

LEAD INSPECTOR GENERAL | REPORT TO THE UNITED STATES CONGRESS



OVERSEAS CONTINGENCY OPERATIONS

**OPERATION INHERENT RESOLVE**  
**OPERATION PACIFIC EAGLE-PHILIPPINES**

JANUARY 1, 2018–MARCH 31, 2018

## **LEAD INSPECTOR GENERAL MISSION**

The Lead Inspector General for Overseas Contingency Operations coordinates among the Inspectors General specified under the law to:

- Develop a joint strategic plan to conduct comprehensive oversight over all aspects of the contingency operation.
- Ensure independent and effective oversight of all programs and operations of the Federal Government in support of the contingency operation through either joint or individual audits, inspections, and investigations.
- Promote economy, efficiency, and effectiveness and prevent, detect, and deter fraud, waste, and abuse.
- Perform analyses to ascertain the accuracy of information provided by Federal agencies relating to obligations and expenditures, costs of programs and projects, accountability of funds, and the award and execution of major contracts, grants, and agreements.
- Report quarterly and biannually to the Congress and the public on the contingency operation and activities of the Lead Inspector General.

(Pursuant to sections 2, 4, and 8L of the Inspector General Act of 1978)

## FOREWORD

We are pleased to submit the Lead Inspector General (Lead IG) quarterly report to the U.S. Congress on Operation Inherent Resolve (OIR) and Operation Pacific Eagle-Philippines (OPE-P). This is our 13th quarterly report on OIR and 2nd quarterly report on OPE-P, discharging our individual and collective agency oversight responsibilities pursuant to sections 2, 4, and 8L of the Inspector General Act of 1978.

The United States launched OIR at the end of 2014 to militarily defeat the Islamic State of Iraq and Syria (ISIS) in the Combined Joint Area of Operations in order to enable whole-of-governmental actions to increase regional stability. The strategy to defeat ISIS includes military operations, as well as support for local security forces, diplomacy, governance, and stabilization programs. This report aligns information on the status of OIR according to the five strategic oversight areas—security, governance, humanitarian assistance, stabilization, and support to mission—adopted by the Lead IG agencies to structure their oversight.

Designated a contingency operation in 2017, OPE-P supports the Philippine government in its efforts to isolate, degrade, and defeat ISIS affiliates and other terrorist organizations in the Philippines. The report provides an update on the status of counterterrorism operations and humanitarian assistance related to OPE-P. We include OPE-P in this report because it relates to the same broader counter-ISIS mission as OIR.

This report also discusses the oversight work conducted by the Lead IG Offices of the Inspector General and our partner oversight agencies, as well as ongoing and planned oversight work, for the second quarter of Fiscal Year 2018, ending March 31, 2018.

Working in close collaboration, we remain committed to providing comprehensive oversight and timely reporting on these contingency operations.



Handwritten signature of Glenn A. Fine in black ink.

**Glenn A. Fine**  
Principal Deputy Inspector  
General Performing the Duties  
of the Inspector General  
U.S. Department of Defense



Handwritten signature of Steve A. Linick in black ink.

**Steve A. Linick**  
Inspector General  
U.S. Department of State  
and the Broadcasting  
Board of Governors



Handwritten signature of Ann Calvaresi Barr in black ink.

**Ann Calvaresi Barr**  
Inspector General  
U.S. Agency for International  
Development

**On the Cover**

(Top row) A U.S. Air Force F-22 prepares to receive fuel from a KC-10 Extender over Syria. (U.S. Air Force photo); Recovered firearms from local terrorists inspected by some cabinet secretaries in Marawi. (Philippines Presidential Communications Operations Office photo); The United Kingdom Bridge Training Team advises and assists Iraqi Security Forces in construction of a bridge over the Tigris River in Mosul. (U.S. Army photo); A young boy smiles, cheers and flashes a “V” for victory sign during a school break in Raqqah, Syria. (U.S. Army photo). (Bottom row): Iraqi Army soldiers practice drill and ceremony movements in Baghdad, Iraq. (U.S. Army photo).

## MESSAGE FROM THE LEAD INSPECTOR GENERAL



**Glenn A. Fine**

I am pleased to present this quarterly report on the status of two overseas contingency operations: Operation Inherent Resolve (OIR) and Operation Pacific Eagle—Philippines (OPE-P). This report summarizes the quarter’s events for both operations and describes completed, ongoing, and planned Lead Inspector General (Lead IG) and partner agency oversight work related to OIR and OPE-P activities.

During the quarter, U.S.-supported Iraqi Security Forces drove ISIS out of most of the physical territory it held in Iraq. ISIS also lost ground in Syria. Despite its territorial losses in Iraq and Syria, however, ISIS retained the ability to carry out attacks in both countries. In addition, U.S. officials warned that with the decline of ISIS, Iran’s increasing influence in Iraq, through its support of Shia militias within the Popular Mobilization Forces, could disrupt stabilization efforts and could also complicate efforts to hold free and fair parliamentary elections that are set for May 2018. A critical challenge to holding elections as scheduled is ensuring that the more than 2 million internally displaced people can get to the polls.

The Turkish invasion of the Kurdish enclave of Afrin in northwestern Syria resulted in what DoD officials described as an “operational pause” in the effort to defeat ISIS. Many Kurdish members of the U.S.-backed Syrian Democratic Forces halted fighting ISIS in northeastern Syria to assist their Kurdish brethren in Afrin. Overall, the future of U.S. military, stabilization, and humanitarian operations in Syria remains challenging and uncertain.

This quarter, the Lead IG agencies and our oversight partners issued six reports related to OIR. We have issued reports on the Syria Train and Equip Fund, contract management and administration issues at the DoD and DoS, and DoD funding for Operations and Maintenance requirements. Investigators from the Lead IG agencies and their partner agencies coordinated on 84 open investigations involving procurement fraud, corruption, grant fraud, theft, program irregularities, cyber intrusions, and trafficking in persons allegations.

My Lead IG colleagues and I remain committed to oversight of both OIR and OPE-P. We thank the dedicated employees of each Lead IG agency who conduct this important work, both here in the United States and abroad.

A handwritten signature in cursive script that reads "Glenn A. Fine".

**Glenn A. Fine**

Principal Deputy Inspector General Performing the Duties of Inspector General  
U.S. Department of Defense

Iraqi Army soldiers practice drill and ceremony movements in Baghdad, Iraq. (U.S. Army photo)



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## ABOUT THIS REPORT

This report is issued pursuant to sections 2, 4, and 8L of the Inspector General Act of 1978, which require that the designated Lead Inspector General (Lead IG) provide a quarterly report, available to the public, on each overseas contingency operation (OCO). The Department of Defense (DoD) IG is the designated Lead IG for Operation Inherent Resolve (OIR) and Operation Pacific Eagle—Philippines (OPE-P). The Department of State (DoS) IG is the Associate Inspector General for OIR and OPE-P. The U.S. Agency for International Development (USAID) IG also participates in oversight for both operations. The Offices of Inspector General of DoD, DoS, and USAID are referred to here as the Lead IG agencies. Other partner agencies also contribute to this oversight.

This report covers both operations for the period from January 1, 2018 through March 31, 2018. The OIR section is organized according to the following five Strategic Oversight Areas identified in the Lead IG's FY 2018 Joint Strategic Oversight Plan:

- Security
- Governance and Civil Society
- Humanitarian Assistance
- Stabilization
- Support to Mission

The section on OPE-P is organized according to the following topics:

- OPE-P Mission
- ISIS-P After Marawi
- Philippine Counterterrorism Operations on Mindanao This Quarter
- Humanitarian Assistance
- Oversight of OPE-P

In addition, this report summarizes completed, planned, and ongoing oversight activities conducted by the Lead IG agencies and partner oversight agencies for both overseas contingency operations.

### METHODOLOGY

To fulfill their congressional mandate to produce a quarterly report on OIR and OPE-P, the Lead IG agencies gather data and information from Federal agencies and open sources, including congressional testimony, policy research organizations, press conferences, academic institutions, and media reports. Federal agencies also provide written responses to quarterly data call questions from Lead IG agencies, and the DoD, the DoS, and USAID provide comments to draft reports, which the Lead IG agencies consider in editing the reports. The sources of information are available in endnotes or notes to tables and figures. Except for references to Lead IG agencies and oversight partner agency audits, inspections, evaluations, or investigations in the report, the Lead IG agencies have not verified and assessed all the data included in this report. For details of the methodology, see Appendix A.

### CLASSIFIED APPENDIX

This report will include an appendix containing classified information related to OIR. The Lead IG will provide the classified appendix to relevant agencies and congressional committees.





A young boy smiles, cheers and flashes a “V” for victory sign during a school break in Raqqa, Syria. (U.S. Army photo)

## EXECUTIVE SUMMARIES

*The Lead IG combines its required reporting on two contingency operations—OIR for Iraq and Syria and OPE-P for the Philippines—as both operations support efforts to defeat ISIS and other terrorist groups. The following section contains a summary on each operation.*

### OIR AND OTHER ACTIVITIES IN IRAQ AND SYRIA

#### Security

The United States began withdrawing troops, weapons and equipment from Iraq this quarter. U.S. officials said most of the personnel and equipment were being redeployed to Operation Freedom’s Sentinel in Afghanistan. The U.S. military drawdown follows the Iraqi Prime Minister’s declaration at the end of last quarter that ISIS had been defeated in Iraq.

Although ISIS no longer controls much territory in Iraq, several major challenges affect U.S. and Coalition efforts to ensure an enduring defeat of the resilient terrorist group.<sup>1</sup> These challenges include the ability of the Iraqi Security Forces (ISF) to fight ISIS without Coalition support; the continuing existence of militias, particularly the Iranian-aligned elements of the Popular Mobilization Forces (PMF) that have not been integrated into the ISF; tensions between the ISF and the Kurdish Peshmerga; and corruption in Iraqi institutions, including the ISF.<sup>2</sup>

The DoD reported in March that the ISF was steadily becoming more professional and capable, but it also observed that Iraqi forces continued to suffer from systemic problems and were not yet able to conduct operations against ISIS without Coalition support, especially in the areas of air support, surveillance, and intelligence.<sup>3</sup> The ISF also faced ongoing challenges in developing self-sustaining recruitment training programs. During the quarter, the United States and its Coalition partners continued to adjust training programs to address some of the systemic challenges that had contributed to the ISF’s collapse when ISIS seized territory in 2014.<sup>4</sup> However, the DoD reported that its continued reliance on Iraqi self-assessments to evaluate ISF capacity and effectiveness put Coalition trainers at risk of misunderstanding ISF capabilities and misallocating Coalition assistance.<sup>5</sup>

**The Iranian-aligned elements of the PMF remained one of the major security challenges in Iraq.**

The Iranian-aligned elements of the PMF remained one of the major security challenges in Iraq. In March 2018, in an attempt to assert control over the PMF, Iraqi Prime Minister Haider al Abadi issued a decree granting PMF fighters pay equal to the regular military. However, the process of integrating the PMF into the ISF has been slow and some militias have been reluctant to give up their autonomy.<sup>6</sup>

U.S. officials reported this quarter that Iranian support to certain Shia PMF militias posed the greatest threat to the safety of U.S. personnel in Iraq, and predicted that this threat would increase as the threat from ISIS recedes and tension grows between Iran and the United States.<sup>7</sup> According to analysts, areas under PMF control have suffered a decline in the rule of law and governance, as well as overall stability due to certain PMF units’ control of checkpoints and use of extrajudicial violence, particularly against opposing sects. Their presence has made it more difficult to secure and stabilize parts of the country, particularly Sunni-majority areas where Shia militias are generally not welcome. Moreover, their continued strength has increased Iran’s political influence in Iraq.<sup>8</sup>

SELECTED KEY EVENTS, 1/1/2018–3/31/2018

<b>IRAQ</b>			
<p><b>JANUARY 6</b></p> <p>Iraqi officials estimated that about 5,000-20,000 ISIS cadres remain in Iraq</p>	<p><b>JANUARY 26</b></p> <p>Iraqi forces launched a new clearing operation in Diyala province. Diyala was officially liberated in 2015, but has remained a center of ongoing insurgent activity against the government</p>	<p><b>MARCH 16</b></p> <p>Defense Secretary Mattis criticized Iran’s actions in Iraq, specifically singling out the Iranian efforts to influence the Iraqi election through spending “not an insignificant amount of money” to sway votes and candidates</p>	<p><b>MARCH 20</b></p> <p>Officers from the U.S. Army’s 10th Mountain Division take over for the 1st Armored Division in Iraq. The shift enabled the downsizing of U.S. forces in Iraq</p>
<p><b>JANUARY 15</b></p> <p>At least 27 people were killed and 100 injured in a double suicide bombing attack in Baghdad. ISIS officially claimed responsibility for the attack</p>	<p><b>FEBRUARY 7</b></p> <p>Two Iraqi Shia groups with ties to Iran, Kata’ib Hezbollah and the Badr Organization, called for the United States to completely withdraw from Iraq</p>	<p><b>MARCH 19</b></p> <p>The Iraqi government sent funds to pay Kurdish civil servants and Peshmerga fighters for the first time since 2014, even as broader disagreements remained over the proportion of funding for the Kurds in the national budget</p>	

**The tension between the ISF and the Kurdish Peshmerga appeared to have created a security gap that ISIS militants and other Iraqis opposed to the Shia-led central government were able to exploit.**

While there were no reports of fighting between the ISF and the Kurdish Peshmerga this quarter, both sides solidified their defensive positions along Iraq's so-called "green line" that separates the Iraqi Kurdistan Region (IKR) from the rest of Iraq.<sup>9</sup> In a move designed to reduce the potential for conflict with the Kurdistan Regional Government (KRG), the Iraqi government withdrew ISF troops from an international crossing in the IKR.<sup>10</sup>

The tension between the ISF and the Kurdish Peshmerga appeared to have created a security gap that ISIS militants and other Iraqis opposed to the Shia-led central government were able to exploit.<sup>11</sup> ISF personnel, already spread thin, were vulnerable to ISIS attacks and unable to provide adequate security in some areas north of Baghdad. While violence remained low compared to previous years, ISIS militants, including some who were manning fake checkpoints, kidnapped, killed, and assassinated dozens of Iraqi politicians, security personnel, and civilians, particularly in four provinces along the green line.<sup>12</sup> A new group in Diyala province calling itself the White Flags also claimed responsibility for attacks against civilians and ISF forces. The DoD said the group comprised former ISIS members and other disgruntled Sunnis.<sup>13</sup> For a detailed look at ISIS activity along a corridor in northern Iraq, see pages 18-19.

In Syria, the U.S. effort to defeat ISIS faced major new challenges this quarter. In mid-January, Turkey invaded the Kurdish-controlled enclave of Afrin in northwestern Syria, ostensibly in pursuit of Syrian Kurds associated with the Kurdistan Workers' Party (PKK), which Turkey and the United States consider a terrorist organization.<sup>14</sup> The Turkish incursion caused hundreds of Kurdish People's Protection Unit (YPG) fighters belonging to the Syrian Democratic Forces (SDF) to quit fighting in the U.S.-backed campaign against ISIS and instead go to the aid of their Kurdish brethren in Afrin. On February 21, the SDF commander announced that he would not conduct offensive operations against ISIS as long as Turkish forces were threatening Kurdish territory in Afrin. The absence of

## SYRIA

### JANUARY 19

Turkish forces invaded the Kurdish-held enclave of Afrin in northwestern Syria

### FEBRUARY 18

A car bomb exploded in the Syrian Kurdish city of Qamishli, killing five people. The attack was claimed by ISIS

### MARCH 18

Turkish forces took control of Afrin city after Kurdish YPG fighters withdrew, accomplishing some of the main objectives of the Turkish offensive into northwestern Syria

### MARCH 30

Two Coalition personnel were killed and five injured in an IED explosion in Manbij

President Trump announced a suspension of \$200 million in DoS funding for stabilization in Syria

### FEBRUARY 7

Pro-Syrian regime forces, reportedly including Russian mercenaries, attacked SDF and U.S. personnel in eastern Syria. In response, the U.S. military killed several hundred of the attackers

### FEBRUARY 21

Kurdish military leaders announced an end to offensive operations against ISIS

### MARCH 19

DoD and DoS officials warned that the Turkish offensive in Afrin could enable ISIS to reconstitute itself in parts of eastern Syria



Kurds on the battlefield forced what the U.S. military described as an “operational pause” in the campaign against ISIS.<sup>15</sup>

At the end of March, President Trump announced the suspension of \$200 million in unobligated DoS funding for stabilization assistance in Syria pending a reassessment of the U.S. strategy there.<sup>16</sup> The announcement did not immediately affect programs whose funding had already been allocated, but did call into question the future of those programs and the long-term U.S. commitment to stabilization in areas of northeastern Syria formerly under the control of ISIS.<sup>17</sup> In early April, President Trump stated that he wanted to withdraw U.S. troops from Syria “very soon.” These developments appeared to signal a change to the U.S. foreign policy objectives in Syria laid out in January by then-Secretary of State Rex Tillerson.<sup>18</sup> These included long-term strategies for preventing a resurgence of ISIS and al Qaeda in Syria, ending the civil war through the UN-led political process, diminishing Iranian influence, creating conditions for refugees to return to their homes, and ensuring that Syria is free of weapons of mass destruction.<sup>19</sup> As the quarter ended, it was unclear whether these new developments signaled a change in U.S. foreign policy, or how any changes would affect the U.S. Government’s role in stabilizing Syrian enclaves liberated from ISIS.<sup>20</sup>

The suspension of DoS funding for stabilization did not affect a \$20 million DoD-administered fund to support DoS and USAID humanitarian relief activities in the immediate aftermath of combat operations. The DoD provides this support in areas of northeastern Syria where USAID- and DoS-funded partners have had limited access.<sup>21</sup> The DoD reported that it considers continued U.S. military participation in stabilization efforts necessary to help local civil authorities govern liberated areas, limit the appeal of ISIS, and prevent Iran and its proxies from filling a security vacuum that might otherwise emerge.<sup>22</sup>

**A man who lost both his legs from an IED operates a piece of heavy machinery to break down large chunks of concrete in an effort to clean up and rebuild Raqqah, Syria. (U.S. Army photo)**

## KEY CHALLENGES TO THE WHOLE-OF-GOVERNMENT EFFORT TO DEFEAT ISIS

*The United States faces multiple challenges in its efforts to defeat ISIS in Iraq and Syria. The Lead IG has identified three issues that threaten to undermine U.S. efforts to ensure an enduring defeat of ISIS and the emergence of stable, independent, and democratic governments in both countries.*

### SYRIAN KURDS LEAVE THE COUNTER-ISIS BATTLEFIELD

Turkey's January incursion into the northwestern district of Afrin, which drew Kurds in the SDF away from the fight against ISIS in northeastern Syria, led to a halt in U.S.-backed offensive operations against ISIS in Raqqah and Dayr az Zawr provinces. The DoD continued to support Arab elements of the SDF but, despite years of Coalition training, assisting and advising, these forces were only capable of maintaining defensive positions in the absence of Kurdish leaders and fighters, according to the DoD. Approximately 1,500 to 2,000 Kurds belonging to the Peoples Protection Unit (YPG) left northeastern Syria to aid Kurds in Afrin.<sup>23</sup>

The battle in Afrin resulted in a resounding defeat for the Syrian Kurds, with the displacement of 130,000 of Afrin's majority-Kurdish citizens. Some pro-regime forces helped the Kurds in this fight. The support of pro-regime forces and the lack of support by the Coalition in the battle for Afrin may also cause the Kurds to question their alliance with the Coalition, further complicating the battlefields in Syria. Meanwhile, ISIS militants struck SDF and regime positions, in areas outside of their control, and gained new territory in Idlib and Hama provinces.<sup>24</sup>

### IRANIAN INFLUENCE IN IRAQ INCREASES THIS QUARTER

The end of combat operations against ISIS in Iraq has changed the political and security posture of Iran, which increased its influence in Iraq. Iran's alignment and support of certain Shia PMF militias challenged the central government in Baghdad, which continued to try to assert control over these militias. Iran also involved itself in Iraqi political affairs. Some Iran-supported PMF militias formed and then quickly left an alliance with Prime Minister Abadi ahead of the parliamentary election set for May 2018. While short-lived, the alliance provoked criticism from Iraq's Sunni and Kurdish leaders, and concern among U.S. officials. In March, Secretary of Defense James Mattis warned that Iran was spending money in Iraq to influence the outcome of the elections. Meanwhile, these PMF militias called for the withdrawal of U.S. forces in Iraq, prompting Director of National Intelligence Daniel Coats to conclude that, as ISIS's power waned, Iran's influence over these militias had become the biggest threat to U.S. personnel in Iraq.<sup>25</sup>

*(continued on next page)*

## Key Challenges to the Whole-of-Government Effort to Defeat ISIS *(continued from previous page)*

### SYRIA POLICY REMAINS IN FLUX

On March 30, President Trump suspended the obligation of more than \$200 million in DoS funding for stabilization assistance in Syria pending reassessment of the U.S. role there.<sup>26</sup> The suspension did not immediately halt stabilization projects whose funding had already been obligated, but it raised questions about the long-term U.S. commitment to the previously stated goal of stabilizing war-torn areas of northeastern Syria enough to enable internally displaced people to return home safely and allow stable and representative local government to reemerge. The day before, the President announced that he wanted to withdraw U.S. troops from Syria “very soon.” Shortly after this announcement, the United States, United Kingdom, and France struck chemical weapons facilities in Syria in response to the Syrian regime’s use of chemical weapons.<sup>27</sup>

## Governance and Civil Society

According to the DoS, Iraq’s ability to hold a successful national parliamentary election in May is critical to strengthening democratic governance. Iraq’s government faces several challenges to conducting free and fair elections, including whether it will be able to provide the security and infrastructure needed to ensure that Iraqis, including more than 2 million internally displaced people, can safely cast their votes. Because of these challenges, Sunni and Kurdish lawmakers called on the Iraqi government to postpone the elections, but Iraq’s Supreme Court ruled that elections must take place on schedule.<sup>28</sup>

In January 2018, Prime Minister Abadi’s government entered into a brief alliance with the electoral coalition linked to the Badr Organization, a Shia group with strong ties to Iran, ahead of the parliamentary election. Though short-lived, the alliance provoked an outcry from Iraq’s Sunni and Kurdish leaders, and from prominent Shia cleric Muqtada al Sadr, who opposes Iran’s influence in Iraq. U.S. officials also expressed concern about the alliance. While the electoral arrangement held for only a day, the DoS reported that the Abadi government’s willingness to align with the Badr Organization signaled Iran’s growing influence in Iraqi politics.<sup>29</sup>

## Humanitarian Assistance

In Iraq, the conclusion of major military operations and an improved security situation allowed for the continued return of internally displaced persons (IDPs) to their homes. According to the International Organization for Migration (IOM), there were approximately 2.2 million IDPs in Iraq at the end of the quarter, down from 2.6 million at the beginning of the year. The returning IDPs still needed significant humanitarian assistance, and found that many houses had been destroyed, contaminated by unexploded ordnance, or occupied by other families.

The lack of a timely formal strategy and assistance package for returning IDPs made it difficult to ensure that returnees had adequate access to services in areas taken from ISIS. Without adequate resources, people may be forced into another cycle of displacement, compromising their well-being and potentially undermining the long-term recovery of Iraq. The forced return of IDPs to their homes continued to be a significant concern, leading humanitarian organizations to emphasize that returning home should be safe, dignified, and voluntary, in accordance with international law.<sup>30</sup>

In Syria, the humanitarian situation continued to deteriorate, as intensive military activity created a new wave of IDPs and disrupted humanitarian assistance activities. Eastern Ghouta was particularly hard hit by military operations, and the suspected use of chlorine gas against the civilian population added to the dire humanitarian situation in the region. A UN Security Council resolution demanding a 30-day cessation of hostilities was largely ignored; the UN reported that violence in the region actually increased after the ceasefire resolution was passed.

While thousands of IDPs have returned to Raqqa, humanitarian assistance agencies continued to warn that the city was not safe due to the threat posed by explosive hazards and contamination. Furthermore, reports of incidents of sexual harassment and sexual exploitation at relief distribution centers underscored the difficult challenges facing the IDP population.<sup>31</sup>

**Iraqi soldiers practice using metal detectors during the counter improvised explosive device training at Al Taqaddum, Iraq. (U.S. Army photo)**



## Stabilization

In Iraq, immediate stabilization efforts remained underfunded this quarter. The United Nations Development Programme (UNDP), which oversees the Fund for Stabilization (FFS), said it needed nearly \$570 million more to complete its work in Iraq, not accounting for any longer-term restoration efforts. In 2017, the United States pledged \$150 million toward UNDP efforts and delivered \$75 million this quarter, with \$55 million of that sum earmarked for projects in areas with a significant number of vulnerable religious and ethnic minorities, including Christians, Yazidis, and Sunnis in northern Iraq. Stabilization funds are used to reestablish basic services and rudimentary local government to enable displaced people to return home and begin rebuilding their lives. However, given the scope of the devastation in many areas, such as western Mosul, the government of Iraq has projected that, beyond immediate stabilization, it needs \$88 billion to rebuild the country.<sup>32</sup>

Separately, the United States has provided about \$48 million to support the removal of improvised explosive devices (IEDs) and other explosive remnants of war in Iraq. Since 2016, more than 70,000 explosive hazards have been cleared from Iraqi land and infrastructure, such as factories, water pipelines and power stations. The DoS OIG found that verifying the removal of explosives has been a challenge because security concerns often prevent U.S. personnel from travelling for that purpose. To address this problem, the DoS OIG in 2017 recommended using outside organizations as third-party monitors to verify the removal of explosives in hard-to-reach places. As a result, the DoS contracted with a non-governmental organization to begin monitoring explosives removal work in April 2018.<sup>33</sup>

In Syria, President Trump's suspension of \$200 million earmarked for U.S. stabilization programs did not affect funds already obligated to these programs. However, it was unclear when the suspension might affect ongoing programming. Furthermore, Turkey's incursion into northwestern Syria and the Syrian regime's expansion of control into territory formerly held by opposition groups may limit the areas where the United States is able to operate. Even before the funding suspension was announced, stabilization efforts in Syria suffered from the lack of coordination with the Syrian government, which forces U.S. personnel to rely on local partners in limited areas of Syria.<sup>34</sup>

## Support to Mission

This quarter, the President signed an omnibus appropriations act, assuring funding for Federal Government operations, including OIR, through FY 2018. The President also released his budget request for FY 2019. Both represent current and planned funding increases for the DoD with a reduced reliance on OCO funding as a proportion of the overall defense budget.<sup>35</sup>

For FY 2018, Congress appropriated a total of \$647.4 billion to the DoD, including \$65.2 billion in OCO funding.<sup>36</sup> The FY 2018 appropriation for the DoS totaled \$54 billion, including \$12 billion in OCO funding.<sup>37</sup> Funding for the DoS included \$250 million in

**In 2017, the United States pledged \$150 million toward UNDP efforts and delivered \$75 million this quarter, with \$55 million of that sum earmarked for projects in areas with a significant number of vulnerable religious and ethnic minorities, including Christians, Yazidis, and Sunnis in northern Iraq.**



Foreign Military Financing for Iraq in FY 2018 to continue rebuilding Iraq's military force, developing critical capabilities, and sustaining existing Army and Air Force systems.<sup>38</sup>

The President's Budget for FY 2019 includes \$15.3 billion for OIR, an increase of \$2.3 billion from the FY 2018 request of \$13 billion. The FY 2019 Budget maintains the previous year's force level assumption of 5,765 U.S. troops deployed in support of OIR.<sup>39</sup> The President's FY 2019 Budget request made no request for OCO funds for DoS and USAID, but the base budget request includes \$1.4 billion for operations in Iraq and Syria, a reduction of 28 percent from FY 2018.<sup>40</sup>

## Lead IG Oversight Activities for OIR

During the quarter, the Lead IG agencies and their partner agencies completed six audits and evaluations related to contract management administration and oversight, the Syria vetting process for New Syrian Forces, information sharing regarding the Embassy Air Program, access to intelligence information, and DoD operations and maintenance funding.

During this quarter, the Lead IG agencies and their oversight partners had 55 ongoing and 22 planned oversight projects for OIR. Table 1 lists the released reports by agency.

Table 1.

### OIR Oversight Reports Issued this Quarter

Report	Release Date
<b>DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL</b>	
<i>The U.S. Navy's Oversight and Administration of the Base Support Contracts in Bahrain</i> (DODIG-2018-074)	February 13, 2018
<i>Follow-up Evaluation: Combined Joint Interagency Task Force-Syria (CJIATF-S) Vetting Process for New Syrian Forces</i> (DODIG-2018-075)	February 26, 2018
<b>DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL</b>	
<i>Management Assistance Report: DynCorp Intelligence Analysts Support the Embassy Air Program Lack Access to the Information Needed to Fully Identify Risks and Mitigate Threats</i> (AUD-SI-18-23)	January 11, 2018
<i>Management Assistance Report: Cost Controls for Food Services Supporting Department of State Operations in Iraq Require Attention</i> (AUD-MERO-18-31)	March 5, 2018
<i>Audit of the Administration and Oversight of Fuel Contracts at U.S. Embassy, Amman, Jordan</i> (AUD-MERO-18-33)	March 23, 2018
<b>Partner Oversight Reports</b>	
<b>GOVERNMENT ACCOUNTABILITY OFFICE</b>	
<i>Obligations of Overseas Contingency Operations Funding for Operation and Maintenance Base Requirements</i> (GAO-18-202R)	January 10, 2018



Outreach and coordination continue to be important aspects of the Lead IG mission. This quarter, the IGs for the DoD, DoS, and USAID traveled to Qatar, Iraq, and Afghanistan and met with senior U.S. and Coalition officials (including the military commanders, ambassadors, and USAID mission directors) and Iraqi and Afghan government officials. The IGs were briefed on the significant changes in policy, strategy, events on the ground, and the air campaign involving OIR. The IGs underscored their commitment to providing whole-of-government oversight to this complex contingency operation. The IGs also held a senior-level meeting with the Acting Department of Energy IG, one of their Lead IG partners, to coordinate related oversight.

**A coalition partner and security force member participates in a simulated base defense near Erbil, Iraq. (U.S. Army photo)**

## Investigations Activity

During this quarter, Lead IG investigations resulted in 2 arrests, 7 criminal charges, 6 contractor suspensions and debarments, and 5 administrative actions. These investigations also resulted in \$6,653,324 in fines, savings, or recoveries.

Investigative branches of the Lead IG agencies and their partner agencies closed 2 investigations, initiated 5 new investigations, and coordinated on 84 open investigations involving grant and procurement fraud, bribery and kickbacks, corruption, grant fraud, theft, cyber intrusions, and trafficking-in-persons allegations.

In addition, the Fraud and Corruption Investigative Working Group conducted 35 fraud awareness briefings for 423 participants.

## Hotline Activity

Each Lead IG agency maintains its own hotline to receive complaints and contacts specific to its agency. The hotlines provide a confidential, reliable means for individuals to report violations of law, rule, or regulation; mismanagement; gross waste of funds; and abuse of authority for independent review. The DoD OIG has an investigator to coordinate the hotline contacts among the Lead IG agencies and others as appropriate. During the quarter, the investigator referred 55 cases to Lead IG agencies or other investigative organizations.

## OPERATION PACIFIC EAGLE—PHILIPPINES

Operation Pacific Eagle–Philippines (OPE-P) is a U.S. counterterrorism campaign to support the Armed Forces of the Philippines (AFP) in its efforts to combat ISIS affiliates and other terrorist organizations. OPE-P was designated as a contingency operation on September 1, 2017.<sup>41</sup>

OPE-P does not involve any unilateral U.S. counterterrorism operations but rather aims to enable the AFP to combat terrorist elements operating within their country.<sup>42</sup> This support includes military training, advice, and assistance conducted by U.S. Special Operations forces to enhance the AFP’s capacity, as well as intelligence, surveillance, and reconnaissance services to enable Philippine counterterror operations.<sup>43</sup> On February 27, 2018, the DoS formally designated ISIS-Philippines (ISIS-P) as both a Foreign Terrorist Organization and as Specially Designated Global Terrorists.<sup>44</sup>

The AFP inflicted heavy losses on ISIS-P during the siege of Marawi, which ended in October 2017.<sup>45</sup> This quarter, the insurgents sought to recover by regrouping elsewhere on the island of Mindanao.<sup>46</sup> Following the death of Isnilon Hapilon, ISIS-P’s first “emir,” in the fighting at Marawi, the group was left without a successor. Insurgent command and control was fragmented, inhibiting major attacks, and several senior commanders vied for recognition as the new emir.<sup>47</sup>

U.S. humanitarian assistance this quarter focused primarily on supporting the 311,000 civilians who remained displaced from their homes as a result of the fighting in and around Marawi.<sup>48</sup> IDP returns have been slowed by damaged infrastructure and a lack of services in the affected areas, and many who were permitted to return went back to evacuation centers after finding their homes uninhabitable.<sup>49</sup> In addition, the DoD identified the removal of unexploded ordnance as the primary security challenge for IDPs returning to their homes.<sup>50</sup>

## Lead IG Oversight Activities for OPE-P

During this quarter, the DoD OIG had one ongoing oversight project related to OPE-P—an audit to determine whether U.S. Pacific Command properly developed and reviewed its requirements for the Philippines Operations Support Contract. The DoD and USAID OIGs also have three planned projects related to OPE-P: an evaluation of efforts to train, advise, assist, and equip the AFP; an audit of U.S. logistical support provided to the Republic of the Philippines; and an audit of USAID’s initial stabilization activities under OPE-P.

**OPE-P does not involve any unilateral U.S. counterterrorism operations but rather aims to enable the AFP to combat terrorist elements operating within their country.**





Coalition partners and security force members observe the effects of a colored smoke grenade used in an outdoor class on forward observation during training in Erbil, Iraq. (U.S. Army photo)

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# OPERATION INHERENT RESOLVE

## SECURITY

### Developments in Iraq

#### NUMBER OF U.S. TROOPS IN IRAQ DECREASES

The U.S. military began redeploying weapons, equipment, and soldiers from Iraq this quarter, following the Iraqi government's December 2017 proclamation that ISIS had been defeated there.<sup>1</sup> The DoD began transferring equipment and personnel from Iraq to Afghanistan, where the U.S. military is executing Operation Freedom's Sentinel. U.S. officials said that some U.S. troops would begin to leave the country without replacements.<sup>2</sup> The DoD confirmed that while some U.S. troops were relocated outside of Iraq, they remained within U.S. Central Command's area of operations.<sup>3</sup>

In March, Iraq's parliament, or Council of Representatives, adopted a non-binding resolution calling for Prime Minister Abadi to establish a timeline for the withdrawal of U.S. forces.<sup>4</sup> The DoS reported that the government of Iraq had taken no actions nor held any discussions with the United States regarding such a timeline.<sup>5</sup> The DoS described the parliament's resolution as political maneuvering in anticipation of the May 2018 election.<sup>6</sup> For more on the election in Iraq, see the Governance and Civil Society section on page 34.

#### UNITED STATES FOCUSES ON SUSTAINING GAINS AGAINST ISIS

This quarter, Coalition forces focused training of the Iraqi Security Forces (ISF) in ways that would address systemic weaknesses in Iraqi security institutions and strengthen them to ensure ISIS's lasting defeat.<sup>7</sup> According to the DoD, Coalition forces were moving away from providing tactical level support and toward operational and institutional support of the ISF.<sup>8</sup> This shift in focus reflects a new phase of OIR dedicated to helping the ISF sustain gains against ISIS. It involves training and advice carried out mainly at ministry

#### SECURITY DEVELOPMENTS

- U.S. military "pauses" fight against ISIS in Syria after hundreds of Kurdish fighters leave the SDF to fight Turkey's incursion into the northwestern region of Afrin
- The U.S. military reduces its footprint in Iraq, transfers equipment and soldiers from the OIR theater of operations
- Iraqi troops and the Kurdish Peshmerga expand defensive positions on opposite sides of the so-called "green line"

#### SECURITY CHALLENGES

- The "operational pause" in fighting against ISIS may enable the organization to regroup, gain in strength
- President Trump's stated intent to withdraw U.S. forces from Syria "very soon" spurs debate on American policy objectives in the country
- Shia PMF militias aligned with Iran emerge as biggest threat to U.S. forces in Iraq as ISIS's power wanes

levels and large military headquarters and will complement previous training provided to individual soldiers and small units at the tactical level.<sup>9</sup> Additional information on this shift in focus is available in the classified appendix of this report.

According to the DoD, Iraq's security institutions still suffered from some shortcomings in recruitment, gaps in training, ambiguity over roles and responsibilities at the ministerial levels, challenges in securing rural and desert areas, and limited logistics capacity, all of which resulted in the need for continued U.S. military and contractor support.<sup>10</sup> The DoD identified the absence of self-sufficient training institutions and effective recruitment mechanisms as longstanding issues.<sup>11</sup> Additionally, Iraqi intelligence capabilities remain limited, which affects efforts to identify future threats.<sup>12</sup>

**Iraqi soldiers attached to Commando Company go over squad movements in an urban area at the Besemaya Range Complex, Iraq. (U.S. Army Photo)**

### ISIS MILITANTS IN IRAQ CONTINUE CAMPAIGN OF VIOLENCE

ISIS militants continued this quarter to regroup and launch attacks on civilians and security forces across Iraq, although there were competing assessments of their strength. Violent incidents remained constant or appeared to increase compared to the number of violent incidents publicly reported last quarter.<sup>13</sup> Although, violence across Iraq has



## IRAQ: AREAS OF U.S. AND COALITION MILITARY OPERATIONS



Source: Lead IG analysis

### KIRKUK PROVINCE

ISIS militants ambushed a convoy of PMF fighters, killing 27, in one of the largest losses of life for security forces in a single incident since the fall of Mosul.

### BAGHDAD

Dozens of people were killed and wounded in two back-to-back bombings that hit the city in early January targeting a police checkpoint and a crowd of laborers.

### TUZ KHURMATU

A new ISIS-derived insurgent group, the White Flags, emerged in the Tuz Khurmatu region, and battled with the ISF.

drastically dropped since the height of the counter-ISIS campaign: independent analysts warned that the steady number of attacks by ISIS sleeper cells remains a serious threat and a sign of the group's potential resurgence.<sup>14</sup> The DoD reported that violence in Iraq is close to the levels of late 2010 and early 2011, when ISIS's precursor was weakened.<sup>15</sup> The DoD warned that ISIS is actively attempting to carry out clandestine and low-level operations while reconstituting insurgent cells in rural and urban areas of Iraq, meaning that available violence metrics may not capture the full range of ISIS activity in Iraq.<sup>16</sup>

The Lead IG examined public reports of 269 violent insurgent-initiated incidents, resulting in the deaths of at least 171 Iraqi security personnel this quarter.<sup>17</sup> Iraqi officials estimated that 150 to 200 ISF personnel were killed in ISIS attacks over the last several months.<sup>18</sup> In March, Director of National Intelligence Daniel Coats observed that ISIS had “started—and probably will maintain—a robust insurgency in Iraq and Syria as part of a long-term strategy to ultimately enable the reemergence of its so-called caliphate.”<sup>19</sup>

Many attacks were reported in the northern provinces of Ninewa, Salah ad Din, Kirkuk, and Diyala, all areas along the so-called “green line” separating the Iraqi Kurdistan Region (IKR) from the rest of Iraq.<sup>20</sup> Iraqi civilian and military officials in Kirkuk raised warnings



throughout the quarter about ISIS infiltration and attacks in the province. One PMF commander warned that his troops have faced attacks “on a daily basis.”<sup>21</sup> In February, the governor of Kirkuk province called for a new military operation against remaining ISIS militants, but by March, despite ISF efforts, Iraqi officials in Kirkuk estimated that about 1,000-2,000 ISIS fighters had regrouped and been able to remain active in the province.<sup>22</sup> The DoD reported that violence in areas retaken by the Iraqi government had not tangibly increased, although there had been an increase in reporting about insurgent operations.<sup>23</sup>

For more information on the potential ISIS insurgency in the territories disputed between the Iraqi government and the KRG, see section entitled “ISIS Activity in Northern Iraq Suggests Insurgency” on pages 18 and 19.

Elsewhere in Iraq, most violent incidents last quarter occurred in Baghdad, and in Anbar and Babil provinces. In total, the Lead IG examined media reports of 23 insurgent-initiated incidents in Anbar province, 8 incidents in Babil, and 111 incidents in Baghdad.<sup>24</sup> However, in mid-January, a suicide bomber struck a police checkpoint, killing eight people in Baghdad.<sup>25</sup> Two days later, 2 suicide bombers struck a crowd of day laborers, also in Baghdad, killing at least 26 and wounding more than 100.<sup>26</sup>

Iraqi officials warned that with the decrease in the U.S. military presence and subsequent loss of intelligence and surveillance capabilities, it has become more difficult to track and counter remaining ISIS cells.<sup>27</sup> In addition, according to media sources, corruption in the ranks of the security forces undermined counter-ISIS efforts. Local Sunni leaders in Anbar province, for instance, claimed that dozens of alleged ISIS fighters from the province were released due to lack of evidence or through deals with corrupt officials.<sup>28</sup> At the end of February, Iraqi officials in Salah ad Din province arrested a police colonel accused of supporting ISIS and supplying fake identity papers to militants.<sup>29</sup> According to independent researchers, ISIS was also still able to move fighters and weapons through checkpoints around the country by paying bribes.<sup>30</sup>

**Iraqi officials warned that with the decrease in the U.S. military presence and subsequent loss of intelligence and surveillance capabilities, it has become more difficult to track and counter remaining ISIS cells.**

### **NEW ISIS-AFFILIATED GROUP EMERGES**

This quarter, a new insurgent group called the White Flags operated in the Hamrin Mountains in northern Iraq.<sup>31</sup> The DoD reported that the group is composed of several hundred former ISIS members as well as disgruntled Sunni Arabs, Sunni Turkmen, and Kurds, although Iraqi officials estimate their numbers to be as high as 1,000.<sup>32</sup> According to media reports, the White Flags have taken advantage of the gaps in security cooperation between the ISF and the Kurdish Peshmerga to conduct attacks and escape.<sup>33</sup>

In late January and early February, the Iraqi Army launched counterterrorism operations against the White Flags and other ISIS holdouts in Diyala and Salah ad Din provinces, and claimed to have liberated at least three villages from the White Flags.<sup>34</sup> Additionally, Coalition forces conducted 17 strikes on ISIS-affiliated tunnels, bunkers, and other targets in Kirkuk.<sup>35</sup> At the end of the quarter, the DoD reported that the group seemed to have been driven underground or dismantled.<sup>36</sup> However, public estimates of the group’s strength remained constant during the quarter.<sup>37</sup>

# ISIS ACTIVITY IN NORTHERN IRAQ SUGGESTS INSURGENCY

## Series of Attacks Signals the Group's Resiliency

*In early 2018, Coalition and United Nations analysts in Iraq warned that the northern Iraqi provinces of Ninewa, Kirkuk, and Salah ad Din were specifically at risk of a resurgence of ISIS violence. Lead IG analysis of public sources found that during this quarter, ISIS affiliates carried out numerous acts of violence in these provinces and in neighboring Diyala, indicating a nascent insurgency in areas once controlled by the group. Some analysts attribute this continuing ISIS activity to a power vacuum created by ongoing tensions between Iraq's central government and the Kurdish Regional Government and to a lack of progress in the stabilization of areas devastated by ISIS and the military effort to defeat it.*

The Lead IG recorded 158 bombings, assassinations, and other acts of violence in Iraq, not counting Baghdad, this quarter. Baghdad was excluded to give a more accurate picture of levels of ISIS violence outside of the capital. Of these, approximately 72 percent occurred in the 4 provinces mentioned above, resulting in the death or injury of at least 390 Iraqi security personnel and civilians. The high level of violence increased the risk to ISF personnel operating in these areas. Troops were often unable to patrol at night due to insurgent violence.

Continued tensions between the Iraqi government and Kurdish security forces in these provinces impeded counterinsurgency operations against ISIS cells. While Iraqi military officials and their Kurdish counterparts have remained in contact to manage tensions, coordination between the two on counterinsurgency activities has declined. Iraqi military commanders, including a member of the Iranian-linked Badr Brigade, have managed provincial security in Kirkuk since October 2017, when they took control of disputed territory after Kurdish Peshmerga forces retreated following a failed Kurdish referendum on independence. Since the power shift, leaders in Kirkuk

have increased warnings about the number of ISIS-linked violent incidents that have occurred in the province. PMF commanders operating alongside the ISF say their forces have faced “near daily attacks” from ISIS affiliates.

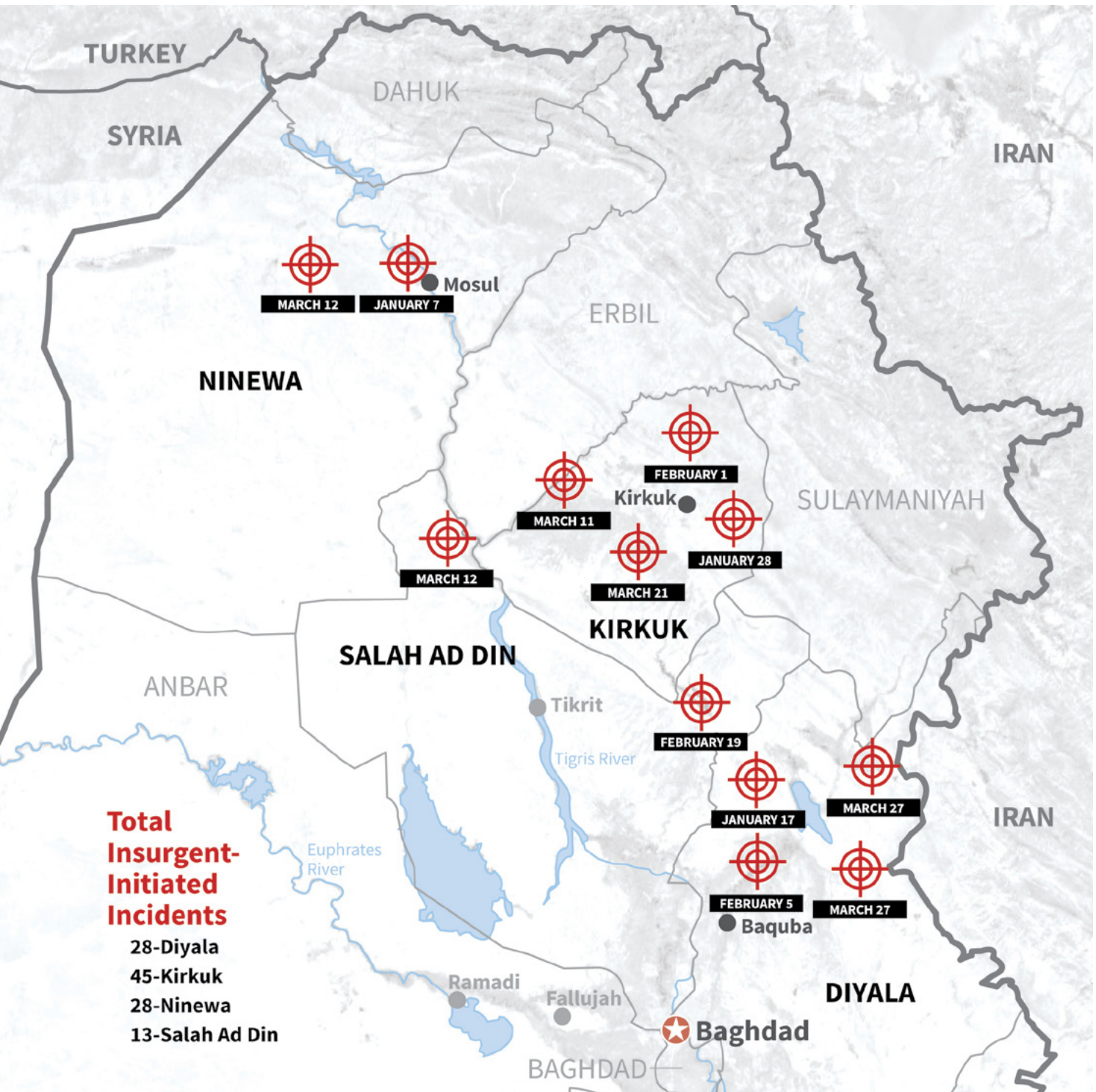
Unmet demands for stabilization assistance have left local, mainly Sunni, populations frustrated with Iraq's Shia-led central government. Iraqis in Mosul, a majority Sunni city, suggested in March that the city had not yet been rebuilt due to sectarian prejudice. Similar sentiments were expressed in Kirkuk and Salah ad Din provinces, where towns remain in ruins after ISIS's defeat. Residents also expressed dismay at the continuing presence of Shia PMF units that remain in northern Iraq despite plans to replace them with Sunni-led military units.

To be sure, levels of violence in Iraq overall have fallen since the liberation of ISIS's former strongholds, despite efforts by ISIS cells across Iraq to continue to disrupt the central government. However, these incidents in Iraq's north raise particular concerns. They are increasingly brazen. In at least six instances, militants targeted civilians and security personnel at fake checkpoints set up along the main Baghdad-Kirkuk highway. Many are assassinations of local leaders—a hallmark of the 2009-2013 insurgency led by ISIS's precursor. And they are concentrated in areas where the government has lauded ISIS's defeat.

All of these factors indicate at least a rudimentary effort to undermine Iraqi government efforts to restore governance and security in these areas. Violence in northern Iraq suggests that ISIS operatives and sleeper cells are working to build insurgent infrastructure and will likely continue to disrupt governance and stabilization efforts going forward. For details on ten of the most high-profile attacks, see the timetable below.

<b>JANUARY 7</b> Gunmen assassinate the mayor of a town outside of Mosul in Ninewa province	<b>JANUARY 17</b> Militants assassinate a government official in Diyala province	<b>JANUARY 28</b> ISIS affiliates assassinate a local municipal council member in Kirkuk	<b>FEBRUARY 1</b> ISIS kills a retired general in Kirkuk	<b>FEBRUARY 5</b> Militants kill the mayor of a town near Baqubah, the capital of Diyala province	<b>FEBRUARY 19</b> ISIS affiliates in ISF uniforms kill 27 PMF members at a fake checkpoint in Kirkuk
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**Sources:** See Endnotes, page 130.



**MARCH 11**

ISIS militants ambush civilians traveling along the Kirkuk-Baghdad road, killing or injuring at least 15 people

**MARCH 12**

ISIS affiliates carry out 2 assassinations of Sunni tribal leaders who had fought against ISIS, killing 1 tribal sheikh near Shirqat in Salah ad Din and 1 near Qayyarah in Ninewa, along with about 10 others

**MARCH 21**

ISIS fighters disguised as Shia militias members kidnap and kill nine Iraqi Federal Police at a fake checkpoint on the road between Kirkuk and Salah ad Din

**MARCH 27**

ISIS affiliates assassinate two different local mayors in villages in Diyala province.

## ISF AND KURDISH PESHMERGA HOLD OPPOSING DEFENSIVE POSITIONS

Tensions between the ISF and Peshmerga appeared to ease this quarter, even as both sides expanded their defensive lines with berms, observation posts, and other defensive positions along the “green line.”<sup>38</sup> Additionally there were some reports that Kurdish insurgents had launched attacks on the ISF.<sup>39</sup> The DoD reported that the two sides avoided conflict during an ISF counter-ISIS operation, and said that local ISF and Peshmerga commanders remained in contact to manage tensions.<sup>40</sup> ISF units withdrew from an international crossing in the IKR, which further improved relations.<sup>41</sup>

Last quarter, fighting broke out between the ISF and some Peshmerga after the ISF took control of disputed territory that had been under Kurdish control since 2003. Iraqi forces seized the territory following the September 2017 Kurdish referendum on independence; while most Peshmerga retreated, animosity has remained and led to sporadic violence.

## IRANIAN SUPPORT OF SOME PMF MILITIAS EMERGES AS A MAJOR CHALLENGE TO UNITED STATES GOALS IN IRAQ

In March, Prime Minister Abadi issued a decree formalizing the role of the PMF within the ISF and granting the PMF fighters the same salaries and rights as members of the regular military.<sup>42</sup> Abadi also announced plans to demobilize PMF fighters and confiscate their heavy weapons.<sup>43</sup> The moves were the latest in a series of attempts by the Iraqi government to bring the PMF under effective government control, and illustrated the ongoing challenge the Abadi government faces in trying to establish control over all PMF militias.<sup>44</sup> Despite these efforts, several Iranian-aligned PMF militias continued to operate outside of the government’s control.<sup>45</sup> Researchers who studied the conditions on the ground in territory primarily under the control of PMF-affiliated militias reported declines in state capacity and the rule of law due to the multiplicity of armed actors on the ground and the difficulty in bringing rogue actors to justice.<sup>46</sup>

In February, Director of National Intelligence Daniel Coats said that Iran’s support for these militias constituted the greatest threat to U.S. forces in Iraq and predicted that this threat would increase as the threat from ISIS recedes.<sup>47</sup> According to the DoD, Iran has two primary objectives in Iraq: securing supply routes to Syria and Lebanon and leveraging the battlefield success of Iranian-supported PMF militias to build long-term influence in Iraq.<sup>48</sup> This quarter, U.S. intelligence officials also noted that Iran dispatched hundreds of Islamic Revolutionary Guard Corps officers to Iraq to work with Shia PMF militias. Intelligence analysts pointed out that with the ISIS fight winding down, Iran will be free to use these forces to influence Iraqi politics.<sup>49</sup> For more on Iranian influence and the Iraqi elections, please see the section on Governance and Civil Society on page 34. A more in-depth discussion of the role of some Iranian-aligned PMF militias and of Iran’s influence on them is available in the classified appendix of this report.

## U.S. M1 ABRAMS TANKS RETURNED TO THE ISF

The DoD reported this quarter that M1 Abrams tanks that had fallen into the hands of the PMF during battles against ISIS were returned to the Iraqi Ministry of Defense.<sup>50</sup>

**The DoD reported this quarter that M1 Abrams tanks that had fallen into the hands of the PMF during battles against ISIS were returned to the Iraqi Ministry of Defense.**



An Iraqi army soldier picks up a Howitzer round as part of training from French forces at the Besmaya Range Complex, Iraq. (U.S. Army photo)

The incident prompted the U.S. military to require the Iraqi government to monitor the whereabouts of the tanks more closely and report on their end use.<sup>51</sup> DoD officials placed restrictions on maintenance and support of the M1 tank program to pressure the Iraqi government to account for all M1 tanks.<sup>52</sup>

## Train, Advise, Assist, and Equip Mission in Iraq

This quarter, both NATO and Germany announced plans to increase their respective training activities in Iraq. In February, NATO defense ministers agreed to expand the NATO train and advise effort and to increase its personnel in Iraq.<sup>53</sup> The announcement came days after Secretary Mattis sent a letter to senior NATO leaders requesting that NATO consider a formal mission in Iraq with the goal of training Iraqi forces.<sup>54</sup> Germany also agreed to extend its military mission in Iraq and expand its training program to include the Iraqi Army. Previously, German personnel trained only the Kurdish Peshmerga.<sup>55</sup>

This quarter, the DoD continued to train the Iraqi Border Guards, the local police, Emergency Response Units, and the Counter Terrorism Service, while planning to increase training for the Energy Police and the Qwat Khasah, or Rangers, in FY 2019.<sup>56</sup> The Iraqi Border Guards help secure the Iraq-Syria border, as well as other Iraqi border areas, to prevent ISIS or other extremist infiltration or attacks. The Emergency Response Units provide provincial authorities with quick reaction capabilities. The Energy Police protect critical energy infrastructure, especially within the five provinces liberated from ISIS. The CTS, used as an elite infantry force during the anti-ISIS fight, was being transitioned back to its primary role of targeting specific insurgent or terrorist groups. Finally, the Rangers will begin to take over the elite infantry duties of the CTS, and will provide a quick reaction capability within the Ministry of Defense.<sup>57</sup> The DoD reported that currently there are several unfunded requirements considered “must fund,” including securing the western

Iraqi border, providing logistical support to Iraqi Army Aviation, and transitioning the CTS back to a counterterrorism role.<sup>58</sup>

The DoD warned that failure to provide sufficient funding to train and equip the ISF could result in Iraq developing closer security relationships with Iran, Russia, or other countries.<sup>59</sup> This quarter, Iraq received the first shipment of Russian-made T-90 main battle tanks, demonstrating the willingness of the Iraqi government to look for other defense partners.<sup>60</sup>

### ISF CONTINUE TRANSITION TO HOLD FORCES

Iraqi forces continued to transition away from offensive operations and towards hold force activities to prevent a reemergence of ISIS. The DoD reported that approximately 90 percent of the ISF were slated to transition to hold force activities.<sup>61</sup> The DoD reported that while it advises the Iraqi military and political leadership on issues such as the acceptability of different security units to certain populations, the Iraqi government makes final decisions about placement and deployment of troops.<sup>62</sup>

The DoD reported that hold forces need to integrate maneuver, artillery and airstrikes, and intelligence in their operations, as well as man checkpoints and observation posts.<sup>63</sup> The ISF reportedly demonstrates these capabilities well, but it remains reliant on Coalition platforms for air and artillery strikes and intelligence, surveillance, and reconnaissance support.<sup>64</sup>

### FORCES TRAINED THIS QUARTER

The Coalition trained approximately 10,400 Iraqi security personnel this quarter, including 3,800 Iraqi Army personnel.<sup>65</sup> The Coalition also provided training to units that did not

Table 2.

#### Number of Iraqi forces Trained in FY18 QTR 2 and Total Force Strength

Forces	Number Trained Since January 2015	Number Trained Q2 2018
1. Army	~49,800	3,854
2. Air Force	Tracked by OSC-I	
3. Counter Terrorism Service	~15,300	515
4. Border Guards	~8,000	594
5. Tribal Forces	~11,170	170
6. Federal Police	~5,350	1,045
7. Local Police	~16,700	1,697
8. Emergency Response Unit	~3,300	295
9. Explosive Ordnance Disposal	Trained by Iraqis	
10. Peshmerga	~28,200	2,232
<b>TOTAL</b>	<b>~138,000</b>	<b>10,400</b>

**Note:** CJTF-OIR created the CAATT in Feb 2018. This organization is preparing to provide training to Iraqi Air Force members in the near future.

**Source:** DoD, response to Lead IG request for information, 4/5/2018.



Members of the Iraqi Counter-Terrorism Services prepare for their first class on heavy weapons. (U.S. Army photo)

receive any training last quarter, including Sunni elements of the PMF, the Federal Police, and the Emergency Response Unit. For details on the number of forces trained since January 2015 and this quarter, see Table 2.

### **IRAQI GOVERNMENT BEGINS PAYING PESHMERGA**

About 2,200 Peshmerga personnel attended training courses this quarter.<sup>66</sup> However, the DoD budgetary requests for FY 2019 did not seek funds to pay stipends to the Peshmerga. The United States stopped funding these stipends in September 2017.<sup>67</sup> In March, the Iraqi government indicated it would pay the Peshmerga and Kurdish civil servants.<sup>68</sup>

### **DISAGREEMENT OVER ROLE OF CTS AFFECTS TRAINING**

According to the DoD, the United States remains committed to supporting the CTS but disagreements over whether the force should focus solely on its counterterrorism mission hampered planning and training efforts this quarter. Prime Minister Abadi required the CTS to continue to act as a hold force, but this directive limited the force's ability to focus on counterterrorism training and readiness. Under his orders, seven CTS battalions were deployed as hold forces in northern Iraq this quarter, and there were no plans to change this deployment before parliamentary elections are held in May.<sup>69</sup> The DoD warned that a failure to ensure that the CTS can engage in counterterrorism operations could lead to a continued functional gap in Iraq's ability to ensure an enduring defeat of ISIS.<sup>70</sup>

According to the DoD, CTS training institutions did not have the capacity to add training on counterterrorism without reducing training on "clear and hold" skills.<sup>71</sup> This quarter, U.S. officials said that CTS training would focus on developing specific capabilities rather than growing the force strength. The CTS training institute is currently able to train 1,500 CTS fighters per year.<sup>72</sup> The DoD confirmed that the goal of doubling the size of the CTS would strain Iraqi financial resources and the force generation capacity of the CTS.<sup>73</sup>

## NEW AVIATION TRAINING TEAM ANNOUNCED

In February, the U.S. Air Force Central Command and the Combined Joint Task Force—Operation Inherent Resolve (CJTF-OIR) established the Coalition Aviation Advisory and Training Team in Iraq to provide training, advice, and assistance to the Iraqi Army Aviation Command, the Iraqi Air Defense Command, and the Iraqi Air Force.<sup>74</sup> The training team’s primary goal is to develop a professional, affordable, and sustainable Iraqi air force capable of supporting the ISF within 2 years to reduce Iraq’s dependence on Coalition air support.<sup>75</sup> The DoD reported that during the fight against ISIS, Iraqi forces typically did not advance on the battlefield without Coalition air support and that during combat operations, Coalition aircraft provided 92 percent of anti-ISIS airstrikes.<sup>76</sup>

## U.S. MILITARY ASSESSMENT OF ISF MIXED; CONTINUES TO RELY ON IRAQI SELF-REPORTING

According to the DoD, Iraqi forces have increasingly undertaken raids and counter-terrorism operations without U.S. and Coalition support, demonstrating significant improvement in their capabilities.<sup>77</sup> While Coalition training has improved the ability of the ISF to secure the country, significant systemic challenges remained, including equipment shortages, corruption, personnel shortages, and increasing operational demands. U.S. personnel advising Iraqi military units reported that the different security forces answering to the Defense Ministry and the Interior Ministry do not have compatible radio communications, forcing them either to use unreliable cell phones or to coordinate through U.S. advisors.<sup>78</sup> Additionally, Iraqi soldiers have complained that corruption and nepotism remained as severe in the army as they were in 2014, when ISIS routed four ISF divisions and overran much of northern Iraq.<sup>79</sup>

Coalition personnel continued to rely on Iraqi self-assessments, as well as some empirical observations, to evaluate the ISF’s effectiveness.<sup>80</sup> As a result of the reliance on self-assessments, Coalition trainers remained at risk of misidentifying ISF capabilities and misallocating Coalition assistance.<sup>81</sup> Furthermore, the Iraqi government did not readily provide casualty and attrition information to the Coalition, and historically has only provided data primarily to justify urgent requests for equipment or support.<sup>82</sup> Despite these lingering challenges, the DoD reported that even in the face of continuous and sometimes heavy casualties, the ISF and PMF have continued to successfully combat ISIS and to conduct clearance operations targeting ISIS fighters and leaders.<sup>83</sup>

## Developments in Syria

### TURKEY’S INCURSION INTO SYRIA LEADS TO “OPERATIONAL PAUSE” IN THE FIGHT AGAINST ISIS

In mid-January, Turkey’s forces crossed into the northwestern Syrian enclave of Afrin to clear the area of Kurdish Peoples’ Protection Units (YPG), which Turkey says support Kurdish separatists operating in Turkey.<sup>84</sup> The Turkish incursion caused hundreds of Kurds belonging to the U.S.-backed Syrian Democratic Forces (SDF) to leave their positions in Raqqah and Dayr az Zawr provinces to help Kurds in Afrin, leading to what the DoD

**In mid-January, Turkey’s forces crossed into the northwestern Syrian enclave of Afrin to clear the area of Kurdish Peoples’ Protection Units (YPG), which Turkey says support Kurdish separatists operating in Turkey.**



## SYRIA: AREAS OF U.S. AND COALITION MILITARY OPERATIONS

### AFRIN

Kurdish SDF fighters repositioned away from the counter-ISIS fight and moved to Afrin to confront the Turkish operation there.

### NEAR DAYR AZ ZAWR

U.S. and SDF forces repelled an attack by pro-regime fighters, reportedly including Russian mercenaries, killing more than 200 attackers.

### DASHISHA AND ABU KAMAL

Operations against ISIS in eastern Syria were put on “pause” due to repositioning of Kurdish SDF fighters.



**NOTE:** The United States and Coalition are not involved in the civil war. Combat between Syrian regime forces and their allies against opposition fighters and ISIS occurs throughout Syria.

described as an “operational pause” in Coalition ground operations against ISIS.<sup>85</sup> On February 21, the SDF commander announced that he could no longer conduct offensive operations against ISIS as long as Turkish forces were threatening Kurdish territory in Afrin.<sup>86</sup>

The DoD reported that the Coalition and Arab elements of the SDF continued to defend territory in Raqqah and Dayr az Zawr during the quarter, but they also confirmed that the ground offensive against ISIS had been halted. Lead IG analysis of open source materials indicated that Coalition airstrikes against ISIS were also affected by the pause in fighting. The number of airstrikes decreased as the quarter progressed, with 215 strikes carried out in January and only 31 conducted in March.<sup>87</sup>

Turkey’s ground offensive and the Kurdish response to it pitted a U.S. NATO ally against a key U.S. partner in the fight against ISIS, and heightened tensions between Turkey and the United States. After Turkish forces took control of most of Afrin, Turkish President Recep Tayyip Erdoğan hinted that they might continue to Manbij, where U.S. forces are located, and called on the United States to withdraw troops from the town.<sup>88</sup> In response, in mid-March, U.S. Central Command (USCENTCOM) Commander General Joseph Votel said that a U.S. troop withdrawal from Manbij was “not something we are looking into.”<sup>89</sup> Complicating matters further, pro-Syrian regime militias moved into Afrin, ostensibly to aid the Kurds, and were deterred by the Turkish Air Force.<sup>90</sup>

While the U.S. military has not operated in Afrin, military officials expressed concern about the long-term fallout of continued Turkey-YPG battles and described the conflict as a “distraction” from the war against ISIS.<sup>91</sup> The DoS also stated that the fighting between the Kurds and Turkey has distracted from the counter-ISIS efforts.<sup>92</sup> Secretary of Defense Mattis said the Turkey-YPG fighting “could be exploited” by ISIS and al Qaeda.<sup>93</sup> DoS and DoD officials warned that the Turkish offensive in Afrin could enable ISIS to reconstitute itself in parts of eastern Syria, which the DoS termed “a serious and growing concern.”<sup>94</sup>

The DoS expressed concerns to Turkish officials regarding the situation in Afrin, and reported that while the United States remained committed to its NATO ally Turkey, including its legitimate security concerns, the United States also remained committed to the defeat of ISIS and would continue to support the SDF in eastern Syria.<sup>95</sup>

### **RUSSIA AND IRAN CONTINUED TO COMPLICATE THE FIGHT AGAINST ISIS**

United States military officials reiterated this quarter their view that the presence in Syria of both Russia and Iran has complicated the fight against ISIS in Syria.<sup>96</sup> In a congressional hearing, General Votel stated that Russia had played “both arsonist and firefighter” by stoking the Syrian civil war and then offering to arbitrate disputes. Noting that these actions had “added complexity to the defeat-ISIS campaign,” he told the Senate Armed Services Committee that “Russia’s manipulative behavior has placed our campaign progress at risk with activities that are not focused on the defeat of ISIS, but rather preserving their influence and control over the outcome of the situation.”<sup>97</sup>

**A mortar fin lies amongst the rubble in the streets of Raqqah, Syria. (U.S. Army photo)**



**The DoD reported that while pockets of ISIS fighters continued to control areas of the Euphrates River Valley and to strike SDF and pro-regime forces, the group was mainly trying to preserve its hold on territory rather than expand.**

The DoD reported that Russia's military presence in Syria remained roughly constant throughout the quarter and that Russia had not intentionally endangered Coalition troops or allies.<sup>98</sup> However, media sources reported in January that in December Russia refused a Coalition request made through the hotline to launch strikes on ISIS elements moving in a desert controlled by the Syrian regime.<sup>99</sup> According to General Votel, the United States and Russia used the hotline several times a day to prevent clashes between military forces.<sup>100</sup>

The presence of multiple combatants operating in support of the Syrian regime has increased the risk to U.S.-backed forces. The DoD reported that in early February, approximately 500 pro-regime fighters and Russian mercenaries attacked the SDF east of the Euphrates River de-confliction line. They were repulsed through a combination of airstrikes and artillery by U.S. forces co-located with the SDF.<sup>101</sup> According to a news report, a Syrian military officer said that the pro-regime fighters were members of a small Shia group from Dayr az Zawr province.<sup>102</sup>

Following the attack, a DoD spokesperson stated that the United States had used the de-confliction hotline to contact Russian forces in Syria at the time the attack was happening.<sup>103</sup> However, Secretary of Defense Mattis suggested that Russia was not responsible for the attack, saying "you can't ask Russia to de-conflict something they don't control."<sup>104</sup> The DoD reported that de-confliction channels remained active to prevent similar incidents.<sup>105</sup>

### **ISIS TAKES ADVANTAGE OF SLOWDOWN OF COALITION OPERATIONS**

The DoD reported that while pockets of ISIS fighters continued to control areas of the Middle Euphrates River Valley and to strike SDF and pro-regime forces, the group was mainly trying to preserve its hold on territory rather than expand.<sup>106</sup> However, the Coalition's so-called "pause" in operations appeared not only to allow ISIS to hold onto its remaining territory, but also seize some additional territory in other parts of the country.

ISIS militants launched several attacks outside of areas they controlled, demonstrating their continued ability to operate amid Syria's civil war. In southern Damascus, ISIS attacked regime forces in the al Qadam district, seizing much of the neighborhood and killing 36 Syrian regime soldiers.<sup>107</sup> In the Syrian Kurdish city of Qamishli in northeastern Hassakeh province, ISIS claimed responsibility for a car bombing that killed five people.<sup>108</sup>

In January and February, ISIS forces successfully seized additional territory in Hama and Idlib provinces, clashing with both rebel and regime forces in Idlib before being defeated by rebels.<sup>109</sup> Meanwhile, an ISIS-linked group, Jaysh Khalid bin al-Waleed, located in southern Syria near the Golan Heights, reportedly increased its control over the valley in its possession, introducing conscription and ISIS-inspired teaching materials.<sup>110</sup>

ISIS fighters have also continued to infiltrate through Syrian regime lines to reach hideouts in the south and northwest of Syria, as well as in the vicinity of Damascus.<sup>111</sup> A Coalition official confirmed that the Coalition will not attempt to target ISIS fighters in areas controlled by the Assad regime.<sup>112</sup>

## Syrian Civil War and Peace Process

### SYRIAN REGIME CLAIMS VICTORY IN EASTERN GHOUTA

At the end of the quarter, the Syrian regime declared victory over rebels in Eastern Ghouta, a district near Damascus. On March 24, rebels began pulling out of several towns in the district and headed on buses for Idlib province, a rebel stronghold in northwestern Syria.<sup>113</sup> According to news reports, the regime continued its artillery bombardment of Douma, where the Army of Islam rebel group was reportedly negotiating a withdrawal of its forces.<sup>114</sup> Syrian forces continued to bomb Douma in early April, and on April 4 allegedly dropped chemical weapons on the town, killing dozens of civilians.<sup>115</sup>

While Syrian and Russian authorities asserted that their forces only attacked militants, human rights organizations said that aircraft bombed two medical facilities in Eastern Ghouta in early January.<sup>116</sup> In response to the fighting, a UN Security Council Resolution, UNSCR 2401, in February called for a nationwide cessation of hostilities for at least 30 days, the lifting of the siege on Eastern Ghouta, and the immediate provision of humanitarian assistance. As of the end of the quarter, however, the resolution had not been implemented, although the DoS stated that the United States remained committed to its full and immediate implementation.<sup>117</sup>

With the evacuation of rebels in most of Eastern Ghouta, the Syrian regime has taken control of a major opposition stronghold, leaving Idlib province as one of the last significant areas held by rebel groups. News outlets reported that by the end of March, the regime controlled about 70 percent of Eastern Ghouta and had reopened a network of roads, closed since 2012, linking Damascus with other parts of the country.<sup>118</sup>

### VIOLENCE CONTINUED IN MOST DE-ESCALATION ZONES

In March, UN Special Envoy for Syria Staffan de Mistura said that there had been no reduction in violence in so-called “de-escalation zones” established through the Astana peace process.<sup>119</sup> According to de Mistura, the de-escalation zones look “exactly like the opposite: escalation.”<sup>120</sup> Meanwhile, the United Nations continued to engage with Russia and Jordan several times a week on the status of a de-escalation zone in southwest Syria near the Israeli border that was established in July 2017 in connection with the Geneva peace process. A ceasefire there remained largely in effect although limited airstrikes were reported in parts of Dara’a province in mid-March.<sup>121</sup>

### ISRAEL ATTACKS SYRIAN AIR DEFENSE SYSTEMS

In early February, Israel launched two strikes on Syria air-defense systems in response to what it said was an Iranian drone that had penetrated its airspace from a Syrian air base near Palmyra. The Syrian regime responded to the Israeli attacks with anti-aircraft fire, and an Israeli F-16 crashed in northern Israel after coming under heavy fire. That exchange prompted Israel to launch strikes against a number of Syrian and Iranian targets in Syria.<sup>122</sup>

Following the incident, Israeli Prime Minister Benjamin Netanyahu said he had agreed with Russian President Vladimir Putin to continue security coordination. The DoS expressed concern over what



Defense Secretary James N. Mattis, the Chairman of the Joint Chiefs of Staff and Marine General Joseph F. Dunford, Jr., brief reporters on the U.S. air strikes on Syria, April 13, 2018. (DoD photo)

it called Iran’s “calculated escalation of threat and its ambition to project its power and dominance” in Syria, and reiterated U.S. support for Israel’s right to self-defense.<sup>123</sup>

The events drew Israel into direct engagement with Iranian forces operating in Syria, a development that had long concerned Israeli leaders. Iranian forces and their supporters, including the Lebanese Hezbollah, are positioned near Israeli forces stationed on the Golan Heights.<sup>124</sup>

### **SYRIA’S REGIME ACCUSED OF USING CHEMICAL WEAPONS MULTIPLE TIMES THIS QUARTER**

Syria dropped chlorine gas on rebels in Douma on five separate occasions this quarter, according to the U.S.-based Arms Control Association. France, Britain, the United States, and the United Nations launched new efforts and investigations to determine the extent of Syria’s chemical weapons use.<sup>125</sup> Among the initiatives, France established the International Partnership Against Impunity for the Use of Chemical Weapons, which seeks to increase information sharing of reported chemical weapons attacks. Reports from the Organization for the Prohibition of Chemical Weapons regarding two alleged Syrian chlorine gas attacks were pending this quarter.<sup>126</sup>

In response to Assad’s use of chemical weapons on Douma on April 4, the United States, Britain and France on April 13 struck three sites in Syria reported to be chemical weapons facilities.<sup>127</sup>

### **SYRIAN PEACE PROCESS REMAINS STALLED**

During this reporting period, Russia, the United Nations, and Turkey each hosted leadership summits to discuss the Syria crisis. However, these meetings did not bring all the various participants in the Syrian civil war together and did not advance negotiations to end the conflict. The United Nation’s peace process, outlined in UNSCR 2254, made no progress this quarter.

*(continued on next page)*

## Syrian Civil War and Peace Process *(continued from previous page)*

On January 30, Russia hosted a “Syrian National Congress” in Sochi. Representatives from Turkey, Iran, and the Syrian regime, and the UN Special Envoy for Syria, Staffan de Mistura, attended the meeting but most Syrian opposition figures did not. The Sochi conference issued a statement calling for the formation of a “Constitutional Committee” to be composed of representatives of the Syrian government, the opposition, experts, civil society, independents, tribal leaders, and women. While the Russian government asserted that it would try to ensure the support of the Syrian government, the chief Syrian negotiator refused to sign the final statement, saying that the regime would not participate in a committee organized under UN auspices. According to the DoS, Russia ultimately announced that it would not hold another such conference, and instead would rely exclusively on the United Nations to manage the conduct and composition of the Constitutional Committee through the Geneva process.<sup>128</sup>

The Geneva process, outlined in UNSCR 2254, stated that Syria’s political future must be decided by its citizens in accordance with established political and diplomatic processes under the auspices of the United Nations. The Sochi conference followed the January 25 and 26 meeting of the intra-Syrian Talks in Vienna, convened by UN Special Envoy de Mistura. These talks focused specifically on constitutional issues. Jean-Yves Le Drian, France’s Minister for Europe and Foreign Affairs, was quoted as describing the discussions, which ended without resolution, as “the last hope” for a political solution.<sup>129</sup>

Various parties to the Syrian conflict also convened during March to talk about the humanitarian crisis, refugees, and a political process. On March 15-16, the Foreign Ministers of Russia, Turkey, and Iran held their periodic Astana conference in Kazakhstan, where they discussed the conflict in Ghouta, detainee issues, and the peace process. This meeting did not include any international observers except for a representative of the UN Special Envoy’s office. On March 29, Russian Foreign Minister Sergei Lavrov met with UN Special Envoy de Mistura and they reportedly discussed refugees returning to Eastern Ghouta.

According to de Mistura, the escalating violence is undermining efforts to achieve a peaceful resolution in Syria. Describing the current situation as “probably one of the most potentially dangerous moments” as any in his four years as the UN Special Envoy, he noted the military escalation in several areas of Syria, the “clear danger of regional spillovers,” and humanitarian aid workers’ inability to access rebel-held areas.<sup>130</sup>

On April 4, Iranian President Hassan Rouhani, Erdogan, and Putin met in Ankara to discuss Syria. They issued a statement after the meeting pledging to accelerate efforts to bring stability to Syria. Despite this show of unified concern, Russia and Iran continued to support Assad, while Turkey backed the anti-Assad rebels in Syria. Rouhani accused the United States of fueling insecurity to promote its own interests.<sup>131</sup>

In the southeast, the MaT continued to work with the U.S. military to secure a 55-kilometer-wide zone that surrounds the At Tanf garrison near the Iraqi and Jordanian borders.

## Train, Advise, Assist, and Equip Mission in Syria

### U.S. MILITARY HALTS THE DISBURSEMENT OF FUNDS FOR TRAINING SYRIAN OPPOSITION

The DoD reported that it had obligated \$19 million of the Counter-ISIS Train and Equip Fund for Syria (CTEF-Syria) program to support the SDF and \$178,000 to support the Mughawir al-Thawra (MaT) at the At Tanf garrison this quarter.<sup>132</sup> According to DoD officials, an unspecified number of Syrian opposition groups previously trained at al Bab in north-central Syria were “inactive” this quarter after the DoD suspended stipends to them in December 2017.<sup>133</sup>

The DoD reported that in areas liberated from ISIS in the northeast, the Coalition was focused on training urban and provincial internal security forces to provide security to the local populations. The DoD reported that these forces will become the primary vehicle of a U.S.-Syrian train and equip partnership once major combat operations are completed.<sup>134</sup> The DoD also reported that the urban internal security force would receive a 10-day training course on police tactics such as patrolling, checkpoint operations and vehicle searches. The provincial internal security force would receive a 15-day training that would also include courses on navigation and reconnaissance.<sup>135</sup> A primary task of these forces will be the removal of unexploded ordnance so that internally displaced persons can return home.<sup>136</sup>

In the southeast, the MaT continued to work with the U.S. military to secure a 55-kilometer-wide zone that surrounds the At Tanf garrison near the Iraqi and Jordanian borders. The DoD reported that the group continued to conduct joint patrols with Coalition forces and to relay information on ISIS operatives in the area. The DoD also reported that local trust of the MaT helped to “feed information into the defeat ISIS mission.” However, the DoD provided no funds to train the MaT this quarter.<sup>137</sup>

## ISIS Strength and Finances Severely Degraded But Not Destroyed

The DoD reported that although ISIS has lost about 98 percent of its territory, it retained the ability to carry out attacks in both Iraq and Syria and to undermine efforts to promote governance and stability in areas liberated from its direct control. The DoD reported that ISIS was reverting to clandestine operations, and predicted that ISIS would rely on networks made up of thousands of militants to conduct complex terrorist attacks and would remain a threat to Coalition interests and to Iraqi and Syrian stability.<sup>138</sup>

The Department of Homeland Security reported that the flow of foreign fighters into Iraq and Syria has drastically declined, with increasing signs of fighters attempting to leave the region.<sup>139</sup> In January, independent and Iraqi government analysts said that as many as 10,000 ISIS loyalists, although not necessarily active fighters, remained in Iraq and Syria.<sup>140</sup> In February, the Syrian Observatory on Human Rights estimated that about 800 ISIS fighters held territory in Syria along the border with Iraq.<sup>141</sup> ISIS also controlled some territory in other parts of Syria.

ISIS's hold on oil infrastructure declined significantly this quarter. Based on analysis of airstrikes targeting this infrastructure, ISIS appeared to have lost almost its entire access to significant oil fields and oil assets, vastly weakening its ability to raise money from oil funds. According to the DoD, ISIS might still smuggle oil on a small scale, but it was no longer able to pump and smuggle large amounts of oil.<sup>142</sup>

The DoD reported that ISIS continued to generate income from extortion, taxation, and illicit trafficking activities, and had taken steps to protect its current revenue sources and generate new ones, despite territorial losses. Arms dealers and other middlemen who engaged in transactions with the group told reporters that the group had transferred as much as \$400 million out of Iraq and Syria, using “hawala” networks to move the money to support other cells or to invest in seemingly legitimate front companies.<sup>143</sup> In February, the Lebanese intelligence service arrested a man who allegedly worked as a financial officer for ISIS in Abu Kamal in eastern Syria.<sup>144</sup> The Federal Bureau of Investigation (FBI) reported that while ISIS did not appear to have links to transnational criminal organizations, it was involved with income-generating crimes and as a result had formed connections with preexisting smuggling and black market networks in the region.<sup>145</sup> The U.S. Government continued to work with partner countries to disrupt ISIS financing and discuss ways to adapt to ISIS's changing methods of raising and moving funds.<sup>146</sup>

While severely degraded, ISIS continued to publish new propaganda. In late January, ISIS's media arm published a list describing 800 suicide attacks and hit-and-run operations throughout 2017, including approximately 500 against the Iraqi military, 136 against Syrian Kurdish forces, and 120 against pro-Syrian regime forces.<sup>147</sup> Daniel Coats, Director of National Intelligence, stated that, going forward, they expected ISIS to regroup in Iraq and Syria, and to enhance its global presence and plan international attacks while encouraging members and sympathizers to attack in their home countries.<sup>148</sup>

Director Daniel Coats also stated in February that ISIS's long-term strategy remained the reemergence of its so-called “caliphate” and that these efforts would threaten U.S. interests in the region and challenge local counterterrorism efforts.<sup>149</sup> Director Coats said that if ISIS-linked high-profile attacks continued, then the group's leadership would likely determine that it would be difficult for the Coalition to portray the group as defeated. He further assessed that ISIS's goal of “fostering interconnectivity and resiliency” globally would likely result in local and regional attacks.<sup>150</sup>

The Department of Justice and the FBI reported that despite counterterrorism and military pressure in Iraq and Syria, they have not seen a substantial change in the nature and frequency of threats from ISIS and its affiliates and supporters worldwide.<sup>151</sup> The FBI also assessed that ISIS poses a threat to American interests outside areas of active hostilities in Iraq and Syria, specifically pointing to the attack against U.S. and Nigerian soldiers in October 2017 by ISIS-Greater Sahara.<sup>152</sup>

**The Department of Justice and the FBI reported that despite counterterrorism and military pressure in Iraq and Syria, they have not seen a substantial change in the nature and frequency of threats from ISIS and its affiliates and supporters worldwide.**



## Foreign Terrorist Fighters

In their February 2018 “Guiding Principles” document, the Coalition pledged a “focused, sustained, multifaceted effort” to defeat ISIS. One ongoing collaboration—the Foreign Terrorist Fighter Working Group—is examining ways to mitigate the threat from fighters and their families returning to their home countries, relocating, or resurfacing. The Working Group encouraged counterterrorism-related information-sharing, rehabilitation and reintegration, and law enforcement and legal actions to address the foreign terrorist fighter threat.<sup>153</sup>

The Coalition’s Guiding Principles support UN Security Council Resolution 2396, which emphasized taking steps to address transnational terrorist groups and foreign terrorist fighters. UNSCR 2396 obligates all UN member states to 1) develop and implement systems to collect biometric data and develop watch lists or databases of known and suspected terrorists, including foreign terrorist fighters; and 2) require airlines to provide advanced passenger information to the appropriate national authorities and develop the capability to collect, process, and analyze passenger name record data.<sup>154</sup>

On February 21, 2018, representatives from the DoS Bureau of Counterterrorism and Countering Violent Extremism (CT Bureau) and the Office of the Special Presidential Envoy for the Global Coalition to Defeat ISIS led the U.S. delegation to a meeting of the Working Group.<sup>155</sup>

On February 27-28, the head of DoS’s CT Bureau, in partnership with INTERPOL and the International Institute for Justice and the Rule of Law, held an international conference entitled Mobilizing Law Enforcement Efforts to Defeat ISIS in Washington. According to a DoS summary of the event, approximately 250 individuals representing 75 countries, 5 international organizations, 2 NGOs, and 2 private companies attended. The conference had two major themes: first, to underscore that the end of major combat operations against ISIS does not necessarily equate to ISIS’s enduring defeat, and, second, to raise awareness about the need to supplement military efforts by improving law enforcement and border security, and countering terrorist financing and terrorist ideology.

The conference also highlighted international obligations under UNSCR 2396, including promoting the use of tools such as battlefield evidence, INTERPOL databases, advanced passenger information, passenger name records, biometrics, and watch lists.<sup>156</sup> In a February 28, 2018, cable, the DoS requested that all U.S. diplomatic and consular posts raise awareness with host governments regarding their obligations under UNSCR 2396.<sup>157</sup>

In late February, USCENTCOM Commander General Votel stated during congressional testimony that the United States faces a significant challenge regarding the repatriation of hundreds of foreign fighters to their home countries. He said that the SDF and ISF were both holding several hundred foreign fighters in prisons or temporary detention facilities with no clear process for prosecution or repatriation.<sup>158</sup>

## GOVERNANCE AND CIVIL SOCIETY

### Developments in Iraq

The Iraqi government made some progress towards its governance-related goals this quarter, including preparation for the upcoming parliamentary election, the passage of a budget for 2018, and an agreement between the central government and the KRG that enabled the reinstatement of international flights from airports in the IKR. However, it still faced significant challenges to ensuring free and fair elections, integrating the PMF into the regular security forces, improving relations with the KRG, and addressing corruption.

### LACK OF SECURITY AND INFRASTRUCTURE CHALLENGE ELECTIONS

The Iraqi government faces challenges to providing the security and infrastructure necessary to conduct parliamentary and provincial elections this year. More than 2.1 million Iraqis remain displaced, security is still questionable in many areas, and longstanding ethnic disputes and differences are reemerging, as highlighted by the September 2017 Kurdish referendum on independence and the reaction to it from the Iraqi government.<sup>159</sup> The central government's lack of control over some Shia PMF units and the growing influence of Iran in Iraq also remained challenges.

Despite these concerns, the parliamentary election and provincial elections were scheduled for May 12 and December 22, 2018, respectively.<sup>160</sup> The Iraqi Supreme Court rejected calls by Sunni and Kurdish lawmakers to delay the parliamentary election, ruling that it must be held "within the timeframe provided by the constitution." Sunni and Kurdish lawmakers had argued for delaying the election to allow IDPs to return home. According to the DoS, the Iraqi plan is for IDPs in camps to vote for individual candidates and coalition lists representing their home provinces.<sup>161</sup>

However, the Iraqi Independent High Electoral Commission (IHEC) requested urgent UN action to scale up assistance in priority areas and support IHEC efforts in public messaging and confidence-building. In March, the UN recommended that national authorities, the IHEC, and the international community take several steps to enhance the electoral process.<sup>162</sup> The DoS reported that all other preparations for the elections, including gathering the necessary funding, were complete.

GOVERNANCE AND CIVIL SOCIETY DEVELOPMENTS	GOVERNANCE AND CIVIL SOCIETY CHALLENGES
<ul style="list-style-type: none"> <li>■ Parliamentary election is on track for May 2018</li> <li>■ Iraq's Council of Representatives passes a budget for 2018</li> <li>■ Iraq's central government and the KRG improve relations</li> </ul>	<ul style="list-style-type: none"> <li>■ Iran, Iranian-aligned militias, and a lack of security and infrastructure create difficult conditions for holding parliamentary elections in May</li> <li>■ Although economic reform and private investment are a top priority for 2018, endemic problems such as corruption remain obstacles</li> </ul>

**For the first time since 2005, elections will be held in multi-ethnic Kirkuk province to select its governing council.**

## **IRANIAN-BACKED PMF MILITIAS REMAIN A CHALLENGE TO EFFECTIVE GOVERNANCE AND INDEPENDENT ELECTIONS**

In January, Prime Minister Abadi welcomed leaders of Iranian-backed Shia PMF militias, including representatives of the Badr Organization, to form a coalition with his party ahead of the elections. Sunni and Kurdish leaders were reportedly furious with this action, and the powerful Shia cleric Muqtada al Sadr called the move “abhorrent.” Less than 24 hours later, the PMF leaders left the coalition.<sup>163</sup> According to a DoS official, one possible reason for their departure was their refusal to comply with conditions imposed by Prime Minister Abadi mandating certain anti-corruption practices while in office.<sup>164</sup>

According to some local Sunni leaders, reducing the influence of Shia PMF militias, particularly in Sunni-majority areas in northern and western Iraq, could boost confidence in the central government. In Mosul, once the seat of ISIS’s power in Iraq, some residents accused Shia militias of abuses, and local Sunni leaders warned that the presence of Shia militias could reignite militancy.<sup>165</sup> For more on the Iraqi government’s efforts to extend control over all PMF units, see the Security section on page 14.

According to the DoS, Iran’s influence in Iraq remains a complicating factor for U.S. policy in Iraq. While some Iran-backed forces helped defeat ISIS, the Iranian government also empowers PMF militias opposed to the United States and uses its leverage to influence Iraqi politics. According to the DoD, Iran has two primary objectives in Iraq: securing and maintaining supply routes to Syria and Lebanon, and leveraging the battlefield success of Iranian proxies to build long-term influence in Iraq.<sup>166</sup>

According to the DoD, Iranian actions in Iraq are most likely aimed at building the influence of the Iranian-aligned PMF militias both within the Iraqi security infrastructure and the Council of Representatives, and more broadly within the Iraqi government through the May 2018 elections.<sup>167</sup> In March, Secretary of Defense Mattis criticized Iran’s spending of “not an insignificant amount of money” to sway votes and candidates in advance of the elections.<sup>168</sup>

## **ELECTIONS TO TAKE PLACE IN KIRKUK FOR FIRST TIME IN MORE THAN A DECADE**

For the first time since 2005, elections will be held in multi-ethnic Kirkuk province to select its governing council. The Iraqi Council of Representatives decided on March 3 to include the province in provincial elections set for December 2018. The parliamentary representatives of Kirkuk’s three main blocs reached a “power sharing agreement” under which the largest bloc in the election will appoint Kirkuk’s governor, and the two deputy positions will be appointed by the other two groups.<sup>169</sup>

## **BUDGET PASSED BUT IMF FINDS IT UNACCEPTABLE**

On March 3, the Iraqi Council of Representatives passed a budget for 2018 that had been delayed since January. The budget set 2018 spending levels at \$88 billion. This budget initially passed without Kurdish participation, as those members were boycotting the vote based on a disagreement over funding for the KRG.<sup>170</sup> On March 5, the Kurdish

representatives reached an agreement over the 2018 allocation for the KRG, consisting of a baseline of \$5.5 billion, plus a provision that would allow Prime Minister Abadi the flexibility to increase disbursements to government workers (including those of the KRG) by up to \$2.5 billion.<sup>171</sup>

The March issuance of the 2018 budget occurred while the International Monetary Fund (IMF) was conducting its third review of Iraqi finances under the Stand-by Arrangement between the IMF and Iraq. Under the arrangement, the IMF agreed to release rounds of funding if its review showed that Iraq had implemented specific elements of financial reform. In the third review, the IMF found that the budget may not be conducive to economic stability in the IKR, postponing the government of Iraq's access to IMF support. The IMF found that the budget allocation for the KRG was insufficient to “maintain macroeconomic stability in Kurdistan...[and] for that reason, the budget is clearly not in line with the [Arrangement].” In addition to the reported lack of funding for the KRG, the new budget significantly cut the Iraqi government's non-oil revenue, violating another condition of the arrangement. IMF officials stated that Iraq would need to pass a supplementary budget in order to bring the total budget into line with the Stand-by Arrangement. However, the passage of a supplementary budget is unlikely until after the parliamentary elections in May.<sup>172</sup>

## RELATIONS IMPROVE BETWEEN IRAQ'S CENTRAL GOVERNMENT AND THE KURDISH REGIONAL GOVERNMENT

Despite the initial budget disagreements, relations between Iraq's central government and the KRG improved during the reporting period.<sup>173</sup> In March, Prime Minister Abadi lifted the ban on international flights into and out of the IKR after the KRG agreed to put its two airports, in Erbil and Sulaymaniyah, under central government control. The central government had banned all international flights to and from the region following the Kurdish independence referendum held in September 2017. Special Presidential Envoy for the Global Coalition to Defeat ISIS Brett McGurk stated that the lifting of the ban was “the result of dogged diplomacy over many months” and an “important step towards post-ISIS stability.”<sup>174</sup> International flights into the two airports resumed in late March. The DoS reported that all IKR border crossings, some of which had been closed after the referendum, had been re-opened as of mid-March.<sup>175</sup>

## DOS REPORTS NO PROGRESS ON ADDRESSING HUMAN RIGHTS ABUSES AND FIGHTING CORRUPTION

The DoS reported that Iraqi government efforts to address alleged abuses by the ISF remained ad hoc and often only temporarily or locally effective. The DoS stated that it had received reports of extrajudicial killings, forced evictions, mistreatment of detainees, and other abuses during the quarter. According to the DoS, the government of Iraq made little tangible progress in addressing allegations of arbitrary or unlawful detention, torture, extrajudicial killings, or other human rights abuses by the ISF, or in the way of judicial processes.<sup>176</sup>

**The DoS stated that it had received reports of extrajudicial killings, forced evictions, mistreatment of detainees, and other abuses during the reporting period.**



The United Kingdom Bridge Training Team advises and assists Iraqi security forces in construction of an Acrow Poseidon bridge over the Tigris River in Mosul, Iraq. (U.S. Army photo)

This quarter, the DoS did not report any progress in Prime Minister Abadi's efforts against corruption in the country. The DoS stated that fighting corruption is particularly difficult during an election season because the ministries in which much of the corruption occurs are controlled by the parties and groups that Prime Minister Abadi must rely on to retain his post as Prime Minister.<sup>177</sup> In February 2018, Transparency International released its Corruption Perceptions Index for 2017, in which Iraq placed 169th out of 180 countries listed, an insubstantial improvement from the previous year's standing.<sup>178</sup>

On March 8, 2018, Prime Minister Abadi issued an executive order further specifying the implementation of the December 2016 law formalizing the PMF as a legal entity of the Iraqi central government. The executive order imposed age and education requirements, mandated that the PMF fall under military law, and standardized the command structure. The DoS reported that non-local PMF groups continued to operate in Ninewa and Anbar provinces, exacerbating tensions with residents and, in some cases, preventing the return of IDPs.<sup>179</sup>

### **DONORS PLEDGE \$30 BILLION OF THE \$88 BILLION IRAQ SAYS IT NEEDS TO REBUILD**

In February, a 3-day reconstruction conference on Iraq held in Kuwait brought together high-level government and international organization officials, civil society, and over 2,500 private sector representatives to discuss investment opportunities and reconstruction in Iraq. While preparing for the conference, the Iraqi government estimated that rebuilding the affected areas of Iraq after the defeat of ISIS would cost around \$88 billion over 10 years, with \$22 billion of that amount required in the first year. The Iraqi government looked to the conference to bring financing and private sector investment to address these needs. To try to demonstrate that Iraq is an attractive place to do business, the government of Iraq also presented its economic reform package as well as its reconstruction plans and initiatives.<sup>180</sup>

At the conference, the international community pledged nearly \$30 billion in grants, loans, investments, and credits for Iraq's reconstruction. Iraq's Sunni Arab neighbors were by far

the largest donors, with over \$15 billion pledged, potentially an indicator of improvements in regional relations. Rex Tillerson, then Secretary of State, announced a line of credit through the Export-Import Bank of the United States for up to \$3 billion in exports of U.S. goods and services. Secretary Tillerson also highlighted the Overseas Private Investment Corporation's review of \$500 million in new projects in Iraq, that would add to the approximately \$250 million it had already invested.<sup>181</sup>

### **ECONOMY REMAINS HEAVILY DEPENDENT ON OIL**

As described to the DoD, DoS, and USAID IGs in Baghdad in January, U.S. Embassy Baghdad and the international community have made Iraq's economic reform and private investment efforts a top priority for 2018. The Iraqi economy remained heavily dependent on government spending, which was in turn heavily dependent on oil revenue. In order to achieve stability, the government needs to institute economic reforms to attract and protect diversified private enterprise and business operations. Ensuring security, as discussed above, is critical to this effort and is an essential first step. However, inefficient government processes and corruption affect private business activity and limit financial returns.<sup>182</sup>

Water scarcity in Iraq is predicted to be especially dire in 2018. In February, Iraq experienced the first signs of drought in the south, a result of decreased water flow from the Tigris River.<sup>183</sup> The Iraqi government expects the drought to reduce agricultural output and to result in less hydropower production. While the production of agriculture will be most affected by the drought, the price of food is not expected to increase much because Iraq imports around 90 percent of its food.<sup>184</sup>

Iraq's increasing water scarcity was caused by low rainfall and Turkey's construction of dams upstream along the Tigris and Euphrates Rivers. In the absence of international agreements, Iraq has limited legal options and has had to negotiate with Turkey. In response, Turkey has agreed to delay until June filling a new, major dam on the Tigris River. The DoS's view is that Iraq must capitalize on this opening and look to secure water resources in exchange for non-water Turkish objectives such as opening its market to Turkish goods, and cooperation in the areas of border crossings, refugees, and security.<sup>185</sup>

The Iraqi government and external organizations have conducted many studies and made recommendations on how to address and prevent water shortages in Iraq. The DoS reported, however, that Iraq's failure to charge consumers for water, which has deprived the government of funds for water conservation and resulted in dilapidated infrastructure, has contributed greatly to the current drought.<sup>186</sup>

The Iraqi Stock Exchange benchmark index gained about 10 percent in the first 3 months of 2018, placing it among the top 10 highest-performing markets in the world for the year and indicating investor confidence in the economy. According to news reports, comparable emerging market indexes have increased by only 0.6 percent in 2018.<sup>187</sup> While the performance of the Iraqi stock market is not a direct reflection of the overall health of the Iraqi economy, it is an indicator that investors see the country as having the potential for future growth.

**Water scarcity in Iraq is predicted to be especially dire in 2018.**



Syrian locals come together to deliver food to those in need during a food aid event in Raqqah, Syria. (U.S. Army photo)

## HUMANITARIAN ASSISTANCE

In Iraq, the end of major military operations and the improved security situation allowed for the continued return of IDPs to their homes.<sup>188</sup> As of March 30, 2018, there were approximately 2.2 million IDP in Iraq, down from 2.6 million at the end of last quarter, according to the International Organization for Migration (IOM).<sup>189</sup> The IOM also noted a 5 percent increase in returnees (164,898 individuals) during the month of February, reflecting a continuing trend.<sup>190</sup> The UN Office for the Coordination of Humanitarian Affairs (OCHA) estimated that as many as 2 million displaced Iraqis might return to their homes during 2018.<sup>191</sup> However, humanitarian organizations noted that many houses were destroyed, contaminated by unexploded ordnance, or occupied by other families. Despite these enormous challenges, the Iraqi government planned to close all IDP camps by the end of 2018, raising concerns among relief agencies about the forced return of IDPs.<sup>192</sup> Efforts continued to formalize a return strategy in provinces most affected by the presence of IDPs, but the planning did not keep pace with the actual number of people returning, and some IDPs were forced or coerced into returning home prematurely.<sup>193</sup>

In Syria, the humanitarian situation continued to deteriorate, as intensive military activity created new flows of displaced persons and disrupted ongoing human assistance activities.<sup>194</sup> More than 13 million people were still in need of humanitarian assistance, including 6.1 million IDPs. Nearly 3 million people were living in hard-to-reach or besieged areas.<sup>195</sup> Eastern Ghouta was particularly hard hit, as military operations hindered relief operations and airstrikes damaged health facilities and humanitarian relief offices, killing at least nine health workers and rendering some facilities inoperable. The suspected use of chlorine gas against the civilian population added to the dire humanitarian situation in the region.<sup>196</sup>

**HUMANITARIAN ASSISTANCE DEVELOPMENTS IN IRAQ**

■ The end of major military operations against ISIS allowed displaced people to return home. The UN Office for the Coordination of Humanitarian Affairs (OCHA) estimated that as many as 2 million displaced Iraqis might return to their homes during 2018.

■ While the security situation improved, there was still a need for significant humanitarian assistance to support the more than 2 million IDPs remaining in Iraq.

**HUMANITARIAN ASSISTANCE CHALLENGES IN IRAQ**

■ The forced return of some IDPs to their homes continued to be a significant concern. Humanitarian organizations emphasized the importance of ensuring that returning home should be safe, dignified, and voluntary, in accordance with international law.

■ The lack of a timely formal return strategy and assistance package made it difficult to ensure that returnees had adequate access to services in retaken areas. Without the tools and resources to provide for their families and participate meaningfully in a peaceful community, people may be forced into another cycle of displacement, compromising their well-being and potentially undermining the long-term recovery of Iraq.

The U.S. Government implements humanitarian assistance activities in Syria and Iraq through three operating units:

- USAID/Office of U.S. Foreign Disaster Assistance (OFDA) works with UN and international non-governmental organization partners to provide support to IDPs and other conflict affected populations in Syria and Iraq.
- USAID/Office of Food for Peace (FFP) provides food assistance to IDPs, refugees, and others in need who have been impacted by the crises in Syria and Iraq.
- DoS/Bureau of Population, Refugees, and Migration (PRM) works through the UN and other partners to protect and support IDPs, refugees, and other conflict victims in Syria and Iraq, and provides assistance to others in the surrounding countries that have been affected by these complex crises.

USAID and PRM receive appropriations for humanitarian assistance activities that are not designated in advance for use in responding to a particular humanitarian crisis, which allows the U.S. Government greater flexibility in responding to ongoing and emerging crises. OFDA and FFP primarily use International Disaster Assistance funds. FFP also uses a small amount of funding authorized by Title II Food Aid of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) to respond to the Syria and Iraq complex crises. PRM uses Migration and Refugee Assistance funds for this purpose.<sup>197</sup> Each office awards funds to implementing partners, which include various international organizations such as the UN Children’s Fund (UNICEF), the World Food Program (WFP), the Office of the UN High Commissioner for Refugees (UNHCR), and the International Organization for Migration (IOM) as well as private non-governmental organizations. These organizations carry out assistance programs on the ground in Syria, Iraq, and neighboring countries hosting Syrian and Iraqi refugees.<sup>198</sup> As of the close of the period, the UN had two outstanding appeals for humanitarian assistance funding for Syria totaling \$9.1 billion, and a third funding appeal for Iraq of nearly \$570 million; however, donor nations had provided less than 10 percent of the targeted amount.<sup>199</sup>



Table 3.

**Status of Cumulative FY 2015, FY 2016, FY 2017, and FY 2018 U.S. Government Humanitarian Assistance Funds for the Syria and Iraq Crises, as of 3/31/2018 (in millions/rounded)**

Office	Syria Obligated	Syria Disbursed	Iraq Obligated	Iraq Disbursed
OFDA	\$885.5	\$567.6	\$535.5	\$25.9
FFP	\$1,292.3	\$1,306.6	\$412.9	\$160.0
PRM	\$2,376.7	\$2,709.0	\$732.8	\$735.3
<b>TOTAL</b>	<b>\$4,554.5</b>	<b>\$4,583.2</b>	<b>\$1,681.2</b>	<b>\$1,321.2</b>

**Notes:** USAID and the DoS reported disbursements that may exceed obligations because some disbursements in the reporting period were made against awards obligated prior to fiscal year 2015. In OIR reports prior to March 31, 2016, the DoS reported disbursements only from funds obligated from FY2015 forward. Data on disbursements can provide valuable information about how much money has been spent on activities as well as the amounts of funding that remain available for expenditure. If they are provided a letter of credit from the U.S. Government, however, humanitarian assistance implementing partners may accrue expenses before drawing down on agency funds. For this reason, expenditures on humanitarian assistance activities sometimes exceed disbursements. Figures may not sum due to rounding.

**Sources:** USAID, OFDA responses to USAID OIG request for information, 4/11/2018; FFP response to USAID OIG request for information, 4/20/2018; DoS, PRM, response to the DoS OIG request for information, 4/10/2018.

Table 3 provides a breakdown of U.S. Government humanitarian assistance to the Syria and Iraq crises as of the end of the quarter.

OFDA, FFP, and PRM rely on several types of personnel to execute their work, including U.S. Government employees, personal services contractors, and independent contractors. A combined total of 95 personnel are assigned to the Iraq-Syria crisis response effort: 50 in the U.S., primarily Washington, D.C.; 13 in Iraq; 13 in Turkey; 14 in Jordan; 2 in Lebanon; and 3 in Kuwait.<sup>200</sup>

## Iraq Crisis

Displaced Iraqis continued to return home in increasing numbers following the Iraqi government's declaration of ISIS's territorial defeat in December. In January, the IOM reported that for the first time in more than 3 years there were more returnees than new internally displaced people.<sup>201</sup> Anbar province has received the largest number of returnees, due to improved security, the rehabilitation of basic services, and the rebuilding of infrastructure.<sup>202</sup> Overall, as of March 31, 2018, there were approximately 2.2 million IDPs in Iraq, according to IOM, a reduction from the 2.6 million IDPs reported in December 2017.<sup>203</sup>

Despite the improved security situation, these displaced people continued to require significant assistance. USAID reported that its partners distributed winter assistance including blankets, plastic sheeting, solar lights, and other items to approximately 5,500 IDP households. In addition to the winter relief items, in some areas, other humanitarian assistance partners also distributed cash assistance to approximately 25,000 IDPs and host community members in provinces where markets were functioning, including Anbar, Dohuk, Kirkuk, and Ninewa. PRM partner UNHCR provided cash assistance and winter

relief items to over 480,000 IDPs throughout the country, focusing primarily on Ninewa, Salah ad Din, and Anbar provinces. Cumulatively, partners provided more than 90,000 people with winter assistance.<sup>204</sup> Another U.S. Government partner, UNICEF, distributed approximately 33,000 winter kits, distributed 16,000 blankets from its regional warehouse, and provided heaters and fuel for child-friendly spaces to benefit an estimated 35,000 children.<sup>205</sup>

USAID also reported that the UN World Food Programme (WFP) distributed food assistance, including immediate response rations, family food rations, and cash transfers, to more than 585,000 people in January and nearly 582,000 people in February. During that 2-month period, WFP supported vulnerable populations with 143,000 family food rations sufficient to support the food needs of a 5-person household for 1 month, 7,850 immediate response rations sufficient to support a 5-person household for approximately 5 days, and 75,300 cash transfers using electronic vouchers for use at local markets.

U.S. Government humanitarian partners continued to cite a lack of access to areas in need of assistance and trouble obtaining entry visas as ongoing issues.<sup>206</sup> In particular, the September 2017 Kurdish referendum on independence led to checkpoint and airport closures, which affected both relief workers and beneficiaries. While access to affected areas had increased, security issues continued to impede the distribution of aid.<sup>207</sup> According to various NGOs and media sources, checkpoints between areas controlled by the Kurdistan Regional Government and the central government impeded the movement of people and relief supplies, including of Yazidis to and from the Sinjar area. Despite the closures, relief workers, including U.S. Government partners, continued to provide life-saving assistance in affected areas and were exploring alternate routes to access vulnerable populations, as needed. Additionally, the Iraqi government continued to require international NGO staff to obtain Iraqi entry visas, which were difficult to get and required significant financial expenditures and lost staff time for U.S. Government partners.<sup>208</sup>

While the prospects for IDPs to return home improved, severe challenges remained and many vulnerable families were unable to return without significant assistance.<sup>209</sup> Rebuilding a house and paying for living expenses were a difficult task for families, many of whom had exhausted savings and survived for years without a steady income. In addition, ethnic tensions and significant levels of explosive hazards prevented people from returning to some locations. In addition, those who returned faced the risk of violence, injury, and death, particularly for returnees with perceived links to ISIS. According to relief agencies, incidents of burning down houses, vandalizing property, individual attacks, and slander were common.<sup>210</sup>

Although efforts were underway to formalize a return strategy in the provinces most affected by the presence of IDPs, through the creation of Returns Committees, the planning did not keep pace with actual returns and the government did not provide assistance packages for returnees, issues that were concerning to the wider international humanitarian donor community.<sup>211</sup> Faced with unsustainable living conditions, some returnees were displaced again. For example, as of late January, more than 2,000 IDPs from Mosul who had previously returned to the area, reentered IDP camps due to poor infrastructure and a lack of basic services in the city.<sup>212</sup>

**USAID also reported that the UN World Food Programme (WFP) distributed food assistance, including immediate response rations, family food rations, and cash transfers, to more than 585,000 people in January and nearly 582,000 people in February.**

# IRAQ: QUARTERLY FOCUS OF HUMANITARIAN ASSISTANCE

## KIRKUK AND NINEWA

Tensions and checkpoint closures following the September 25 Kurdistan independence referendum continue to constrain humanitarian access in northern Iraq, particularly in Kirkuk and Ninewa. Various checkpoint closures in Erbil, northern Kirkuk, and northern Ninewa impede service delivery to conflict-affected populations in the three governorates.

Mosul continues to require additional support to rebuild damaged and destroyed homes and infrastructure, in addition to returnees needing support to restart their livelihoods. PRM's partners are supporting these efforts, although the response has been complicated because of continued insecurity and continuing repercussions following the Sept. 25, 2017, Kurdish referendum, which has limited access.

## ERBIL AND SULAYMANIYAH

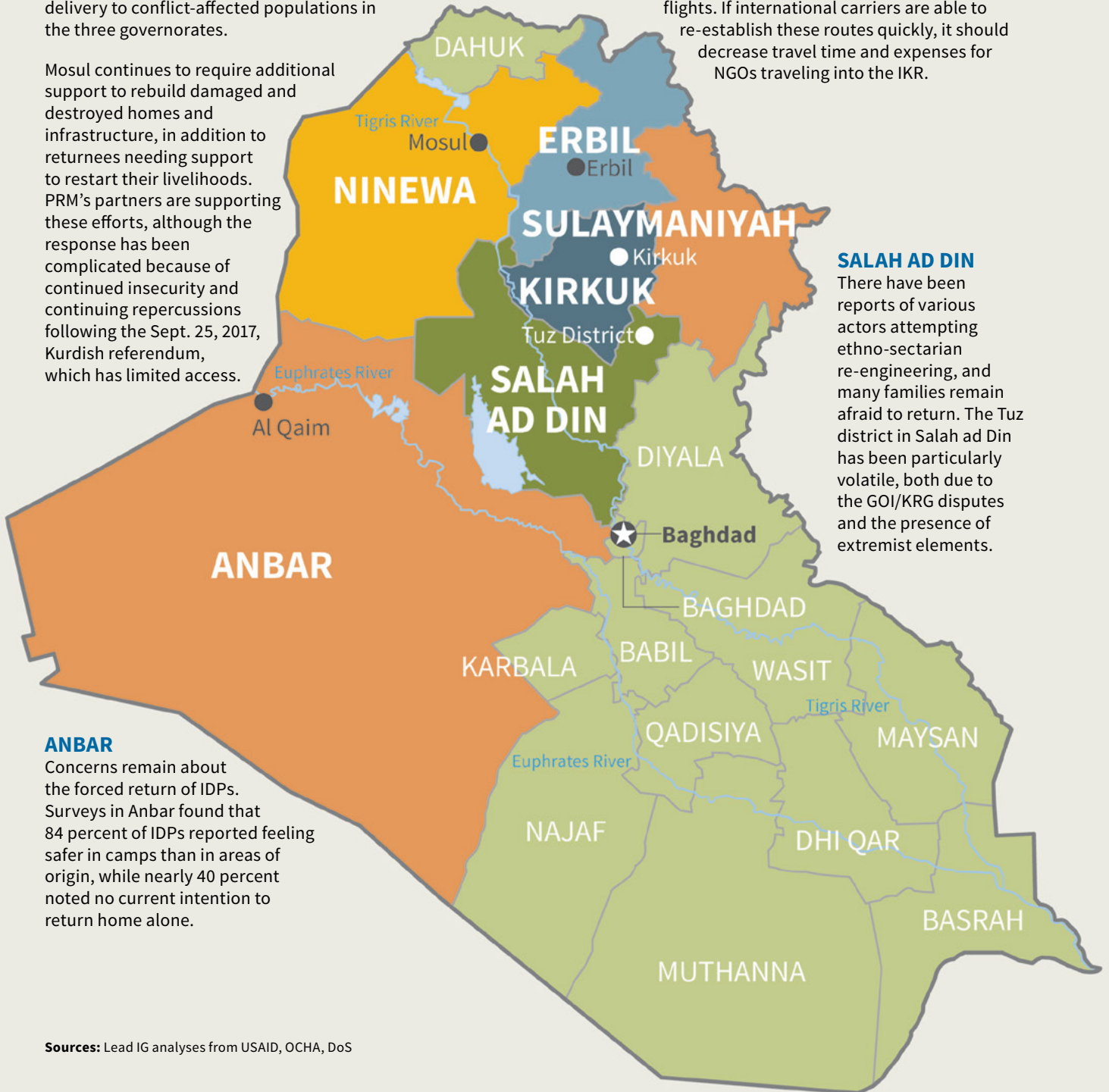
After continued advocacy efforts by USG and other governments, on March 14, the GOI announced the reopening of the Erbil and Sulaymaniyah airports to international flights. If international carriers are able to re-establish these routes quickly, it should decrease travel time and expenses for NGOs traveling into the IKR.

## SALAH AD DIN

There have been reports of various actors attempting ethno-sectarian re-engineering, and many families remain afraid to return. The Tuz district in Salah ad Din has been particularly volatile, both due to the GOI/KRG disputes and the presence of extremist elements.

## ANBAR

Concerns remain about the forced return of IDPs. Surveys in Anbar found that 84 percent of IDPs reported feeling safer in camps than in areas of origin, while nearly 40 percent noted no current intention to return home alone.



Sources: Lead IG analyses from USAID, OCHA, DoS

Despite the challenges facing returnees, the Iraqi government planned to close all IDP camps by the end of 2018. The humanitarian community expressed concerns that this timetable cannot be accomplished without forced returns.<sup>213</sup> The UN maintains that returning home should always be a free, fully informed, and voluntary decision and should not be coerced. The U.S. Government and its partners also support the safe, voluntary, and dignified return of IDPs to their homes.<sup>214</sup> While Iraqi officials have denied that IDPs were being coerced to return home, reports continued to surface of IDPs forced to leave because camps were closed or consolidated. In some instances, authorities confiscated identity papers and told IDPs the documents would be given back after they returned to their areas of origin. Often, the camps that remained open were those providing the fewest services, thus discouraging IDPs from remaining there.<sup>215</sup> Authorities also reportedly encouraged IDPs to return home in preparation for May parliamentary elections.<sup>216</sup>

## Syria Crisis

In Syria, more than 13 million people were still in need of humanitarian assistance, including approximately 6 million IDPs.<sup>217</sup> Intensified military operations in many parts of the country created additional refugees and disrupted humanitarian response activities during the reporting period. Multiple airstrikes in several areas resulted in the temporary suspension of programs funded by USAID/OFDA, due to security concerns for staff and the destruction of facilities. From February 18 to March 12 alone, the fighting resulted in the deaths of at least nine health care workers.<sup>218</sup>

During the quarter, humanitarian aid workers focused significant efforts on providing humanitarian assistance to the besieged areas of Eastern Ghouta. While food convoys occasionally entered the area, full offloading was not always possible due to lack of security, leaving much of the population without adequate food assistance.<sup>219</sup>

In January, Turkey launched a military offensive against the YPG in the Afrin district of Aleppo province. The UN reported that as of March 29, the offensive had displaced an estimated 137,000 people from peripheral communities toward central areas of Afrin and

### HUMANITARIAN ASSISTANCE DEVELOPMENTS IN SYRIA

- Tens of thousands of IDPs have returned to Raqqah city. However, humanitarian assistance agencies continued to warn that the city was not safe due to the threat posed by explosive hazards. The contamination hindered humanitarian access to the city and caused civilian casualties.
- Syrian military operations in the Eastern Ghouta district, and in Hama, Idlib, and Aleppo provinces resulted in an estimated new 353,700 IDPs. Meanwhile, the Turkish incursion into the Afrin region displaced an additional 137,000 people.

### HUMANITARIAN ASSISTANCE CHALLENGES IN SYRIA

- A UN report identified an increase in the number of reported incidents of sexual harassment and sexual exploitation taking place at relief distribution centers. The report also noted the lack of mechanisms for registering a complaint at many distribution sites.
- On February 24, the UN Security Council unanimously passed a resolution demanding a 30-day humanitarian pause in Syria, including Eastern Ghouta. The resolution included demands for unimpeded and sustained access for weekly humanitarian convoys and medical evacuations. However, the UN reported that violence in the region actually increased after the ceasefire was passed.

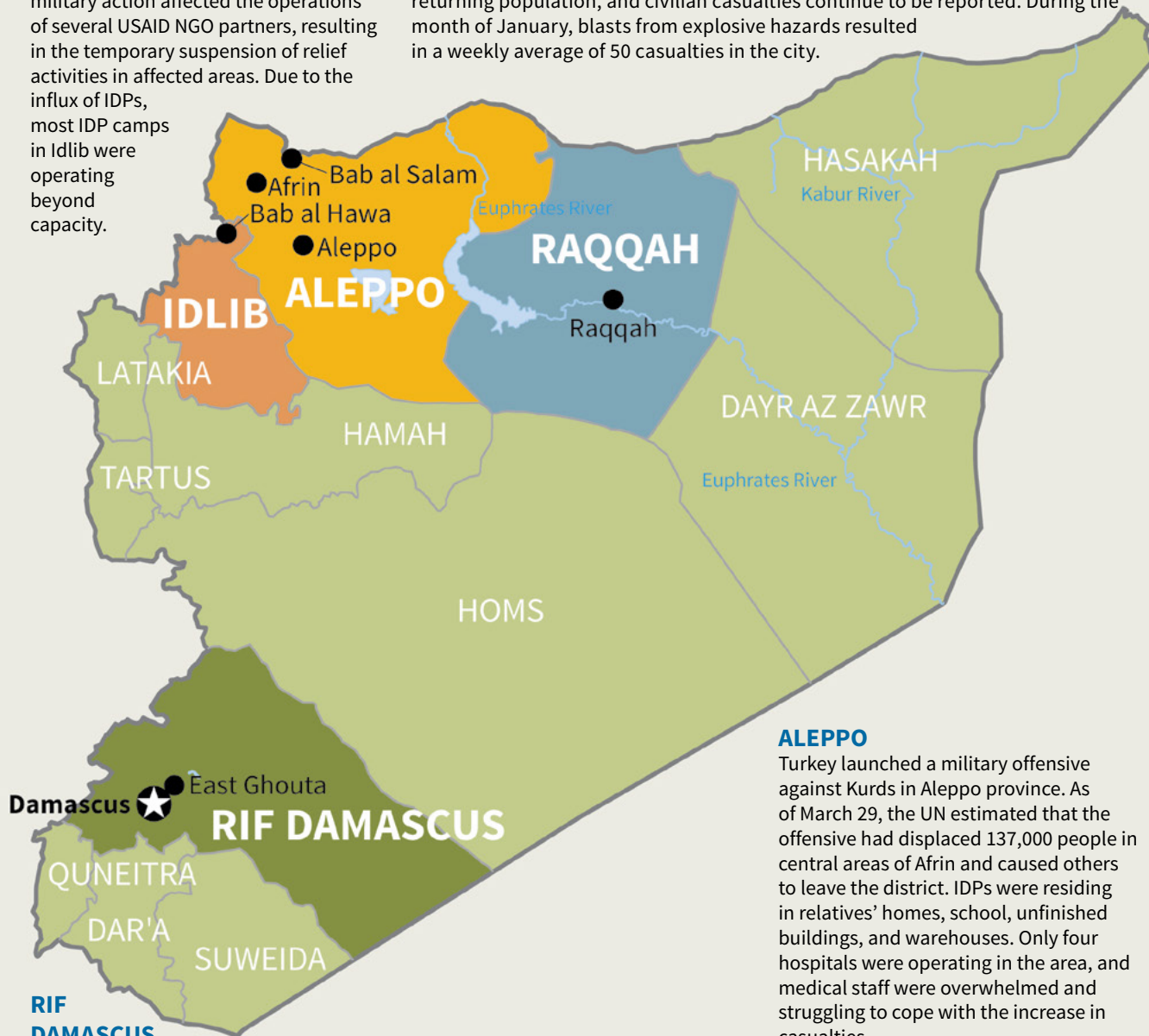
# SYRIA: QUARTERLY FOCUS OF HUMANITARIAN ASSISTANCE

## IDLIB

Airstrikes in Idlib province continued to kill civilians, displace populations, and damage infrastructure. The increased military action affected the operations of several USAID NGO partners, resulting in the temporary suspension of relief activities in affected areas. Due to the influx of IDPs, most IDP camps in Idlib were operating beyond capacity.

## RAQQAH

An estimated 100,000 to 135,000 people have returned to Raqqah city, although precise figures remained difficult to verify. Explosive hazards contamination continued to hamper humanitarian access and poses a serious threat to the returning population, and civilian casualties continue to be reported. During the month of January, blasts from explosive hazards resulted in a weekly average of 50 casualties in the city.



## ALEPPO

Turkey launched a military offensive against Kurds in Aleppo province. As of March 29, the UN estimated that the offensive had displaced 137,000 people in central areas of Afrin and caused others to leave the district. IDPs were residing in relatives' homes, school, unfinished buildings, and warehouses. Only four hospitals were operating in the area, and medical staff were overwhelmed and struggling to cope with the increase in casualties.

## RIF DAMASCUS

Humanitarian aid workers focused significant efforts on providing humanitarian assistance to the besieged areas of Eastern Ghouta. While food convoys occasionally entered the area, full offloading was not always possible due to lack of security, leaving much of the population without adequate food assistance. Suspected chlorine gas attacks on Eastern Ghouta were also reported during the quarter, as health facilities treated approximately 30 people for respiratory distress and symptoms consistent with chlorine gas exposure.

Due to concerns for staff safety and security, the UN suspended planned shipments of humanitarian commodities through the Bab al Hawa and Bab al Salam border crossings between Turkey and Syria, slowing humanitarian relief efforts.

Sources: Lead IG analyses from USAID, OCHA.

caused additional displacement out of the district.<sup>220</sup> Families displaced by the offensive sheltered with relatives and host communities; in public buildings, including mosques and schools; and in informal settlements. Turkish authorities have expressed a willingness to facilitate humanitarian access to Afrin and surrounding areas; however, due to concerns for staff safety and security in the area, the UN suspended planned shipments of humanitarian commodities through the Bab al Hawa and Bab al Salam border crossings between Turkey and Syria. Transportation of humanitarian commodities to several locations in northwestern Syria was disrupted during the suspension period.

Syrian military operations in northern Hama, southern Idlib, and western Aleppo provinces intensified during the reporting period, and included multiple bombardments and airstrikes. As of mid-February, the fighting had killed at least 220 people, resulted in an estimated 353,700 displacements in the region, and interfered with humanitarian programming on the ground. An upsurge in violence began in southwestern Syria, creating further disruption. Airstrikes and bombardments resulted in significant displacements and the temporary suspension of health, food security, and other humanitarian programs implemented by USAID/OFDA, USAID/FFP and DOS/PRM partners in the region.<sup>221</sup>

An estimated 100,000 to 135,000 people have returned to Raqqah city, although precise figures remained difficult to verify due to security risks posed by unexploded ordnance.<sup>222</sup> During the month of January, blasts from explosive hazards resulted in a weekly average of 50 casualties in the city. In total, explosive hazards killed more than 250 civilians and injured nearly 570 additional individuals between October 2017 and January 2018. Clearance operations continued in the city, focusing on key infrastructure such as main roads and administrative buildings. During a mid-January visit to the city, UN representatives noted that the pace and scale of returns continued to increase, despite the risk of explosive hazards and lack of basic services and economic opportunities.<sup>223</sup>

A UN Population Fund report, “Voices from Syria 2018,” noted an increase in the number of reported incidents of sexual harassment and sexual exploitation taking place at relief distribution centers. The report also noted the lack of existing complaints mechanisms in many distribution sites.<sup>224</sup> USAID OIG has received a number of disclosures from USAID implementers related to allegations of sexual exploitation and abuse and is carefully evaluating these reports for potential investigations.<sup>225</sup>

To help address risks for sexual exploitation and abuse, USAID and PRM require that its humanitarian partners establish mechanisms to receive confidential complaints from beneficiaries, including issues related to abuse or exploitation.<sup>226</sup> To ensure that these issues are appropriately addressed, the USAID administrator established the Administrator’s Action Alliance for Preventing Sexual Misconduct and in March 2018 brought together senior leaders from across the Agency to review existing USAID policies and procedures, close any potential gaps, and strengthen accountability and compliance. USAID Inspector General Ann Calvaresi Barr addressed this group and reminded the officials that the OIG is a resource in preventing, investigating, and stopping sexual exploitation, and that the OIG expected prompt reporting of any identified problems or concerns.<sup>227</sup>

**An estimated 100,000 to 135,000 people have returned to Raqqah city, although precise figures remained difficult to verify due to security risks posed by unexploded ordnance.**

## STABILIZATION

### Developments in Iraq

Stabilization efforts in Iraq continued to face critical funding shortfalls this quarter. The United Nations Development Programme (UNDP) announced it needed an estimated \$568 million in additional funding to complete its immediate stabilization work in Iraq. The Office of the Special Presidential Envoy for the Global Coalition to Defeat ISIS worked with Coalition partners toward securing the necessary funding.<sup>228</sup>

According to Special Presidential Envoy McGurk, despite the funding deficit, U.S. and Coalition efforts followed “a ruthlessly prioritized approach” with the goal of providing immediate stabilization to help IDPs safely return home, including removing rubble and explosive remnants of war, restoring basic electrical and water service, and providing essential security acceptable to local populations. In addition, hospital and education services remained priorities.<sup>229</sup> In some areas, displaced Iraqis have returned home relatively rapidly. According to former Deputy Special Representative of the UN Assistance Mission for Iraq and the UNDP Resident Representative Lise Grande, approximately 50 percent of displaced Iraqis returned home within 3 months of being displaced. Worldwide, it typically takes about 5 years for half of a country’s displaced population to return home.<sup>230</sup> As of the end of the quarter, however, approximately 2.1 million Iraqis remained displaced.<sup>231</sup>

#### STABILIZATION DEVELOPMENTS AND CHALLENGES

- The removal of explosive remnants of war is a threshold requirement for stabilization and the return of IDPs, but the work is slow, expensive, and dangerous

- In addition to stabilization itself, Iraq and its partners must address perceptions of favoritism based on ethnicity and sectarianism

- Longer-term reconstruction must follow basic stabilization efforts, but that presents enormous financial and other challenges

- In March, President Trump suspended \$200 million in funding for stabilization in Syria, calling into question U.S. foreign policy objectives in the country

The DoS reported concern over reports that some IDPs had been forced to return to their homes. Embassy Baghdad and Consulate Erbil continued to engage with Iraqi government and KRG leaders to discourage official or ad hoc actions on the part of military and political officials to compel IDPs to return home. The DoS said that the premature return of IDPs to their areas of origin can undermine stabilization efforts, and cautioned that IDPs who feel unsafe at home are highly likely to become displaced again.<sup>232</sup>

Despite progress, the scale of devastation in liberated areas, the large number of IDPs remaining in Iraq, and the costs associated with rebuilding remained the most pressing challenges to stabilizing local areas.<sup>233</sup>

#### REMOVING EXPLOSIVE REMNANTS OF WAR

Removing explosive remnants of war remained a difficult task, particularly in western Mosul, where dead bodies lay in rubble contaminated by IEDs.<sup>234</sup> Special Presidential Envoy McGurk described Mosul as “the most challenging environment since World War II.”<sup>235</sup> Since 2016, more than 70,000 explosive hazards, including more than 5,000 IEDs, have been cleared from more than 65 million square meters of land in Iraq. The DoS estimated that it would take several decades to clear the entire country of explosive remnants of war.<sup>236</sup>

The DoS provided approximately \$48 million in FY 2017 funds to support clearing Iraq of explosives. This quarter, clearance operations targeted critical infrastructure, including factories, water pipelines, power stations and grids, schools, and medical facilities, and progress was made in the Mosul, Tal Afar, Ramadi, and Karma areas. In northern Iraq and Anbar, 1,545 IEDs, mines, and pieces of unexploded ordnance were removed from more than 850,000 square meters of land between January 1 and March 16, 2018.<sup>237</sup>

The security situation continued to present challenges for clearance teams, especially in and around Hawija, where U.S.-funded organizations conducted surveys to determine demining needs. The Iraqi Directorate of Mine Action helped ease transit for these organizations in areas controlled by different local security forces, some of which were less tolerant of the presence of U.S.-funded organizations.<sup>238</sup>

**The DoS provided approximately \$48 million in FY 2017 funds to support clearing Iraq of explosives.**

### DOS OIG OVERSIGHT IMPROVES ACCOUNTABILITY

DoS-funded explosives removal organizations provided reports to the DoS and the Iraqi Directorate of Mine Action, which tracks progress and completion of mine clearance through a national information management system. Because of security concerns, DoS officials cannot visit clearance sites to confirm the removal. In response to a DoS OIG recommendation in a 2017 audit of the conventional weapons destruction program in Iraq, the DoS awarded a cooperative agreement to an NGO to conduct third-party monitoring of the clearance of explosive remnants in Iraq, starting in April 2018.<sup>239</sup>

### FUNDING FOR STABILIZATION ACTIVITIES

United States- and Coalition-funded Funding Facility for Stabilization (FFS) activities continued in Anbar, Diyala, Kirkuk, Ninewa, and Salah ad Din provinces. For example, during the quarter:

- **In Anbar province:** over 588 FFS activities, including the first activity in western Anbar; and rehabilitation of the Ramadi Asphalt Factory, an important source of local jobs and revenue.
- **In Salah ad Din province:** 138 FFS activities, including rehabilitation of water treatment plants, schools, electrical substation, and Tikrit Teaching Hospital; cash-for-work programs, and micro-grants.
- **In Ninewa province (including Mosul):** 1,137 FFS activities, including the rehabilitation of water treatment and electrical facilities; the renovation of schools and hospitals; and the repair of bridges, roads and homes.<sup>240</sup>

As of the end of the quarter, the DoS estimated that more than 97 percent of IDPs had returned to eastern Mosul.<sup>241</sup> Because of the level of destruction in western Mosul, that area will require much large-scale reconstruction. Low water levels at the Mosul Dam have also limited the supply of electricity.<sup>242</sup> The slower pace of stabilization in western Mosul, given the levels of damage, has raised concerns that discontent among Sunnis could undercut progress made in the campaign against ISIS.<sup>243</sup>





A member of the Iraqi Counter Terrorism Service is tasked with securing and maintaining the stability of Mosul Dam. (U.S. Army photo)

## U.S. STABILIZATION FUNDS ASSISTING AREAS WITH SIGNIFICANT MINORITY POPULATIONS

In July 2017, U.S. Ambassador to Iraq Douglas Silliman announced a pledge of \$150 million to the FFS. The United States delivered the first \$75 million tranche of that pledged amount in January 2018, with \$55 million earmarked for projects in areas with significant vulnerable religious and ethnic minority communities in Ninewa province, especially those who were victims of atrocities committed by ISIS. According to USAID, payment of the additional \$75 million pledged depended on UNDP's putting in place additional accountability, transparency, and due-diligence measures for the FFS.

## RECONCILIATION

The U.S. Institute of Peace, an independent federal institution, has supported local peace processes, led by Iraqi mediators, which have led to peace accords among tribal or factional leaders in Tikrit, Hawija, Yathrib, and elsewhere, thus avoiding revenge attacks.<sup>244</sup> In general, the necessarily slow pace of stabilization and reconstruction has caused some ethnic bitterness. For more on this issue, see the Governance and Civil Society section on page 34.

## Developments in Syria

In March, President Trump ordered the DoS to suspend funds for stabilization and assistance for Syria, freezing more than \$200 million for recovery efforts pending reassessment of the U.S. role in Syria.<sup>245</sup> According to DoS officials, this suspension does not affect funds that have already been obligated, and therefore DoS programs for Syria whose funds have already been obligated will continue to function but will not receive new funding.<sup>246</sup> However, as of the end of the quarter, the DoS did not state when each program would see a halt in funding. For example, the programs to remove explosive remnants of

Workers shovel dirt and lay rebar to restore part of the canal in Shanena, Syria. (U.S. Army photo)



war in the northeast were funded in two tranches, and they continued to operate under the first tranche of funds. Other programs operated under different funding intervals.<sup>247</sup>

The DoD reported that it has been facilitating USAID-led stabilization efforts in areas of Raqqah province.<sup>248</sup> The DoD administers a \$20 million fund to provide life-saving humanitarian assistance in northeastern areas of Syria where USAID has had limited access in the immediate aftermath of combat operations.<sup>249</sup> The DoD reported that a continued U.S. military presence in Syria was necessary to “help pave the way” for local civil authorities to govern liberated areas. DoD said that Iran and its proxies were poised to fill any security vacuum.<sup>250</sup>

U.S. Government support for governance and stabilization efforts in Syria remained complicated by the lack of a trusted host nation partner and the absence of a UN stabilization coordinator. Coordination among military and civilian partners, and U.S. and other actors, remained a significant challenge. The lack of long-term planning and coordination mechanisms was also a problem.<sup>251</sup> The DoS OIG plans to issue a report on its inspection of stabilization efforts in Syria during the next quarter.

The United States provides a significant portion of the resources necessary to remove explosive remnants of war in Syria.<sup>252</sup> In dense urban communities such as Raqqah, the large number of explosives and their sophistication require highly specialized personnel to disarm, resulting in clearance costs exceeding \$50 per square meter.<sup>253</sup>

U.S. efforts to build local democratic governments in parts of Syria suffered setbacks this quarter from the assassination of a member of the Raqqah Civil Council and the attempted assassination of another member.<sup>254</sup> The DoS issued a statement condemning the killing, which Syrian Kurds blamed on Turkey.<sup>255</sup> In addition, in February, a lawyer who had participated in the negotiations between the SDF and ISIS in Raqqah was killed at his home in Tabqah. In November 2017, a car bomb injured the commander of the Manbij Military Council.<sup>256</sup>

During the quarter the DoS supported the efforts of government councils in Raqqah, Tabqah and Deir az Zawr to carry out civil administrative functions and oversee the restoration of essential services. Raqqah city was conducting repairs to waste management and water network services.<sup>257</sup> However, the city still presented “shocking” levels of destruction and “almost total devastation,” and had only one working hospital and few public services.<sup>258</sup>

During the quarter, USAID provided stabilization assistance through small grants, in-kind assistance and capacity training for local governments and civil society organizations; support to restore essential services and governance and to remove explosive remnants of war; non-lethal aid such as food baskets and medical kits to vetted opposition groups; and operational support for independent media (six radio stations and one satellite television station). The DoS also participated in a community security program, co-funded by five other countries, to provide equipment, stipends and training for “non-contentious community policing services.”<sup>259</sup>

## SUPPORT TO MISSION

### DoD’s Budget Grows with a Reduced Reliance on OCO Funding

On February 9, 2018, the Bipartisan Budget Act of 2018 was signed into law. This legislation provided continuing appropriations for an additional period and established top-line spending levels for defense and non-defense discretionary spending in FY 2018 and 2019 above the caps which would otherwise have been imposed by the Budget Control Act of 2011 (also known as sequestration). Specifically, this Act increased the cap on defense discretionary spending in FY 2018 from \$549 billion to \$629 billion (+\$80 billion) and in FY 2019 from \$562 billion to \$647 billion (+\$85 billion). Defense discretionary spending primarily funds the DoD, though a small percentage goes to accounts outside of the DoD, such as nuclear programs at the Department of Energy.<sup>260</sup> The caps on defense spending apply only to the DoD’s base budget. Appropriations designated OCO are exempt from the statutory spending restrictions.

On March 23, Congress passed an omnibus appropriations act to fund the Federal Government for the duration of FY 2018. In line with the revised spending caps, this law, combined with previously enacted supplemental measures, provides the DoD with a total of \$671.1 billion in FY 2018, which includes \$605.2 billion in base funding and \$65.9

#### SUPPORT TO MISSION DEVELOPMENTS

- Funding for Iraq was secured with the enactment of the FY 2018 Consolidated Appropriations Act

#### SUPPORT TO MISSION CHALLENGES

- The DoS failed to enforce cost controls in life support contracts for U.S. Embassy Baghdad
- The Iraqi military was dependent on U.S. funding for a significant portion of its defense budget

billion in OCO. Because the FY 2018 appropriation was enacted halfway through the fiscal year, the DoD has six months to execute a significant infusion of resources. To facilitate the timely obligation of these funds, the law included a one-year change to the “80/20 rule,” allowing the DoD to spend up to 25 percent of its funding in the last 2 months of the fiscal year (rather than the normal 20 percent). The law also allows DoD officials to transfer or reprogram funding for certain readiness-related programs without prior congressional approval for the duration of this fiscal year.<sup>261</sup>

Funds appropriated for OCOs in FY 2018 support operations against ISIS in Iraq and Syria. In addition to personnel costs and daily operational requirements, this funding includes resources to purchase new aircraft to replace combat losses; perform combat vehicle safety modifications, procure additional intelligence, surveillance, and reconnaissance assets; and maintain facilities and equipment.<sup>262</sup>

The DoD’s FY 2018 appropriation increased by approximately 14.5 percent over the FY 2017 enacted level of \$586.2 billion. Within these top line figures, the DoD’s base budget increased by nearly 19 percent (from \$509.6 billion in FY 2017), while the OCO budget was reduced by almost 14 percent (from \$76.6 billion in FY 2017).<sup>263</sup> This reflects a trend in OCO constituting a diminishing proportion of the DoD’s overall budget.

The Office of Management and Budget completed its work on the President’s Budget for FY 2019 shortly before the Bipartisan Budget Act of 2018 was enacted. To account for the revised budget caps set by the new law, the Administration issued an Addendum to the President’s Budget. The Addendum did not alter the overall level of funding requested for the DoD of \$716 billion, but it shifted \$20 billion previously requested under OCO to the base budget. The revised budget requests \$647 billion in base funding and \$69 billion in OCO for the DoD in FY 2019.<sup>264</sup> Unlike budget requests and enacted appropriations in recent years, the FY 2019 budget requests no OCO funding to support base budget requirements.<sup>265</sup>

The Addendum to the President’s Budget for FY 2019 stated that it is the Administration’s policy in FY 2020 and beyond to shift costs currently designated as OCO to the base budget. Absent an equivalent reduction in base budget appropriations, such a shift would require new legislation to amend the sequestration-level budget caps that will otherwise restrict defense discretionary spending in those years.<sup>266</sup>

Table 4.

**Top-Line DoD Funding, in billions**

	FY 2017 Enacted	FY 2018 Enacted	FY 2019 President’s Request
Base	\$509.6	\$605.2	\$647.0
OCO	\$76.6	\$65.29	\$69.0
<b>TOTAL</b>	<b>\$586.2</b>	<b>\$671.1</b>	<b>\$716.0</b>

Source: DoD Comptroller, FY 2019 Defense Budget Overview, 2/2018; DoD Comptroller, response to Lead IG request for information, 5/2/2018.

**The DoD’s FY 2018 appropriation increased by approximately 14.5 percent over the FY 2017 enacted level of \$586.2 billion.**



Vehicles are inventoried in preparation for an equipment transfer with members of the Iraqi border guard force at Camp Taji, Iraq. (U.S. Army photo)

Within the \$69 billion requested for OCO, the President's Budget for FY 2019 includes \$15.3 billion for OIR, an increase of \$2.3 billion from the FY 2018 request of \$13 billion. The FY 2019 budget maintains the previous year's force level assumption of 5,765 U.S. troops deployed in support of OIR.

### THE UNITED STATES SUPPORTS A KEY PILLAR OF IRAQ'S DEFENSE BUDGET

According to the DoD, Iraq's Ministry of Defense operates on an annual budget of \$6 billion, which is heavily reliant on U.S. Government funding. The United States has provided Iraq with \$2.3 billion in Foreign Military Financing (FMF) over the last 6 years. In addition to that, the DoD's Office of Security Cooperation-Iraq (OSC-I), operating out of U.S. Embassy Baghdad, has extended a total of \$3.8 billion in credit to support the Iraqi Ministry of Defense's purchase of U.S. defense goods and services over the past 2 years.<sup>267</sup>

The OSC-I works with the Iraqi government to develop its plans to spend U.S. military assistance. It also oversees contracts and provides individual portfolio managers who conduct annual audits and semi-annual program reviews, DoD officials stated. As the principal U.S. agency administering military support in Iraq, OSC-I has regular, direct engagement with the Ministry of Defense and its components. For items that are provided to Iraq that require end use monitoring, OSC-I is tasked with conducting regular inventory.<sup>268</sup>

In addition to FMF funding, the United States provides support to the ISF through the CTEF. The DoD's FY 2018 appropriation provides \$1.8 billion for the CTEF.<sup>269</sup> Unlike other funding, which is generally available for only 1 year, funding for this account is made available to the DoD for 2 years. It supports efforts to build the fighting capacity of both the ISF and the vetted Syrian opposition. The President's request for FY 2018

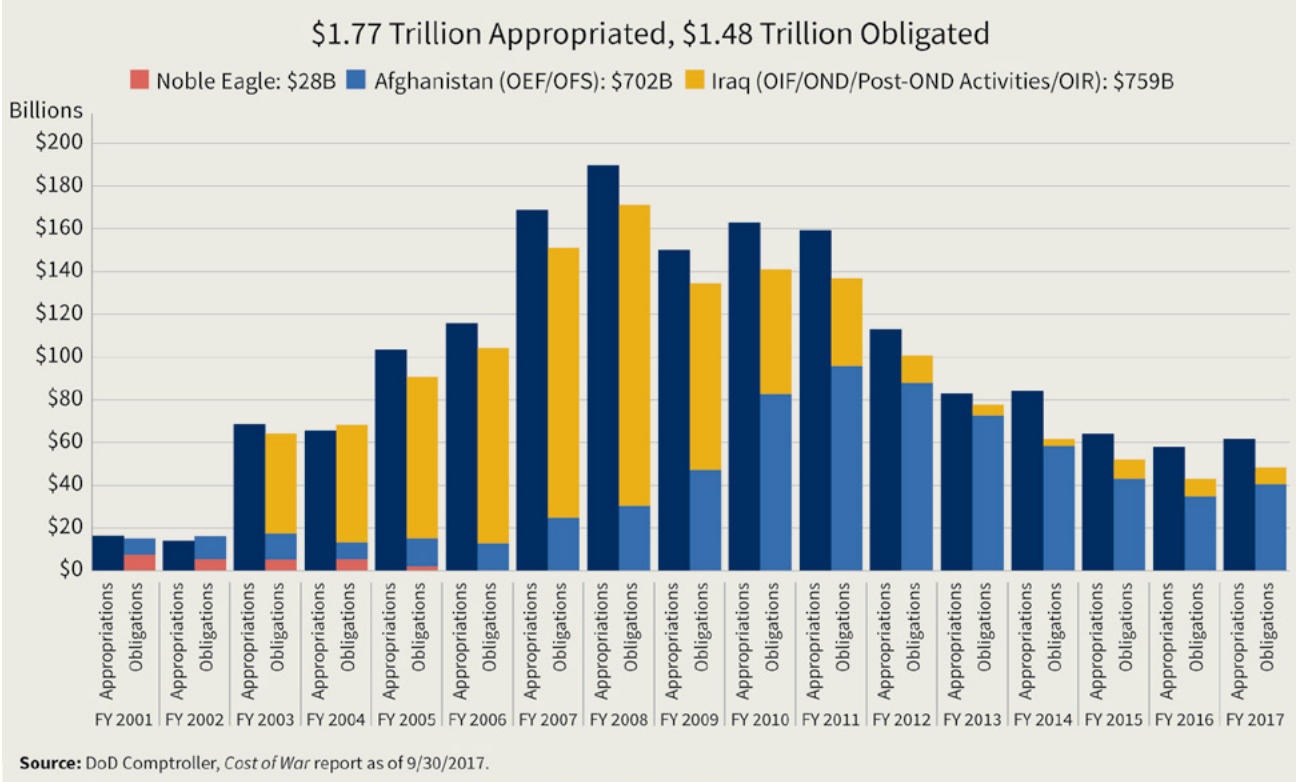
indicated that the Administration planned to use \$1.3 billion of this funding to support the ISF and \$500 million for partners in Syria.<sup>270</sup>

The President’s Budget for FY 2019 seeks \$1.4 billion for the CTEF (\$850 million for the ISF, \$300 million for Syrian partners, and \$250 million for border security). Recognizing the progress made in the fight against ISIS over the past year, the FY 2019 request is a decrease of \$369 million from the amount requested in FY 2018. The FY 2019 budget justification states that, “[a]lthough most of the ISIS ‘caliphate’ is lost, remnants of the organization still exist in both Iraq and Syria with the intent to regroup and rebuild and to continue the battle in the future. Countering ISIS requires capabilities that create an environment in which ISIS cannot shift operations from its former caliphate to other areas.”<sup>271</sup>

The FY 2019 request for the CTEF shifts the focus from active combat operations to building and maintaining partner capacity. It includes \$420 million for building partner capacity in the ISF, \$430 million to sustain and maintain existing U.S. investments in the ISF, \$300 million to support vetted Syrian opposition fighters, and \$250 million to support border security. This is the first time that the President’s request for the CTEF has included funds specifically for border security, which the budget justification states is necessary to restrict ISIS’s freedom of movement in Iraq, Syria, and neighboring countries.<sup>272</sup>

Figure 1.

**Total DoD War-Related Appropriations and Obligations since September 11, 2001**



## DOD OCO SPENDING: HISTORICAL CONTEXT

In total, since September 11, 2001, Congress has appropriated \$1.69 trillion and the DoD has obligated \$1.47 trillion for war-related expenses in Iraq, Afghanistan, and related operations, as well as for the joint U.S.-Canada homeland security missions under Operation Noble Eagle.<sup>273</sup>

## NO MONTHLY COST OF WAR REPORTS ISSUED THIS QUARTER

The figures identified in Figure 1 were sourced from the DoD's *Cost of War* report. The congressionally-mandated *Cost of War* report is the only publicly available source for monthly data on the DoD's execution of OCO appropriations. The National Defense Authorization Act for FY 2006 required DoD to issue the *Cost of War* report within 45 days of the end of each month.<sup>274</sup> However, the DoD Comptroller did not issue an updated *Cost of War* report this quarter, and the most recent report available covered spending through July 2017. Shortly after the quarter ended, the DoD Comptroller published the *Cost of War* reports for August and September 2017.

However, two previous DoD OIG audits on the *Cost of War* report found shortcomings in the accuracy and timeliness of the report. The DoD responded that steps would be taken to improve the accuracy and timeliness of reporting on OCO spending.<sup>275</sup>

## DoS and USAID Status of Funds

The Consolidated Appropriations Act, FY 2018, which became law on March 23, 2018, concluding a period of uncertainty over funding for the DoS and USAID presence, programs, and activities in Iraq and Syria. The appropriations bill provided \$54 billion in enduring and OCO funding, a reduction of \$3.4 billion, or 6 percent, from the FY 2017 enacted level. Of this amount, \$12 billion was provided in OCO funding, the amount requested in the President's budget request, which was a reduction of \$8.8 billion, or 42 percent, from enacted FY 2017 levels.<sup>276</sup>

Congress approved \$250 million in FY 2018 for FMF in Iraq to continue support for rebuilding Iraq's military force, developing critical capabilities, and sustaining existing Iraqi Army and Air Force systems. The DoS reported that no FMF funds related to combatting ISIS were notified to Congress during this quarter. Last quarter, the Lead IG reported that \$250 million in FY 2017 funds was allocated to Iraq for FMF, and that the DoS used \$150 million of the \$250 million to provide a Credit Facility to Iraq for \$1.105 billion. For this quarter, the DoS reported that the remaining \$100 million allocated under FY 2017 funds was still under internal discussion, as well as the \$250 million recently appropriated for FY 2018.<sup>277</sup> The FY 2019 budget did not request FMF funds for Iraq.

Table 5 provides a comparison of funds expended and obligated in FYs 2016 and 2017, with funds recently approved by Congress in FY 2018 and funds requested for FY 2019. The President's FY 2019 budget for the DoS and USAID and the programs they administer made no requests for OCO funds and results in a 28 percent decrease when compared to the FY 2018 funding.

Table 5.

**DoS and USAID OCO and Enduring Funding for Iraq and Syria, in millions**

	<b>FY 2016 Actual</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Estimate</b>	<b>FY 2019 Request</b>
Iraq	\$1,262.6	\$1,978.1	<b>\$1,730.0</b>	<b>\$1,202.2</b>
Syria	\$177.1	\$892.7	<b>\$191.5</b>	<b>\$174.5</b>
<b>TOTAL</b>	<b>\$1,439.7</b>	<b>\$2,870.8</b>	<b>\$1,921.8</b>	<b>\$1,377.4</b>

**Note:** USAID and PRM receive appropriations for humanitarian assistance activities that are not designated in advance for use in a specific country or humanitarian crisis. OFDA and FFP primarily use International Disaster Assistance funds. FFP also uses a small amount of funding authorized by Title II of the Agricultural Trade Development and Assistance Act of 1954 (P.L. 83-480) to respond to the Syria and Iraq crises. PRM uses Migration and Refugee Assistance funds for this purpose.

**Sources:** DoS, FY 2019 Congressional Budget Justification-Department of State, Foreign Operations, and Related Programs; Department FY 2018 Congressional Budget Justification-Department of State, Foreign Operations, and Related Programs.

**FY 2019 BUDGET REQUEST SEEKS LOWEST FUNDING LEVEL IN 10 YEARS**

Between FY 2001 and FY 2018, total funding for the DoS and USAID increased by \$32.5 billion (151 percent from \$21.5 billion to \$54 billion). Figure 2 provides the funding levels for global enduring funds and OCO funds in the Department of State, Foreign Operations, and Related Programs appropriations from FY 2001 through FY 2018. The funding level illustrated in Figure 2 for FY 2019 in this figure is the President’s budget request. Significantly, the request is lower than any funding level approved by Congress over the past decade.

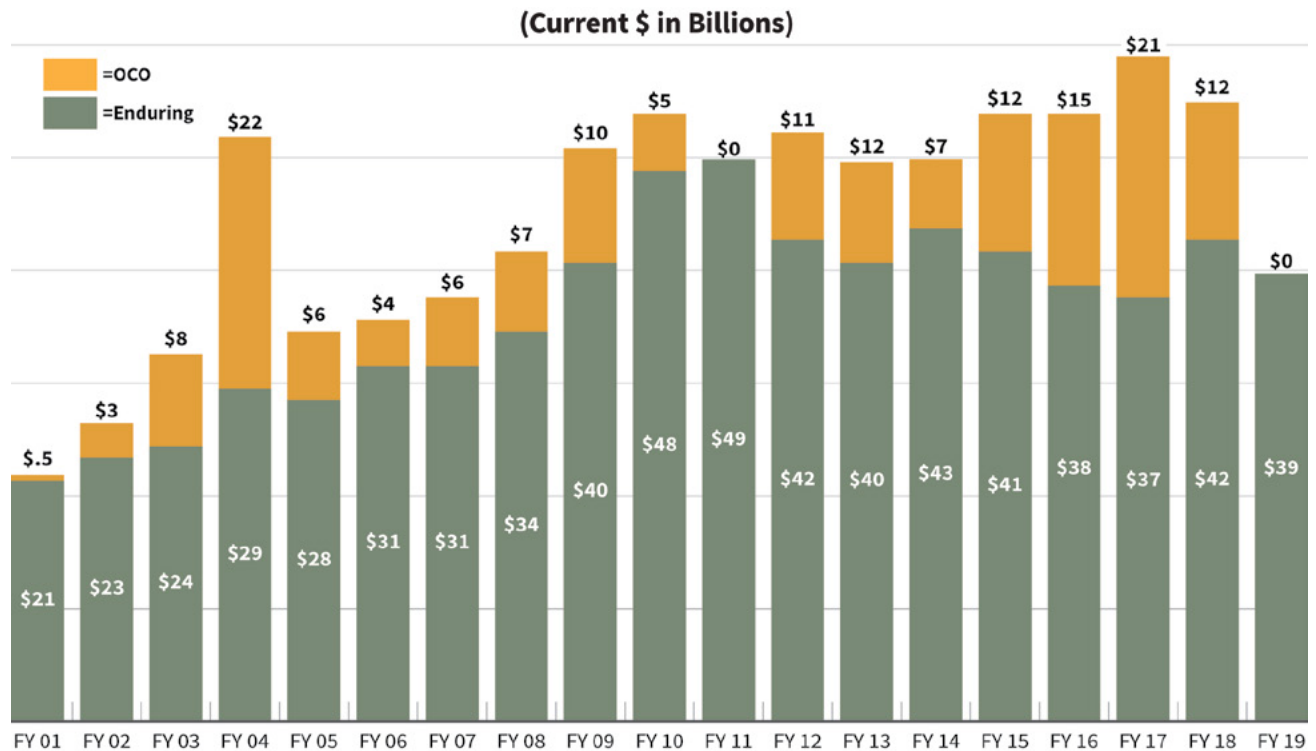
**FUNDING SUPPORT GROWS FOR GLOBAL ENGAGEMENT CENTER**

The Global Engagement Center (GEC), an interagency communications center located at the DoS, is designed to counter the messaging and influence of terrorist organizations and other groups and countries that threaten U.S. interests and security. The GEC was established by Executive Order 13721 in March 2016 to “lead...Government-wide communications activities directed at foreign audiences...to counter the messaging and diminish the influence of international terrorist organizations, including the Islamic State of Iraq and the Levant.” However, in December 2016, Congress expanded the GEC’s mandate from countering terrorist and extremist groups’ influence to “counter[ing] foreign state and non-state propaganda and disinformation efforts” that threaten U.S. national security interests as well as the national security interests of U.S. allied and partner countries.<sup>278</sup>

A Congressional Research Service report asserted that the DoS was withholding funds authorized for the GEC for FY 2017, which led to speculation about the GEC’s continued role and operations.<sup>279</sup> However, on February 26, 2018, the DoS and the DoD signed a Memorandum of Agreement to transfer \$40 million from the DoD to the GEC in FY 2018 for initiatives to counter propaganda and disinformation from terrorist organizations and foreign nations. Combined with \$20 million approved in the FY 2018 budget and carryover OCO funds from the FY 2017 budget, this funding has, according to DoS, placed the GEC in a position to be on the offensive in its fight against malign influence and disinformation.<sup>280</sup>



Figure 2.

**DoS/USAID Enduring and OCO Funding from FY 2001-FY 2019**

Source: DoS, 2/21/2018; Congressional Research Service, 9/15/2016.

The DoS reported that the GEC has supported the defeat-ISIS operations by integrating DoD, partner nation, and law enforcement efforts to degrade ISIS media across the Middle East and other global regions and by disseminating online content to discredit ISIS through networks of foreign messaging centers. GEC's activities continued to grow, including to the Philippines.<sup>281</sup>

### **DoS OIG CONTINUES TO FOCUS OVERSIGHT ON HIGH-COST EMBASSY SUPPORT CONTRACTS-UNCOVERS FAILURE OF DoS TO ENFORCE COST CONTROLS**

The DoS provides life support services, including food and water, to personnel working in Iraq through the Baghdad Life Support Services contract, which was awarded in July 2013 with a not-to-exceed cost of \$1 billion over 5 years. During an audit of cost controls for the contract's largest food services task order, which was valued at \$362.5 million for a base year and 4 option years, the DoS OIG found that the DoS Bureau of Administration's Office of Acquisition Management did not implement and enforce contractually established cost controls to protect the DoS's financial interests, resulting in \$41 million in questionable amounts paid to the contractor. The DoS OIG made a series of recommendations to the Office of Acquisition Management to recover costs determined to be unallowable and to improve future contract management.<sup>282</sup>





Students from Iraq’s Ministry of Interior Police Female Training Institute in Baghdad, Iraq. (U.S. Army Photo)

## COMPLETED OIR OVERSIGHT ACTIVITIES

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# COMPLETED OIR OVERSIGHT ACTIVITIES

As required by Section 8L of the Inspector General Act of 1978, the DoD IG, as Lead IG for OIR, is responsible for developing and carrying out a joint strategic oversight plan to ensure comprehensive oversight of all aspects of the overseas contingency operations, in coordination with the DoS IG and USAID IG. This partnership allows for either joint or individual audits, inspections, and investigations, and is intended to provide independent and effective oversight of all Federal programs and operations supporting the operations.

This section of the report provides information on Lead IG staffing; outreach efforts by Lead IG agencies; completed Lead IG and partner agencies' oversight work related to audits, inspections, and evaluations; and Lead IG investigations and hotline activities from January 1, through March 31, 2018.

## LEAD IG STAFFING

The Lead IG agencies use dedicated, rotational, and temporary employees as well as contractors to conduct oversight projects, investigate fraud and corruption, and provide consolidated planning and reporting on the status of the overseas contingency operations. Oversight staff from the Lead IG agencies are stationed in offices in Iraq, Kuwait, Qatar, Egypt, and Germany. Oversight teams from these offices and from offices in the United States travel to Jordan, Turkey, and other locations in the region to conduct fieldwork for their projects. The USAID OIG also has a field office in Manila that covers USAID's operations in Philippines and other countries in the region.

## OUTREACH

Outreach and coordination continue to be important aspects of Lead IG's mission. This quarter, the IGs for the DoD, DoS and USAID travelled together to Qatar, Iraq, and Afghanistan and met with senior U.S. and Coalition officials as well as Iraqi and Afghan government officials. The IGs were briefed on the significant changes in policy, strategy, events on the ground, and the air campaign involving OIR.

The Lead IG agencies held high-level meetings with their oversight partners to coordinate oversight efforts. On February 8, the IGs met with the Acting IG at the Department of Energy to discuss the Lead IG mission, its product lines, and its whole of government coordination efforts. The IGs also discussed potential complementary oversight. The IGs provided information on how the Lead IG agencies work closely to discharge their quarterly reporting and strategic planning requirements.

Lead IG officials, representing the DoD OIG, DoS OIG, and USAID OIG, regularly meet in Washington, D.C., and elsewhere with policy officials, collect information, and conduct research related to OIR and OPE-P activities.

## IGs Emphasize Whole-of-Government Oversight

During their visit to Southwest Asia in January 2018, the Inspectors General of DoD, DoS, and USAID met with senior United States and Coalition officials, including military commanders, the United States ambassadors in Iraq and Afghanistan, the USAID mission directors, and many other civilian and military officials in the region. These officials briefed the IGs about significant changes in policy, strategy, events on the ground, and the air campaign involving OIR and OFS. In their special report, which describes the challenges confronting the U.S. missions in both overseas operations, the three IGs said the meetings and briefings will help them provide the coordinated whole-of government oversight and produce regular quarterly reports on each operation.

Within the OIR theater of operations, the three IGs primarily focused on Iraq. The Lead IG special report pointed out that success depends on more than just securing a military defeat of ISIS. The three IGs noted that the military campaign had driven ISIS out of most of the territory it once held, but it had not eliminated ISIS. “If Iraq does not make progress in the effort to provide security, economic opportunity, and humanitarian relief to its citizens,” they said, “ISIS or other extremist groups could easily reemerge.” The three IGs identified five areas critical to achieving the long-term goal of defeating ISIS:

- Military efforts
- Immediate Stabilization
- Economic Reforms
- Information Campaign
- Elections

The IGs also observed that limited resources, short military and civilian tours, and security restrictions had a negative impact on U.S. government efforts to implement the programs needed to address these areas.

The IGs said the briefings they received illustrated the importance of a whole-of-government approach to oversight of a mission involving numerous agencies. As the Lead IG said during a *Government Matters* interview that aired in April, “It is not just a military operation.” He added, “It has to be a diplomatic and governance operation, and a stabilization and humanitarian operation.” The IGs said the insights they gained from this visit to the region will inform ongoing planning for audits, evaluations, inspections, and other oversight projects for OIR.

To learn more about this trip, please see the Lead IG Special Report: Observations from Travel to Iraq, Afghanistan, and Qatar at <http://www.dodig.mil/reports.html/Artle/1476722/the-lead-ig-special-report-observations-from-travel-to-iraq-afghanistan-and-qatar/>.

## COMPLETED AUDIT, INSPECTION, AND EVALUATION REPORTS FOR OIR

The Lead IG agencies and their partner agencies completed six reports related to OIR from January 1 through March 31, 2018. These reports examined various activities that support OIR, including the Syria Train and Equip program, contract management administration and oversight, information sharing regarding the Embassy Air Programs, and DoD operations and maintenance funding.

### Final Reports

#### DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

##### **Follow-up Evaluation: Combined Joint Interagency Task Force-Syria (CJIATF-S) Vetting Process for New Syrian Forces**

DODIG-2018-019; February 26, 2018

The DoD OIG conducted a follow-up evaluation on the recommendations made in its September 2015 evaluation report on the Syria vetting processes for New Syrian Forces. The FY 2015 continuing appropriations resolution, enacted on September 19, 2014, authorized the DoD to provide overt assistance (e.g. training, equipment, supplies, and sustainment) to vetted members of the Syrian opposition and other vetted Syrians for select purposes, through the Syria Train and Equip program. In its 2015 report, the DoD OIG provided four recommendations to the Combined Joint Interagency Task Force-Syria (CJIATF-S) to improve the vetting processes for the Syria Train and Equip program. At the time of the 2015 evaluation, not all aspects of the Train and Equip program had been activated. During the follow up evaluation, the DoD OIG determined that all previous recommendations had been satisfied in accordance with Congressional guidance. Furthermore, the Special Operations Joint Task Force-Operations Inherent Resolve (SOJTF-OIR), which replaced the CJIATF-S, continued to operate in compliance with congressionally mandated vetting requirements as well as all other aspects of the Syria Train & Equip program.

This report is classified.

##### **The U.S. Navy's Oversight and Administration of the Base Support Contracts in Bahrain**

DODIG-2018-074; February 13, 2018

The DoD OIG conducted an audit to determine whether the U.S. Navy provided effective oversight of two base support services contracts in Bahrain—Naval Support Activity Bahrain, the base support services contract, which was valued at \$87.7 million, and Isa Air Base in Bahrain, the base support services contract, which would be valued at \$114.4 million if all option years are exercised. Both installations provide operational support to U.S. and Coalition forces throughout the USCENTCOM area of responsibility and directly support OIR through activities, such as the aerial missions conducted by the 379th Air Expeditionary Wing at Isa Air Base.

The DoD OIG found that the Navy did not properly oversee or effectively administer base support services in Bahrain and did not train and manage the contracting officer's representatives properly. The Navy did not provide training specific to base operating support services contract and the contracting officer's representatives were allowed to use performance assessment representatives—foreign national direct-hires at Naval Support Activity Bahrain and foreign national contractors at Isa Air Base—to perform all quality assurance of the base operating support contractors. The contracting officer's representative did not:

- Ensure that the performance assessment representatives possessed the requisite knowledge to complete these tasks,
- Provide adequate performance-assessment procedures, and
- Ensure that the performance assessment representatives oversaw all of the contract requirements.

As a result, the Navy did not have assurance that the \$161.5 million spent on base support resulted in services that complied with the contracts.

The Navy did not effectively administer base support services. The Navy did not update performance assessment plans to explicitly require contract-requirement reviews. Additionally, the Navy did not maintain complete contract files, account for \$1.6 million in Government-furnished property that was provided to contractors, or ensure the contractors complied with combating trafficking in persons requirements. As a result, the Navy did not have adequate evidence to support contractor assessments; they were at an increased risk of having \$1.6 million of Navy property being lost, stolen, or unaccounted for, and were at an increased risk of contractors using trafficked persons for services without the Navy's detection.

The DoD OIG recommended that the Navy summarize contracting officer's representatives oversight responsibilities; provide contract-specific training; review and monitor the use of performance assessment representatives; improve records management procedures; and institute proactive procedures to ensure compliance with combating trafficking in persons requirements. The Navy agreed with the recommendations.

To view the complete report, see <http://www.dodig.mil/reports.html/Article/1441300/the-us-navys-oversight-and-administration-of-the-base-support-contracts-in-bahr/>.

## DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL

### **Audit of the Administration and Oversight of Fuel Contracts at U.S. Embassy Amman, Jordan**

AUD-MERO-18-33; March 23, 2018

The DoS OIG conducted an audit to determine whether DoS personnel implemented adequate controls to ensure that the contractor-provided fuel for Embassy Amman in accordance with contract terms, Federal regulations, and DoS guidance.

The DoS OIG found that the DoS did not implement adequate controls for the acquisition of fuel at Embassy Amman. Specifically, the DoS OIG found that embassy personnel engaged in unauthorized commitments, did not close purchase orders once they were completed, and inappropriately destroyed contract files. The DoS OIG determined that these contract administration deficiencies occurred, in part, because embassy personnel ordered fuel and added funds to the fuel card account before the award of formal contracts. Other improper contracting practices occurred because Embassy Amman did not implement procedures to ensure compliance with the Federal Acquisition Regulation. As a result, the DoS lost the ability to use funds that were not deobligated from completed contracts and Embassy Amman could not provide complete contract files to support procurement decisions.

The DoS OIG also found that oversight of fuel contractors needs improvement. For example, the contracting officer's representatives did not always 1) develop and implement quality assurance surveillance plans that ensured contract requirements were met; 2) implement effective procedures to accept fuel; 3) maintain complete contracting officer's representatives files; and 4) obtain the required oversight certifications. The DoS OIG determined that these deficiencies primarily occurred because Embassy Amman did not comply with Federal Acquisition Regulation requirements and DoS policies for conducting proper contract oversight. As a result, Embassy Amman could not be certain that the fuel received between October 2012 and January 2017 met the contract's quality requirements, and may have paid for fuel that it did not receive during that period.

Finally, according to a sample of invoices reviewed, the DoS OIG found that Embassy Amman officials did not follow Federal regulations and DoS guidance when approving invoices submitted by fuel contractors from October 2012 through January 2017. This occurred because Embassy Amman did not implement effective procedures for reviewing invoices. The DoS OIG therefore questioned \$8.3 million paid by Embassy Amman for fuel purchases from October 2012 through January 2017.

The DoS OIG made 28 recommendations to Embassy Amman and to the DoS's procurement executive to improve contracting oversight procedures and to determine if ratification is required for the potential unauthorized commitments OIG identified.

Based on the responses received from Embassy Amman and the Procurement Executive, the DoS has agreed to take action to mitigate identified shortcomings. The DoS OIG considers the recommendations resolved.

To view the complete report, see <https://oig.state.gov/system/files/aud-mero-18-33.pdf>.

**Management Assistance Report: Cost Controls for Food Services Supporting Department of State Operations in Iraq Require Attention**  
AUD-MERO-18-31; March 5, 2018

As part of an ongoing audit, the DoS OIG issued a Management Assistance Report concerning the provision of food services to U.S. Government personnel working at DoS facilities in Iraq. The DoS provides life support services, including food and water,



to personnel working in Iraq through the Baghdad Life Support Services (BLiSS) food services task order. The BLiSS food services task order was awarded on March 1, 2014, with a base year and four option years at a total value of \$362.5 million as of December 2017. To control food services costs, the DoS established four primary controls: 1) a maximum daily food allowance that the contractor could charge per person, per day for food services, 2) a plan to convert BLiSS food services from a cost-reimbursement to a fixed-price task order, 3) a plan to implement a point-of-sale cafeteria system, and 4) a requirement to limit the number of DoS-subsidized meals for individuals who do not live on DoS posts in Iraq.

The DoS OIG found that the Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management did not effectively implement contractually established cost controls to protect the DoS's financial interests. With respect to the daily food allowance, the DoS OIG found that contracting officer's representatives approved contractor invoices for payments that exceeded the \$20 per person, per day, maximum allowance by \$3.25 per person, per day, during the first year. The DoS OIG also found that the contracting officer increased the daily food allowance for three consecutive years by \$7 per person, per day, without performing the analysis required to establish that the DoS received a fair and reasonable price for these services. As a result, the DoS OIG questioned \$3.55 million in daily food allowance costs paid during the base year and \$37.4 million in daily food allowance costs paid to the contractor for the three option years.

In addition, the DoS OIG found that the contracting officer did not implement the other three contractually established cost controls. Specifically, a plan to convert BLiSS food services from a cost-reimbursement to a fixed-price task order was not implemented, nor was a plan to implement a point-of-sale cafeteria system. Furthermore, a requirement to limit the number of DoS-subsidized meals for individuals who do not live on DoS posts in Iraq was not implemented. For these three cost controls, OIG found that the contracting officer did not modify the task order to formally remove the unimplemented controls or establish alternative controls that would protect the U.S. Government's financial interests when procuring food services in Iraq. As a result, cost risk—the degree of cost responsibility and associated risk a contractor assumes when implementing a contract—for BLiSS food services in Iraq remained on the U.S. Government through the exercise of the third option year, and DoS paid approximately \$4.1 million for unauthorized meals to local national employees.

The DoS OIG made 14 recommendations to the DoS to address identified questioned costs totaling approximately \$45 million and noncompliance with the contract terms and conditions. Specifically, 10 recommendations were addressed to the Bureau of Administration, Office of Logistics Management, to recover those costs determined to be unallowable, and to modify the BLiSS food services task order, when appropriate. Based on comments from Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management, the DoS OIG redirected three recommendations to the Bureau of Near Eastern Affairs to perform a viability assessment of the point of sale cafeteria system, to establish access controls at dining facilities, and to deter local national

employees from removing food items from the dining facilities. The DoS OIG addressed one recommendation to the DoS's Procurement Executive to implement ratification procedures, if deemed necessary, in accordance with DoS policies.

Based on the responses received from the DoS, the DoS has agreed to take action to mitigate identified shortcomings. The DoS OIG considers the recommendations resolved.

To view the complete report, see <https://oig.state.gov/system/files/aud-mero-18-31.pdf>.

### **Management Assistance Report: DynCorp Intelligence Analysts Supporting the Embassy Air Program Lack Access to the Information Needed to Fully Identify Risks and Mitigate Threats**

AUD- SI-18-23; January 11, 2018

As part of an ongoing audit, the DoS OIG found that DynCorp intelligence analysts supporting the DoS's Embassy Air program in Iraq and Afghanistan lacked access to information needed to fully identify risks and mitigate threats to aviation. The details of the report are not publically releasable.

In the report, the DoS OIG made two recommendations to the DoS, which were intended to ensure that intelligence analysts have access to all intelligence information needed to identify risk and mitigate threats that Embassy Air could encounter in Iraq and Afghanistan.

This report is Sensitive but Unclassified, and not publicly available.

## **U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

### **Obligations of Overseas Contingency Operations Funding for Operations and Maintenance Base Requirements**

GAO-18-202R; January 10, 2018

The GAO conducted this audit to determine how the DoD obligated the \$9.1 billion in O&M OCO funds that Congress authorized for base requirements in fiscal year 2016 and to assess the reliability of DoD's obligation data.

The DoD reported obligating the \$9.1 billion that Congress authorized as O&M OCO amounts for base requirements designated in §4303 largely for base programs and activities, such as for headquarters, maintenance, and transportation costs. In the Consolidated Appropriations Act, 2016, Congress subsequently appropriated the O&M OCO amounts for base requirements authorized in section 4303 as O&M base amounts. The explanatory statement accompanying the Consolidated Appropriations Act, 2016, ultimately designated \$8.6 billion of the \$9.1 billion authorized as base funds rather than as OCO funds as was authorized in §4303. The DoD reported obligating these funds as designated in the explanatory statement, but in some cases, the total FY 2016-obligation amounts exceeded the designated appropriation amounts as a result of transfers and reprogramming. GAO determined that the data provided were sufficiently reliable for the purpose of describing how O&M OCO funds were ultimately appropriated and obligated by component and sub-activity group in FY 2016.

From 2014 through 2017, GAO issued four reports related to the DoD's use of, or reporting on, operations and maintenance (O&M) and OCO funds. Most recently, in January 2017, GAO recommended that the DoD, in consultation with the Office of Management and Budget, reevaluate and revise the criteria for determining what can be included in the DoD's OCO budget requests to reflect current OCO-related activities and relevant budget policy. GAO also recommended that the DoD develop a complete and reliable estimate of its enduring OCO costs, report these costs in concert with the DoD's future budget requests, and use the estimate as a foundation for any future efforts to transition enduring costs to the DoD's base budget. The DoD concurred with GAO's first recommendation and partially concurred with its second recommendation, but had not taken any steps to implement them.

The DoD reviewed GAO's most recent report and stated that it had no comments and its position as it relates to the previously published reports had not changed.

To see the complete report, see <https://www.gao.gov/products/GAO-18-202R>.

## INVESTIGATIONS

The investigative components of the Lead IG agencies and their partner agencies continued to conduct investigative activity related to OIR during the quarter. The Lead IG agencies used investigators in Kuwait, Qatar, Iraq, Saudi Arabia, Egypt, and United Arab Emirates, as well as in Germany and Washington, D.C., to conduct their OIR- and OPE-P-related investigations.

### Investigative Activity

From January 1 through March 31, 2018, multiple Lead IG investigations resulted in 2 arrests, 7 criminal charges, 6 contractor suspensions and debarments, and 5 administrative actions. These investigations also resulted in \$6,653,324 in fines, savings, or recoveries.

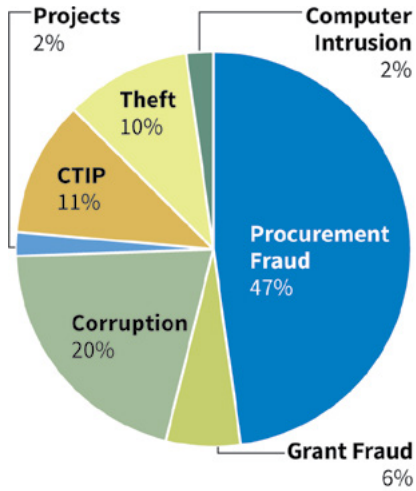
Investigative branches of the Lead IG agencies and their partner agencies closed 5 investigations, initiated 3 new investigations, and coordinated on 84 open investigations involving grant and procurement fraud, bribery and kickbacks, corruption, grant fraud, theft, computer intrusions, diversions to armed groups, and dealing with combating trafficking-in-persons allegations.

The Lead IG agencies and partners continue to coordinate their investigative efforts through the Fraud and Corruption Investigative Working Group, which consists of representatives from the Defense Criminal Investigative Service (DCIS, the DoD OIG's investigative division), the DoS OIG, USAID OIG, the U.S. Army Criminal Investigation Command, the Naval Criminal Investigative Service, and the Air Force Office of Special Investigations.

This quarter, the Fraud and Corruption Investigative Working Group conducted 35 fraud awareness briefings for 423 participants. Additionally, from January 30 to February 1, 2018, members of the Fraud and Corruption Working Group and other law enforcement partners met at Camp Arifjan, Kuwait, to discuss current issues and challenges regarding criminal investigations and fraud in the region.

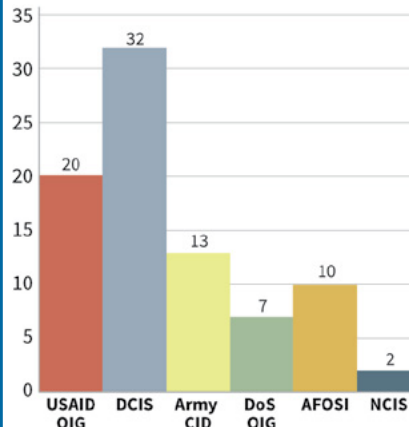
# ACTIVITY BY FRAUD AND CORRUPTION INVESTIGATIVE WORKING GROUP

OPERATION INHERENT RESOLVE  
As of March 31, 2018

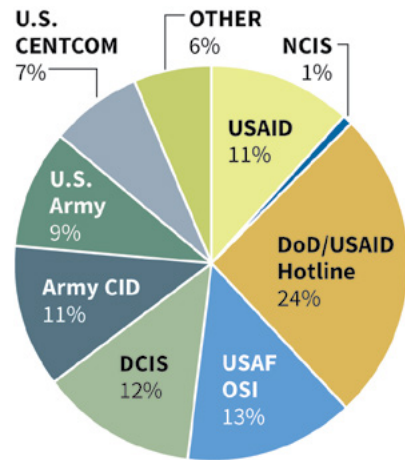


OPEN INVESTIGATIONS  
**84**

## OPEN INVESTIGATIONS BY WORKING GROUP MEMBER\*



## SOURCES OF ALLEGATIONS



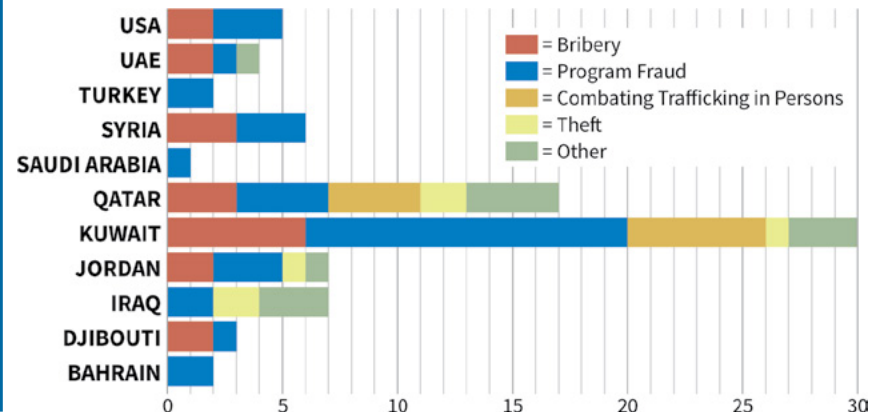
## Q2 FY 2018 RESULTS

Arrests	2
Criminal Charges	7
Criminal Convictions	—
Savings/ Recoveries	\$6,653,324
Suspensions/ Debarments	6
Job Terminations	—
Personnel Actions	—
Other Administrative Actions	5
Forfeitures	—

## Q2 FY 2018 BRIEFINGS

Fraud Awareness	35
Total Attendees	423

## PRIMARY OFFENSE LOCATIONS



\*Some investigations are joint with more than one agency and some not joint with any other agency. Therefore, the total number of Joint Open Cases may not equal the total number of Open Cases. Open Cases as of 3/31/2018. **Note:** Cumulative since 1/1/2015.

The dashboard on page 68 contains a consolidated listing of the activities of these investigative components during this quarter. The following are examples of investigative activities:

### **USAID SUSPENDS \$44.6 MILLION AWARD AFTER INVESTIGATION PROVED DIVERSION OF USAID COMMODITIES TO AN AFFILIATE OF A DESIGNATED TERRORIST ORGANIZATION**

An ongoing USAID OIG investigation found that employees of a U.S.-based non-governmental organization knowingly diverted USAID-funded food kits to a militant organization operating in northern Syria called Hay'at Tahrir al-Sham (HTS). HTS is a splinter organization of al Qaeda-affiliated Jabhat Al Nusra. Under duress after being threatened by members of HTS, employees of the non-governmental organization allowed HTS fighters to be included among program beneficiaries in Idlib governorate and submitted falsified beneficiary lists to USAID to conceal the HTS fighters' participation in the food assistance program. In February 2018, USAID suspended the \$44.6 million program, which delayed approximately \$30.2 million in program funding until appropriate controls are implemented.

### **JOINT USAID OIG INVESTIGATION WITH UNDP RESULTS IN NEW INTERNAL CONTROLS TO PROTECT TAXPAYER FUNDS ON NEARLY \$150 MILLION IN FUNDING**

A joint USAID OIG investigation with UNDP Office of Audit and Investigation identified indications of fraud and corruption in an Iraqi stabilization project. In July 2017, the United States Government pledged \$150 million to the UNDP Iraq stabilization program, but because of fraud allegations, that funding was placed on hold. The UNDP Iraq stabilization program assists Iraqis to return to their communities, which have been freed from occupation by ISIS. As a result of the joint investigation, USAID and UNDP agreed in January 2018 to include additional requirements for the use of the funding, including requirements to strengthen the program's internal controls by expanding monitoring of stabilization activities, controlling information sharing on contract details, enhancing training and capacity building on fraud prevention, and establishing a full-time investigator focused on Iraq to prevent fraud.

### **USAID DEBARS SIX INDIVIDUALS AND COMPANIES FOR PROCUREMENT VIOLATIONS IN SYRIA CROSS-BORDER ASSISTANCE PROGRAMS**

In July 2015, USAID OIG received an allegation related to procurement fraud on a USAID-funded cross-border assistance program. The investigation substantiated the allegation, revealing that procurement staff accepted bribes to provide certain vendors with an unfair advantage. These vendors also provided sub-standard goods that fell below the quality specified in the contract. USAID OIG also found that some implementer staff created fraudulent email accounts to compete for bids offered by the implementer. In January 2018, USAID debarred five individuals and companies, and in March 2018, debarred a sixth individual for his role in the scheme.

# HOTLINE ACTIVITY

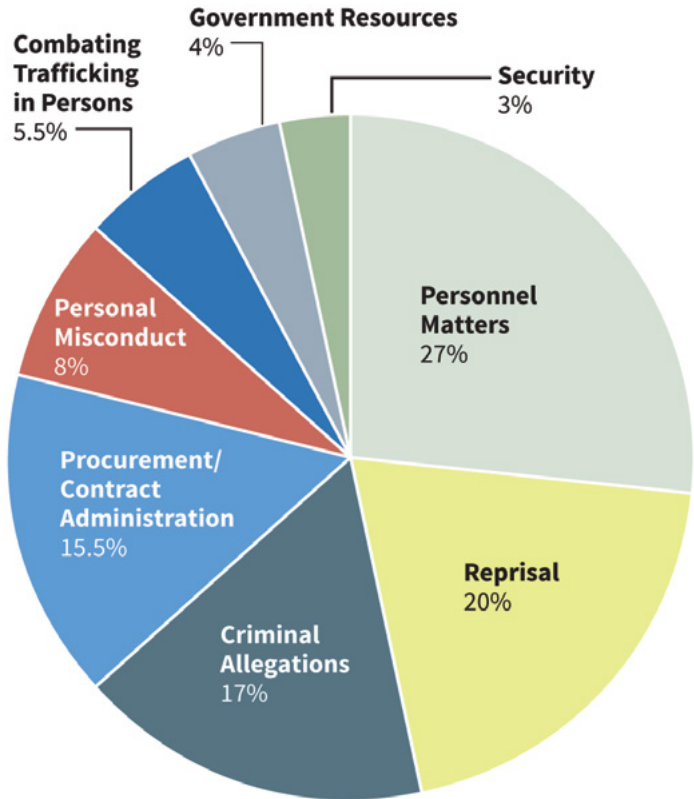
Hotlines provide a confidential, reliable means to report allegations of waste, fraud, and abuse that involves overseas contingency operations personnel or operations for independent review without fear of reprisal. Each Lead IG agency maintains its own hotline to receive complaints and contacts specific to its agency.

The OIG hotline representatives process the complaints they receive and refer these complaints to the appropriate entity in accordance with their respective protocols. Any hotline complaint that merits referral is sent to the responsible organization for investigation or informational purposes.

The DoD OIG employs an investigator to coordinate the hotline contacts received among the Lead IG agencies and others, as appropriate. During the reporting period, the DoD OIG’s hotline received and coordinated numerous complaints, which subsequently resulted in the opening of 55 cases. The cases were referred within the DoD OIG and the IGs for the military services. Not all complaints result in the opening of investigative cases. Some hotline complaints include numerous allegations that result in multiple cases.

As noted in Figure 3, the majority of the complaints received during this quarter related to personnel matters, criminal allegations, reprisal, procurement or contract administration irregularities, and other personal misconduct.

Figure 3.  
Hotline Activity







WMA HT03





A U.S. Air Force F-22 prepares to receive fuel from a KC-10 Extender over Syria. (U.S. Air Force photo)

# ONGOING AND PLANNED OIR OVERSIGHT ACTIVITIES

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A U.S. Air Force C-5M Super Galaxy aircraft sits on the flight line at Incirlik Air Base, Turkey. (U.S. Air Force photo)



## ONGOING AND PLANNED OIR OVERSIGHT ACTIVITIES

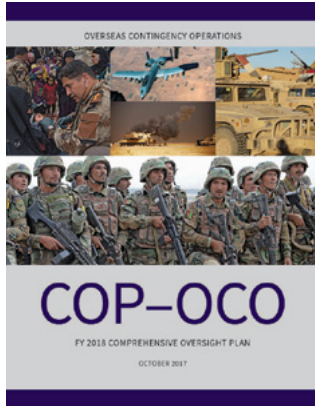
This section of the report discusses the ongoing Lead IG strategic planning process as well as ongoing and planned audit, inspection, and evaluation work. The ongoing and planned oversight projects, as of March 31, 2018, are listed in separate tables.

### STRATEGIC PLANNING

Pursuant to Section 8L of the Inspector General Act, the Lead IG is required to develop and carry out a joint strategic plan to guide comprehensive oversight of programs and operations for each overseas contingency operation. This effort includes reviewing and analyzing completed oversight, management, and other relevant reports to identify systemic problems, trends, lessons learned, and best practices to inform future oversight projects. To maximize effectiveness, the Lead IG agencies update the joint strategic plan for each operation annually.

### The Joint Planning Group Meets Quarterly

The Joint Planning Group, which began in 2008 as the Joint Planning Group for Southwest Asia, serves as a primary venue to coordinate audits, inspections, and evaluations of U.S.-funded activities supporting overseas contingency operations, including those relating to Iraq, Syria, Afghanistan, and the Philippines. The Joint Planning Group provides a forum for information sharing and coordination of the broader Federal oversight community, including the military service IGs and audit agencies, the Special Inspector General for Afghanistan Reconstruction, GAO, and the OIGs from the Departments of Justice, Treasury, Energy, and Homeland Security. The meeting in January 2018 featured a presentation discussing Operation Freedom's Sentinel in Afghanistan.



## FY 2018 Joint Strategic Oversight Plan Covers OIR

Starting in late 2014, upon designation of the DoD IG as the Lead IG for OIR, the three Lead IG agencies began developing and carrying out a joint strategic oversight plan for comprehensive oversight of OIR. That initial oversight plan has been updated each year since the initial plan was published. *The FY 2018 Joint Strategic Oversight Plan for Operation Inherent Resolve*, effective October 1, 2017, was included in the *FY 2018 Comprehensive Oversight Plan for Overseas Contingency Operations*. The strategic plan organized OIR-related oversight projects into strategic oversight areas (SOAs), which have been updated to reflect the evolving OIR mission areas as follows:

**FY 2018  
Comprehensive  
Oversight Plan  
for Overseas  
Contingency  
Operations**

### SECURITY

*Security* focuses on determining the degree to which OIR is accomplishing its mission to defeat ISIS by training, advising, and assisting the Iraqi Security Forces and vetted Syrian opposition forces, and conducting counterterrorism operations. Activities that fall under this SOA include the following:

- Countering illegal combatants and criminal elements,
- Supporting host-nation military and police, including the Iraqi Army, federal and local police, the Counterterrorism Service (Iraqi), border guard forces, tribal holding forces, the Syrian Democratic Forces, and Kurdish forces,
- Providing equipment and enablers that support targeting and air operations against ISIS and affiliates, and
- Protecting key personnel and facilities.

### GOVERNANCE AND CIVIL SOCIETY

*Governance and Civil Society* focuses on the ability of the host-nation government, at all levels, to represent and serve its citizens. Activities that fall under this SOA may include the following:

- Building or enhancing those nations' governance capacity, including the capacity to pay for their activities and services,
- Promoting inclusive and effective democracy, and civil participation and empowerment,
- Promoting reconciliation, peaceful conflict resolution, demobilization and reintegration of armed forces, and other rule of law efforts,
- Fostering sustainable and appropriate economic development activities,
- Fostering fair distribution of resources and provision of essential services, and
- Countering and reducing corruption, inequality, and extremism.

## HUMANITARIAN ASSISTANCE

*Humanitarian Assistance* focuses on aid intended to save lives, alleviate suffering, and maintain human dignity during and after conflict, as well as to prevent and strengthen preparedness for such crises. Distinct and separate from military operations, activities that fall under this SOA may include the following:

- Protection,
- Water, sanitation, and hygiene,
- Emergency food assistance,
- Relief commodities,
- Shelter,
- Healthcare,
- Education,
- Emergency livelihoods,
- Economic recovery,
- Social cohesion, and
- Coordination of related logistics.

## STABILIZATION

*Stabilization* focuses on U.S. Government efforts to enable persons affected by the overseas contingency operations to return to or remain in their homes with the expectation of basic security and government and public services. Activities that fall under this SOA include the following:

- Removing explosive remnants of war,
- Providing security forces acceptable to local populations,
- Repairing infrastructure and buildings,
- Reestablishing utilities and public services,
- Reestablishing local governance structures and supporting reconciliation,
- Setting conditions for resumption of basic commerce, and
- Planning for the provision of humanitarian assistance.

## SUPPORT TO MISSION

*Support to Mission* focuses on administrative, logistical, and management efforts that enable the United States to conduct military operations, empower host-nation governance, and provide humanitarian assistance to the local population. Activities that fall under this SOA may include the following:

- Security of U.S. personnel and property on U.S. installations,

- Occupational health and safety of personnel on U.S. installations,
- Logistical support to U.S. installations,
- Grant and contract management, and
- Program administration.

## ONGOING OVERSIGHT ACTIVITIES FOR OIR

As of March 31, 2018, the Lead IG agencies and their partner agencies had 55 ongoing projects related to OIR. Tables 6 and 7 list the project title and objective for each of these projects. Figure 4 groups the ongoing projects by strategic oversight area.

The discussion that follows highlights some of these ongoing projects by oversight area. Some projects are related to more than one strategic oversight area.

### Security

The Lead IG agencies and partner agencies are conducting 22 projects related to security. These projects include work by the DoD OIG, DoS OIG, Air Force Audit Agency (AFAA), Department of Homeland Security (DHS) OIG, Department of Justice (DoJ) OIG, and GAO.

The DoD OIG has ongoing evaluations of DoD intelligence programs related to social media exploitation and airborne intelligence, surveillance, and reconnaissance processing, exploitation, and dissemination. The DoD OIG also has an ongoing audit of the Military Sealift Command's maintenance of prepositioning of ships to ensure the ships are receiving the required maintenance.

The DoS OIG is conducting an audit of the inventory management, asset usage, aircraft maintenance, and asset disposal of the Bureau of International Narcotics and Law Enforcement Affairs' aviation program.

The Air Force Audit Agency is conducting audits related to aviation fuels management and contingency allowance equipment.

The GAO is evaluating DoD's approach for planning for, training of, and utilizing U.S. military personnel to advise and assist partner forces based on lessons learned from these efforts in Afghanistan, Iraq, and Syria. GAO is also evaluating the Special Operations Forces' operational tempo.

The DoJ OIG has ongoing projects related to the FBI's efforts to address homegrown violent extremists, and the Bureau of Prison's counterterrorism and security efforts. The DHS OIG has ongoing projects to review programs that are intended to protect the nation's critical infrastructure and to secure U.S. borders.

## Governance and Civil Society

The DoS OIG is inspecting the programs and operations of the Bureau of Democracy, Human Rights, and Labor, and is auditing the Baghdad Life Support Services risk areas to determine compliance with regulations and requirements.

## Humanitarian Assistance

USAID OIG is auditing selected obligations and costs incurred relating to USAID’s humanitarian assistance in Syria and neighboring countries. USAID OIG is also conducting a follow-up audit of Syrian implementers under investigation. The DoS OIG is auditing whether effective controls are in place to ensure that assistance to internally displaced persons in Iraq.

## Stabilization

The DoS OIG is inspecting DoS governance and stabilization programs in Iraq and Syria funded under the Further Continuing and Security Assistance Appropriations Act, 2017. USAID OIG is auditing USAID’s assistance to public international organizations. The DoD OIG is assessing United States and Coalition efforts to train, advise, assist, and equip an Iraqi Police Hold force to support of stability operations.

## Support to Mission

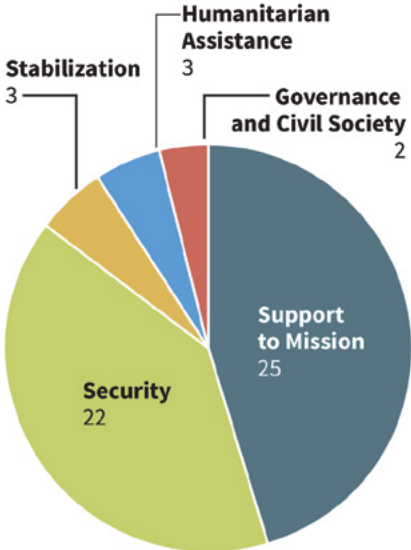
The Lead IG agencies are conducting 25 projects related to support to mission.

The DoD OIG, DoS OIG, GAO, and Air Force Audit Agency have ongoing projects examining contracting policies and procedures in the OIR area of responsibility. The DoD OIG is also evaluating the DoD’s efforts to combat trafficking in persons at DoD facilities in Kuwait.

The Army Audit Agency have ongoing audits of the operations and procedures related to civilian and military pay and entitlements. The Naval Audit Service is evaluating the Navy’s processes and internal controls of the Husbanding and Port Services Provider Program.

The DHS OIG is evaluating the Coast Guard’s oversight of identification credentials of transportation workers.

Figure 4. Ongoing Projects per Strategic Oversight Area



Note: Projects may focus on more than one SOA; therefore, totals do not represent a one-to-one correlation with the count of total projects.

Table 6.

**Ongoing OIR Oversight Projects by Lead IG Agencies, as of March 31, 2018**

<b>Project Title</b>	<b>Objective</b>
<b>DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL</b>	
<b><i>Audit of the Military Sealift Command's Maintenance of Prepositioning Ships</i></b>	To determine whether the Military Sealift Command ensured that prepositioning ships received required maintenance.
<b><i>Evaluation of Airborne Intelligence Surveillance Reconnaissance Processing, Exploitation, and Dissemination Process for Operation Inherent Resolve</i></b>	To evaluate whether the Operation Inherent Resolve Commander's intelligence requirements are being satisfied by the current Airborne Intelligence, Surveillance, and Reconnaissance Processing, Exploitation, and Dissemination process.
<b><i>Evaluation of U.S. and Coalition Efforts to Train, Advise, Assist, and Equip an Iraqi Police Hold Force in Support of Stability Operations</i></b>	To assess the U.S. and Coalition efforts to train, advise, assist, and equip Iraqi Police Hold Force in support of stability operations.
<b><i>Audit of DoD Components' Integration of Operational Contract Support</i></b>	To determine whether the combatant commands have effectively integrated operational contracting support into ongoing operations.
<b><i>Audit of Controls Over the Disposition of Equipment at the Defense Logistics Agency Disposition Services in Kuwait</i></b>	To determine whether Defense Logistics Agency Disposition Services is properly processing and disposing of equipment in Kuwait.
<b><i>Audit of Defense Information Technology Contracting Organization Contract Awards</i></b>	To determine whether the Defense Information Technology Contracting Organization is properly awarding telecommunication contracts.
<b><i>Audit of the Trans-Africa Airlift Support Contract</i></b>	To determine whether the DoD components effectively developed requirements for the Trans-Africa Airlift Support Contract.
<b><i>Audit of Management of Army Equipment in Kuwait and Qatar</i></b>	To determine whether the Army is effectively managing equipment in Kuwait and Qatar.
<b><i>Evaluation of DoD Efforts to Combat Trafficking in Persons at DoD Facilities in Kuwait</i></b>	To determine whether 1) DoD contracts in Kuwait comply with combating trafficking in persons requirements in statutes, the Federal Acquisition Regulation, Defense Acquisition Regulations System, and other DoD guidance; and 2) DoD officials are providing effective oversight in accordance with command responsibility and contracting regulations, including taking measures to address any instances of non-compliance.
<b><i>Audit of U.S. Air Force C-5 Galaxy Readiness</i></b>	To determine if the U.S. Air Force C-5 squadrons have adequate mission capable aircraft and training to support U.S. Transportation Command (USTRANSCOM) readiness mission requirements.
<b><i>Evaluation of Social Media Exploitation for OIR</i></b>	To determine if the 513th Military Intelligence Brigade (MIB), supporting element for Combined Joint Task Force (CJTF)-OIR is conducting open source intelligence, specifically social media exploitation, in accordance with DoD Directives.

<b>Project Title</b>	<b>Objective</b>
<b>DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL</b>	
<b><i>Audit of the Bureau of International Narcotics and Law Enforcement Affairs Aviation Program</i></b>	To determine whether the Bureau of International Narcotics and Law Enforcement Affairs is administering its aviation program, including key internal controls such as inventory management, aviation asset usage, aircraft maintenance, and asset disposal, in accordance with Federal requirements and departmental guidelines.
<b><i>Audit of Assistance to Internally Displaced Persons in Iraq</i></b>	To determine whether the Bureau of Population, Migration, and Refugees has effective controls in place to ensure that U.S. funds provided for internally displaced persons in Iraq are used for their intended purposes.
<b><i>Audit of Worldwide Protective Services Task Orders for Iraq and South Sudan</i></b>	To determine whether the Bureau of Diplomatic Security's management and oversight of the Triple Canopy task order is being conducted in accordance with Federal and departmental regulations and guidelines.
<b><i>Inspection of DoS Governance and Stabilization Programs in Iraq and Syria Funded under the Further Continuing and Security Assistance Appropriations Act, 2017</i></b>	To determine whether the DoS has been able to deploy funds made available under the Further Continuing and Security Assistance Appropriations Act, 2017 to support governance and stabilization efforts in Iraq and Syria.
<b><i>Inspection of the Bureau of Democracy, Human Rights, and Labor</i></b>	To inspect the overall programs and operations of the Bureau of Democracy, Human Rights and Labor.
<b><i>Audit of Baghdad Life Support Services Food Safety</i></b>	To determine whether the Baghdad Life Support Services risk areas in food operations such as cost, food handling, and safety meet the contract requirements of the Federal Acquisition Regulations, Foreign Affairs Manual, and Foreign Affairs Handbook.
<b><i>Audit of DoS Selection and Management of Contracting Officer's Representatives in Iraq</i></b>	To determine whether 1) the Contracting Officer's Representative nomination and selection process for Iraq considered qualified candidates as required by Federal and Department requirements; and 2) the management structure of CORs in Iraq allows for effective supervision and accountability for executing their responsibilities.
<b><i>Audit of Diplomatic Security's Invoice-Review Process-Middle East</i></b>	To determine whether DS's invoice review policies and procedures, training, staffing, and invoice review practices and accountability measures are sufficient to support overseas contingency operations and ensure invoice payments are reviewed in accordance with Federal requirements and Department guidance.
<b><i>Audit of Logistics and Freight Forwarding Operations provided by Pacific Architects and Engineers, Inc., in Iraq</i></b>	To determine whether logistics and freight forwarding are being conducted in accordance with acquisition regulations and departmental policies, are being monitored by the Department, and include fair and reasonable prices.
<b><i>Audit of Contracting Officer Representative (COR) Responsibility for Overseeing Invoices for Overseas Contingency Operations (OCO) Contracts</i></b>	To determine if CORs were adequately overseeing invoices for OCO contracts. Base project was split three Bureaus.



Project Title	Objective
<b><i>Audit of Baghdad Life Support Services Food Operations/ Cost Controls for BLISS Food Services</i></b>	This audit will focus on risk areas in food operations such as operations and cost control of food services. To perform the audit, DOS OIG will compare contract requirements to Federal Acquisition Regulations and the Foreign Affairs Manual and Foreign Affairs Handbook.
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL</b>	
<b><i>Audit of Selected Obligations and Costs Incurred Under USAID's Overseas Contingency Operations Relating to USAID's Humanitarian Assistance in Syria and Neighboring Countries</i></b>	To determine whether 1) USAID awarded, obligated, modified, monitored, and reported funds according to established requirements; and 2) the costs incurred were supported, allowable, allocable, and reasonable in accordance with established requirements and award provisions.
<b><i>Follow-up Audit of Syrian Implementers Under Investigation</i></b>	To determine 1) what corrective actions the selected Syria-response implementer has taken to remedy internal control weaknesses identified by investigations; and 2) if USAID eliminated oversight gaps identified by investigations of the selected Syria-response implementer.
<b><i>Audit of USAID's Assistance to Public International Organizations</i></b>	To determine 1) what assessment of risk USAID offices are conducting before awarding funds to public international organizations; 2) how the risks associated with awards to these organizations are mitigated; 3) how public international organization programs and funds are overseen by USAID offices; and 4) if other vulnerabilities exist with USAID assistance provided to public international organizations, notwithstanding currently established policies and procedures.

Table 7.

**Ongoing OIR Oversight Projects by Lead IG Partner Agencies, as of March 31, 2018**

Project Title	Objective
<b>AIR FORCE AUDIT AGENCY</b>	
<b><i>Aviation Fuels Management</i></b>	To determine whether Air Force personnel properly 1) accounted for aviation fuels transactions; and 2) computed inflight-refueling requirements.
<b><i>Aviation Fuels Management, 386th Air Expeditionary Wing</i></b>	To determine whether Wing personnel 1) accounted for aviation fuels transactions; and 2) computed inflight-refueling requirements.
<b><i>Aviation Fuels Management, 379th Air Expeditionary Wing</i></b>	To determine whether Wing personnel 1) accounted for aviation fuels transactions; and 2) computed inflight-refueling requirements.
<b><i>Aviation Fuels Management, 380th Air Expeditionary Wing</i></b>	To determine whether Wing personnel 1) accounted for aviation fuels transactions; and 2) computed inflight-refueling requirements.
<b><i>Contingency Allowance Equipment, 332nd Air Expeditionary Wing</i></b>	To determine whether Wing personnel properly managed emergency contingency allowance equipment.

<b>Project Title</b>	<b>Objective</b>
<i>Emergency Contingency Allowance Equipment</i>	To determine whether Air Force personnel properly managed emergency contingency allowance equipment.
<i>Contract Administration in a Contingency Environment, 386th Air Expeditionary Wing</i>	To determine whether Wing personnel properly 1) planned, competed, and awarded contingency contracts [including the Trafficking in Persons clause]; 2) provided oversight and quality assurance over contractor performance [including trafficking in persons]; and 3) appropriately responded to potential violations.
<i>Emergency Contingency Allowance Equipment, 386th Air Expeditionary Wing</i>	To determine whether Wing personnel properly managed emergency contingency allowance equipment.
<i>Emergency Contingency Allowance Equipment, 379th Air Expeditionary Wing</i>	To determine whether Wing personnel properly managed emergency contingency allowance equipment.
<i>Contract Administration in a Contingency Environment, 379th Air Expeditionary Wing</i>	To determine whether Wing personnel properly 1) planned, competed, and awarded contingency contracts, including the trafficking in persons clause; 2) provided oversight and quality assurance over contractor performance, including the trafficking in persons clause; and 3) appropriately responded to potential violations.
<i>Contract Administration in a Contingency Environment</i>	To determine whether Wing personnel properly 1) planned, competed, and awarded contingency contracts (including trafficking in persons clause); 2) provided oversight and quality assurance over contractor performance [including trafficking in persons]; and 3) responded to potential trafficking in persons violations.
<b>ARMY AUDIT AGENCY</b>	
<i>Audit of Overtime Pay and Entitlements for Deployed Civilians</i>	To verify that 1) overtime was effectively managed; and 2) downrange entitlements (to include danger and post-differential pay) were accurately paid for civilians deployed in support of Operation Freedom's Sentinel and Operation Inherent Resolve.
<i>Audit of the Deployable Disbursing System</i>	To verify that Deployable Disbursing System 1) transactions were controlled, supported, and accurately recorded; and 2) users were properly trained.
<b>DEPARTMENT OF HOMELAND SECURITY OFFICE OF INSPECTOR GENERAL</b>	
<i>TSA's Prevention of Terrorism Through its Foreign Repair Station Inspections</i>	To determine whether TSA's current inspection process effectively identifies and mitigates aircraft tampering risks and how it works with the Department of Transportation's Federal Aviation Administration at foreign repair stations that TSA cannot inspect.
<i>Customs and Border Protection's Global Entry Program</i>	To determine to what extent Customs and Border Protection monitors Global Entry participants to ensure their continuous vetting and eligibility redetermination.

<b>Project Title</b>	<b>Objective</b>
<b><i>Audit of Information Technology Security Controls over Cargo Areas at Airports and Ports</i></b>	To determine how the DHS has implemented computer security controls for their systems in the cargo areas at U.S. airports and ports.
<b><i>U.S. Customs and Border Protection's Searches of Electronic Devices</i></b>	To determine whether the U.S. Customs and Border Protection is conducting searches of electronic devices at or between United States ports of entry according to required procedures.
<b><i>Access Control and Security Identification Display Area Badge Covert Testing</i></b>	To determine whether the Transportation Security Administration implements effective requirements and procedures to safeguard the sterile areas of U.S. airports.
<b><i>Audit of DHS Air Support in the Rio Grande Valley</i></b>	To determine whether the U.S. Customs and Border Protection receives required air support.
<b><i>Federal Air Marshal Service—International Flight Operations</i></b>	To evaluate the methodology for Federal Air Marshal International flight coverage and the capabilities for interdicting improvised explosive devices.
<b><i>Transportation Worker Identification Credential</i></b>	To evaluate the Coast Guard's oversight of Transportation Worker Identification Credential enforcement for regulated vessels and facilities.
<b><i>The Effectiveness of DHS' Coordination Efforts to Secure the Nation's Election System</i></b>	To determine the Department's effectiveness in coordinating efforts to secure the nation's election system.
<b>DEPARTMENT OF JUSTICE OFFICE OF INSPECTOR GENERAL</b>	
<b><i>Efforts to Protect Seaports and Maritime Activity</i></b>	To review the FBI's roles and responsibilities for 1) assessing maritime terrorism threats; 2) preventing and responding to maritime terrorist incidents; and 3) coordinating with the DHS components to ensure seaport security.
<b><i>Efforts to Address Homegrown Violent Extremists</i></b>	To 1) review the FBI's homegrown violent extremist casework and resource management; 2) evaluate the FBI's coordination with relevant components and its strategic and tactical policies and processes to identify and address threats; and 3) assess the FBI field divisions' implementation of strategic and tactical policies and processes to investigate homegrown violent extremist threats.
<b><i>Audit of the Bureau of Prison's Counterterrorism Efforts</i></b>	To review the Bureau of Prison's policies, procedures, and practices for monitoring inmates with known or suspected ties to domestic and foreign terrorism and its efforts to prevent further radicalization among its inmate population.

Project Title	Objective
<b>GOVERNMENT ACCOUNTABILITY OFFICE</b>	
<p><b><i>Institutionalizing Advise-and-Assist Lessons Learned</i></b></p>	<p>To evaluate the extent to which the DoD has 1) modified its approach for planning for, training, and utilizing U.S. military personnel to advise and assist partner forces based on lessons learned from advise-and-assist efforts in Afghanistan, Iraq, and Syria; 2) incorporated lessons learned from challenges the DoD has faced in providing and utilizing U.S. military personnel to carry out their assigned advise-and-assist missions in support of geographic combatant commands; 3) incorporated lessons learned from past challenges they have experienced in providing key enablers for the advise-and-assist missions, including air support; intelligence, surveillance, and reconnaissance; logistics; or other enabling capabilities; and 4) assessed and institutionalized specific lessons from Operation Inherent Resolve, Operation Freedom’s Sentinel, and other past and present advise-and-assist missions in various geographic combatant commands to identify and implement necessary changes to doctrine, training, and force structure to support ongoing and future advise-and-assist missions.</p>
<p><b><i>Special Operations Forces Operational Tempo</i></b></p>	<p>To determine what 1) challenges, if any, has the DoD faced in providing special operations forces to meet the requirements of the geographic combatant commands; 2) extent the DoD considers the operational tempo in prioritizing and tasking special operations forces deployments in support of U.S. Central Command operations, including determining tradeoffs between conventional and special operations forces capabilities and the requirements of other geographic combatant commands; 3) challenges, if any, has the DoD faced in providing deployed special operations forces with key enablers including, but not limited to, airlift, medical evacuation, intelligence, expeditionary base operating support, logistics, and airfield operations; 4) extent the DoD assessed the impact of special operations forces mission and deployment rates on unit readiness and the availability of special operations forces to conduct other missions and support the requirements of other geographic combatant commands; and 5) extent the reliance on overseas contingency operations funding has impacted the readiness of special operations forces and how will it continue to impact special operations forces if funding isn’t shifted to the base defense budget in future years.</p>

Project Title	Objective
<b><i>Disposition of Selected U.S. Assistance to Iraq's Security Forces</i></b>	To determine 1) what policies and procedures are in place to ensure the accountability, physical security, and end use of U.S.-provided equipment through the Iraq Train and Equip Fund after transfer to the government of Iraq, Kurdistan Regional government, and to what extent are these policies and procedures being carried out; 2) what is known about the location and use of equipment provided through the Iraq Train and Equip Fund after transfer; and 3) what controls are in place to ensure the accountability of Iraq Train and Equip Fund-funded cash transfers to the government of Iraq, Kurdistan Regional government, and other recipients.
<b><i>Vendor Vetting</i></b>	To determine 1) the extent the DoD and its geographic combatant commands have developed guidance on vendor vetting; 2) the extent the DoD and its geographic combatant commands have established and are implementing vendor-vetting processes, including information systems involved in vendor vetting; 3) the extent the DoD and its geographic combatant commands have internal controls in place to ensure that the information used to make determinations of vendor risk, including appeals processes is complete, accurate, and timely, and available to vendors; and 4) the challenges, if any, the DoD is facing regarding vendor vetting.
<b>NAVAL AUDIT SERVICE</b>	
<b><i>Department of the Navy Husbanding and Port Services Provider Program-U.S. Fleet Forces</i></b>	To verify that 1) processes and internal controls over management, execution, and oversight of the Navy Husbanding and Port Services Provider Program are in place, functioning effectively, and in compliance with applicable laws and regulations; and 2) agreed-to corrective actions on closed recommendations in previous NAVAUDSVC report, "Navy Husbanding and Port Services Contracts," dated 30 Sep 14 were properly implemented.

# PLANNED OVERSIGHT ACTIVITIES FOR OIR

As of March 31, 2018, the Lead IG agencies and their partner agencies had 22 planned oversight projects related to OIR. Table 8 and 9 provide the project title and objective for each of the planned projects.

The discussion that follows highlights some of these planned projects by oversight area. Some projects are related to more than one strategic oversight area.

## Security

The Lead IG agencies and partner agencies are planning to conduct 6 oversight projects related to security.

The DoD OIG is planning to evaluate intelligence-related programs and operations related to compartmented geospatial intelligence collection and DoD biometric-enabled intelligence to determine whether they meet the OIR Commander’s requirements and the implementation status of previous DoD OIG recommendations. The DoD OIG will also audit the oversight of private security contracts at Balad Air Base in Iraq.

The DoS OIG will audit grants and cooperative agreements to counter violent extremism in the Middle East. The Department of the Treasury OIG has planned projects to review activities that support counter-ISIS and counterterrorism missions.

## Governance and Civil Society

The DoS OIG is planning to audit DoS policies and oversight of Iraq’s post-conflict development and sustainment.

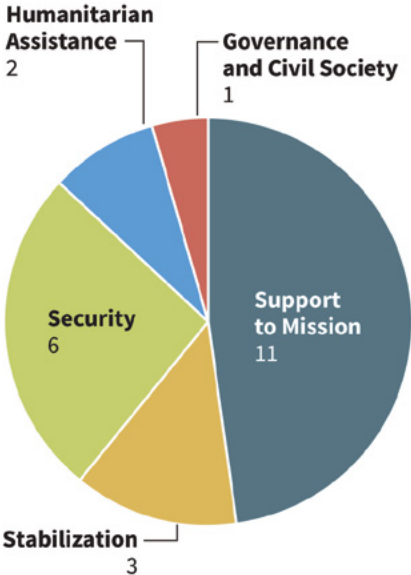
## Humanitarian Assistance

USAID OIG is planning to audit the Bureau for Democracy, Conflict, and Humanitarian Assistance’s roles and effectiveness at monitoring and addressing program implementation oversight during a humanitarian crisis. The DoS OIG is planning a follow-up review of DoS oversight assistance provided in Syria.

## Stabilization

USAID OIG is planning to audit USAID’s oversight of its stabilization projects in Iraq, and the DoD OIG will audit DoD’s plan for coordinating its reconstruction and stabilization efforts in Iraq with the DoS.

Figure 5. Planned Projects per Strategic Oversight Area



Note: Projects may focus on more than one SOA; therefore, totals do not represent a one-to-one correlation with the count of total projects.

## Support to Mission

The Lead IG agencies and partner agencies are planning to conduct 11 support to mission oversight projects.

The DoD OIG is planning an audit to determine whether the DoD has policies and procedures in place to account for DoD government-furnished equipment. Another DoD OIG project will evaluate a United States air base in Kuwait to determine whether the facilities comply with DoD health and safety policies.

The DoS OIG will audit fuel acquisition and distribution, and the administration of grants for the Trafficking in Persons Offices.

The Naval Audit Service will audit Department of the Navy financial data reported for overseas contingency operations to verify the accuracy of the Navy's obligations and disbursements supporting overseas contingency operations.

Table 8.

### Planned OIR Oversight Projects by Lead IG Agencies, as of March 31, 2018

Project Title	Objective
<b>DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL</b>	
<i>Evaluation of Compartmented Geospatial Intel Collection for OIR Intelligence Requirements</i>	To determine whether compartmented geospatial intelligence collection is being effectively used to satisfy existing collection gaps in Operation Inherent Resolve intelligence requirements.
<i>Evaluation of DoD Biometric-Enabled Intelligence Operations for OIR</i>	To determine whether biometric-enabled intelligence effectively supports the Operation Inherent Resolve Commander's requirements
<i>Summary Report of Recommendations from OCO Intelligence Evaluations</i>	To determine if recommendations from the DoD OIG intelligence evaluations affecting Operation Inherent Resolve and Operation Freedom's Sentinel have been implemented.
<i>Audit of DoD Oversight of Private Security Contracts at Balad Air Base in Iraq</i>	To determine whether the DoD is providing effective oversight of private security contracts in Iraq.
<i>Audit of the DoD Plan for Reconstruction and Stabilization in Iraq</i>	To determine whether the DoD and DoS effectively planned and coordinated for stabilization efforts in Iraq and Syria.
<i>U.S. Military Facility Evaluation—Ahmad Al Jaber Air Base, Kuwait</i>	To determine if U.S. military-occupied facilities comply with DoD health and safety policies and standards regarding electrical distribution, and fire protection. Additionally, to determine the validity of a DoD Office of Inspector General Hotline complaint.
<i>Evaluation of Theater Linguist Support for Operation Inherent Resolve</i>	To review policies and procedures impacting the recruitment, hiring, and employment of military and contract linguists on the conduct of the Operation Inherent Resolve and Operation Freedom's Sentinel campaigns.
<i>Audit of Property Management and Reporting of DoD Government-Furnished Equipment</i>	To determine whether the DoD has policies and procedures in place to accurately account for government-furnished equipment in accordance with generally accepted accounting standards.

Project Title	Objective
<b>DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL</b>	
<i><b>Audit of DoD Policies for Iraq’s Post-Conflict Development and Sustainment</b></i>	To determine whether the DoS has policies in place to ensure that it’s post-conflict foreign assistance programs in Iraq are sustained.
<i><b>Follow-up Review of DoS Oversight Assistance Provided in Syria</b></i>	To determine whether the DoS implemented actions to address the deficiencies identified in the prior OIG report.
<i><b>Audit of Turkey Fuel Acquisition and Distribution</b></i>	To determine whether 1) fuel acquisition, storage, and distribution are performed in accordance with contract terms and Federal regulations; and 2) the DoS is adhering to policies and procedures to ensure the safety and security of post personnel.
<i><b>Audit of New Consulate Construction–Erbil, Iraq</b></i>	To determine whether the Bureau of Overseas Building Operations has effective quality assurance processes in place to ensure that the contractor builds the Erbil Consulate to the specifications agreed to in the contract.
<i><b>Audit of Aviation Working Capital Fund Cost Center</b></i>	To determine whether the fees collected by the Aviation Working Capital Fund cost center were sufficient to cover all costs required to sustain operations in Iraq and Afghanistan.
<i><b>Audit of Embassy Baghdad Power Plant Construction Cost Increases</b></i>	To determine the reasons for cost increases for the construction of the power plant in Baghdad, whether cost increase were supported with required documentation, and whether departmental oversight and management of the project was in compliance with DoS guidance.
<i><b>Audit of the DoS Armored Vehicle Procurement Process</b></i>	To determine whether DoS contractors providing armoring services to the Department comply with contract terms and conditions.
<i><b>Audit of the Administration and Oversight of Grants within the Office to Monitor and Combat Trafficking in Persons</b></i>	To determine to what extent the Office to Monitor and Combat Trafficking in Persons’ administration and oversight of grants are in accordance with applicable Federal acquisition regulations and Department guidance.
<i><b>Audit of Grants and Cooperative Agreements to Counter Violent Extremism in the Middle East</b></i>	To determine whether the DoS has 1) developed goals and objectives for its strategy to counter violent extremism; and 2) monitored funds provided to support those objectives.
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL</b>	
<i><b>Audit of USAID, Bureau for Democracy, Conflict, and Humanitarian Assistance Oversight During a Humanitarian Crisis</b></i>	To examine the 1) roles of the Bureau for Democracy, Conflict, and Humanitarian Assistance and its independent offices in conducting oversight; and 2) their effectiveness at monitoring and addressing program implementation.
<i><b>Audit of USAID/Iraq Activities</b></i>	To determine the extent USAID conducted oversight of its stabilization projects in Iraq.



Table 9.

**Planned OIR Oversight Projects by Lead IG Partner Agencies, as of March 31, 2018**

<b>Project Title</b>	<b>Objective</b>
<b>NAVAL AUDIT SERVICE</b>	
<i>Department of the Navy Financial Data Reported for Overseas Contingency Operations</i>	To verify the accuracy of the Department of the Navy's obligations and disbursements supporting overseas contingency operations as reported in the <i>Cost of War</i> report.
<b>DEPARTMENT OF THE TREASURY OFFICE OF INSPECTOR GENERAL</b>	
<i>Office of Foreign Assets Control Management of the Counterterrorism Sanctions Program</i>	To determine whether 1) Office of Foreign Assets Control's Counterterrorism Sanctions program complies with applicable laws and regulations; and 2) Office of Foreign Assets Control officials properly document and approve program decisions and deliberations.
<i>Survey of Treasury's Coordination within the ISIS Integrated Mission Team</i>	To 1) understand the ISIS IMT's mission and the collaboration amongst participants; and 2) how the IMT is assisting in developing Treasury's plan to disrupt ISIS's financing.





The local officials of Lanao del Sur visiting the Ground Zero or Main Battle Area in Marawi City. (Philippine Information Agency photo)

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## OPERATION PACIFIC EAGLE- PHILIPPINES

Operation Pacific Eagle-Philippines (OPE-P) was designated as an overseas contingency operation on September 1, 2017. The mission of OPE-P is to support the Philippine government and military in their efforts to isolate, degrade, and defeat Islamic State of Iraq and Syria (ISIS) affiliates and other terrorist organizations in the Philippines. The DoD leads this operation while coordinating efforts with other U.S. Government agencies and international partners.<sup>1</sup>

The U.S. counterterrorism effort in the Philippines began shortly after the attacks of September 11, 2001, when the DoD identified groups linked to al Qaeda in the southern Philippines. These groups held U.S. hostages and provided safe haven to other trans-regional terrorist organizations planning attacks such as the 2002 bombings in Bali, Indonesia. Operation Enduring Freedom-Philippines (OEF-P) was initiated in 2002 as an effort to support the Philippine government in its fight against terrorists who were supported by or aligned with trans-national terrorist organizations. The DoD ended OEF-P in 2015 but maintained a small special operations effort of less than 200 personnel to continue to train, advise, and assist the AFP and to monitor the region for terrorist resurgence.<sup>2</sup>

DoD officials stated that OPE-P was designated to acknowledge the severity of the threat facing the Philippines after local terrorist organizations associated with ISIS (collectively referred to as ISIS-Philippines or ISIS-P) seized the city of Marawi, a provincial capital

Internally displaced persons (IDPs) from Marawi City return to their homes. (Philippine Information Agency photo)

**The 5-month battle to reclaim Marawi from ISIS-P's control resulted in the deaths of at least 920 militants, 165 Philippine soldiers, and 47 civilians.**

with a population of 200,000 on the island of Mindanao, and held it for 5 months. While the Philippines has struggled with Islamist insurgency for decades, the siege of Marawi demonstrated new levels of organization and violent tactics by these Philippine jihadist groups, as well as foreign support for them. According to the DoD, OPE-P seeks to build upon existing counterterrorism efforts to help the Philippine government respond to the threat posed by ISIS-P and other trans-national terrorist organizations and to prepare the Armed Forces of the Philippines (AFP) to respond to possible future attacks.<sup>3</sup>

The 5-month battle to reclaim Marawi from ISIS-P's control resulted in the deaths of at least 920 militants, 165 Philippine soldiers, and 47 civilians.<sup>4</sup> At the height of the conflict, approximately 98 percent of Marawi's 200,000 residents were displaced. Philippine President Rodrigo Duterte announced the defeat of the insurgent force in Marawi and the city's liberation on October 17, 2017. However, a humanitarian crisis remains as displaced residents attempt to return to homes devastated by violence.<sup>5</sup> The entire island of Mindanao has been under martial law, which began at the start of the Marawi siege in May 2017 and is scheduled to be lifted at the end of 2018.<sup>6</sup>

In the battle to reclaim Marawi, the AFP dealt a significant blow to ISIS-P's force strength, including the elimination of the group's top two leaders, Isnilon Hapilon and Omar Maute. According to DoD officials, this has significantly hampered ISIS-P's ability to launch an attack in the near term on a scale similar to the overrun of Marawi.<sup>7</sup> Nonetheless, a senior official stated in an interview that the group's ability to seize and hold a major city for several months established the strength of the ISIS brand in the Philippines, which the group may use to attract new membership locally and financial support from abroad.<sup>8</sup>

## THE OPE-P MISSION

### U.S. Support for Philippine Counterterror Operations

DoD officials stated that the contingency operation designation of OPE-P had not significantly altered the way in which U.S. forces already operate in country and has not resulted in an increased U.S. military presence.<sup>9</sup> According to media reports, between 200 and 300 U.S. military advisors were serving in the Philippines as of January 2018.<sup>10</sup> DoD officials said the precise number of U.S. advisors in the Philippines fluctuates based on requests for support from the AFP.<sup>11</sup> Because the DoD does not maintain any permanent bases in the Philippines, U.S. advisors rotate in and out of the country on a temporary basis to fulfill operational requirements.<sup>12</sup>

According to DoD officials, OPE-P does not involve any unilateral U.S. counterterrorism operations but rather seeks to enable the AFP to isolate, degrade, and defeat the ISIS elements operating within their country.<sup>13</sup> U.S. Pacific Command (USPACOM) routinely conducts general military training exercises with the AFP to share tactics and techniques and to strengthen the bilateral alliance. U.S. special operations forces are assigned on a rotational basis to assist in building AFP professionalization and operational capacity, including expert advice on how to develop plans, metrics, and after action reviews. This

Recovered firearms from local terrorists inspected by some Cabinet Secretaries in Marawi. (Philippines Presidential Communications Operations Office photo)



quarter, U.S. support to the AFP included information sharing, surveillance capabilities, and training and guidance on how to fight terrorist organizations such as ISIS-P.<sup>14</sup>

Major assets delivered to the AFP this quarter included 6 ScanEagle unmanned aerial surveillance systems, valued at a total of \$13.76 million, funded through the DoS's Foreign Military Financing program.<sup>15</sup> According to the manufacturer, ScanEagle unmanned aerial systems are capable of remaining aloft for over 24 hours at altitudes up to 19,500 feet. Using an encrypted datalink, the system can provide video monitoring of terrorist targets to operators on the ground. The ScanEagle system is employed by the DoD in a wide range of operational environments.<sup>16</sup>

According to DoD officials, the U.S. military has a long history of providing training and support to the AFP, and this will likely remain an enduring mission for USPACOM. The Secretary of Defense has directed USPACOM to identify a conditions-based pathway to facilitate the gradual reduction of DoD support under OPE-P, with an emphasis on building Philippine counterterrorism capabilities, leveraging regional partnerships, and synchronizing efforts across the U.S. and Philippine inter-agencies.<sup>17</sup> The Lead IG will report on USPACOM's plans and benchmarks for OPE-P as soon as they are made publicly releasable.

This quarter, USPACOM measured its progress in OPE-P using three primary lines of effort:

- Isolating, degrading, and defeating ISIS-P and priority violent extremist organizations.
- Countering radicalization and violent extremism.
- Building partner capacity to deny terrorist safe havens.

According to DoD officials, USPACOM evaluates shorter-term military objectives that fit under the above lines of effort on a quarterly basis.<sup>18</sup>

In addition to the military effort, the DoS Bureau of Counterterrorism and Countering Violent Extremism funded two one-week training courses for the PNP and aviation security officials on fraudulent document recognition and behavioral analysis this quarter. The Bureau also supported an assessment of Manila Ninoy Aquino International Airport, the principal

**As of March 13, 2018, the DoD had obligated \$15 million in support of OPE-P in FY 2018 and approximately \$31 million since the contingency operation began in September 2017.**

airport serving the capital city, in January. Following the initial assessment, the DoS and Department of Homeland Security, including the Transportation Security Administration, engaged with the Philippine Office for Transportation Security to address identified vulnerabilities and monitor for corrective actions.<sup>19</sup>

## **Base Funding Supports OPE-P in FY 2018, OCO Requested for FY 2019**

Over the past 8 years, the U.S. Government has provided a total of over \$1 billion in foreign assistance to the Philippines. While most of this funding is directed toward humanitarian assistance, disaster relief, and long-term development projects, this funding also included more than \$85 million in counterterrorism-related equipment, training, and support to the AFP and approximately \$65 million to enhance the Philippines' maritime security capabilities.<sup>20</sup>

As of March 13, 2018, the DoD had obligated \$15 million in support of OPE-P in FY 2018 and approximately \$31 million since the contingency operation began in September 2017.<sup>21</sup> Most of the expenditures for FY 2018, \$14.3 million, were for unmanned aerial vehicles to provide aerial intelligence, surveillance, and reconnaissance support to the AFP. Other costs included \$726,155 for C-17 cargo plane airlift support. USPACOM also reported that the Navy planned to award \$23 million for additional intelligence, surveillance, and reconnaissance contractor services upon the planned completion of a contract in May 2018.<sup>22</sup> According to USPACOM, no weapons, ammunition, or other equipment have been provided to the AFP under OPE-P during this fiscal year.<sup>23</sup>

The DoD requested \$108.2 million to support OPE-P in FY 2019.<sup>24</sup> Although current regulations do not include the Philippines as an eligible location for overseas contingency operations (OCO) funding, the Office of Management and Budget (OMB) granted a waiver to these rules permitting the DoD to include its FY 2019 request for OPE-P in the OCO budget. However, given the relatively small size of the operation, the DoD did not explicitly include OPE-P in its FY 2019 OCO budget justification.<sup>25</sup>

According to USPACOM officials, the principal driver of OPE-P's costs in FY 2019 will continue to be intelligence, surveillance, and reconnaissance support, both contracted (\$41.8 million) and military (\$36.7 million). Other planned costs include contracted casualty evacuation and transportation of passengers and cargo (\$24.8 million) and investment in facilities, utilities, vehicles, and equipment to support U.S. advisors embedded with the AFP (\$4.9 million).<sup>26</sup>

The DoS budget request for FY 2019 includes \$30 million in OCO funding to support Foreign Military Financing (FMF) for the Philippines. The DoS's budget justification states that U.S. assistance will focus on improving the AFP and the Philippine Coast Guard's regional maritime security capacity with new technology to enhance their situational awareness in Philippine territorial waters. Requested FMF for FY 2019 will also support training programs to improve the monitoring, detection, and interdiction capabilities of the Philippine security forces.<sup>27</sup>

## No Progress Toward Revising OCO Funding Criteria Despite GAO Recommendation

As of the end of this quarter, none of the funds expended in support of OPE-P have come out of the DoD's OCO appropriations. The Office of Management and Budget (OMB), in consultation with the DoD, determines how and where OCO appropriations may be spent. Following the termination in 2015 of OEF-P, the previous U.S. counterterrorism mission in the Philippines, the OMB and the DoD determined that the Philippines was no longer an eligible location for the use of OCO funds. However, the DoD Comptroller requested and received a waiver of the current rules in order to request OCO funds to support OPE-P in the President's Budget for FY 2019.<sup>28</sup>

In January 2017, a Government Accountability Office (GAO) report recommended that the OMB and the DoD Comptroller reevaluate and revise the criteria for determining which activities are eligible for OCO funding. The GAO report stated that these criteria, last updated in 2010, no longer reflected the DoD's current operations. The DoD concurred with the recommendation to update these criteria, and the GAO report included no agency comments from the OMB.<sup>29</sup>

Over a year after this GAO report was issued, no progress has been made toward revising the OCO Funding criteria. The DoD Comptroller stated that the OMB and the DoD used the 2010 criteria to inform the FY 2019 budget request for OCO, which has since been delivered to Congress. However, the DoD Comptroller added that the primary determinants of the amounts requested in the President's budget were the total resources needed across base and OCO to implement the National Defense Strategy while complying with the Bipartisan Budget Act of 2018.<sup>30</sup>

The Addendum to the FY 2019 Budget stated that the DoD anticipates a reduction in requested OCO funding in the future, stating that, "In FY 2020 and the out years, the Administration proposes returning to OCO's original purpose by shifting certain costs funded in OCO to the base budget where they belong."<sup>31</sup> The DoD Comptroller's office said that the DoD plans to work with the OMB to implement that guidance as part of the FY 2020 budget process but offered no indication as to whether GAO's recommendation would be implemented.<sup>32</sup>

**In January 2017, a Government Accountability Office (GAO) report recommended that the OMB and the DoD Comptroller reevaluate and revise the criteria for determining which activities are eligible for OCO funding.**





The Eastern Mindanao Command of the AFP deploys an additional peacekeeping battalion in an effort to allay fears posed by the terrorists New People's Army (NPA). (Philippine Information Agency photo)

## International Focus on the Philippines

OPE-P is a bilateral operation between the United States and the Philippines, and DoD officials stated there were no plans to expand the effort into a “coalition.” According to DoD officials, Australia was the only other country actively participating in counterterrorism operations in the Philippines this quarter. The Australian government provides training for the AFP to build its operational counterterrorism capacity, specifically in urban environments.<sup>33</sup> According to DoD officials, support from the Australian Defence Force included a commitment to deploy up to 80 mobile training teams to the Philippines. DoD officials stated that any third-country activity in the Philippines, such as Australia’s, is coordinated bilaterally with the AFP. U.S. forces coordinate and de-conflict their efforts through preexisting bilateral defense attaché and liaison relationships.<sup>34</sup>

According to DoD officials, the Philippines maintains a strong strategic partnership with the Association of Southeast Asian Nations and has participated in the group’s effort to promote regional efforts to combat violent extremism. The Philippine government is also a signatory to a trilateral agreement with Malaysia and Indonesia that is intended to improve the maritime security environment in the Sulu and Celebes Seas.<sup>35</sup> Despite these efforts, independent analysis by security experts suggests that porous maritime borders would remain a key vulnerability for the Philippines.<sup>36</sup>

Some countries have been reluctant to provide military assistance to the Philippines because of human rights concerns with the administration of President Duterte. This quarter, Duterte cancelled an agreement to purchase 16 military helicopters from Canada after the Canadian government ordered a review of the sale. While the agreement

stipulated that the helicopters would be used only for non-combat operations, President Duterte and Philippine military officials made statements indicating that they would be used to combat Islamist and communist rebels. This generated concern in the Canadian Parliament and led to the deal being scuttled.<sup>37</sup>

While China has not played a significant role in counterterror operations in the Philippines, Chinese companies were among several international investors bidding on contracts to rebuild Marawi. According to media reports, the Philippines' Housing and Urban Development Coordinating Council has set an ambitious goal of reconstruction that involves demolishing the most severely damaged infrastructure and constructing more modern buildings, roads, and electrical utilities by December 2021.<sup>38</sup> According to the DoS, the timeline for this project has resulted in some discontent among local populations, who claim they did not have a voice in the process.<sup>39</sup> After the quarter ended, on April 10, President Duterte visited China to discuss plans for a Chinese-led consortium to take on the leading role in the estimated \$1.5 billion reconstruction effort.<sup>40</sup>

## ISIS-P AFTER MARAWI

### Fighting Results in Temporary Setbacks for ISIS-P

ISIS-P's capture of Marawi, a provincial capital with a population of 200,000, represented a significant change for southern Philippine jihadist groups in terms of both tactics and capabilities. A predominantly rural insurgency movement—once confined to sparsely populated jungles and employing rudimentary guerrilla tactics—shifted its attention to a major population center. The tactics employed in Marawi bore the hallmarks of ISIS's Middle Eastern core organization, such as the use of sniper fire, hostages for protective cover, and tunnel networks to avoid detection. A Philippine military official told reporters that the fighters in Marawi employed significantly more sophisticated equipment than in the past, including high-powered weapons, night vision goggles, and unmanned aerial vehicles for surveillance. Additionally, what had previously been a local insurgency focused on Philippine Muslim independence began to espouse global jihadist themes and to draw foreign fighters from as far away as Saudi Arabia and Pakistan.<sup>41</sup>

According to USPACOM, the 5-month siege of Marawi took a significant toll on the force strength of ISIS-P and prevented the insurgents from conducting any major attacks in the immediate aftermath of the heavy fighting, which ended in October 2017.<sup>42</sup> USPACOM reported that ISIS-P did not control any territory in the Philippines this quarter, and there were no reports of ISIS-P aligned fighters still present in Marawi.<sup>43</sup> According to USPACOM, the loss of senior ISIS-P leadership severed the functional relationship between ISIS-P and its Middle Eastern affiliates, although ISIS leaders in Syria were attempting to reestablish contact with elements in the southern Philippines.<sup>44</sup>

ISIS-P's Abu Sayyaf Group (ASG) and Maute Group components were especially hard hit in Marawi. Both of the groups' leaders, Isnilon Hapilon and Omar Maute respectively, were killed along with an estimated total of over 900 fighters, but neither the ASG nor

**While China has not played a significant role in counterterror operations in the Philippines, Chinese companies were among several international investors bidding on contracts to rebuild Marawi.**

the Maute Group has been eliminated completely. Both are attempting to reconstitute elsewhere on Mindanao, but USPACOM assessed that the insurgents' capacity to act in the short term had been significantly curtailed.<sup>45</sup> USPACOM cautioned that it must be assumed that the surviving militants loyal to ISIS-P have retained the additional skills and capabilities demonstrated in the Marawi campaign.<sup>46</sup>

## Contenders Vie to Fill ISIS-P Power Vacuum

At the end of the quarter, ISIS-P had been without a single leader since the death of Isnilon Hapilon. According to USPACOM officials, the command and control structure of ISIS-P was fragmented and not easily identifiable as a result of their combat losses in Marawi.<sup>47</sup> As of the end of the quarter, ISIS's core international leadership had yet to recognize a new ISIS-P emir publicly, as it did with Hapilon. The AFP has identified several potential candidates who may replace Hapilon as emir, including Furuji Indama, Humam Abdul Najib (also known as Abu Dar), and Ismael Abdulmalik (also known as Abu Turaife).<sup>48</sup>

This quarter, USPACOM reported that the largest single source of force strength from the numerous violent extremist groups that make up ISIS-P and the most operationally capable terrorist group on Mindanao was the Bangsamoro Islamic Freedom Fighters (BIFF). In contrast to the ASG and the Maute Group, the BIFF had fewer fighters in Marawi during the siege and maintains a larger force in central and western Mindanao. Concentrated in the Maguindanao area, just south of Marawi, the BIFF is split into at least three factions, some of which are not affiliated with ISIS, although the largest faction is led by Abu Turaife, an ISIS loyalist and potential successor to Hapilon as emir.<sup>49</sup>

Ebrahim Murad, the leader of the Moro Islamic Liberation Front (MILF)—a former terrorist group now working with the Philippine government toward peace—told reporters that his organization's intelligence suggested that a reconstituted ISIS-P might seek to

Table 10.

### Islamist Nationalist/Separatist Groups in the Philippines

	Founded	Split From	Peace Accord with Government	Pledged to ISIS-P
Moro National Liberation Front (MNLF)	1972	—	1996	—
Moro Islamic Liberation Front (MILF)	1977	MNLF	2014*	—
Abu Sayyaf Group	1991	MNLF	—	2014**
Bangsamoro Islamic Freedom Fighters (BIFF)	2010	MNLF	—	2014**
Maute Group	2012	—	—	2015
Ansar Khalifa Philippines	2014	—	—	2014

\* Since 2014, the Moro Islamic Liberation Front has gradually lost members who have become dissatisfied with the result of the peace deal and defected to violent Islamic groups.

\*\* Smaller factions remain independent from ISIS-P

Sources: U.S. PACOM, 3/28/2018; Stanford University

President Rodrigo Roa Duterte meets with the leaders of the Moro Islamic Liberation Front (MILF) in Davao City. (Philippine Presidential photo)



repeat its performance in Marawi in another city. Murad mentioned Cotabato, a BIFF stronghold in central Mindanao, and Iligan, approximately 20 miles north of Marawi, as potential targets. Murad added that foreign fighters were entering through the Philippines' porous borders to supplement ISIS-P's recently lost forces.<sup>50</sup>

## Manila as a Potential Target

Several high profile terrorist arrests in the Philippine capital of Manila this quarter suggest that ISIS-P may be seeking to expand operations from the predominantly Muslim regions in the country's south to the capital in the north. On February 19, then-Philippine National Police (PNP) Director General Ronald de la Rosa announced the arrest of Fehmi Lassoued, a Tunisian national accused of serving as a recruiter for ISIS, and his alleged local accomplice, Anabel Salipada, in Manila. De la Rosa stated that Lassoued had served as an ISIS commander in Syria and conducted negotiations between the terrorist organization and local government officials in Syria and Turkey. Lassoued allegedly entered the Philippines in July 2016 from Iran using a fake passport. As of the end of this quarter, Lassoued and Salipada were both facing weapons and explosives charges.<sup>51</sup>

According to media reports, two other terror suspects arrested in Manila this quarter were Abdelhakim Labidi Adib, a Spanish national with alleged ties to the ASG, and Nasser Lomondot, a suspected Maute Group sub-leader. While these arrests represent successes for the joint counterterrorism operations of the Philippine military and police, they also raise concerns that multiple ISIS-affiliated terrorists were operating in the Philippines' capital city. Then-Director General de la Rosa acknowledged that Lomondot's ability to flee Mindanao via public transportation in January 2018 after the recapture of Marawi represented a failure of the Philippine security forces.<sup>52</sup>

## Terrorist Recruitment Financed by Looting

According to media reports, ISIS-P used cash, gold, and jewelry looted during the siege of Marawi to recruit approximately 250 new fighters. The initial ISIS-P attack on the city

**The AFP acknowledged that a small number of soldiers had been disciplined for looting in Marawi but insisted that the practice was not widespread.**

took place shortly before the start of the Muslim holy month of Ramadan. Marawi's chief of police told reporters that due to the tradition of giving gifts of money during Ramadan, banks and homes would have had more cash on hand than usual. ISIS-P reportedly used explosives to blow open the vaults of the city's three main banks in addition to looting other businesses and homes.<sup>53</sup>

Abu Dar, an ISIS-P commander identified as a possible successor to Hapilon as emir, escaped the city with the stolen money before the AFP security perimeter was fully in place.<sup>54</sup> While the AFP could not quantify the exact amount of money stolen, a senior official estimated the total to be around 2 billion pesos (\$38.3 million). ISIS-P is reportedly using this money to offer parents a one-time payment of 70,000 pesos (\$1,340) plus a monthly salary of 30,000 pesos (\$574) to recruit their sons to be trained as militants, with bonuses up to 10,000 pesos (\$191) for killing a soldier. Media reports cited a 2015 government survey which stated that the average family income in the Autonomous Region of Muslim Mindanao—an administrative division of the Philippines encompassing portions of Mindanao and others islands—was approximately 11,000 pesos (\$210) per month.<sup>55</sup>

Media reports also stated that ISIS-P has exploited the distrust that many of the impoverished Muslim residents of Mindanao have for the Philippine government and military by attempting to blame the AFP for the destruction of Marawi. The AFP acknowledged that a small number of soldiers had been disciplined for looting in Marawi but insisted that the practice was not widespread.<sup>56</sup>

## **State Department Formally Designates ISIS-P as Terrorist Organization**

On February 27, 2018, the DoS designated ISIS-P as a Foreign Terrorist Organization (FTO) and as Specially Designated Global Terrorists (SDGT). The same day, the DoS also designated the Maute Group as SDGTs.<sup>57</sup> The ASG has been listed as an FTO since 1997.<sup>58</sup> While the BIFF is not designated by the DoS as a terrorist organization, its members can be treated as such to the extent they operate with or support an FTO or SDGT.

The DoS is empowered under Section 219 of the Immigration and Nationality Act to designate foreign organizations that pose a terrorist threat to the United States as FTOs. Under the law, persons in the United States are prohibited from knowingly providing or attempting to provide material support or resources to an FTO or its members; members of an FTO who are not U.S. citizens are subject to removal and cannot enter the United States; and any financial institution aware that it has control over funds in which the FTO has an interest must maintain those funds and report this to the Department of the Treasury.<sup>59</sup>

Executive Order 13224, signed by President George W. Bush on September 23, 2001, made designation of SDGTs a shared responsibility of the DoS, the Department of the Treasury, and the Department of Justice. The Order allows the U.S. Government to seize any property of an SDGTs in the United States. It also prohibits financial transactions involving SDGTs either with U.S. nationals or that take place within the United States.<sup>60</sup>

## Peace Process Delays Benefit ISIS-P

According to media reports, decades of instability in the southern Philippines have made the region a safe haven for terrorists. Residents are reportedly reluctant to cooperate with a central government which some view as inept, corrupt, and failing to make good on the peace process. Furthermore, long-standing maritime routes established by smugglers and pirates have been used by terrorists to move covertly around the southern Philippines, Indonesia, and Malaysia.<sup>61</sup>

The MILF, a large Islamist militant group with a history of violence, concluded a peace agreement with the Philippine government in 2014 that calls for enhanced Muslim autonomy and self-governance in the southern Philippines. In addition to repudiating its own past violent actions, the MILF has since urged other Islamist groups to lay down their arms in the interest of advancing the terms of the agreement.<sup>62</sup> However, the Philippine government's slow pace in enacting the agreed upon settlement has caused some members of the MILF to take up arms for ISIS-P, including Abu Turaife, a possible successor to Hapilon as ISIS-P's emir. The MILF reportedly has as many as 10,000 members, many of whom are trained fighters with access to stockpiles of weapons. Defectors from this population represent a key source of strength for ISIS-P.<sup>63</sup>

This quarter, the Philippine Congress continued its debate on the Bangsamoro Basic Law, a proposed statute to replace the existing Autonomous Region in Muslim Mindanao, which enjoys a limited degree of self-governance, with an Islamic political unit that would enjoy greater independence while still remaining part of the Philippines. The BIFF, ASG, and other extremist groups oppose the process, seeking independence from the Philippines rather than autonomy within it. No apparent progress was made to advance the legislation this quarter, and both President Duterte and MILF Chairman Ebrahim Murad told reporters that delays in this process directly benefit ISIS-P's efforts to recruit individuals frustrated with the lack of progress.<sup>64</sup>

MILF Chairman Murad stated that militants are exploiting the delays in passage of the Bangsamoro Basic Law to recruit fighters from remote Muslim communities and go into Islamic schools and local universities to incite radical Islamism and hatred against the government.<sup>65</sup> A senior AFP commander similarly noted that Mindanao remained fertile recruiting ground for ISIS-P due to widespread poverty, poor supervision of Islamic schools, political tension over the debate between autonomy and independence, and entrenched Islamist militant groups.<sup>66</sup> DoS officials identified vulnerable groups, such as young internally displaced persons (IDPs), as being susceptible to ISIS-P and other terrorist recruiting tactics.<sup>67</sup>

## PHILIPPINE COUNTERTERROR OPERATIONS ON MINDANAO THIS QUARTER

Then-PNP Director General de la Rosa stated in media reports this quarter that security lapses on Mindanao may have permitted terrorists to escape to other parts of the country, such as Manila, after the liberation of Marawi. He stated, however, that the PNP would not recommend extending martial law outside of Mindanao. Any declaration of martial law in the Philippines, including the declaration covering Mindanao and any potential extensions or expansions, requires approval by the Philippine Congress.<sup>68</sup>

A senior AFP commander told reporters that surviving militants from the Marawi siege have mustered a force of about 200, including several experienced bomb-makers from Indonesia, and fought a series of skirmishes with Philippine security forces this quarter.<sup>69</sup> The AFP has historically battled the country's southern jihadists in low-intensity jungle warfare. Operating as ISIS-P, these militants have revised their tactics to match those of their Middle Eastern cobelligerents, and the AFP has been forced to reorganize and adapt existing doctrine to meet the new challenge of urban warfare, a senior AFP officer told the press.<sup>70</sup>

While ISIS-P had not mounted any major offensive operations since its defeat in Marawi as of the end of the quarter, eight AFP soldiers were reportedly wounded in two encounters with ISIS-P fighters in Lanao del Sur province, of which Marawi is the capital. These attacks, which occurred in January, were the first publicly acknowledged clashes between the military and the terrorists since Marawi was declared liberated in October 2017.<sup>71</sup>

On January 9, 2018, a joint operation of Philippine military and police forces led to the arrest of an alleged ASG explosives expert in Zamboanga, a city in western Mindanao. The Zamboanga city police recovered an improvised bomb concealed in the suspect's possessions.<sup>72</sup> On February 9, another joint military and police team killed three suspected members of the Maute Group in a firefight in the town of Pantar, approximately 10 miles north of Marawi. The slain leader of that terrorist group was identified by the AFP as a Maute Group member who had escaped from jail in the early days of the Marawi siege.<sup>73</sup>

The most significant confrontation between government and militant forces this quarter took place on March 11, when the AFP launched an artillery attack with air support against a position held by the BIFF in a remote village of Maguindanao province. The attack reportedly resulted in at least 44 BIFF members killed and 26 wounded, with 1 Philippine soldier also wounded. Media reports noted that the enemy casualty figures were based on intelligence reporting and that the AFP had not recovered any bodies.<sup>74</sup>

**A senior AFP commander told reporters that surviving militants from the Marawi siege have mustered a force of about 200, including several experienced bomb-makers from Indonesia, and fought a series of skirmishes with Philippine security forces this quarter.**



## HUMANITARIAN ASSISTANCE

### Return of IDPs to Marawi Limited by Damaged Infrastructure, Lack of Services, Weather

The Philippine government continued aiding the return of IDPs into Marawi this quarter. Of the nearly 200,000 residents of Marawi city displaced by the conflict, approximately 106,000 had returned as of March 1, 2018. Over 311,000 civilians remained displaced from Marawi and nearby municipalities in Lanao del Sur province, according to a UN report.<sup>75</sup> The number of IDPs in evacuation centers (not counting those residing with host families) dropped by more than half as IDPs returned to neighborhoods that had been cleared.<sup>76</sup> According to USAID, however, establishing precise figures on rates of return and displacement was hampered by two external factors: IDPs were leaving dependents with host families outside of Marawi, and IDPs frequently moved between Marawi and host families in neighboring municipalities. Furthermore, local authorities noted that many IDPs who had been allowed to return to their homes had gone back to evacuation centers and host communities due to the lack of utilities, services, schools, and work opportunities in Marawi. USAID stated that the 5-month conflict to drive ISIS-P from Marawi left 24 of the city's 96 neighborhoods—including its entire commercial district—uninhabitable, affecting as many as 60,000 of the city's 200,000 pre-conflict residents.<sup>77</sup>

This quarter, the Marawi city water utility was not functional, and residents relied on water assistance from the Philippine government and international organizations. According to the Philippine government, only 15 of 69 schools in Marawi were holding classes, while 29 schools were being used as evacuation centers.<sup>78</sup> The loss of Marawi's

The “Biyaya ng Pagbabago Temporary Shelter,” housing project for IDPs affected by the Marawi siege contains 500 units of 22-square meter houses. (Philippine Information Agency photo)



**The deputy commander of the AFP task force in Marawi told reporters that, as of the end of the quarter, at least 53 unexploded bombs from military airstrikes remained in the Marawi conflict zone.**

commercial district, including its fisheries, had significantly impaired many residents' ability to return to their pre-conflict jobs.<sup>79</sup> USAID officials estimated that it may take more than a year for farming families to recover from the conflict. Farmers displaced by the conflict already missed the planting season of June to September 2017 and many also missed the second season of October 2017 to January 2018.<sup>80</sup>

Residents displaced by fighting in Marawi were further impacted this quarter by the effects of Severe Tropical Storm Tembin, which was also referred to as Typhoon Vinta in the Philippines. USAID officials stated that the storm crossed over the conflict-affected area from December 22 to 24, 2017, causing flash floods and landslides that damaged homes, temporary shelters, and agricultural lands, resulting in the deaths of at least 170 people. However, the Philippine government did not request any international assistance for the response to Tropical Storm Tembin.<sup>81</sup>

## Unexploded Ordnance Delays IDP Returns

USPACOM identified the removal of unexploded ordnance as the primary security challenge for IDP returns. USPACOM officials stated that unlike the extensive network of explosives found in Mosul and elsewhere in Iraq and Syria, the risk of improvised explosive devices in Marawi was minimal. However, it has taken the AFP longer than expected to clear the area of its own explosive remnants of war left over from 5 months of urban combat.<sup>82</sup> These delays could risk bolstering ISIS-P's narrative that the Philippine military was responsible for the destruction of Muslim residents' homes.

The deputy commander of the AFP task force in Marawi told reporters that, as of the end of the quarter, at least 53 unexploded bombs from military airstrikes remained in the Marawi conflict zone. Some of these explosives weigh as much as 500 pounds, and the AFP lacks the equipment necessary to excavate them quickly. The deputy commander stated to reporters that the military's goal was to complete the removal of all unexploded ordnance in Marawi by June 2018.<sup>83</sup>

## Assistance Efforts Target Basic Human Needs

USAID's Office of U.S. Foreign Disaster Assistance (OFDA) and Office of Food for Peace (FFP) continued to focus their humanitarian assistance efforts this quarter on the conflict-impacted provinces of Lanao del Sur and Lanao del Norte.<sup>84</sup> The priority needs for those displaced were food, shelter, protection for women and children, and water, sanitation, and hygiene.<sup>85</sup>

USAID officials reported that access and security improved this quarter in areas where there was a need for humanitarian assistance.<sup>86</sup> Humanitarian responders reported consistent access into Marawi and areas to the east of Lake Lanao, which had been hampered by insecurity, including active conflict, during the previous quarter.<sup>87</sup> While OFDA and FFP partners did not report any problems reaching IDP families, local governments and IDP representatives reported challenges in accessing government food assistance among IDPs residing with host families rather than in evacuation centers.

IDPs also reported a lack of information regarding the government's planning for reconstruction.<sup>88</sup> While IDPs still lacked sufficient access to basic services, the extent to which this was still a problem decreased somewhat as assistance in affected areas increased and IDPs began to return home.<sup>89</sup>

USAID officials reported that IDPs continued to be affected by food insecurity. An October 2017 assessment by the UN World Food Programme (WFP) found that 35 percent of the displaced population was severely or moderately food insecure. USAID reported that a follow-up assessment by WFP in February 2018 found a slight increase to 37 percent food insecurity for households affected by the Marawi crisis alone and 43 percent for those that were also affected by Tropical Storm Tembin. Additionally, the WFP reported that average household incomes in the affected areas had dropped, with over one third of those assessed spending more than 65 percent of their income on food in October 2017. The percentage of household income spent on food dropped to 53 percent in the follow-up assessment in February 2018, but dietary diversity remained low.<sup>90</sup> USAID reported that, despite assurances from the Philippine government that food distributions would continue, the delivery of food aid from the government became increasingly irregular in January 2018 for IDPs outside of Marawi. The destruction of water, electric, and sanitation services further impacted access to food in affected areas.<sup>91</sup>

As of the end of the quarter, USAID has committed \$22.9 million, an increase of \$2 million from the previous quarter, to assist directly with ongoing emergency relief operations and the longer term recovery and rehabilitation of Marawi city and the surrounding areas. On March 14, 2018, USAID announced that the additional \$2 million would be used to boost food security in the impacted area. USAID also stated that it will partner with the WFP to provide enough rice, nearly 4 million pounds, to feed 45,000 IDPs for 4 months.<sup>92</sup>

## Recovery Efforts Focus on Energy, Water, and Health

USAID officials stated that USAID's efforts to support recovery, stabilization, and rehabilitation in Marawi focused on health systems, energy, and water restoration. USAID began its work on electricity restoration this quarter, including procurement of solar street lamps for temporary shelters. USAID expected to begin implementation of water-related projects in April 2018.<sup>93</sup>

USAID health activities included providing medical, reproductive health, and psychosocial services in Marawi and targeted locations hosting large numbers of IDPs in the provinces of Lanao del Sur and Lanao del Norte. USAID reported working closely with local health officials to restore family planning, maternal, neonatal, and child health services.<sup>94</sup> Other activities included tuberculosis screening and referrals for treatment in evacuation centers.<sup>95</sup>

According to USAID, the greatest challenge to recovery operations reported by USAID officials remained insecurity in conflict-impacted areas. USAID staff were unable to travel to any of the areas that assistance programming would target and relied on second-hand reporting from implementing partners and other donors and organizations operating in the area.<sup>96</sup>

## OVERSIGHT OF OPE-P

As required by Section 8L of the Inspector General Act of 1978, the DoD IG, as Lead IG for OPE-P, is responsible for developing and carrying out a joint strategic oversight plan regarding OPE-P in coordination with the DoS IG and the USAID IG. The first joint strategic oversight plan for OPE-P will be issued for FY 2019.

As of March 31, 2018, the Lead IG agencies and their partner agencies had one ongoing oversight project and three planned oversight projects related to OPE-P. Table 11 provides the project title and objective for the ongoing project. Table 12 provides the project title and objective for each of the planned projects.

Table 11.

### Ongoing OPE-P Oversight Projects by Lead IG Agencies, as of March 31, 2018

Project Title	Objective
<b>DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL</b>	
<i>Audit of the Philippines Operations Support Contract</i>	This audit was announced in December 2017 to determine whether U.S. Pacific Command and subordinate commands developed, reviewed, and validated requirements for the Philippines-Operations Support Contract to ensure the adequate provision of services.

Table 12.

### Planned OPE-P Oversight Projects by Lead IG Agencies, as of March 31, 2018

Project Title	Objective
<b>DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL</b>	
<i>Reimbursement of Resources Provided to The Republic of Philippines</i>	This audit is expected to begin in May 2018 and determine whether DoD Components are being reimbursed for resources provided to the Republic of the Philippines through bilateral agreements.
<i>Evaluation of Efforts to Train, Advise, Assist, and Equip the Armed Forces of the Republic of the Philippines</i>	This will evaluate the DoD train, advise, assist, and equip efforts to build and sustain the capabilities of the Armed Forces of the Philippines to counter expansion of violent extremist organizations.
<b>U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL</b>	
<i>Audit of USAID's Initial Stabilization Activities Under Operation Pacific Eagle-Philippines</i>	This audit will determine whether USAID incorporated lessons learned from its experiences with humanitarian crises in Syria and Iraq into its response to the Marawi crisis.





Iraqi federal police members conduct an urban operations exercise at the Besmaya Range Complex, Iraq. (U.S. Army Photo)

## APPENDICES

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## APPENDIX A

# Methodology for Preparing Lead IG Quarterly Report

This report is issued pursuant to sections 2, 4, and 8L of the Inspector General Act of 1978, which requires that the designated Lead IG provide a quarterly report, available to the public, on an overseas contingency operation. The DoD Inspector General is the designated Lead Inspector General for OIR. The DoS Inspector General is the Associate Lead Inspector General for OIR. This report contains information from the three Lead IG agencies—DoD OIG, DoS OIG, and USAID OIG—as well as from partner oversight agencies. This unclassified report covers the period from January 1 through March 31, 2018.

To fulfill its congressional mandate to produce a quarterly report on OIR, the Lead IG gathers data and information from Federal agencies and open sources. Data and information used in this report are attributed to their source in endnotes to the text or notes to the tables and figures. Except for references to Lead IG and oversight partner agency audits, inspections, evaluations, or investigations in the report, the Lead IG has not independently verified and assessed all the data included in this report. The humanitarian assistance section is based on public UN documents, and information provided by USAID and the DoS.

## Data Call

Each quarter, the Lead IG agencies direct a series of questions, or data calls, to agencies about their programs and operations related to OIR. The Lead IG agencies use the information provided by their respective agencies for quarterly reports and to determine where to conduct future audits and evaluations.

The agencies that responded to the data call for this quarter included the following:

- Department of Defense
- Department of State
- U.S. Agency for International Development
- Department of Homeland Security OIG
- Department of Justice OIG
- Department of the Treasury OIG

## Open-Source Research

This report also draws on current, publicly available information from reputable sources. Sources used in this report include the following:

- Information publicly released by U.S. agencies
- Congressional testimony
- Press conferences, especially DoD and DoS Briefings
- UN (and relevant branches)
- Reports issued by non-governmental or research organizations
- Media reports

Materials collected through open source research also provide information to describe the status of OIR, and help the Lead IG agencies assess information provided in their respective agency data call. However, in light of the operational realities and dynamic nature of OIR, the Lead IG agencies have limited time and ability to test, verify, and independently assess the assertions made by these agencies or open sources.

This is particularly true where the Lead IG agencies have not yet provided oversight of these assertions through audits, inspections, or evaluations.

## Report Production

The Lead IG is responsible for assembling and producing this report. The DoD OIG coordinates with the DoS OIG and the USAID OIG, which draft sections of the report related to the activities of their agencies. Each Lead IG agency participates in reviewing and editing the entire quarterly report.

The DoD OIG, DoS OIG, and USAID OIG provide the agencies who have responded to the data call with two opportunities to verify and comment on the content of the report. During the first review, agencies are asked to correct any inaccuracies and provide additional documentation. The Lead IG incorporates agency comments, where appropriate, and sends the report back to the agencies for a final review for accuracy. Each OIG coordinates the review process with its own agency.

## APPENDIX B

# Classified Appendix to this Operation Inherent Resolve Quarterly Report to Congress

This appendix will provide additional information related to the operational and institutional support of the ISF, and Iranian influence in Iraq. This appendix will be delivered to appropriate government agencies and congressional committees.



Security force members reflect on training while learning basic infantry tactics near Chamchamal, Iraq. (U.S. Army photo)

## APPENDIX C

# Department of Justice Prosecutions

Since 2013, Federal prosecutors have publicly charged approximately 120 individuals for foreign terrorist fighter, homegrown violent extremism, or ISIS-related conduct. DOJ prosecutions resulted in people being sentenced, convicted, or pleading guilty during the reporting period. Examples from DOJ are:

- **On February 6, 2018, in the Eastern District of New York**, Munther Omer Saleh was sentenced to 18 years' imprisonment and 10 years' supervised release. Based on his guilty plea to charges of conspiring and attempting to provide material support to ISIS, and with assaulting and conspiring to assault federal officers. Saleh, together with other co-conspirators, assisted another individual's planned travel to ISIS-controlled territory.
- **On February 8, 2018, in the Eastern District of Virginia**, Shivam Patel pleaded guilty to passport fraud and to making false statements in his application to join the United States military. Patel told an undercover agent and a confidential source that he wanted to join the "Muslim army" and commit jihad. He faces a maximum penalty of 15 years in prison.
- **On February 8, 2018, in the Southern District of Florida**, Gregory Hubbard pleaded guilty to conspiring to provide material support to ISIS. Hubbard was arrested on July 21, 2016, at Miami International Airport where he had been driven by a co-defendant for a scheduled flight to Berlin, Germany. From Berlin, Hubbard intended to travel to Syria to join ISIS. He faces a maximum sentence of 20 years in prison.
- **On February 23, 2018, in the Eastern District of Virginia**, Nicholas Young was sentenced to 15 years in prison and 15 years of supervised release for attempting to provide material support to ISIS and obstruction of justice. Young had purchased and sent gift card codes which he believed would allow ISIS recruiters to communicate securely with potential ISIS recruits.
- **On February 28, 2018, in the Western District of Missouri**, Safya Roe Yassin pleaded guilty to using Twitter to transmit threatening communications against several persons, including two FBI employees and two former members of the military and their families, on behalf of ISIS. Yassin is subject to a sentence of up to 10 years in federal prison.
- **On March 13, 2018, in the District of New Jersey**, Gregory Lepsky pleaded guilty to an information charging him with one count of attempting to provide material support to ISIS. Lepsky admitted that he planned to build and detonate a pressure cooker bomb on behalf of ISIS. Lepsky faces a sentence between 16 and 19 years in prison, and a lifetime term of supervised release.
- **On March 14, 2018, in the Southern District of Florida**, Vicente Adolfo Solano pleaded guilty to one count of attempting to provide material support to ISIS. Solano told a source that he was upset with the United States and wanted to conduct an attack in Miami. Later, Solano told this source that he wanted to join ISIS. Solano faces a maximum sentence of 20 years' imprisonment and a \$250,000 fine.
- **On March 20, 2018, in the Northern District of Ohio**, Erick Jamal Hendricks was convicted by a jury of attempting and conspiring to provide material support to ISIS. Hendricks tried to recruit and train individuals and to conduct terrorist attacks in the United States.



## APPENDIX D

# Actions By Treasury and State Against Terrorist Finances

The Department of Treasury has global terrorism authorities to target activities of extremist groups such as ISIS. Treasury's Office of Terrorism and Financial Intelligence and Office of Foreign Assets Control disrupt the ability of terrorist organizations to fund their operations. Executive Order 13224 imposes sanctions on foreign persons determined to have committed, or pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy, of the United States.<sup>1</sup> Since 2014, Treasury has designated a total of 61 individuals and entities providing support to ISIS pursuant to Executive Order 13224.

Treasury officials reported the following notable designations this quarter:

- **Abdulpatta Escalon Abubakar (Abubakar)** was designated for assisting in, sponsoring, or providing financial, material, or technological support to or in support of ISIS. Abubakar has served as a key facilitator for ISIS and its network in the Philippines since at least January 2016. In July 2017, Abubakar worked with an ISIS member in the Philippines to facilitate the transfer of approximately \$5,000. In August 2016, Abubakar helped facilitate the transfer of approximately \$50,000 to ISIS' network in the Philippines. In July 2016, ISIS, through Abubakar, sent approximately \$20,000 to ISIS elements in the Philippines. The funding may have been used to purchase weapons.
- **Yunus Emre Sakarya (Sakarya) and Profesyioneller Elektronik** were designated for assisting in, sponsoring, or providing financial, material, or technical support to or in support of ISIS. Sakarya has served as a key facilitator involved in the procurement of unmanned aerial vehicle (UAV) components for ISIS since at least 2015. In 2015, Sakarya created and operated a Turkey-based company, Profesyioneller Elektronik, which serves as an ISIS front company involved in the procurement of UAV-related materials. In early to mid-2016, Profesyioneller Elektronik was involved in transactions for UAV-related equipment for ISIS that totaled over \$500,000.
- **Mohamed Mire Ali Yusuf (Mire Ali)** was designated for assisting in, sponsoring, or providing financial, material, or technological support to or in support of ISIS. Liibaan Trading and Al-Mutafaq Commercial Company were designated for being owned or controlled by Mire Ali. As of mid-2016, Mire Ali was an ISIS-aligned financial operative who provided funds to U.S. designated Abdulqadir Mumin for his ISIS-aligned activities. During mid-2016, Mire Ali ran all of his business activities through his company, Liibaan Trading, located in Boosaaso, Somalia. Mire Ali was the sole owner of Liibaan Trading, a livestock trading business that served as a front for ISIS-aligned groups in the Bari region of Somalia.

In addition, the DoS reported the following terrorist designations under Section 219 of the Immigration and Nationality Act and Executive Order 13224. These designations of persons and organizations as Foreign Terrorist Organizations (FTOs) or Specifically Designated Global Terrorists (SDGTs) restrict the movement of persons who are not U.S. citizens in and out of the United States, prevent any provision or attempted provision of material support to those persons, organizations, and their members, and restrict financial transactions for those persons, organizations, or their members.

- **In March, the DoS designated Joe Asperman as an SDGT.** A French national, Asperman is a senior chemical weapons expert for ISIS. Asperman oversaw chemical operations production within Syria for ISIS and the deployment of these chemical weapons at the battlefield.

- **In February, the DoS designated three ISIS-affiliated groups as FTOs.** ISIS-West Africa is a former faction of the terrorist group Boko Haram. Under its leader, Abu Musab al-Barnawi, ISIS-West Africa has carried out numerous attacks in Nigeria and the Lake Chad region. ISIS-Philippines emerged in June 2016, when ISIS published a video of militants in the Philippines pledging allegiance to ISIS. In the video, militants encouraged other Muslims to join the terrorist group and support ISIS's efforts in the region under the command of now-deceased SDGT Isnilon Hapilon—recognized by ISIS as the leader of ISIS-Philippines. The Maute Group declared its allegiance to ISIS in 2014 and is an integral part of ISIS-Philippines. The Maute Group was partly responsible for the siege of Marawi in the Philippines, which began in May 2017; the September 2016 Davao market bombing, which killed 15 people and wounded 70 others; and the attempted bomb attack in November 2016 near the U.S. Embassy in Manila. ISIS Bangladesh, also designated as an FTO in February, formed in August 2014, when a group of Bangladeshi nationals pledged allegiance to ISIS. The group launched its operations in September 2015 when its gunmen killed an Italian aid worker in Dhaka. ISIS has since claimed numerous attacks carried out across the country. In July 2016, the group claimed responsibility for an assault on the Holey Artisan Bakery in Dhaka that killed 22 people.<sup>3</sup>

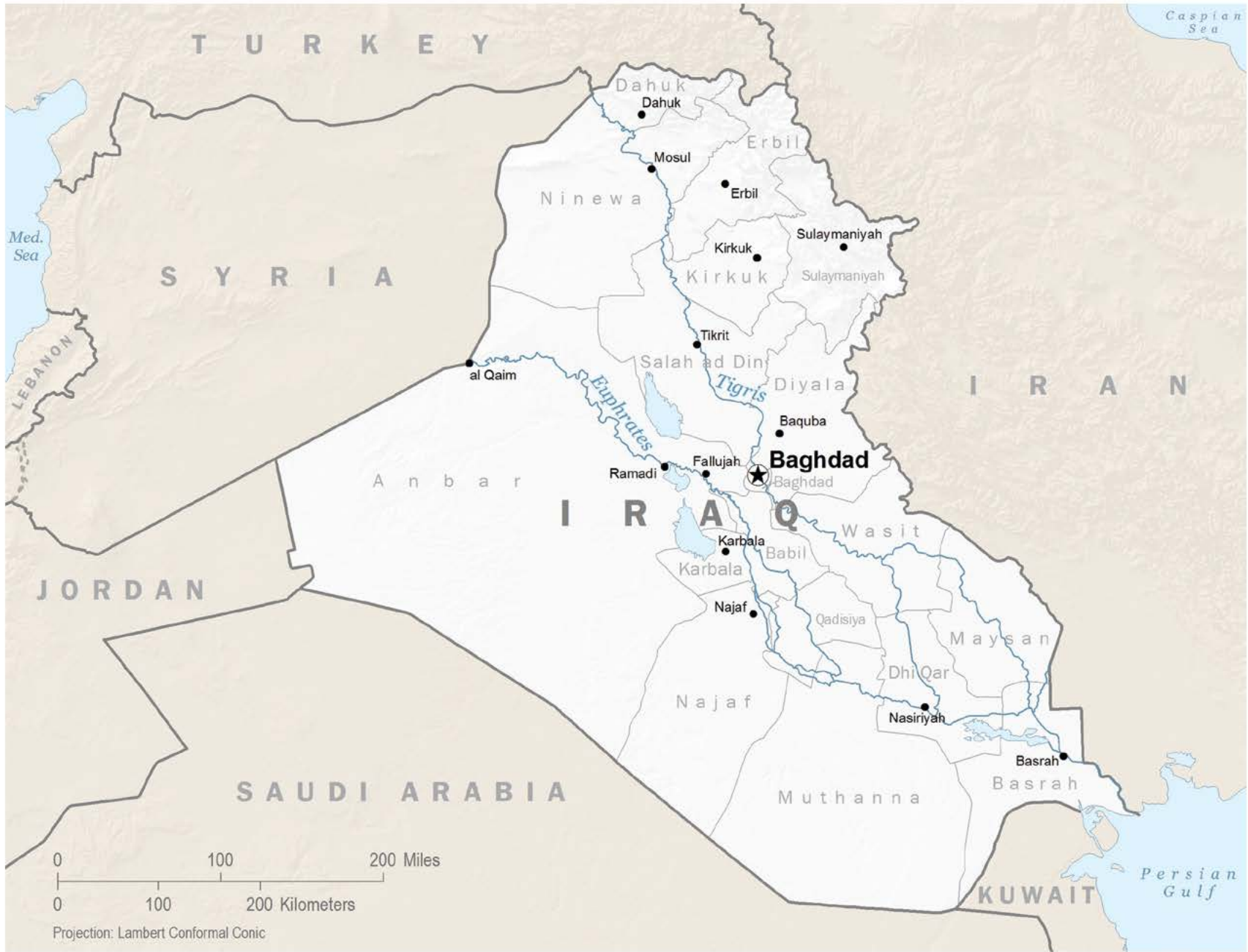
In addition to the FTO designations, the DoS designated four other ISIS-affiliated groups, ISIS-Somalia, the Maute Group, Jund al-Khilafah-Tunisia, and ISIS-Egypt, and two ISIS-affiliated leaders as SDGTs. ISIS-Somalia was formed in October 2015 after the SDGT Abdiqadr Mumin—then a senior leader of al-Shabaab—and about twenty of his followers, pledged allegiance to ISIS. The group has claimed responsibility for a May 2017 suicide bombing at a checkpoint in Northern Somalia that left five people dead and injured 12 others and a February 2017 attack on a hotel in Somalia frequented by foreigners, killing four security guards. Mumin leads the group with Mahad Moalim acting as his deputy. Moalim is also responsible for facilitating shipments of fighters and arms from Yemen to Somalia. The Maute Group in the Philippines also received the SDGT designation in addition to the FTO designation described above. Jund al-Khilafah-Tunisia (JAK-T) emerged as a group in Tunisia in early 2014. By December 2014, JAK-T had pledged allegiance to ISIS leader Abu Bakr al-Baghdadi. The group has carried out several attacks in Tunisia, including the November 2015 beheading of a shepherd and the June 2016 land mine attack on the national army and security units. The group has also threatened attacks, such as the March 2015 YouTube audio recording that threatened attacks on senior political officials in Tunisia. In May 2017, ISIS announced that ISIS-Egypt was a distinct entity from the FTO and SDGT group ISIS-Sinai Province. ISIS-Egypt has claimed responsibility for numerous attacks in Egypt; in December 2016, for example, the group bombed Cairo's Coptic Christian cathedral, killing 28 people. ISIS-Somalia leader Mahad Moalim received an individual SDGT designation, along with ISIS-West Africa leader Abu Musab al-Barnawi.<sup>4</sup>

- **In January, the DoS designated two ISIS-affiliated individuals as SDGTs.** Siddhartha Dhar was a leading member of now-defunct terrorist organization Al-Muhajiroun. In late 2014, Dhar left the United Kingdom to travel to Syria to join ISIS. He is considered to have replaced ISIS executioner Mohammed Emwazi, also known as “Jihadi John.” Dhar is believed to be the masked leader who appeared in a January 2016 ISIS video of the execution of several prisoners. ISIS accused of spying for the UK. Abdelatif Gaini is a Belgian-Moroccan citizen believed to be fighting for ISIS in the Middle East. Gaini is connected to UK-based ISIS sympathizers Mohamad Ali Ahmed and Humza Ali, who were convicted in the UK in 2016 of terrorism offenses.<sup>5</sup>

## ACRONYMS AND DEFINITIONS

Acronym	Definition
AFP	Armed Forces of the Philippines
ASG	Abu Sayyaf Group
CIGIE	Council of Inspectors General on Integrity and Efficiency
CTEF	Counter-ISIS Train and Equip Fund
CTS	Counter Terrorism Service (Iraqi)
DCIS	Defense Criminal Investigative Service
DHS	U.S. Department of Homeland Security
DoD OIG	Department of Defense Office of the Inspector General
DoJ	U.S. Department of Justice
DoS OIG	Department of State Office of Inspector General
ERD	Emergency Response Division (Iraqi)
FBI	Federal Bureau of Investigation
FFP	U.S. Aid for International Development, Office of Food for Peace
FFS	Funding Facility for Stabilization
FMF	Foreign Military Financing
FY	Fiscal Year
GAO	Government Accountability Office
HMA	Humanitarian Mine Action
HTS	Hayat Tahrir al Sham
IDP	Internally displaced person
IED	Improvised explosive device
IMF	International Monetary Fund
INGO	International non-governmental organization
IOM	International Organization for Migration
IRGC	Iranian Revolutionary Guard Corps
ISF	Iraqi Security Forces
ISIS	Islamic State of Iraq and Syria

Acronym	Definition
ISIS-P	ISIS-Philippines
KRG	Kurdistan Regional Government
Lead IG	Lead Inspector General
Lead IG agencies	Refers to DoD OIG, DoS OIG, and USAID OIG agencies
MaT	Mughawir al Thawra
OCO	Overseas Contingency Operation
OFDA	U.S. Aid for International Development, Office of U.S. Foreign Disaster Assistance
OFS	Operation Freedom's Sentinel
OIR	Operation Inherent Resolve
OPE-P	Operation Pacific Eagle-Philippines
PKK	Kurdistan Workers' Party (Turkish)
PMF	Popular Mobilization Forces
PRM	Department of State, Bureau of Population, Refugees, and Migration
PYD	Democratic Union Party (Kurdish)
SAC	Syrian Arab Coalition
SOA	Strategic Oversight Area
SDF	Syrian Democratic Forces
Treasury	U.S. Department of the Treasury
UN	United Nations
UNDP	United Nations Development Programme
UNHCR	UN High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID OIG	U.S. Agency for International Development Office of Inspector General
USCENTCOM	U.S. Central Command
USPACOM	U.S. Pacific Command
VSO	Vetted Syrian Opposition
WFP	United Nations World Food Programme
YPG	Kurdish People's Protection Units







## ENDNOTES

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Two U.S. Air Force F-22 Raptors fly above Syria in support of Operation Inherent Resolve. (U.S. Air National Guard photo)

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