



## DoD DIRECTIVE 3000.16

### VENDOR THREAT MITIGATION

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**Originating Component:** Office of the Under Secretary of Defense for Acquisition and Sustainment

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**Approved by:** Kathleen H. Hicks, Deputy Secretary of Defense

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**Purpose:** This issuance establishes policy and assigns responsibilities for vendor threat mitigation (VTM) to identify and address:

- The threats posed by vendors that oppose U.S., allies', or partners' interests or pose a threat to national security.
- Appropriate VTM actions and funding to implement VTM actions.

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## SECTION 1: GENERAL ISSUANCE INFORMATION

### 1.1. APPLICABILITY.

This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff (CJCS) and the Joint Staff, the Combatant Commands (CCMDs), the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

### 1.2. POLICY.

It is DoD policy that:

a. The DoD works with other U.S. Government departments and agencies, as well as other allied and partner nations, to use applicable authorities to deny, disrupt, defeat, or degrade adversaries’ potential ability to introduce national security risks and threats through contracts, grants, and cooperative agreements with the U.S. Government, allies, and partners.

b. The DoD:

(1) Implements a VTM program to identify, vet, and address threats posed by vendors that oppose U.S., allies’, and partners’ interests or pose a threat to national security, and to mitigate risks as appropriate.

(2) Implements VTM processes in a consistent and efficient manner across the DoD.

(3) Coordinates with other U.S. Government departments’ and agencies’ VTM activities in accordance with applicable laws, regulations, policy, agreements, and arrangements.

(4) Shares information on threats posed by vendors with whole-of-government partners as well as allied and partner nations in accordance with DoD Directive (DoDD) 5230.11, and DoD Instructions 5200.01 and 5200.48. This information may include intelligence reports and products, threat assessments, and risk assessments.

(5) Conducts VTM activities and information sharing in accordance with DoDDs 5148.13 and 5240.01, and DoD Instructions 5200.01, 5200.48, 2030.08, and 2040.02.

(6) Produces risk assessments as described in CJCS Manual 3105.01A.

(7) Conducts all VTM activities in accordance with applicable international agreements, as well as applicable U.S., international, and local national laws, regulations, and policies.

## **SECTION 2: RESPONSIBILITIES**

### **2.1. UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT (USD(A&S)).**

The USD(A&S) acts as the Principal Staff Assistant and principal civilian advisor to the Secretary of Defense on VTM. In this role, the USD(A&S):

- a. In coordination with the Under Secretary of Defense for Policy (USD(P)), the Under Secretary of Defense for Research and Engineering (USD(R&E)), the Under Secretary of Defense for Intelligence and Security (USD(I&S)), and the CJCS, develops and synchronizes DoD-wide policies, processes, procedures, and training guidelines for the VTM program.
- b. Through the Principal Director, Defense Pricing and Contracting, incorporates VTM policies into proposed updates to the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation Supplement and other applicable guidance.
- c. Integrates VTM activities into strategic planning, acquisition, sustainment, and financial processes.
- d. In coordination with the CJCS, institutes and manages appropriate executive oversight of VTM activities, including governance and program development.
- e. In coordination with the USD(I&S), leads identification of requirements to support the VTM program.
- f. In coordination with the USD(I&S), consults with the Director, Office of Management and Budget, to facilitate and promote interagency coordination for VTM and assists in establishing DoD processes to enable the sharing of vendor threat information.
- g. In coordination with the USD(P), the USD(I&S), the USD(R&E), and the CJCS, leads the development of DoD standards to identify, vet, and address vendors that have received funding, including goods and services, under contract, grant, or cooperative agreement, and that oppose U.S., allies', and partners' interests or that pose a threat to national security.
- h. Serves as the DoD representative to interagency forums on VTM issues related to program development and execution.
- i. Facilitates and encourages sharing vendor threat and risk management information amongst CCMDs, relevant DoD Components, and whole-of-government partners.

### **2.2. ASSISTANT SECRETARY OF DEFENSE FOR SUSTAINMENT (ASD(S)).**

Under the authority, direction, and control of the USD(A&S) and in coordination with the USD(R&E) and the USD(I&S), the ASD(S) oversees the VTM program including policy development, implementation, coordination of execution responsibilities, and oversight.

### **2.3. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR LOGISTICS.**

Under the authority, direction, and control of the USD(A&S), through the ASD(S), and in coordination with the USD(R&E), the Deputy Assistant Secretary of Defense for Logistics serves as the lead for USD(A&S) on the development and implementation of the VTM program.

### **2.4. USD(P).**

The USD(P):

- a. In coordination with the USD(A&S), the USD(I&S), and the USD(R&E), adopts and incorporates national security policy and counterterrorism guidance into DoD policies used to identify vendors that oppose U.S., allies', and partners' interests or pose a threat to national security.
- b. In coordination with the USD(I&S) and an appropriate senior representative of the Secretary of State, assesses how identifying a person or entity as opposing U.S., allies', and partners' interests or posing a threat to national security would affect current or future U.S. international relations.
- c. In coordination with the USD(A&S), the USD(I&S), the USD(R&E), and the CJCS, develops DoD-wide VTM policies, processes, procedures, and training guidelines in alignment with other relevant national security and defense policy.
- d. Contributes to the development of DoD standards for the identification of vendors that oppose the U.S., allies', and partners' interests or that pose a threat to national security.

### **2.5. ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS/LOW-INTENSITY CONFLICT.**

Under the reporting relationships specified in DoDD 5111.10, the Assistant Secretary of Defense for Special Operations/Low-Intensity Conflict:

- a. Coordinates identification of requirements for military units and individuals (Service members and civilian personnel) who are educated, trained, and equipped to support special operations VTM requirements identified by the Combatant Commanders (CCDRs). Specifically, these personnel should be educated and trained in appropriate authorities, tactics, techniques, and procedures to support VTM.
- b. Oversees the Commander, United States Special Operations Command's integration of VTM into special operations doctrine, education and training, exercises, concept development, and experimentation.
- c. Oversees the Commander, United States Special Operations Command's integration of VTM into special operations planning.

## **2.6. USD(I&S).**

The USD(I&S):

- a. On behalf of the Secretary of Defense, provides oversight and direction of the Defense Intelligence Enterprise (DIE) and the Defense Security Enterprise relating to VTM issues and activities, in accordance with DoDDs 5200.43 and 5143.01 and DoD Manual 5240.01.
- b. Leads the development of synchronized policies, processes, procedures, standards, and guidance to integrate VTM activities within the DIE that identify and categorize vendor threat levels.
- c. In support of USD(A&S) activities, establishes policy and requirements for a security-focused review to identify and analyze risks and concerns for the protection or exposure of research, technology, and other sensitive information.
- d. As the Military Intelligence Program Executive, provides oversight to ensure VTM intelligence-related resources and manpower are planned and programmed in accordance with DoDD 5205.12 and DoD 7000.14-R and advocates for such resources.
- e. Coordinates with the CCDRs, the Secretaries of the Military Departments, and the Directors of the intelligence and security agencies to ensure that the DIE is adequately organized, trained, and resourced to provide intelligence support to VTM.
- f. Represents the DoD in interagency planning and decision-making bodies involving intelligence, counterintelligence, security, and law enforcement matters related to VTM to ensure consistency and interoperability in accordance with DoDD 5143.01.
- g. In coordination with the USD(A&S), identifies requirements to support VTM.
- h. In coordination with the USD(A&S), the USD(P), and the CJCS, develops DoD-wide VTM or related policies, processes, procedures, and training guidelines for the DIE and Defense Security Enterprise relating to intelligence support to VTM.
- i. Provides guidance for, and advises the DoD Components on, the development and integration of risk-managed security policies and programs for VTM activities in accordance with DoDD 5143.01.

## **2.7. USD(R&E).**

The USD(R&E):

- a. Incorporates VTM policies into proposed updates of the Defense Grant and Regulatory System in accordance with DoDD 3210.06.
- b. Proposes revisions to Section 1100 of Title 2, Code of Federal Regulations, to incorporate VTM-related policies and authorities.

## **2.8. DOD COMPONENT HEADS.**

The DoD Component heads:

- a. Identify vendor risks, review vendor threat reports, and prohibit contracting with adversaries using all available sources of information and intelligence, e.g., classified national intelligence, security, and law enforcement information, and unclassified business intelligence.
- b. Oversee their respective Component's implementation of VTM policy and applicable VTM processes and procedures.
- c. Address the relevant CCMD's VTM processes and guidance when awarding contracts, grants, and cooperative agreements in that CCDR's area of responsibility.
- d. Engage with prime contractors through the designated head of the contracting activity to identify and mitigate potential risk to national security posed by individuals and subcontractors.
- e. Document required VTM capabilities and any shortfalls and communicate them to the USD(A&S) and the USD(I&S) as needed.
- f. Support the USD(A&S) and the CJCS in developing and implementing the VTM Program.
- g. Support the USD(A&S), the USD(P), the USD(I&S), and the CJCS to develop standard VTM processes, procedures, and training guidelines.

## **2.9. SECRETARIES OF THE MILITARY DEPARTMENTS.**

In addition to the responsibilities in Paragraph 2.8., the Secretaries of the Military Departments:

- a. Provide relevant DoD Component heads with military units or individuals (Service members and civilian personnel) who are organized, trained, and equipped to support VTM requirements identified by CCDRs.
- b. Integrate VTM into doctrine, education and training, exercises, concept development, and experimentation.

## **2.10. CJCS.**

In addition to the responsibilities in Paragraph 2.8., the CJCS serves as the principal military advisor to the Secretary of Defense for VTM. In this role, the CJCS:

- a. Advises and assists the USD(A&S), the USD(P), and the USD(I&S) on development and synchronization of DoD-wide policies for VTM that appropriately reflect joint and CCMD matters.
- b. Advises the USD(A&S) on VTM activities across the joint force, including governance and program development.

c. Integrates VTM into joint doctrine, education and training, exercises, concept development, and experimentation.

d. In coordination with the CCDRs, advises and assists in reviewing joint requirements for VTM activities to support program institutionalization. The CJCS communicates associated recommendations to the USD(A&S) and the USD(I&S) as needed.

e. In coordination with the USD(A&S), the USD(P), and the USD(I&S), aligns DoD standards for identification of vendors that oppose U.S., allies', and partners' interests or that pose a threat to national security with joint operational practices and capabilities.

## **2.11. CCDRS.**

In addition to the responsibilities in Paragraph 2.8., the CCDRs:

a. Define scope, establish command policy, determine priorities, and oversee execution of VTM processes to identify, vet, and act on vendor risks and threats in their assigned areas of responsibility. The CCDRs may delegate responsibility for such activities to a subordinate joint force commander within the scope of the joint force commander's mission and area of operations.

b. Plan, execute, and synchronize VTM activities within their assigned areas of responsibility in accordance with established VTM policies and guidance.

c. Share information on vendor risks, vendor threats, and mitigation actions taken with the DoD Components heads and whole-of-government partners, as appropriate.

d. Where appropriate, support interagency VTM efforts.

e. Integrate VTM into joint training and operational exercises based on DoD-wide guidelines and standards. Ensure subordinate commands and assigned units are trained on CCMD VTM policies and procedures.



## GLOSSARY

### G.1. ACRONYMS.

ACRONYM	MEANING
ASD(S)	Assistant Secretary of Defense for Sustainment
CCDR	Combatant Commander
CCMD	Combatant Command
CJCS	Chairman of the Joint Chiefs of Staff
DIE	Defense Intelligence Enterprise
DoDD	DoD directive
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment
USD(I&S)	Under Secretary of Defense for Intelligence and Security
USD(P)	Under Secretary of Defense for Policy
USD(R&E)	Under Secretary of Defense for Research and Engineering
VTM	vendor threat mitigation

### G.2. DEFINITIONS.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
<b>adversary</b>	A party against which the use of force can be envisaged and which is acknowledged as potentially hostile to the United States or another friendly party.
<b>Defense Security Enterprise</b>	Defined in DoDD 5143.01.
<b>DIE</b>	Defined in DoDD 5143.01.
<b>head of the contracting activity</b>	The official who has responsibility for managing the contracting activity.
<b>Mitigation</b>	Actions taken in response to a warning or after an incident occurs that are intended to lessen the potentially adverse effects of a threat on a given military operation or infrastructure.

<b>TERM</b>	<b>DEFINITION</b>
<b>prime contractor</b>	The entity or individual with which the United States enters into a contract for the purposes of obtaining supplies, materials, equipment, or services of any kind.
<b>subcontractor</b>	A contractor who enters into a contract with a prime contractor.
<b>threat</b>	A state or non-state entity or individual with capability and intent to cause harm.
<b>vendor</b>	Any entity or individual: as a prime contractor or any tier of subcontractor or supplier, or as an award recipient, that has an active contract, grant, cooperative agreement, or other transaction agreement with the U.S. Government, or subcontract or other agreement at any tier thereunder; or that seeks U.S. Government business or awards by registering or submitting proposals or offers for contracts, grants, cooperative agreements or other transaction authority agreements; or that engages in any interactions with the U.S. Government for the purpose of preparing to seek U.S. Government business or awards; or that seeks DoD technical information for commercial purposes other than seeking business or awards with the U.S. Government.
<b>Vet</b>	The act of using all available sources of information to assess threats to the force from vendors, analyze related risks, and support command mitigation decisions. Sources may include classified national intelligence, security and law enforcement information, unclassified business intelligence, and banking records.
<b>VTM</b>	The DoD program, executed in coordination with whole-of-government partners as appropriate, that uses applicable authorities to mitigate risk associated with vendors that oppose U.S., allies', or partners' interests or pose a threat to national security.
<b>VTM activities</b>	DoD and whole-of-government processes used to aid the identification and vetting of vendors who may be associated with an adversary, as well as processes to audit and prevent funding (including goods and services) from going to a vendor who may be associated with an adversary. VTM activities mitigate risk and prevent or counter any threats posed by vendors who may be associated with an adversary.
<b>whole-of-government</b>	A term used to encompass all the United States Executive Branch Departments and Agencies, e.g., DoD, Department of Transportation, Department of Homeland Security. The approach is used to bring

**TERM**

**DEFINITION**

together stakeholders to participate in developing and executing common solutions for joint activities performed by diverse agencies.

## REFERENCES

- Chairman of the Joint Chiefs of Staff Manual 3105.01A, “Joint Risk Analysis Methodology,” October 12, 2021, as amended
- Code of Federal Regulations, Title 2, Section 1100
- Defense Federal Acquisition Regulation Supplement, current edition
- Defense Grant and Agreement Regulatory System, December 17, 2003
- DoD 7000.14-R, “Department of Defense Financial Management Regulation,” dates vary by volume
- DoD Directive 3210.06, “Defense Grant and Agreement Regulatory System (DGARS),” February 6, 2014, as amended
- DoD Directive 5111.10, “Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict,” May 5, 2021
- DoD Directive 5143.01, “Under Secretary of Defense for Intelligence and Security (USD(I&S)),” October 24, 2014, as amended
- DoD Directive 5148.13, “Intelligence Oversight,” April 26, 2017
- DoD Directive 5200.43, “Management of the Defense Security Enterprise,” October 1, 2012, as amended
- DoD Directive 5205.12, “Military Intelligence Program (MIP),” November 14, 2008, as amended
- DoD Directive 5230.11, “Disclosure of Classified Military Information to Foreign Governments and International Organizations,” June 16, 1992
- DoD Directive 5240.01, “DoD Intelligence Activities,” August 27, 2007, as amended
- DoD Instruction 2030.08, “Implementation of Trade Security Controls (TSCs) for Transfers of DoD Personal Property to Parties Outside DoD Control,” February 19, 2015, as amended
- DoD Instruction 2040.02, “International Transfers of Technology, Articles, and Services,” March 27, 2014, as amended
- DoD Instruction 5200.01, “DoD Information Security Program and Protection of Sensitive Compartmented Information (SCI),” April 21, 2016, as amended
- DoD Instruction 5200.48, “Controlled Unclassified Information (CUI),” March 6, 2020
- DoD Manual 5240.01, “Procedures Governing the Conduct of DoD Intelligence Activities,” August 8, 2016
- Federal Acquisition Regulation, current edition