

GAO Highlights

Highlights of [GAO-22-105056](#), a report to congressional committees

Why GAO Did This Study

The U.S. government and others have raised concerns about the use of forced labor in the production of goods. DOD operates almost 3,000 commissaries and exchanges worldwide to enhance the quality of life of service members, their families, and retirees by providing reduced-priced groceries and retail goods.

The National Defense Authorization Act for Fiscal Year 2021 included a provision for GAO to review DOD's efforts to prevent the resale of goods produced by forced labor in commissaries and exchanges. This report evaluates the extent to which (1) DeCA and the military service exchanges have established policies and processes for preventing the resale of goods produced by forced labor, (2) OSD monitors DeCA's and the exchanges' compliance with their policies and processes, and (3) opportunities exist for DeCA and the exchanges to use information from other federal agencies to inform their efforts.

GAO analyzed DOD policies and processes related to the resale of goods that may be produced by forced labor and interviewed DOD and other federal agency officials.

What GAO Recommends

GAO is making four recommendations, including that DOD establish an overarching policy and consistent processes to better prevent the availability of goods produced by forced labor, establish an oversight mechanism to monitor implementation, and use available federal information to identify risks. DOD concurred with these recommendations.

View [GAO-22-105056](#). For more information, contact Elizabeth A. Field at (202) 512-2775 or fielde1@gao.gov, or Kimberly Gianopoulos at (202) 512-8612 or gianopoulosk@gao.gov.

February 2022

FORCED LABOR

Actions Needed to Better Prevent the Availability of At-Risk Goods in DOD's Commissaries and Exchanges

What GAO Found

The Department of Defense (DOD) has some policies and processes in place to prevent the resale of goods produced through forced labor in its commissaries and exchanges. However, despite their generally common business of providing reduced-priced groceries and retail goods to their patrons, the Defense Commissary Agency (DeCA) and the military service exchanges have varying policies and inconsistent processes. These inconsistencies result in a fragmented approach to forced labor at DOD's resale organizations. For example, while DeCA is subject to procurement regulations that cover all categories of goods, guidance governing the exchanges focuses only on certain resale goods such as those directly imported from overseas. Establishing an overarching policy and consistent processes would help DOD have reasonable assurance that goods produced by forced labor are not available for purchase within the commissaries and exchanges.

DOD Commissary



Source: Defense Commissary Agency. | GAO-22-105056

GAO found that the Office of the Secretary of Defense (OSD) has not monitored DeCA's and the exchanges' compliance with policies for preventing the resale of goods produced with forced labor. In addition, the military exchanges have not consistently implemented all requirements related to resale goods that may have been produced by forced labor. For example, GAO found that the exchanges have not consistently followed the requirement to have periodic assessments of their programs related to forced labor prevention. Without a mechanism to monitor efforts by DeCA and the exchanges to prevent the resale of goods produced by forced labor, OSD lacks reasonable assurance that the resale organizations are not purchasing and reselling these goods.

Despite having access to other federal agencies' information on the risks of forced labor in the production of resale goods, officials from DeCA and the exchanges have not used such information. Federal agencies, to include the Department of Labor, publish information about the potential use of forced labor in the production of goods. This information includes lists of goods and countries with increased risks of forced labor. By drawing upon available information from other federal agencies, DeCA and the exchanges would be better positioned to identify, assess, and respond to risks of forced labor.