

Thomas Little, an end-use monitoring program manager, confirms the serial number on a damaged missile before its disposal.

# End-Use Monitoring Is the Key to Success in Foreign Military Sales

Ensuring items are used appropriately by the intended recipients is an important part of making sure foreign military sales work as intended.

By Thomas D. Little

he United States engages with many nations around the world through security assistance programs and missions. The largest program is foreign military sales (FMS). FMS allows allied nations to work with the U.S. government to obtain defense articles, services, and training from stocks, other internal resources, and U.S. industry.

The Arms Export Control Act (AECA) requires the establishment of an end-use monitoring (EUM) program for the inventory management control and accountability of all arms sales and transfers under FMS. The AECA provides the end-use standards that the receiving nation must agree to when it signs an FMS letter of acceptance.

U.S. export laws authorize the transfer of defense articles and services through FMS only if the receiving nation agrees to the following conditions:

- ☐ The defense articles and services must be used only for the purposes for which they were provided.
- ☐ The defense articles and services



must not be transferred to a third nation or party without the knowledge and consent of the United States.

- ☐ The defense articles and services must receive the same degree of protection and physical security that the United States would provide the items.
- ☐ The nation must, upon official request, permit the United States to observe and verify compliance with the transfer agreements that the nation has signed.

## Golden Sentry

To fulfill the AECA mandate for EUM, the Department of Defense

established the Golden Sentry program. Golden Sentry ensures the security of U.S. technology and the U.S. industrial base by requiring nations that receive defense items through FMS to comply with U.S. security standards.

Once items are delivered to a nation, Golden Sentry ensures that the country is providing sufficient security for the items. It also ensures that any transfers of items to other nations meet U.S. standards.

Golden Sentry program responsibilities are found in the Security Assistance Management Manual. Chapter 8 explains how the EUM program operates. The program oper-

ates on the "trust but verify" concept, but it is the inventory management of FMS items through EUM that ultimately provides the oversight and security of U.S. military items purchased and stored by foreign nations.

Security cooperation offices (SCOs) around the world coordinate EUM with partner nations by monitoring and reporting potential misuse or illegal transfers of defense articles and services that originated from the United States.

The SCO personnel who conduct routine EUM inspections in conjunction with their other security assistance duties are responsible for post-delivery monitoring and Golden Sentry program management.

There are two levels of monitoring in the Golden Sentry Program: routine EUM and enhanced EUM (EEUM).

Routine EUM. The Department of Defense has developed a "watch list" of routine EUM items that SCO personnel observe in the performance of their daily duties. Normally, advisers will casually observe operations to ensure that the items are accounted for and used properly.

SCO personnel assist in observing routine EUM items and submit quarterly reports that record their observations in support of an EUM compliance plan. These reports are used to show that casual routine EUM is being done, accountability is being maintained, and no violations are occurring.

SCO personnel are also responsible for reporting any potential violation, misuse, or illegal transfer of FMS items. If a possible violation is reported, the SCO chief conducts an informal investigation and forwards his findings to the Defense Security Cooperation Agency (DSCA) with recommendations for further action. Violations are serious and could result in the delay or cancellation of future FMS sales to a nation.

**EEUM.** The AECA requires annual verification by serial number of designated defense items that incorporate sensitive technology and are



Smoke rises from the controlled detonation of a missile during a disposal operation.

vulnerable to diversion or other misuse. This prevents the loss of technology and possible reverse engineering by a foreign nation. The SCO personnel travel throughout the country to military installations to conduct annual inventory inspections of EEUM items by serial number.

During the annual inventory inspection, the SCO personnel also conduct physical security and key control checks of storage sites to ensure compliance with U.S. standards. All containers with EEUM items are opened for inspection.

Once an EEUM item's serial number is visually confirmed, the storage container is closed and secured with a Golden Sentry seal or lock. The seal or lock is used to confirm that the storage container has not been opened or tampered with since the last inspection.

If the seal or lock is still in place during the next inspection, the container does not have to be opened for a visual check of the serial number. If the seal or lock is missing or there are signs that it has been tampered with, it is invalid and the storage container must be opened to confirm the serial number.

The seals and locks are inventory management tools used to increase the efficiency of the EEUM inspections. If a nation needs to use or repair the EEUM item, they are allowed to break the seal or lock to access the storage container.

The option of using the Golden Sentry seal or lock is left up to the inspector. The lock is the most secure method because the only way to break the lock is to cut it, which is a clear sign of tampering.

However, not all storage containers are designed to accommodate the Golden Sentry lock. Typically several Golden Sentry locks and seals are used per container to ensure the container is completely sealed and cannot be partly opened to access the munitions inside.

#### DSCA's Role in EUM

The DSCA, which manages FMS,

established the Security Cooperation Information Portal (SCIP) online to assist SCOs in conducting post-delivery monitoring. The SCIP provides a centralized and secure information storage site for all EUM data. The EUM part of the SCIP serves as a repository of all EUM data to include inventory, final disposition, and EUM-related historical information.

DSCA also conducts compliance assessment visits (CAVs) typically every two years to assess partner nations' compliance with the Golden Sentry program and provide recommendations for improvement.

DSCA conducts CAV inspections to assess the EUM compliance program of the SCO and the host nation, to review routine EUM procedures, and to review EEUM procedures by visiting storage facilities, conducting security checks, and conducting equipment inventories throughout all of the country's sites.

While DSCA has the statutory right to inspect a nation's EEUM items at any time, a diplomatic approach that includes advance notice has proven to be the best inspection method. Nations are normally given at least six months' notice to prepare for a CAV inspection.

## The Blue Lantern Program

The Department of State has a similar program to Golden Sentry called the Blue Lantern EUM program. Created in 1990, Blue Lantern ensures compliance of direct commercial sales of defense articles, defense services, and related export data. Blue Lantern conducts prelicense, pre-shipment, post-license, and post-shipment checks of defense articles and services transferred through direct commercial sales.

The political-military (POL-MIL) office at each U.S. Embassy is responsible for the Blue Lantern program. The POL-MIL office employees conduct checks requested by the Department of State's Directorate of Defense Trade Controls.

The checks verify the destination

and specific end use and end users of commercial defense exports and transfers. These checks verify the credentials of proposed foreign consignees and end users and confirm the legitimacy of proposed transactions. The checks also provide reasonable assurance that the recipient is complying with the use, transfers, and security requirements imposed by the U.S. government.

The Golden Sentry program has specific items that require annual inspections. By contrast, the Blue Lantern program specifically targets items that pose potential risks. SCO personnel routinely assist U.S. Embassy POL-MIL personnel with their Blue Lantern checks. This help is critical since SCO personnel have an established relationship with a nation's armed forces and are able to facilitate access to all military bases and warehouses throughout the country.

### The Military Assistance Program

Before FMS and the Golden Sentry program, the United States provided military equipment to allied nations through the Military Assistance Program (MAP). The program transferred military equipment to allied nations between 1952 and 1990. The equipment was given to the nations at no cost, but the title of the equipment was retained by the U.S. government.

Before any equipment was transferred, the nation had to agree that it would use the equipment only for training for its defense and that it would secure the equipment and allow the United States to observe it. An annual inspection by U.S. EUM personnel was not required, so much of the MAP equipment was moved for other uses.

There is currently a Department of Defense initiative to complete a 100 percent inventory inspection, reconcile all MAP equipment, and close out the program. In order to accomplish this, SCO personnel in each country review the "1000 Report" provided by DSCA, which lists



A landing craft mechanized is demilitarized by a contractor who cuts it into pieces and disposes of it by selling it for scrap. The demilitarization process ensures that the boat cannot be used again for military purposes.

all MAP items that require inventory and disposal. The SCOs then contact their counterparts in the country's ministry of defense (MoD) to jointly review the list and develop a plan to conduct a 100 percent inventory inspection.

Once items are located, SCO and MoD personnel determine which articles are still usable and which require disposal. For most MAP items, which are past their life cycles, the MoD submits a disposal request through the SCO to the Department of State.

Some items may not be located. For these unaccounted for items, the MoD submits a thorough explanation for the item's loss and requests relief of responsibility. This action also requires Department of State approval. The SCO personnel observe the disposal, provide a certificate of demilitarization and disposal, and submit it to the DSCA for entry in the SCIP.

The SCOs face many challenges conducting the MAP inventory reconciliation because not all records going back to 1952 are available.

Locating and accounting for MAP equipment is a team effort between the SCO and the MoD. The SCO, in cooperation with the MoD, is required to confirm the location of all MAP equipment.

Once a MAP item is identified, a picture is taken for historical record. The determination is then made about demilitarization. Certification will only be issued once all U.S. government demilitarization standards are met.

Searching for MAP equipment is always a challenge. Equipment has been found in a number of places, including on bases as static displays and behind warehouses in pieces. Once a MAP item is found, the location is noted, a picture taken, and accountability is recorded on the 1000 Report.

#### Transfers and Demilitarization

During the life cycle of a defense item, a nation may decide to transfer, demilitarize, or dispose of the item. Sometimes items such as munitions, weapons, or vehicles may be transferred to another nation that needs

an item to fill a shortage, particularly during combat operations.

Moving an FMS item from one nation to another is called a third-party transfer. Third-party transfers require notification and approval from the Department of State's Office of Regional Security and Arms Transfers. This office manages the sale and transfer of U.S. defense articles and services to foreign governments.

Once permission is obtained, the nations can begin the transfer. The EUM program manager manages the process to ensure inventory control throughout the transaction.

A nation may also dispose of defense articles that are old, obsolete, or damaged. After receiving permission from the Department of State, the nation disposes of equipment under the observation of at least two U.S. government employees, who take photos of the operation and include them with the certificate of demilitarization that is submitted to the Department of State for final disposition.

EUM is one of the most important functions supporting FMS. Security cooperation professionals managing EUM programs around the world use their skills to ensure that 100 percent accountability is maintained and U.S. technology is protected. FMS cannot be successful without quality EUM happening every day around the world.

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