End-Use Monitoring of Defense Articles and Services
Government-to-Government Services

DoD Processes *During* Transfer- Government-to-Government Agreements

All transfers of defense articles, services, or training provided through the Foreign Military Sales Program, are conducted under a government-to-government agreement (known as a Letter of Offer and Acceptance or "LOA") between the United States and the foreign government or international organization. This agreement specifies the type and quantities of items to be sold, as well as any unique conditions regarding end-use monitoring requirements determined by the military departments or the interagency's export policy or by Congressional request during the transfer approval process.. The LOA may require the country to secure, account for, and operate the systems in accordance with provisos that as a minimum equal the requirements of the U.S. Military Departments. The conditions of the LOA may also state that USG officials may be permitted, upon request, to conduct EUM verification with respect to the use, transfer and security of defense articles and defense services transferred, and conduct physically inventories of specific types of equipment – either as part of routine visits or to verify reports of unauthorized use. Signing the document commits the purchaser to the conditions established on the LOA. DoD remains sensitive to issues of sovereignty with all U.S. friends and allies, and, therefore, efforts are constantly made to ensure that these governments are informed and understand the requirements of end-use monitoring mandated by U.S. law.

DoD Processes *After* Transfer - End-Use Monitoring and Compliance

The purpose of the "Golden Sentry" program is to scrutinize the foreign purchaser's use of defense articles and services (to include training) to ensure their use complies with the agreements under which they were provided. The "Golden Sentry" program was initiated in 2001, and continues to promulgate policy guidance and procedures throughout the security assistance/cooperation community. The program levies monitoring and compliance requirements to foreign governments, agencies within the military departments responsible for implementing the Foreign Military Sales program, the Combatant Commands, and U.S. security cooperation organizations (SCO) worldwide. It also comprises of annual Compliance Assessment Visits (CAV) by DSCA Golden Sentry personnel to determined countries to ensure that proper end-use, security and accountability procedures are being followed by our foreign partners and U.S. security cooperation personnel responsible for implementing the EUM program.

To conduct EUM with available resources, Golden Sentry uses a risk management approach. Routine EUM is conducted on low technology/low risk defense articles. During routine visits to host nations' military installations, U.S. security cooperation personnel monitor U.S.-transferred equipment to ensure it is used for the purposes for which they were provided. Enhanced EUM (EEUM) is conducted on determined high technology/high risk defense articles. In addition to Routine end-use monitoring, security cooperation personnel are required to perform periodic physical security and accountability inventories of EEUM designated items and maintain a record of these inventories in an EUM database.

DSCA's Enhanced EUM program monitors high risk exports which include: man portable air defense systems (MANPADS), such as Stinger Missiles and gripstocks; long range, highly capable man portable land attack missiles (such as JAVELIN and Tube-Launched, Optically-Tracked, Wire-Guided missile (TOW-2B)); and beyond visual range air-to-air missiles (such as the AIM-120 AMRAAM), Night Vision Devices, and Communications Security (COMSEC) Equipment. Additional Enhanced EUM items that were added in 2004 were the AIM-9X Sidewinder, the Harpoon Block II missile and the entire family of precision guided munitions, i.e., the Joint Stand-Off Weapon (JSOW), Unmanned Aircraft Systems (UAS) and the Joint Direct Attack Munitions (JDAM). In 2006, Joint Air-to-Surface Standoff Missile (JASSM) and Special Provisions pertaining to specific countries' Physical Security and Accountability with the transfer were also added to the Enhanced EUM list. In 2007, the Large Aircraft Infrared Countermeasures (LAIRCM) was added.

End-Use Monitoring of Defense Articles and Services
Government-to-Government Services

EUM Guidance

DSCA has published seven policy memoranda to promulgate clearly the direction of the EUM Golden Sentry program. All have been incorporated into the Security Assistance Management Manual (SAMM).

1. The first memorandum published was "End-Use Monitoring (EUM) Responsibilities in Support of the Department of Defense Golden Sentry EUM Program (DSCA Policy Memo 02-43)", dated 4 December 2002. This policy delineated the responsibilities of the security assistance/cooperation community in support of the Golden Sentry program.

2. The second policy memorandum was titled "Revised Guidance for Stinger/Man Portable Air Defense Systems (MANPADS) (DSCA Policy Memo 03-10)", dated 4 June 2003. This memorandum increased the U.S. inventory requirement by the security assistance organizations from 5 percent to 100 percent annually of foreign Stinger missiles, grip stocks and essential components.

3. A third policy memorandum is titled "Golden Sentry End-Use Monitoring (EUM) Visits Policy (DSCA Policy memo 04-11)", dated 2 April 2004. This memorandum provides defined guidance for the conduct of three types of EUM visits: Familiarization, Compliance Assessment Visit and Investigative.

4. The fourth policy memorandum was titled "Golden Sentry End-Use Monitoring (EUM) Stinger Missile and Gripstock Inventory Standardized Procedures (DSCA Policy Memo 05-10)", dated 29 March 2005. This policy promulgates a more refined procedure for Stinger Missile and gripstock inspection requirements. Additionally, it mandates all USG representatives adhere to the standards within the checklist in the conduct of Stinger missiles and gripstock inventories.

5. The fifth policy memorandum is titled "Enhanced End Use Monitoring (Enhanced EUM) Update (DSCA 07-14)", dated 05 April 2007. This change updates Chapter 6 and 8 of the Security Assistance Management Manual (SAMM). The change reflects additional information relating to Enhanced EUM. Chapter 6 identifies supplementary criteria for Enhanced EUM record keeping. Chapter 8 adds Figure C8.F1., which outlines the procedure for adding or removing defense items to or from the Enhanced EUM list.

6. The sixth policy memorandum is titled "Note for End Use Monitoring (DSCA 07-07)", dated 11 May 2007. This update revised the standard LOA note for EUM, which is mandatory for all LOAs.

7. The seventh policy memorandum is titled "Update of Chapter 8, End-Use Monitoring (EUM) of the SAMM (DSCA Policy Memo 07-20)", dated 28 June 2007. The revisions clearly articulate End Use Monitoring responsibilities to the Implementing Agencies, COCOMs, SAOs, and supporting agencies. The change also renames "Tiger Team Visits" to "Compliance Assessment Visit". In addition, the change describes a new quarterly reporting responsibility vice "End of Year" reporting. Finally, the change gives detail instruction on the use of the EUM application within the Security Cooperation Information Portal (EUM-SCIP) as a means to track and report on EUM related labor and costs as well as maintain accountability of Enhanced items.

End-Use Monitoring of Defense Articles and Services
Government-to-Government Services

Efforts since FY2008 CBJ report

Resources: DSCA is currently staffed with five full-time civilian employees, which develop policy guidance, manage and oversee the implementation of the Golden Sentry program worldwide to meet the EUM requirements of the AECA and FAA, conduct EUM training for security cooperation personnel, and conduct compliance assessment visits within each combatant command's designated regions. Additionally, funding for option year three was provided for the Target Corporation to operate, maintain, and develop necessary software application enhancements for the Security Cooperation Information Portal (SCIP) EUM database.

Security Cooperation Organization (SCO) EUM Workload Surveys: EUM activity was added to the annual SAO tasking as a separate workload measure in 2003. A detailed explanation was developed to clarify which tasks performed by SAOs should be included in the EUM category, thereby capturing the resource expenditures associated with the performance of "Routine" and "Enhanced" EUM by the SAO.

Actual for FY08

	EUM FUNDING	TOTAL SAO FUNDING
CENTCOM	11.0	10,460.9
EUCOM	36.0	16,428.2
NORTHCOM	0.0	708.2
PACOM	52.0	6,503.0
SOUTHCOM	13.0	7,389.7
TOTAL	**112.0**	**41,490.0**

Figures are represented in the thousands

Estimated for FY09

	EUM FUNDING	TOTAL SAO FUNDING
CENTCOM	44.0	12,202.0
EUCOM	104.0	14,469.0
NORTHCOM	4.0	672.0
PACOM	50.0	6,723.0
SOUTHCOM	52.0	6,225.0
AFRICOM	2.0	2,865.0
TOTAL	**256.0**	**43,156.0**

Figures are represented in the thousands

DSCA and the Defense Threat Reduction Agency (DTRA) On-Site Inspection Directorate Partnership: In 2004, DSCA and DTRA established a joint long-term support relationship, which will improve the DoD End-Use Monitoring program. DSCA will maintain overall operational authority and management responsibility for DoD's EUM program. DTRA will assist DSCA with supplemental manpower support in the conduct of Enhanced EUM missions worldwide to the degree possible with its ongoing missions.

End-Use Monitoring of Defense Articles and Services
Government-to-Government Services

EUM Compliance Assessment Visits: Four EUM Compliance Assessment Visits were conducted in FY2008. These included assessments of the EUM programs in Estonia, Latvia, Pakistan, and Saudi Arabia. EUM Compliance Assessment Visits are conducted to assess USG representatives and host nations' compliance with transfer provisos and other conditions of sales, and/or to follow-up potential violations of the AECA, FAA, or other transfer agreements, e.g., compliance visits. The visit objectives are to:

1. Assess a specific country team or regional command's overall EUM compliance program.
2. Assess a country's compliance with specific physical security and accountability agreements through facility visits, records review, and review of local security policies and procedures.
3. Conduct routine or special inventories of U.S.-origin defense articles and/or services.
4. Appraise possible violations of the AECA, FAA, and/or other transfer instruments, e.g., Bi/Multi-Lateral Memorandum of Agreement or Understanding and other Implementing Agreements.

Compliance with Section 1228 of the National Defense Authorization Act for Fiscal Year 2008 (FY08 NDAA): DSCA led DoD's effort to ensure the establishment of a registration and monitoring system for all defense articles exported to Iraq and coordinated The President's certification to Congress as required by Section 1228. DSCA's actions included the following:

1. Drafted a directive signed by the Deputy Secretary of Defense requiring all DoD components involved in exports or transfers of defense articles to Iraq to comply with Section 1228.
2. Verified that all organizations transferring or authorizing the export of defense articles to Iraq have appropriate measures that comply with Section 1228.
3. Developed a process to verify compliance through established periodic reports and assessment visits by Golden Sentry personnel.

EUM-SCIP Enhancements: With the assistance of contract support, DSCA incorporated the following EUM-SCIP enhancements in FY08.

1. The SCO community can now capture all labor and man-hour cost associated with EEUM.
2. EUM-SCIP has a support tab that assist the SCO community in establishing their EUM program. This "One-Stop-Shopping" consist of all EUM related policy and procedure memorandums, current EEUM defense article checklist, EUM LOA notes, EUM-SCIP user handbook, Regional Forum briefings and historical documentation.
3. A tool that allows selective users to mass upload EEUM items versus manually adding items.
4. The ability to set inventory frequency globally by country or a particular defense article.
5. EUM-SCIP now has the ability to sort and perform inventories by article location.
6. The ability to enter defense articles prior to Host Nation arrival. This will assist the SCO community in tracking estimated shipments and performing his or her initial 100% inventories.
7. The Delinquent Report was enhanced to include various reports. The report now includes three types of delinquent reports (no 100% initial, past due dates and those items deployed), a planned report (items that are due within 90 days), and a worksheet that includes all their defense articles.

End-Use Monitoring of Defense Articles and Services
Government-to-Government Services

The Way Ahead

Resources: $1.4 million is projected towards PE #27 (Enhanced EUM) to be managed at the DSCA Headquarters.

Projected for FY10

	EUM FUNDING	TOTAL SAO FUNDING
CENTCOM	46.2	12,512.0
EUCOM	109.2	14,877.0
NORTHCOM	4.2	997.0
PACOM	52.5	7,062.0
SOUTHCOM	54.5	6,620.0
AFRICOM	2.1	4,286.0
TOTAL	**268.7**	**46,354.0**

*Figures are represented in the thousands

EUM Automation Support: In 2005, DSCA increased funding for the development of an automation tool that incorporates end-use monitoring functions for the security assistance/cooperation community. The implementing agencies, the combatant commanders, the SAO and host nations are now able to "read" Enhanced EUM inputs in a real-time, secure and "compartmentalized" environment via the web. The EUM function helps notify users when: items are received, inventories are delinquent, when inventories are performed, and provide a variety of other standard reports. The EUM application also allows authorized users to establish, update, change the disposition, and indicate transfers of the Enhanced EUM items. Currently, the EUM-SCIP database contains over 115,000 defense articles, which require Enhanced end use monitoring in over 78 countries.

Improvements to the EUM-SCIP database scheduled for FY09 include:
1. Ability to sort items by Serial Numbers, Item Location or case designator. This option will be available for various reports and performing inventories.
2. Ability to write important detailed notes to each individual defense article.
3. Retrieve data from Defense Security Assistance Management System (DSAMS), creating an automated report that compares FMS worldwide EEUM defense articles sold versus what is currently in EUM-SCIP.
4. Ability to record inventories of defense articles which contain sensitive components with multiple serial numbers (i.e. NVD "Intensifier Tubes" or the HARPOON Block II "GCU"). This enhancement will improve accountability of all sensitive components within an enhanced EUM system.
5. Adding new categories to the existing menu support tab and labor/man-hour cost drop-down listings to meet increasing growth in EUM responsibilities and workload to SCOs.

Outreach Programs: Golden Sentry continues its outreach program through Familiarization Visits, Regional Forums, and by engaging in bi-lateral and other stakeholders' meetings in various venues worldwide. This outreach has tremendously contributed to a greater understanding of the "Golden Sentry" program, thereby strengthening awareness of U.S. export controls. Additionally, outreach has proven to be a useful instrument in support of broader U.S. policy goals related to being a responsible arms provider.

EUM Regional Forums: Defense Security Cooperation Agency together with the Combatant Commands conducts quarterly regional forums. The purpose of EUM Regional Forums is to familiarize the Security Assistance Community with the objectives of the Golden Sentry Program, to provide insight into the latest EUM and other policy issues and offer hands-on EUM training on the SCIP EUM application (SAO/TOOLBOX).

Conclusion

DSCA continues to work to refine EUM policy guidance to better implement the EUM program worldwide. Although much more remains to be done to ensure that EUM compliance is executed within all of DoD, much has been accomplished to date. All combatant commands and SCOs worldwide are increasingly aware and are working to implement the EUM program. Nevertheless, the Golden Sentry program's EUM workload continues to grow because of additional EUM requirements mandated by laws such as Section 1228 of the NDAA and the constant increase in the quantities and types of defense articles requiring Enhanced EUM. To meet the increased workload, additional personnel and funding will be required for the out years.