps had been used to respond to ongoing protests against a mining company in El Estor. According to DOD officials, one article featured several photographs of a military convoy, which allegedly included Jeeps provided by DOD to the government of Guatemala.

DOD’s efforts to look into this incident were inconclusive. DOD officials said they attempted to determine the validity of the images from press reports and social media, but stated that they were unable to identify where and when the photos were taken. According to DOD officials, they are still concerned with the conduct of the IATF unit involved, despite the assurances from the government of Guatemala that DOD-provided Jeeps were not dispatched to the protest.

Agency officials initially stated that these two incidents were the only incidents of alleged misuse that State and DOD had reviewed. Upon reviewing agency documentation, however, we found that the agencies reviewed at least three other incidents of alleged misuse. These three

incidents all involved the same types of Jeeps and occurred in October 2018 and January 2019.

Additional Allegations of Misuse: On October 6, 2018, while reviewing the August 2018 allegation of misuse, DOD received a separate allegation of misuse involving the same IATF unit. According to DOD officials, multiple media outlets reported on a photograph taken on October 5, 2018 that allegedly showed a DOD-provided Jeep patrolling the University of San Carlos campus in Guatemala City. According to one press report, student groups from the university had previously been involved in protests against President Morales' administration. According to a diplomatic note sent to the Guatemalan government by State, the Department also requested information from the Guatemalan government regarding two additional instances of alleged misuse in January 2019. In these instances, DOD-provided Jeeps were seen patrolling various parts of Guatemala City.

On October 11, 2018, after the first two allegations of misuse, DOD signed an agreement to transfer 38 additional Jeeps to another IATF unit but, according to DOD officials, eventually decided to halt the transfer. These Jeeps were valued at almost \$3 million and at the time of the August 31, 2018 incident were still clearing the customs process at port, according to DOD officials. After DOD decided to halt the transfer, the Jeeps remained in storage in Guatemala. In September 2021, DOD said they notified Congress of their intent to transfer the 38 Jeeps to Guatemala's army. However, a Member of Congress from the House Appropriations Committee, Subcommittee on Defense raised objections. DOD, after considering their views, decided to keep the Jeeps in storage. As of September 2022, approximately 4 years after the initial transfer orders were signed, DOD has not made a decision as to the final disposition of these vehicles, according to agency officials.

After the initial allegations of misuse, DOD conducted a policy review and found that the Guatemalan government had engaged in repeated misuse of DOD-provided Jeeps. In response, on February 12, 2019, DOD decided to stop providing any additional security cooperation equipment and training to the IATFs. According to DOD documentation of this decision, the incidents had raised concern in the U.S. executive and legislative branches about the reliability and trustworthiness of the Guatemalan Ministry of Government, which oversees the IATFs. However, according to DOD officials, they did not conduct additional monitoring or place additional provisions on other equipment provided to

the IATFs in response to the allegations.¹² Officials stated that DOD does not have the authority to retrieve the misused Jeeps. On May 25, 2022, DOD officials requested that the government of Guatemala reassign any Jeeps under the control of the IATFs to the Guatemalan military. According to DOD officials, the government of Guatemala has agreed to DOD's request but had not transferred the Jeeps as of July 18, 2022.

Neither DOD nor State initially recorded information about four of the five allegations of misuse involving DOD-provided Jeeps in Guatemala in internal tracking documents. DOD and State each maintain spreadsheets to track alleged end-use violations, describe the allegations received, and note the steps taken in response. According to State officials, its internal tracking documents should include any allegation of unauthorized equipment use that comes from a credible source, is supported by credible information, and requires State to investigate. However, DOD and State both initially included only the August 31, 2018 incident in their internal tracking spreadsheets. When asked about the October 24, 2021 incident, DOD officials confirmed that they had also reviewed that allegation. However, one DOD official reported that staff in DSCA who maintain the spreadsheet were not aware of this incident, and added it to the spreadsheet after our inquiries. Neither DOD nor State recorded any information about the three additional allegations of misuse in Guatemala that occurred in October 2018 and January 2019.

According to DOD and State officials, neither agency has policies governing how to record allegations of misuse in their internal tracking documents. However, according to State officials, State is working on guidance that will include instructions on how to use its document. According to DOD officials, the type of allegations that should be recorded can be inferred from reviewing existing guidance, which describes the type of allegations of misuse that must be reported by DOD personnel. However, DOD did not initially record four of the five allegations, and does not have specific guidance outlining how DSCA officials should record allegations of misuse.

¹²According to DOD officials, as of June 15, 2022, the IATF unit responsible for the incidents of misuse also possessed DOD-provided cargo trucks, radio systems, helmets, protective vests, night vision devices, binoculars, and global positioning systems.

Standards for internal control in the federal government require management to implement control activities through policies.¹³ Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel. The lack of documented policies for recording allegations of misuse resulted in DOD and State having an inaccurate account of the allegations that they have responded to in the past. This may have prevented agencies from having adequate information to identify patterns, such as repeated allegations of misuse by the same unit, or involving the same types of equipment. Further, the agencies cannot conclusively say how many allegations they received or investigated in Northern Triangle countries. As a result, DOD and State may not have sufficient information to account for and address some incidents of misuse.

DOD Lacks Policies for Investigating Potential Misuse of Some DOD-Provided Equipment

DOD does not have policies for investigating alleged misuse of equipment not subject to DOD's Golden Sentry program. DOD established the Golden Sentry program to monitor the end-use of defense articles and defense services transferred by DOD pursuant to the Foreign Assistance Act and the Arms Export Control Act. Most of the assistance provided to the Northern Triangle since 2017 was provided through authorities that require monitoring through Golden Sentry.

However, some equipment provided to Northern Triangle countries, including the Jeeps involved in the allegations of misuse, is not subject to monitoring under Golden Sentry.¹⁴ For instance, Section 1033, the authority under which DOD provided the 220 Jeeps, does not require that DOD monitor equipment through the Golden Sentry program, according to DOD officials.¹⁵ These officials stated that, as a result, DOD was not required to conduct either enhanced or routine EUM on items provided under this authority. In addition to the Jeeps, DOD provided other types of equipment to Northern Triangle countries through Section 1033 such as body armor, computers, and global positioning systems.

¹³GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 10, 2014).

¹⁴According to State officials, they made this determination because the Jeeps were provided under Section 1033 and not the authority of the AECA or the FAA.

¹⁵According to DOD officials, though they were not required to monitor this equipment through the Golden Sentry program, they communicated to Guatemala through transfer documents and other interactions that the equipment could be monitored by DOD.

In the absence of policies to investigate misuse of DOD-provided equipment not subject to the Golden Sentry program, DOD followed the Golden Sentry program's investigation guidance for reporting potential end use violations. According to Golden Sentry program guidance, DOD officials who become aware of allegations of misuse should report them to DSCA and to State. That same guidance says that State leads investigations of alleged misuse. When State received the first allegation of misuse involving the Jeeps, according to State officials, State determined it was not responsible for conducting an investigation, as the Jeeps were not subject to monitoring through the Golden Sentry program. When asked if they had opened an investigation, DOD officials said they did not. These officials reiterated the agencies' roles under the Golden Sentry program and stated that DOD does not conduct investigations but only reports allegations to State for investigation. As a result, neither DOD nor State opened an official investigation into the five allegations of misuse. DOD officials said the agencies did not submit a notification to Congress about the five allegations because the Jeeps fell outside the scope of the Golden Sentry program, and therefore any related reporting requirements.¹⁶

Standards for internal control in the federal government require management to implement control activities through policies.¹⁷ For example, these standards state that management documents in policies the internal control responsibilities of the organization. Moreover, DOD guidance states that officials should maintain documentation of its internal control system.¹⁸ Without policies governing how to investigate alleged misuse of DOD-provided equipment not subject to the Golden Sentry program, DOD may not be able to ensure that all allegations are investigated effectively.

¹⁶State is required to report substantial end-use violations, such as misuse of equipment provided under authority of the Arms Export Control Act to Congress. See 22 U.S.C. § 2753(c)(2). The President delegated responsibility to implement this provision of law to the Secretary of State. See Ex. Ord. No. 13637, § 1(a).

¹⁷[GAO-14-704G](#).

¹⁸Department of Defense, *Managers' Internal Control Program Procedures*, 5010.40 (Washington, D.C.: May 30, 2013).

DOD Did Not Consistently Implement All End-Use Monitoring Requirements

DOD Did Not Maintain Accurate Data on Equipment Subject to Enhanced EUM

DOD has provided the governments of El Salvador and Honduras equipment that is subject to enhanced EUM, but DOD's data for tracking the equipment and determining whether the equipment was monitored were not accurate. Overall, the number of items deemed sensitive and subject to enhanced EUM in the Northern Triangle is lower than the equipment subject to routine EUM. According to the Golden Sentry program guidance for equipment subject to enhanced EUM, officials are required to annually assess the physical security of storage facilities, conduct serial number inventories of each item, and input data about their assessment in DOD's Security Cooperation Information Portal (SCIP) database. For examples of the types of equipment DOD provided, see figure 4.

Figure 4: Examples of Equipment Types DOD Provided Northern Triangle Countries That Are Subject to Enhanced End-Use Monitoring



Source: GAO analysis of Department of Defense (DOD) documentation. | GAO-23-105856

Because DOD data were inaccurate, we were unable to determine whether security cooperation organization (SCO) officials in each country completed enhanced EUM, as required by DOD guidance. We identified inaccuracies in DOD spreadsheets related to equipment subject to enhanced EUM in each of the three countries that suggest the SCOs may not have conducted all required EUM.

DOD incorrectly identified equipment as not requiring enhanced EUM in El Salvador: DOD’s data showed conflicting information about the number of items subject to enhanced EUM in El Salvador. DOD first sent us a spreadsheet that listed 303 items subject to enhanced EUM, but another spreadsheet showed that DOD completed enhanced EUM for 35 items from October 2016 through September 2021. DOD officials explained that they did not monitor the other 268 items because SCO officials initially incorrectly thought these items were not subject to enhanced EUM. According to a DSCA official, DSCA realized this mistake and corrected it so that the SCO would count and complete enhanced EUM of the equipment.

DOD incorrectly identified equipment as requiring enhanced EUM in Guatemala: DOD's data showed that the country had night vision devices subject to enhanced EUM from December 2016 to June 2021, but that the number of devices declined over time. DOD officials clarified that Guatemala does not have any equipment subject to enhanced EUM. The SCO inaccurately reported these night vision devices as part of DOD's Golden Sentry program, when they should have been monitored through State's Blue Lantern EUM program, according to DOD officials.¹⁹ State officials said DOD and State corrected this mistake in the summer of 2020.

DOD inaccurately identified equipment as not requiring enhanced EUM in Honduras: DOD's data shows conflicting information about the equipment subject to enhanced EUM and the monitoring completed in Honduras. DOD first sent us a spreadsheet that showed that the country had 70 night vision devices subject to enhanced EUM, but it had no information about the completion of enhanced EUM. For example, columns listing the night vision devices' location and last observation date were blank in the spreadsheet. However, a second spreadsheet provided by DOD showed that they had completed all required enhanced EUM from April 2021 through September 2021. According to officials, the second spreadsheet showing that they completed enhanced EUM is likely incorrect. DOD explained that SCO officials did not complete enhanced EUM on the night vision devices because they inaccurately determined that the night vision devices were not subject to enhanced EUM.

According to the Golden Sentry program guidance, DSCA, SOUTHCOM, and SCOs share responsibilities to ensure that the SCIP data are

¹⁹State established its EUM program, Blue Lantern, to monitor the end use of defense articles and services exported through direct commercial sales, which are licensed arms exports from a U.S. commercial supplier to a foreign buyer. As part of the program, State is required to conduct end-use monitoring based on a case-by-case review of export license applications against established criteria for determining potential risks. To determine whether to conduct Blue Lantern monitoring, State considers 20 indicators that may trigger monitoring, such as unfamiliar end users and requests for sensitive commodities whose diversion or illicit retransfer could have a negative impact on U.S. national security. State is not required to conduct a particular number of Blue Lantern checks in a given fiscal year. DOD typically does not conduct any end-use monitoring for items subject to the Blue Lantern program.

accurate and that SCOs complete the required enhanced EUM. For example:

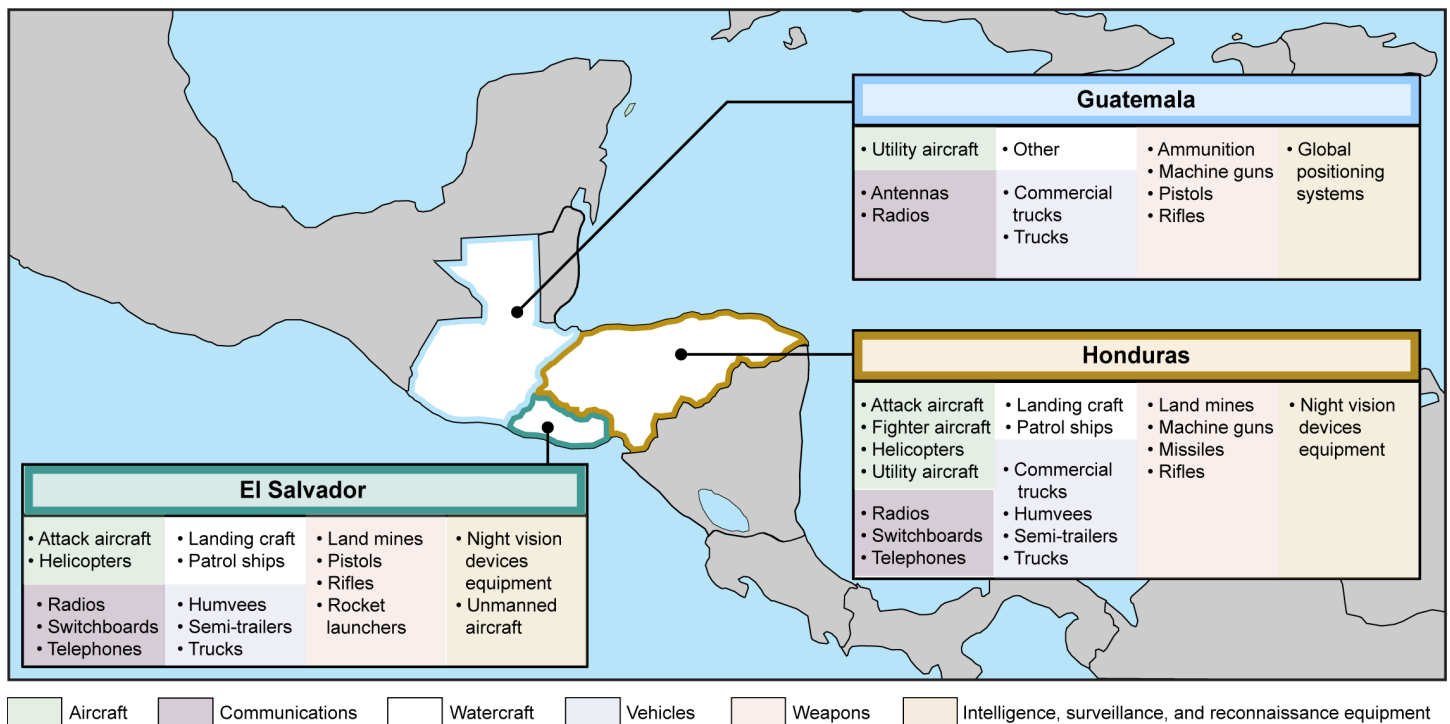
- **DSCA** is responsible for the overall management of the Golden Sentry program and for notifying in-country teams when articles in their area of responsibility require enhanced EUM through SCIP.
- **SOUTHCOM** is responsible for ensuring SCOs are in compliance with program policy, including by reviewing SCIP data quarterly to ensure SCOs are in compliance with enhanced EUM policy and procedures, and performing annual accountability and physical security monitoring in accordance with Golden Sentry policy and procedures.
- **SCOs** are responsible for maintaining an accurate baseline of all equipment subject to enhanced EUM in SCIP.

Although the guidance outlines these responsibilities, it does not assign responsibility for verifying that the list of equipment developed by the SCO is accurate. In all three countries, the SCO established an inaccurate baseline of equipment subject to enhanced EUM. Because no party was responsible for verifying that the baselines were accurate, officials assessed the SCOs' compliance with Golden Sentry requirements against these inaccurate baselines for years before identifying the mistakes. These errors were identified and corrected only after agency officials checked the SCO's baselines to verify their accuracy and recognized the errors. DOD has not clearly identified which equipment is subject to enhanced EUM, which led to inaccurate data in SCIP. Without accurate data, SCOs may use resources to complete enhanced EUM for equipment that is not subject to it, as in Guatemala. Alternatively, inaccurate data may result in SCOs not completing required enhanced EUM for sensitive equipment, as in El Salvador and Honduras. Further, the inaccurate data prevents SOUTHCOM from ensuring that SCOs comply with DOD EUM policy and SCOs from maintaining accurate records of equipment subject to enhanced EUM.

DOD Did Not Meet its Requirement for Monitoring Equipment Subject to Routine EUM but Revised its Policy to Address this Challenge

DOD also provided various types of equipment to Northern Triangle countries that are subject to less rigorous routine EUM, but officials did not complete all required monitoring. Most of the equipment that falls under the Golden Sentry program in the Northern Triangle is subject to routine EUM rather than enhanced EUM. For examples of the types of equipment DOD provided to each country that are subject to routine EUM, see figure 5.

Figure 5: Examples of Equipment DOD Provided Northern Triangle Countries That Are Subject to Routine End-Use Monitoring



Source: GAO Analysis of Department of Defense (DOD) data. | GAO-23-105856

According to the Golden Sentry program guidance, SCOs are required to conduct routine EUM at least once per quarter by observing any item or group of items subject to routine EUM. They are to document all routine EUM in SCIP and report any potential misuse or unapproved transfer of equipment. Our analysis identified a range of ways that DOD officials conducted this EUM. For example, we found that officials frequently observed equipment in different locations, such as military bases, while conducting other business. Additionally, SCOs completed one routine EUM check by observing a social media post showing a DOD-provided airplane being loaded with COVID-19 vaccines, and another by observing five helicopters flying during a Central America Independence Day celebration. During other routine EUM, SCOs observed multiple types of equipment. For instance, a SCO observed 10 boats, two trailers, and eight vehicles during one routine EUM check in 2019.

We reviewed DOD data to identify how often the SCO in each country completed quarterly routine EUM from fiscal years 2017 through 2021 (see figure 6). We found that the SCO in El Salvador completed at least

one routine EUM check for each quarter in 4 of the 5 years. The SCOs in Guatemala and Honduras each completed at least one routine EUM check in each quarter for just 1 of the 5 years and in 1 year, the SCO in Honduras did not record any routine EUM checks.

Figure 6: Number of Quarters in Which DOD Completed Routine End-Use Monitoring in Each Country



○ = No checks completed ◐ = Checks completed in 1 of 4 quarters ◑ = Checks completed in 2 of 4 quarters ◒ = Checks completed in 3 of 4 quarters
 ● = Checks completed in all 4 quarters

Source: GAO analysis of Department of Defense (DOD) documentation. | GAO-23-105856

^aOfficials completed checks of Jeeps, including at the unit involved in the 2018 and 2019 allegations of misuse, in Guatemala for an additional quarter during fiscal year 2021 but, according to officials, these Jeeps fall outside of the Golden Sentry program. Therefore, we did not count these checks as meeting the Golden Sentry program’s routine end-use monitoring requirement.

DOD is aware that in-country SCOs may not be completing routine EUM and that, if they are, they may not be consistently documenting it in SCIP. According to the Golden Sentry program guidance, DSCA is responsible for the overall management of the program and SOUTHCOM is responsible for ensuring SCOs conduct routine EUM and document it in SCIP.

After DSCA conducted in-country visits in May 2020, it found that the SCO in Honduras did not document routine EUM in SCIP, as required by DOD policies and procedures. DSCA recommended that the SCO conduct routine EUM using all opportune means available and document all monitoring in SCIP. The Honduras SCO responded to the recommendation stating that it performed and documented routine EUM

in SCIP for the second and third quarters of fiscal year 2020. Our analysis found that the SCO also documented routine EUM for the fourth quarter in fiscal year 2020. Subsequently, Honduras' SCO did not document routine EUM for one of four quarters in fiscal year 2021.

An official said DSCA updated the Golden Sentry program guidance on March 3, 2022 by adding that the combatant commands, such as SOUTHCOM, are responsible for reviewing SCIP data quarterly to ensure SCOs are conducting and documenting routine EUM. The official explained that DSCA updated the guidance in response to a 2021 DOD Inspector General report that recommended DSCA add guidance that describes the combatant commands' responsibility for overseeing how SCOs document routine EUM in SCIP.²⁰

DOD's End-Use Monitoring Program Does Not Ensure That Recipients Use Equipment as Intended

DOD officials said the Golden Sentry program is not designed to prevent or identify misuse, despite policy guidance identifying it as a key goal. According to the program's guidance, it is designed to verify that foreign recipients are using defense articles or services transferred to them by the U.S. government in accordance with the terms and conditions of the transfer agreement or other applicable agreement. In addition, the guidance states that the program includes all actions to prevent the misuse or unauthorized transfer of defense articles or defense services from the time of title transfer until disposal.

However, the guidance also emphasizes other objectives of the program. For example, the guidance states that one of the program's objectives is to ensure compliance with technology control requirements in order to minimize security risks to the U.S., partner nations, or allies. The Golden Sentry's routine and enhanced EUM visits, according to officials, are designed to verify whether the recipient has maintained custody of the equipment and implemented any required physical security protections. Officials confirmed that the Golden Sentry program is not intended to verify how recipients use the equipment.

While DOD officials told us that the Golden Sentry program is not designed to identify misuse, they have also stated elsewhere that they do rely on the program to investigate and prevent misuse. For example, after the August 2018 Guatemala Jeep incident around diplomatic buildings, a Member of Congress asked DOD if it is possible that foreign governments

²⁰Department of Defense Inspector General, *Audit of the DoD's Management of Global Train and Equip Program Resources Provided to U.S. Africa Command Partner Nations*, DODIG-2021-102 (July 21, 2021).

were misusing other, less obvious, equipment. DOD responded that it relies on the Golden Sentry program to investigate reports of end-use violations, hold governments accountable for violations, and help prevent the foreign governments from committing similar violations in the future. The Member also asked what ongoing monitoring mechanisms agencies use to ensure they identify misuse. DOD and State responded that the Golden Sentry program monitors U.S.-provided or funded equipment.

Additionally, while the Jeeps involved in the allegations of misuse in Guatemala were not subject to the Golden Sentry program, we asked DOD whether its review and response to alleged incidents of misuse in Guatemala would have been different if the Jeeps had been monitored through the Golden Sentry program. Officials responded that it would not have been different because they responded and engaged with officials from the government of Guatemala after the incidents and applied similar EUM expectations and standards.

DOD officials said potential misuse of equipment is more likely to be identified by other means unrelated to enhanced and routine EUM, such as a media report or another third-party report. As noted previously, DOD and State officials told us they did not investigate any allegations of misuse of DOD-provided equipment in Honduras or El Salvador from 2017 through 2021. When we asked about third-party reports of allegations that could have involved U.S.-provided equipment, DOD and State officials said they did not investigate these allegations. For example, neither DOD nor State investigated a 2018 media article that reported that Honduran military police used U.S.-made rifles to injure and kill civilians.²¹

When we asked State officials about the report, officials said it was unclear as to whether the M4-style rifles discussed in the report were provided through a direct commercial sale or a DOD program. They recommended we speak with State officials responsible for the Blue Lantern program, which implements EUM for defense articles transferred via direct commercial sales. When we asked these officials, they stated that State did not make a determination that M4-style rifles involved in the allegation were transferred via direct commercial sales. DOD also provided M4 rifles to Honduras, but did not respond to our questions about whether it reviewed the allegations to determine if DOD-provided

²¹Blaskey, Sarah. "They're killing us in Honduras with U.S.-made guns, some in caravan say." *Miami Herald* (November 23, 2018).

equipment could have been involved. Without looking into the incident, officials could not know whether the rifles in question were provided by DOD and misused.

In addition, State's Country Reports on Human Rights Practices for the Northern Triangle countries have reported on concerns about the conduct of security and military personnel. Some concerns could raise questions about whether U.S.-provided equipment was misused. For example, the 2021 report for El Salvador found "credible reports of: unlawful killings of suspected gang members and others by security forces; forced disappearances by military personnel; and torture and cruel, inhuman, or degrading treatment or punishment by security forces."²² When we asked the agencies whether they used these reports to identify potential concerns about misuse of DOD-provided equipment, State officials said they had not considered doing so and DOD officials did not respond to our questions.

According to *Standards for Internal Control in the Federal Government*, management should remediate identified issues on a timely basis, which includes reporting the issue, evaluating and documenting deficiencies within the process, and determining the corrective actions to address deficiencies.²³ The AECA requires that, to the extent practicable, an EUM program be designed to provide reasonable assurance that recipients use defense articles and defense services for the purposes for which they are provided. Moreover, the Golden Sentry program guidance DOD established in response to this requirement states that the program is intended to identify and prevent misuse. However, DOD officials told us that the program is not designed to verify how recipients use U.S.-provided equipment. Officials also said they have not conducted an evaluation to determine deficiencies within the program, or determined actions that could help them design a program that responds to the requirements in the AECA. As a result, DOD cannot be sure that the equipment is not being used for unauthorized purposes and may not be able to identify all incidents of potential misuse.

Conclusions

DOD has provided equipment over many years to El Salvador, Guatemala, and Honduras in part to help address widespread insecurity and violence. We identified at least five occasions over a three-year period in which the agencies reviewed allegations of misuse. However,

²²Department of State, *El Salvador 2021 Human Rights Report* (April 12, 2022).

²³[GAO-14-704G](#).

DOD and State did not record or track several of these allegations because neither agency has policies in place governing how to record allegations. Having more complete information would enable agencies to identify patterns, such as repeated allegations of misuse by the same unit or involving the same types of equipment. In addition, DOD does not have policies to guide investigations of incidents involving equipment not covered by the Golden Sentry program. As a result, DOD may not be effectively addressing allegations of misuse.

Additionally, DOD did not complete all required EUM of equipment covered by the Golden Sentry program. The Golden Sentry program's guidance does not specify who is responsible for verifying that the data of equipment subject to enhanced EUM are accurate. As a result, DOD cannot ensure that SCOs are complying with DOD policy and accounting for equipment that is part of the Golden Sentry program.

Finally, the AECA requires that, to the extent practicable, an EUM program be designed to provide reasonable assurance that recipients use defense articles and defense services for the purposes for which they are provided. However, officials told us the Golden Sentry program is not designed to verify how recipients use equipment. As a result, DOD may not be accurately identifying potential incidents of misuse, and may not be able to determine whether equipment provided to recipients is used for its intended purposes.

Recommendations for Executive Action

We are making a total of five recommendations, including four to DOD and one to State:

The Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency develops policies outlining how to record and track alleged incidents of misuse of U.S.-provided equipment. (Recommendation 1)

The Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency, in consultation with State's Bureau of Political-Military Affairs, develops policies for investigating allegations of misuse for DOD-provided equipment not covered by the Golden Sentry program. (Recommendation 2)

The Secretary of Defense should update the Golden Sentry program's guidance to specify who is responsible for verifying that the data in the Security Cooperation Information Portal accurately identifies the equipment subject to enhanced end-use monitoring. (Recommendation 3)

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. (Recommendation 4)

The Secretary of State should ensure that the guidance the Bureau of Political-Military Affairs is developing for its internal end-use violations tracking document outlines how to record and track alleged incidents of misuse of U.S.-provided equipment. (Recommendation 5)

Agency Comments and Our Evaluation

We provided a draft of this report to DOD and State for review and comment. DOD and State provided written comments that we have reproduced in appendixes I and II, respectively. DOD and State also provided technical comments, which we incorporated as appropriate.

State concurred with our recommendation and acknowledged that it would standardize how the agency records and tracks reports of potential end-use violations.

DOD's written comments include a cover letter, which summarizes the agency's approach to potential misuse of DOD-provided equipment, as well as an attachment with DOD's responses to our recommendations. In its cover letter, DOD asserts that the Golden Sentry program is designed to provide reasonable assurance, to the extent practicable, that the recipient country is complying with the requirements imposed by the U.S. government. It also states that because routine and enhanced EUM do not include observation of the recipient's operational use of DOD-provided equipment, officials are unlikely to observe any misuse. Information regarding alleged misuse is more likely to arise from a third-party report, according to the letter. DOD's letter further states that DOD relies on recipients' assurances that they will use equipment for its intended purposes. According to the letter, potential end-use concerns are much more likely to involve a foreign partner's legitimate misunderstanding of the need to seek U.S. approval, rather than any bad faith effort by the partner to knowingly circumvent a U.S. requirement.

However, we identified examples of third-party reports of alleged misuse that neither DOD nor State officials investigated. As we reported, DOD concluded there were repeated incidents of misuse of U.S.-provided Jeeps in Guatemala, even after officials expressed concerns following the first incident. DOD officials said they remained concerned about

allegations that arose 3 years after the first incident. Because DOD's primary EUM activities are not designed to identify potential misuse of equipment, and DOD and State do not report or investigate all third-party reports of misuse, we remain concerned that DOD's Golden Sentry program may not provide reasonable assurance, to the extent practicable, that recipients are complying with requirements.

DOD concurred with two recommendations and disagreed with two recommendations. DOD agreed that the Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency, in consultation with State's Bureau of Political-Military Affairs, develops policies for investigating allegations of misuse for DOD-provided equipment not covered by the Golden Sentry program. DOD also agreed that the Secretary of Defense should evaluate DOD's Golden Sentry program to identify whether the program provides reasonable assurance, to the extent practicable, that DOD-provided equipment is used only for its intended purpose and develop a plan to address any deficiencies identified in the evaluation.

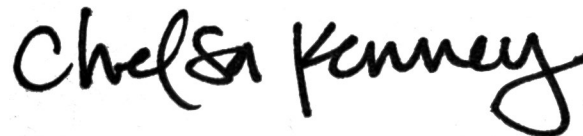
DOD did not agree with our recommendation that it develop policies outlining how to record and track alleged incidents of misuse of U.S.-provided equipment. According to DOD officials, they already have these policies in existing guidance. However, the existing guidance describes how SCOs should report allegations of end-use violations and what type of information should be included in those reports. It does not describe how or when DSCA officials should record allegations of misuse in internal tracking documents. In the absence of such guidance, DOD officials did not initially record information about four of the five allegations of misuse in internal tracking documents. Additional policies, including policies on recording alleged end-use violations, could ensure that DOD has sufficient information to account for and address potential future incidents of misuse.

DOD also did not agree with our recommendation to update its guidance to identify who is responsible for verifying the accuracy of the equipment subject to enhanced EUM, because they stated existing guidance already does this. Specifically, DOD's guidance says that SCOs are responsible for maintaining an accurate baseline of all enhanced EUM equipment. However, we found that all three SCOs in Northern Triangle countries established inaccurate baselines for equipment subject to enhanced EUM. It took years before agency officials, acting on their own initiative, identified errors within the Security Cooperation Information Portal and corrected these mistakes. Therefore, we believe that additional action is

necessary to check that the data are accurate and that SCOs are completing required monitoring.

We are sending copies of this report to the appropriate congressional committees, the Secretaries of the Departments of Defense and State, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2964 or kenneyc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

A handwritten signature in black ink that reads "Chelsea Kenney". The signature is written in a cursive, flowing style.

Chelsea Kenney
Director, International Affairs and Trade

List of Committees

The Honorable Jack Reed
Chairman
The Honorable James M. Inhofe
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Jon Tester
Chair
The Honorable Richard Shelby
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Adam Smith
Chairman
The Honorable Mike Rogers
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Betty McCollum
Chair
The Honorable Ken Calvert
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Appendix I: Comments from the Department of Defense



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
2600 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2600

Ms. Chelsa L. Kenney
Director, International Affairs & Trade
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Kenny,

This is the Department of Defense (DoD) response to the GAO Draft Report GAO-23-105856SU, "NORTHERN TRIANGLE: DOD and State Need Improved Policies to Address Equipment Misuse," dated August 19, 2022 (GAO Code 105856). I want to thank the GAO team for its collaboration with DoD on this important review of end-use monitoring (EUM) in Northern Central American countries.

After careful review, DoD would like to address concerns with the report that were not resolved during the Exit Conference. The Golden Sentry program, DoD's EUM program, is designed to provide reasonable assurance, to the extent practicable, that the recipient country is complying with the requirements imposed by the U.S. Government with respect to the use, transfer, and security of defense articles and defense services. To accomplish this, the Golden Sentry program provides DoD manpower, funding, policy, and procedures for end-use monitoring by trained DoD personnel. These procedures include DoD reporting to the U.S. Department of State of incidents involving potential misuse or unauthorized use of equipment transferred to a foreign country when observed by or brought to the attention of the Security Cooperation Office (SCO).

Routine and Enhanced EUM visits conducted by security cooperation personnel do not include observation of the recipient's operational use of provided equipment, and, consequently, U.S. Government personnel are unlikely to observe any misuse of transferred equipment. Information regarding misuse of equipment by a recipient is more likely to arise from a third-party report. However, in accordance with [Section 505 of the Foreign Assistance Act \(FAA\) \(22 U.S.C. 2314\), as amended](#), and [Section 3 \(22 U.S.C. 2753\) and Section 4 \(22 U.S.C. 2754\) of the Arms Export Control Act \(AECA\)](#), and as reflected in the Letter of Offer and Acceptance (LOA) Standard Terms and Conditions, recipients must agree to use U.S.-provided defense articles, training, and services only for their intended purpose; not to transfer title to, or possession of, any defense article or related training to anyone not an officer, employee, or agent of that country or of the U.S. Government without prior written consent of the U.S. Government; to maintain the security of any article with substantially the same degree of protection afforded to it by the U.S. Government; and to permit observation and review by, and to furnish necessary information to, representatives of the U.S. Government with regards to use of such articles.

**Appendix I: Comments from the Department of
Defense**

The U.S. Government's reasonable expectations of a recipient country's continued compliance with end-use requirements is not solely informed by the DoD Golden Sentry program. The U.S. Government also takes into consideration the foreign government's assurances and also relies upon the foreign partner's strong self-interest in ensuring that the U.S. Government remains willing to approve future transfers. On the rare occasions that potential end-use concerns arise, such concerns are typically resolved through consultations with the recipient country, which is able to take corrective action or resolve a concern by providing missing information. Potential end-use concerns are much more likely to involve a foreign partner's legitimate misunderstanding of the need to seek U.S. Government approval rather than any bad faith effort by the foreign partner to knowingly circumvent a U.S. Government requirement.

Attached is DoD's response to the subject report. My point of contact is LTC Andrew Pesature who can be reached via email at andrew.v.pesature.mil@mail.mil or at 703-571-8520.

Sincerely,



Daniel P. Erikson
Deputy Assistant Secretary of Defense for
Western Hemisphere Affairs

GAO DRAFT REPORT DATED AUGUST 22, 2022
GAO-23-105856SU (GAO CODE 105856)

“NORTHERN TRIANGLE: DOD AND STATE NEED IMPROVED POLICIES TO
ADDRESS EQUIPMENT MISUSE”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION

RECOMMENDATION 1: The GAO recommends that the Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency develops policies outlining how alleged incidents of misuse of U.S.-provided equipment should be recorded and tracked. (Recommendation 1)

DoD RESPONSE: Non-concur

The Defense Security Cooperation Agency (DSCA) already has policies in place outlining how alleged incidents of misuse of U.S.-provided equipment are recorded and tracked. Chapter 8.6.1 of the Security Assistance Management Manual (SAMM) states, “While conducting end-use REUM and EEUM checks, SCO personnel should be alert for unauthorized use of defense articles, defense services, or technical data, including information provided during CONUS or in-country training. The checks should provide information for both the recipient country and the United States to determine whether a partner nation’s generally sound processes failed due to unusual circumstances, because security and accountability procedures are not given sufficient priority, or because country interests are diverging from those of the United States. Information gained during the special checks that could be useful in correcting the immediate problem or improving future end-use controls should be shared with the DoS and DSCA (Directorate for Security Assistance (DSA)).”

Chapter 8.6.2.1 of the SAMM states, “The President is obligated, pursuant to Arms Export Control Act Section 3(c)(2), to report end-use violations to Congress. The Department of State, with input from DoD, is the lead agency responsible for reporting end-use violations. All DoD personnel must report any suspected End-Use violations of U.S.-origin defense articles, including unauthorized access, unauthorized transfers, security violations, or known equipment losses, to the USG either through the SCO or directly to DSCA and State through their respective EUM Potential End-Use Violation inbox (Unclassified: dscanrcfo.mbx.eum-violations@mail.mil and PM-EUM-Incidents@state.gov; or Classified: dscanrcfo.mbx.eum-violations@mail.smil.mil and PM-EUM-Incidents@state.sgov.gov). Any non-DoD personnel may also report suspected end-use violations directly to these same organizations or through the same email addresses.”

Chapter 8.6.2 of the SAMM provides guidance on reporting end-use violations. It states, “SCOs must report all potential unauthorized end-use, including unauthorized access, unauthorized transfers, security violations or known equipment losses to the CCMD, DSCA (Directorate for Security Assistance (DSA)) and DoS (PM/RSAT). It is particularly important

that SCOs are alert to, and report on, any indication that U.S.-origin defense articles are being used against anything other than a legitimate military target, are otherwise being used for unauthorized purposes, are being tampered with or reverse engineered, or are accessible by persons who are not officers, employees, or agents of the recipient government. Potential violations can be notified via email or message. SCOs must assess the sensitivity of the potential violation and other factors to determine the means of notification. The DoS investigates and reports potential violations and determines whether the [AECA Section 3 \(22 U.S.C. 2753\)](#) criteria require notification to Congress.”

Chapter 8.6.2.2 provides guidance as to what type of information should be included in a potential end-use violation report and states, “A SCO must report a potential end-use violation, or submit an update to a previously reported potential violation, on the basis of information from any source, including a private person unaffiliated with the USG or a foreign citizen. Suspected end-use violation reports should include, to the maximum extent possible, the following information:

1. The date(s) of the suspected violation.
2. A description of the suspected violation to include: exact location, defense article(s) or service(s) involved, nature of the violation (non-approved use, unauthorized access/transfer or inadequate physical security).
3. Date and description of corrective action(s), if any, taken by the partner nation.
4. Contact information for the person initially reporting a potential violation
5. (Name, grade and title (as applicable), phone number, email, etc.)
6. If different from #4, contact information for the person reporting the violation to the DoD EUM Potential Violations email inbox and the State email inbox.
7. Any other relevant information.
8. End-Use Violation Incident number (An incident number will only exist if the report constitutes an update to a previously reported potential violation).

Chapter 8.6.2.2.2 states, “Upon receipt of an incident report, State Department will take the lead on coordinating the U.S. Government response, which will include potential courses of action. When State receives information on potential end-use violations through its channels, it will share that information with DSCA.”

RECOMMENDATION 2: The GAO recommends that the Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency, in consultation with State’s Bureau of Political-Military Affairs, develops policies for investigating allegations of misuse for DOD-provided equipment not covered by the Golden Sentry program. (Recommendation 2)

DoD RESPONSE: Concur

RECOMMENDATION 3: The GAO recommends that the Secretary of Defense should update the Golden Sentry program’s guidance to specify who is responsible for verifying that the data in the Security Cooperation Information Portal accurately identifies the equipment subject to enhanced end-use monitoring. (Recommendation 3)

DoD RESPONSE: Non-concur

The Department of Defense (DoD) already has guidance specifying who is responsible for verifying that the data in the Security Cooperation Information Portal (SCIP) accurately identifies the equipment subject to enhanced end-use monitoring (EEUM). Chapter 8, Table 2 of the SAMM provides DoD end-use monitoring roles and responsibilities for DSCA Directorate for Security Assistance (DSA), the Military Departments, Commandant Commands, and Security Cooperation Offices (SCOs).

The SCOs are responsible for maintaining an accurate baseline of all EEUM-designated defense articles, annotating appropriate dispositions, and ensuring designated EEUM serial numbers and scheduled inventories are annotated and updated in the SCIP-EUM database.

The Combatant Commands are responsible to review the SCIP-EUM database quarterly to ensure SCOs are conducting and documenting EUM checks in accordance with EUM policy and procedures.

The Military Departments' implementing agencies provide monthly delivery records with serial numbers of EEUM items to DSCA (dsca.eumhelpdesk@mail.mil) in advance of shipment of EEUM-designated items for input into the SCIP-EUM database. DSCA DSA notifies SCOs when articles in their Area of Responsibility (AOR) are designated as Enhanced via the SCIP-EUM database interface.

RECOMMENDATION 4: The GAO recommends that 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. (Recommendation 4)

DoD RESPONSE: Concur

Appendix II: Comments from the Department of State



United States Department of State
Comptroller
Washington, DC 20520

SEPT 19 2022

Thomas Melito
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Mr. Melito:

We appreciate the opportunity to review your draft report, "NORTHERN TRIANGLE: DOD and State Need Improved Policies to Address Equipment Misuse" GAO Job Code 105856.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

Sincerely,

A handwritten signature in blue ink, appearing to read "William B. Davisson".

William B. Davisson (Acting)

Enclosure:

As stated

cc: GAO – Chelsa Kenney
PM – Jessica Lewis
OIG - Norman Brown

Department of State Response to the GAO Draft Report

**NORTHERN TRIANGLE: DoD and State Need Improved Policies to
Address Equipment Misuse**
(GAO-23-105856SU, GAO Code 105856)

Thank you for the opportunity to comment on your draft report, *Northern Triangle: DoD and State need Improved Policies to Address Equipment Misuse*. Thank you as well for engaging with the Department as the GAO prepared this report. The Department provided multiple rounds of documents and interviews covering the Department's procedures regarding allegations of equipment misuse in the Northern Triangle countries of Central America (El Salvador, Honduras, and Guatemala). The documents that were provided and interviews conducted during the study covered the Department's role in end use monitoring procedures for DOD-monitored equipment. The documents provided and interviews also focused on the Department of State's actions in response to reports of potential misuse of J8 Jeeps that were provided to the Guatemalan government under DoD's Title 10 authorities. The Department acknowledges the GAO's one recommendation for the Department resulting from this study and provides its response below.

Recommendation: The Secretary of State should ensure that the guidance the Bureau of Political-Military Affairs is developing for its internal end-use violations tracking document outlines how alleged incidents of misuse of U.S.-provided equipment should be recorded and tracked. (Recommendation 5)

Department Response: The Department agrees with the GAO recommendation to include guidance on how allegations of incidents of misuse of U.S.-provided defense articles should be recorded and tracked. The Department tracks reports of alleged misuse of U.S.-provided defense articles. The Department acknowledges that the process for determining which reports warrant recording and tracking should be standardized. In that effort, the Department will ensure that its procedures for tracking reports of potential end-use violations include information about the report, record the Department's decisions on what actions if any will be taken in response to the report, and record for future reference the Department's justification for the agreed upon response actions.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, Kara Marshall (Assistant Director), Katya E. Rodriguez (Analyst-in-Charge), Anthony Costulas, Larissa Barrett, Mark Dowling, Christopher Keblitis and Steven Putansu made key contributions to this report.

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