



February 2019

# CIVILIAN MARKSMANSHIP PROGRAM

## Information on the Sale of Surplus Army Firearms

Accessible Version

# GAO Highlights

Highlights of [GAO-19-287](#), a report to congressional committees

## Why GAO Did This Study

Since 1996, the Army has transferred more than 700,000 surplus rifles and handguns to CMP. The National Defense Authorization Act (NDAA) for Fiscal Year 1996 authorized CMP to sell certain types of surplus Army firearms to U.S. citizens, including M1 .30 caliber rifles. CMP reimburses the Army for the costs to prepare and transport surplus firearms to CMP.

The NDAA for Fiscal Year 2018 required the Army during fiscal years 2018 and 2019 to transfer to CMP surplus M1911 .45 caliber handguns, including not fewer than 8,000 in fiscal year 2018 and not more than 10,000 in any fiscal year, and included a provision for GAO to conduct a review of certain matters related to CMP. Among other things, GAO examined (1) the Army and CMP's procedures to address requirements governing the transfer and sale of firearms and (2) CMP's primary sources of revenue, costs and profits, and estimated future revenue associated with the sale of surplus firearms.

GAO reviewed applicable federal statutes and agreements between the Army and CMP; analyzed firearms transfer data, and CMP's Internal Revenue Service filings and internal financial documents; and visited both CMP's northern headquarters in Port Clinton, Ohio and its southern headquarters in Anniston, Alabama.

View [GAO-19-287](#). For more information, contact Diana Maurer, 202-512-9627, [maurerd@gao.gov](mailto:maurerd@gao.gov)

February 2019

## CIVILIAN MARKSMANSHIP PROGRAM

### Information on the Sale of Surplus Army Firearms

## What GAO Found

The Civilian Marksmanship Program (CMP) is a federally chartered, nonprofit corporation that, among other things, instructs U.S. citizens in marksmanship; promotes practice and safety in the use of firearms; and sells surplus Army firearms (see figure), ammunition, repair parts, and other supplies. CMP is required to give priority to activities that benefit firearms safety, training, and competition for youth and that reach as many youth participants as possible. CMP also charges fees for individuals to participate in some of its programs.

The Army and CMP have established procedures to address federal requirements for the transfer and sale of surplus firearms. Both organizations established procedures to carry out the transfer of surplus Army firearms as identified in a 2016 Memorandum of Understanding (MOU) and a 2018 Memorandum of Agreement, both between the Army and CMP. To address requirements for selling surplus firearms, CMP uses a combination of procedures, including an application requiring prospective customers to provide proof of citizenship and age, among other things, and a check against the National Instant Criminal Background Check System. Per the MOU, the Army's Tank-automotive and Armaments Command oversees the Army's costs and reimbursements from CMP for certain costs associated with storing, transporting, and administering the transfer of surplus firearms.

#### Surplus M1 .30 Caliber Rifle and M1911 .45 Caliber Handguns



M1 rifle



M1911 handguns

Source: GAO. | GAO-19-287

The primary source of CMP's revenues from fiscal years 2008 through 2017 was from the sale of surplus rifles, which, according to CMP's internal financial documents, generated \$196.8 million in revenue. CMP also sold commercial ammunition and memorabilia, which, according to the same documents, generated \$76.4 million in revenue. Further, according to its Internal Revenue Service filings for this time frame, CMP reported earning \$49.8 million in interest and dividends from its investment account. CMP began selling surplus M1911 handguns in November 2018 and had just begun generating revenue from these sales at the time of GAO's review. The profit that CMP realized from the sales of surplus rifles could not be determined because CMP's methodology to calculate expenses did not account for all of CMP's costs associated with the sale of these rifles. GAO estimates future sales of CMP's surplus handgun and rifles currently available for sale could generate as much as \$104.9 million, or enough to fund CMP's operations for several years. Further, as of September 30, 2017, CMP reported having cash of \$3.6 million, and an investment account valued at \$188.6 million. This could also allow CMP to continue operations for several years.

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# Contents

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Letter		1
	Background	4
	The Army and CMP Have Established Procedures for the Transfer and Sale of Surplus Firearms	11
	Sale of Surplus Firearms Has Been the Primary Source of CMP's Revenue; Although Associated Profits Could Not Be Determined, Estimated Future Revenue Could Fund Operations for Several Years	20
	CMP and the Five Selected Corporations Have Similarities in Aspects of Their Business Operations, but Differ in Their Relationship with Members	29
	Agency Comments, Third-Party Views, and Our Evaluation	32
<hr/>		
Appendix I: Scope and Methodology		34
Appendix II: Surplus Rifles Transferred from the Army to the Civilian Marksmanship Program from Fiscal Years 2008 through 2017		39
Appendix III: GAO Contact and Staff Acknowledgments		41
Appendix IV: Accessible Data		42
	Data Tables	42
<hr/>		
Table	Table 1: Surplus Rifles Transferred to the Civilian Marksmanship Program, FY 2008-2017	40
<hr/>		
Figures	Figure 1. A Surplus M1 .30 Caliber Rifle Packed for Shipment	6
	Figure 2: Surplus M1911 .45 Caliber Handguns.	9
	Figure 3: Civilian Marksmanship Program's (CMP) Process for Selling Surplus Firearms	14
	Figure 4: Number of Surplus Rifles Sold by the Civilian Marksmanship Program, Fiscal Years 2008-2017	22

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Figure 5: Boxes of Commercially Purchased Ammunition Stored in the Civilian Marksmanship Program’s Anniston, Alabama, Facility	23
Figure 6: The Civilian Marksmanship Program’s Investment Account, Fiscal Years 2008-2017	24
Figure 7: Talladega Marksmanship Park in Talladega, Alabama	25
Figure 8: Competitors on the Firing Line at the National Matches, July 2018	25
Accessible Data for Figure 4: Number of Surplus Rifles Sold by the Civilian Marksmanship Program, Fiscal Years 2008-2017	42
Accessible Data for Figure 6: The Civilian Marksmanship Program’s Investment Account, Fiscal Years 2008-2017	42

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**Abbreviations**

CMP	Civilian Marksmanship Program
DLA	Defense Logistics Agency
FFL	Federal Firearms Licensee
IRS	Internal Revenue Service
MOU	Memorandum of Understanding
NDAA	National Defense Authorization Act
NICS	National Instant Criminal Background Check System
TACOM	Tank-automotive Armament Command

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February 14, 2019

Congressional Committees

The National Defense Authorization Act (NDAA) for Fiscal Year 1996 authorized the Corporation for the Promotion of Rifle Practice and Firearms Safety, which operates and is commonly referred to as the Civilian Marksmanship Program (CMP), to sell certain types of surplus Army firearms to U.S. citizens.<sup>1</sup> Under this and subsequent acts, CMP ceased being an Army program and became a Title 36 federally chartered, 501(c) nonprofit corporation.<sup>2</sup> Since 1996 the Army has transferred more than 700,000 surplus rifles and handguns to CMP. The majority of firearms sold by CMP have been different models of surplus M1 rifles, a .30 caliber semi-automatic service rifle that began regular production in 1937 and was the primary rifle used by U.S. troops in World War II.

Memorandums of Understanding (MOU) between the Army and CMP, first completed in September 1996 and most recently revised in September 2016, establish the roles and responsibilities of the Army and CMP regarding the transfer and sale of surplus firearms. The Army is responsible for identifying, storing, and transferring authorized surplus firearms to CMP. Although the Army incurs costs to prepare and transport firearms identified as surplus for transfer to CMP, CMP reimburses the Army for these costs. CMP then sells these firearms to eligible individuals and gun clubs to fund its mission to promote marksmanship training and firearm safety.

The NDAA for Fiscal Year 2018 required the Army during fiscal years 2018 and 2019 to transfer surplus .45 caliber M1911 handguns to CMP, including not fewer than 8,000 in fiscal year 2018 and not more than

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<sup>1</sup>See Pub. L. No. 104-106, § 1614(b) (1996) (codified, as amended, at 36 U.S.C. § 40732(b)). The act created the corporation and gave it supervision and control over the formerly federal government-operated Civilian Marksmanship Program (CMP). Today, the corporation is commonly known as CMP. Throughout this report, we refer to the Corporation for the Promotion of Rifle Practice and Firearm Safety as CMP.

<sup>2</sup>See Pub. L. No. 104-106, § 1611(a), (b); Patriotic and National Observances, Ceremonies, and Organizations Act, Pub. L. No. 105-225, §§ 40701-40733 (1998). There are currently 94 nonprofit corporations listed in subtitle II of Title 36 as federally chartered corporations because of their patriotic, charitable, historical, or educational purposes.

10,000 in any fiscal year, and included a provision for us to review certain matters related to CMP.<sup>3</sup> This report (1) examines the Army's and CMP's procedures to address requirements governing the transfer and sale of firearms; (2) examines CMP's primary sources of revenue, costs, and profits, and estimated future revenue associated with the sale of surplus firearms; and (3) compares certain aspects of CMP's business operations with those of five selected youth-focused, federally chartered nonprofit corporations.

For objectives one and two, we focused on the transfer and sale of surplus rifles and the associated costs and profits for fiscal years 2008 through 2017. We compiled 10 years of CMP's sale of surplus rifles from fiscal years 2008 through 2017 to understand the numbers of surplus rifles transferred as well as CMP's revenue, costs, and profits associated with the sale of the of surplus rifles. We also reviewed transfer and sales procedures from fiscal years 2018 and 2019 to provide a current status regarding CMP's sale of surplus M1911 handguns, which CMP began selling in November 2018.

For objective one, we reviewed applicable federal statutes, including relevant provisions from Title 36 and Title 18 of the U.S. Code, and the agreements between the Army and CMP.<sup>4</sup> We also visited both CMP's northern headquarters in Port Clinton, Ohio and its southern headquarters in Anniston, Alabama. We visited CMP's northern headquarters to observe operations there and interview officials about CMP's marksmanship-related programs and to observe portions of one of those programs, the National Matches. We visited CMP's facilities in Anniston, Alabama, to observe the sales and shipping processes for rifles and handguns as well as the procedures used to evaluate and refurbish surplus firearms, and to interview CMP officials about these processes and procedures. We also visited the facilities and gun ranges at CMP's

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<sup>3</sup>Pub. L. No. 115-91, § 1091(a), (f)(1) (2017).

<sup>4</sup>*E.g.*, 36 U.S.C. §§ 40701-40733; 18 U.S.C. § 922; Memorandum of Understanding Between the U.S. Army and The Corporation For the Promotion of Rifle Practice and Firearms Safety, Inc., *Corporation for the Promotion of Rifle Practice and Firearms Safety, Inc., dba the Civilian Marksmanship Program* (Sept. 12, 2016) (hereinafter cited as the Memorandum of Understanding (Sept. 12, 2016)); Memorandum of Agreement Between the U.S. Army and The Corporation For the Promotion of Rifle Practice and Firearms Safety, Inc., *Transfer of Surplus Caliber .45 M1911/M1911A1 Pistols from the U.S. Army to The Corporation for the Promotion of Rifle Practice and Firearms Safety, Inc., during Fiscal Years 2018 and 2019* (Jan. 17, 2018) (hereinafter cited as the Memorandum of Agreement (Jan. 17, 2018)).

Talladega, Alabama facility. We reviewed documentation of reimbursements CMP made to the Army, including cash collection vouchers, and Tank-automotive Armament Command (TACOM) briefings to CMP.

For objective two, we reviewed CMP's annual Internal Revenue Service (IRS) filings for fiscal years 2008 through 2017. The publicly available filings (which we refer to as "IRS filings" throughout the report) include information on CMP's mission, programs, finances, and corporate governance structure.<sup>5</sup> In addition, we reviewed CMP's internal financial documents (profit and loss statements). We also interviewed CMP officials to corroborate our understanding of the information provided in CMP's IRS filings and internal financial documents.<sup>6</sup> We assessed the reliability of the data by interviewing CMP officials to gain an understanding of how CMP's IRS filings and internal financial documents are produced and found the data sufficiently reliable for our purposes. We also analyzed surplus firearms transfer data and procedures and interviewed officials from TACOM and the Defense Logistics Agency to understand and describe the costs to the Army and CMP of obtaining, storing, and transferring these surplus firearms to CMP. To assess the reliability of the surplus firearms transfer data, we spoke with TACOM officials for clarification and further explanation of the data provided, including firearm nomenclature and identification codes, and found the data to be sufficiently reliable for our purposes.

For objective three, we identified eight corporations from the 93 other federally chartered, nonprofit corporations currently listed in subtitle II of Title 36, U.S. Code, whose mission focused on the development, education, or training of youth. Two of the corporations did not respond to our request to meet and a third corporation declined to meet. Therefore, the corporations with a youth-focused mission that we selected were the Naval Sea Cadet Corps, the Civil Air Patrol, Big Brothers Big Sisters of America, Future Farmers of America, and the Boy Scouts of America. For

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<sup>5</sup>As a federally chartered nonprofit 501(c)(3), CMP is required to file annual IRS filings that are informational rather than determinations of taxes to be paid. The IRS Form 990, *Return of Organization Exempt from Income Tax* is an informational filing submitted to IRS by most organizations exempt from income tax under section 501(a) of Title 26, U.S. Code. Organizations that are required to submit the Form 990 must submit this form annually.

<sup>6</sup>We relied on the IRS filings to provide information on revenue generated from overall sales, investments, and programs, as well as on the growth of CMP's investment account. CMP refers to the investment account as its endowment account.

the five selected federally chartered, nonprofit corporations, we reviewed the publicly available information on their websites to understand the most current information regarding certain aspects of these corporations' business operations. We developed a list of standard questions and interviewed officials from all five corporations regarding certain aspects of their business operations—including governance, organizational structure, and funding sources—and regarding whether those corporations had received any federal funding or resources. See appendix I for a more detailed explanation of our scope and methodology.

We conducted this performance audit from May 2018 to February 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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### Civilian Marksmanship Program

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In 1903, the War Department under President Theodore Roosevelt established the National Board for the Promotion of Rifle Practice, today known as CMP, with the general purpose of promoting the development of marksmanship skills and preparing individuals in the event that they were called upon to serve in the military.<sup>7</sup> For the next several decades, the Army managed and operated CMP. In 1990, we reported that CMP was of limited value to military preparedness because, among other things, CMP's objectives and goals were not linked to Army mobilization and training plans and program-trained personnel were not tracked.<sup>8</sup> The NDAA for Fiscal Year 1996 moved CMP out of the Army and established CMP as a federally chartered, nonprofit corporation.<sup>9</sup> The act also

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<sup>7</sup>We previously discussed the history of CMP in GAO, *Military Preparedness: Army's Civilian Marksmanship Program Is of Limited Value*, [GAO/NSIAD-90-171](#) (Washington, D.C.: May 23, 1990).

<sup>8</sup>[GAO/NSIAD-90-171](#).

<sup>9</sup>Pub. L. No. 104-106, §§ 1611, 1612 (codified, as amended, at 36 U.S.C. §§ 40701, 40704, 40721); see also Pub. L. No. 105-225, §§ 40701-40733.



required the Secretary of the Army to transfer all firearms, ammunition, and funds from sales previously under the control of the Army program to CMP.<sup>10</sup>

The governing statutes for CMP and Army support of CMP activities are generally found in chapter 407 of Title 36, U.S. Code. Among other things, these provisions provide for the organization, governance structure, and functions of CMP.<sup>11</sup> These functions include instructing U.S. citizens in marksmanship, promoting practice and safety in the use of firearms, and conducting competitions.<sup>12</sup> For purposes of training and competition, CMP may issue or loan certain rifles, ammunition, repair parts, and other supplies necessary for activities related to CMP to affiliated organizations that provide firearms training to youth, the Boy Scouts of America, 4-H Clubs, Future Farmers of America, and other youth-oriented organizations.<sup>13</sup> CMP is required to give priority to activities that benefit firearms safety, training, and competition for youth and that reach as many youth participants as possible.<sup>14</sup> As one of its functions, CMP conducts rifle and handgun marksmanship competitions such as the annual National Matches. The National Matches is open to members of the armed forces, the National Guard, the Reserve Officers' Training Corps, and rifle clubs, among other entities, as well as to civilians.<sup>15</sup>

Additionally, CMP may sell certain surplus rifles and M1911 handguns to affiliated organizations that provide training in the use of firearms, such as gun clubs.<sup>16</sup> Finally, CMP is authorized to sell to U.S. citizens who are members of affiliated gun clubs, at fair market value, surplus .22 caliber rimfire rifles, .30 caliber rifles, and .45 caliber M1911/M1911A1 handguns,

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<sup>10</sup>See Pub. L. No. 104-106, §§ 1615(a), 1621(a); 36 U.S.C. § 40728(a).

<sup>11</sup>See *generally* 36 U.S.C. §§ 40701-40733.

<sup>12</sup>36 U.S.C. § 40722. Participants in activities sponsored or supported by CMP must certify that they have not been convicted of a felony or a violation of certain federal firearms statutes, and are not members of an organization that advocates the violent overthrow of the U.S. government. § 40723(a).

<sup>13</sup>§ 40731(a).

<sup>14</sup>§ 40724.

<sup>15</sup>§ 40725(b).

<sup>16</sup>§ 40732(a).

as well as ammunition, repair parts, and other supplies necessary for target practice.<sup>17</sup>

## Agreements between the Army and CMP and the Role of the Army

The Army and CMP have entered into various agreements governing their relationship. An MOU from 2016 currently delineates Army and CMP responsibilities for, among other things, the transfer of surplus firearms and associated parts and ammunition. Appendixes to the MOU identify approximately 170 surplus rifles and handguns that may be transferred to CMP.<sup>18</sup> These surplus firearms include the M1 Garand .30 caliber rifle and other rifles, such as the 1903 Springfield and 1917 Enfield. See figure 1 for a photograph of a surplus M1 .30 caliber rifle packed for shipment.

**Figure 1. A Surplus M1 .30 Caliber Rifle Packed for Shipment**



Source: GAO. | GAO-19-287

<sup>17</sup>§ 40732(b).

<sup>18</sup>The appendixes list different types and models of .30 caliber rifles and carbines, .22 caliber rimfire rifles, .45 M1911s, and air rifles and pistols.

The Army provides a variety of support to CMP, including identifying and reserving certain surplus firearms, ammunition, and parts.<sup>19</sup> At CMP's request, the Army can transfer these firearms, ammunition, and parts to CMP under procedures established in the MOU. TACOM is the executive agent for small arms.<sup>20</sup> Per the MOU between the Army and CMP, TACOM provides various forms of support to CMP, including facilitating transfers of surplus firearms from U.S. sources and recovery of firearms from foreign countries before transfer to CMP. For surplus firearms transfers within the United States, CMP reimburses the Army for the cost of preparation and transportation, including for the Army's standard depot operations costs.<sup>21</sup> The costs of the recovery of firearms, ammunition, and parts from foreign countries are treated as incremental direct costs of Army logistical support, and are also to be reimbursed by CMP.<sup>22</sup>

The MOU contains further provisions related to Army and CMP responsibilities and procedures, such as provisions regarding Army support for competitions and the Small Arms Firing School, and CMP's role in the Army's Ceremonial Rifle Program. The MOU also contains procedures and responsibilities related to funding. Finally, the MOU specifies certain management internal controls to be undertaken by CMP, including those related to the sale of firearms and the accountability of transferred materiel.<sup>23</sup> CMP's implementation and management of these

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<sup>19</sup>The Army also provides support to competitions and other activities: The Army is required to provide logistical support to CMP for certain competitions and other activities; CMP must reimburse incremental direct costs, such as printing targets. See 36 U.S.C. § 40727(a); Memorandum of Understanding, para. 3.c (Sept. 12, 2016). National Matches may be held at certain DOD facilities, and the Army is to provide, without cost to CMP, National Guard and Army Reserve members for support. § 40727(b). The Army may also provide ammunition to support the small arms firing school run by the Army Marksmanship Unit. Memorandum of Understanding, para. 3.c(1) (Sept. 12, 2016).

<sup>20</sup>TACOM Life Cycle Management Command, Integrated Logistics Support Center is the executive agent for small arms logistics and demilitarization.

<sup>21</sup>Section 40728(g) of Title 36, U.S. Code, provides that CMP shall assume the cost of preparation and transportation of firearms and ammunition. The Memorandum of Understanding identifies these costs as standard depot operations and second destination transportation costs. See Memorandum of Understanding, para. 3.a(4) (Sept. 12, 2016).

<sup>22</sup>§ 40728A(b).

<sup>23</sup>With respect to the accountability of transferred materiel, CMP is to prescribe and adhere to storage, maintenance, and issuance procedures, following transfer, to ensure that it has appropriate and effective oversight of all transferred property. Memorandum of Understanding, para. 4.f (Sept. 12, 2016)

controls is to be assessed and documented in an audit report to the Army required by the agreement.<sup>24</sup>

To implement the transfer of surplus M1911 handguns, parts, and accessories, the Army and CMP entered into a Memorandum of Agreement in January 2018, and the Army began transferring the surplus M1911 handguns to CMP the same month.<sup>25</sup> The Memorandum of Agreement establishes procedures and requirements for the Army and CMP additional to those in the 2016 MOU. Among other things, it requires CMP to provide the Army with transaction data for all surplus handguns received and sold on a quarterly basis, including the number transferred to CMP, the number sold, a listing of the serial numbers for handguns sold, and any information CMP has regarding crimes committed with a purchased M1911 handgun.<sup>26</sup> The Memorandum of Agreement further required CMP to take certain actions with respect to security and accountability procedures for surplus M1911 handgun processing and storage.<sup>27</sup> See figure 2 for a photograph of surplus M1911 handguns.

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<sup>24</sup>See Memorandum of Understanding, paras. 4, 5 (Sept. 12, 2016). CMP provided us a draft copy of the first such report in September 2018.

<sup>25</sup>The Memorandum of Agreement applies to the transfer and sale of surplus M1911 handguns during fiscal years 2018 and 2019 and remains in effect until November 15, 2019. Once the Memorandum of Agreement is no longer in effect, a provision in the general Memorandum of Understanding would apply to the transfer of M1911 handguns.

<sup>26</sup>While the Army began transferring surplus M1911s in January 2018, CMP did not begin selling the surplus M1911 handguns until November 2018 and therefore has not yet reported any of this information to the Army.

<sup>27</sup>Specifically, the Memorandum of Agreement required CMP to ensure its M1911 processing and storage facility met certain Army standards by maintaining 24-hour occupancy until a modular vault with an approved armory door was installed. Following installation and Army inspection of the vault, CMP is required to continue to maintain strict security and accountability procedures to ensure appropriate and effective oversight of all transferred handguns in the possession of CMP. See Memorandum of Agreement, para. 3.b(4) (Jan. 17, 2018).

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**Figure 2: Surplus M1911 .45 Caliber Handguns.**



Source: GAO. | GAO-19-287

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## Federal Requirements for Selling Firearms

Chapter 407 of Title 36, U.S. Code authorizes CMP to sell firearms to individuals who (1) are U.S. citizens, (2) are legally of age, and (3) are members of CMP-affiliated gun clubs.<sup>28</sup> CMP's sales of surplus firearms are generally subject to applicable federal, state, and local law.<sup>29</sup> For example, the minimum age to purchase a rifle from a federal firearms licensee (FFL) is 18, while the minimum age to purchase a M1911 handgun from an FFL is 21.<sup>30</sup> Additionally, CMP must establish procedures to obtain a criminal records check with federal and state law enforcement agencies.<sup>31</sup> Certain federal requirements and restrictions related to the sale of firearms are contained in section 922 of Title 18,

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<sup>28</sup>36 U.S.C. § 40732(b)(1). CMP is also prohibited from selling any item to an individual convicted of a felony or a violation of section 922 of Title 18, U.S. Code. § 40732(c)(2).

<sup>29</sup>§ 40732(b)(2).

<sup>30</sup>See 18 U.S.C. § 922(b)(1) (providing age limits applicable to sales of firearms and ammunition by federal firearms licensees (FFLs)). Although CMP does not operate as an FFL for its sales of rifles, CMP requires all prospective rifle and rifle ammunition purchasers to certify and provide documentation showing that they are over age 18.

<sup>31</sup> § 40732(b)(2).

U.S. Code. Among other things, section 922 prohibits selling or otherwise disposing of firearms to certain prohibited persons.<sup>32</sup>

Generally, only FFLs may engage in the business of dealing in firearms. Additionally, FFLs generally may not sell firearms directly to out-of-state customers other than another FFL.<sup>33</sup> However, these restrictions do not apply to CMP for the sale of surplus .22 caliber rimfire and .30 caliber rifles. Specifically, CMP may sell these rifles without operating as an FFL and ship these rifles directly to customers around the country, unless prohibited by that customer's state or local law.<sup>34</sup> With respect to the sale of the surplus M1911 handguns, CMP must obtain a license and operate as an FFL.<sup>35</sup>

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<sup>32</sup>These include any person who the seller knows or has reasonable cause to believe (1) is under indictment for or has been convicted of a crime punishable by imprisonment for more than a year; (2) is a fugitive from justice; (3) is an unlawful user of or addicted to any controlled substance; (4) has been adjudicated as a mental defective or committed to a mental institution; (5) is an alien illegally or unlawfully in the U.S. or, with some exceptions, was admitted under a nonimmigrant visa; (6) has been discharged from the United States armed forces under dishonorable conditions; (7) has renounced his or her citizenship; (8) is subject to certain restraining orders; or (9) has been convicted of a misdemeanor crime of domestic violence. 18 U.S.C. § 922(d)(1)-(9). See also § 922(g), (n) (prohibiting similar categories of individuals from receiving firearms that have been shipped or transported in interstate or foreign commerce).

<sup>33</sup>An FFL may, however, sell a firearm to an out-of-state customer if the firearm is shipped to an FFL whose business is in the customer's state of residence (a "local FFL") and the customer takes delivery of the firearm from that local FFL. In addition, an FFL may sell a rifle or shotgun to an out-of-state customer in an over-the-counter transaction, provided the transaction complies with the state laws of both the state where the FFL's business is located and the state in which the customer resides. See 18 U.S.C § 922(a)(1), (2), (5), (b)(3); 27 C.F.R. §§ 478.96(c), 478.99(a).

<sup>34</sup>See 36 U.S.C. §§ 40733(a), (b), 40732(b)(2).

<sup>35</sup>See § 40733(b).

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## The Army and CMP Have Established Procedures for the Transfer and Sale of Surplus Firearms

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### The Army and CMP Have Procedures to Address Requirements for the Transfer of Surplus Firearms

The MOU between the Army and CMP delineates a number of responsibilities for both organizations regarding the transfer of surplus firearms. Furthermore, we found that both organizations have established procedures to carry out these responsibilities. Appendixes to the MOU list approximately 170 firearms that the Army has identified as surplus to its needs. If any of the surplus firearms described in the MOU are identified by the Army in a domestic location, the Army reserves those firearms for transfer to CMP pending a formal written request from CMP for the transfer of the surplus firearms in question. For example, in fiscal year 2017 the Army identified and reserved for transfer to CMP more than 1,000 surplus rifles that various Department of Defense museums found to be surplus to their needs. Under the MOU, once TACOM informs CMP it has reserved surplus firearms that may be transferred, CMP can submit a transfer request for the surplus firearms in writing to TACOM. CMP's written request must acknowledge that the requested materiel is on the list of firearms approved for transfer; certify that CMP will provide all security, oversight, and accountability—as required by law—of the materiel; and describe how CMP will use the requested materiel.<sup>36</sup>

TACOM facilitates the transfer of surplus firearms to CMP as required by the MOU. In some instances, the Army directly ships surplus firearms within the United States to CMP. In other instances, TACOM relies on the Defense Logistics Agency (DLA) to ship the surplus firearms to CMP. If DLA transfers the surplus firearms, the firearms are either shipped directly to CMP or to the DLA facilities located in Anniston, Alabama, where they are released to CMP. Under the MOU, CMP reimburses the Army for certain costs associated with transportation, supply depot

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<sup>36</sup>CMP must include in its description the statutory authority allowing the use. The approved lists of firearms, parts, and ammunition contained in the appendices also identify the relevant Army approval authorities.

operations, and administrative support.<sup>37</sup> Both CMP and DLA officials told us that surplus firearms located at DLA's facilities in Anniston, Alabama, did not incur shipping cost to the Army because CMP arranges the transfer from the DLA facilities directly to CMP's facilities also located in Anniston, Alabama. For example, according to TACOM and CMP officials the Army did not incur any transportation costs for transferring 8,000 surplus M1911 handguns to CMP in January 2018. According to an Army official, this was because CMP transported 6,736 M1911 handguns from the DLA facility, an additional 1,242 M1911 handguns from the Center of Military History Museum Support Center, and 22 M1911 handguns from TACOM facilities—all located in Anniston, Alabama—back to its own facility in Anniston for storage.<sup>38</sup>

In addition to firearms from domestic locations, the Secretary of the Army may also recover certain surplus firearms furnished to foreign countries on a grant basis under the Foreign Assistance Act and transfer them to CMP.<sup>39</sup> If the Secretary of the Army decides to transfer surplus firearms from a foreign country, TACOM and the Office of the Administrative Assistant to the Secretary of the Army works with the State Department, Office of Defense Cooperation, representatives located in the respective foreign country to recover and facilitate the transfer and shipment of surplus firearms from these recipients to CMP.<sup>40</sup> For example, according to Army officials, CMP received approximately 100,000 surplus M1 rifles in fiscal year 2018; more than 13,000 surplus M1 rifles were recovered and transferred from Turkey in addition to nearly 87,000 surplus M1 rifles from the Philippines.

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<sup>37</sup>According to Army officials, the Army is reimbursed by CMP even if the firearms come from a non-Army location because the Army is charged for the transfer by the transferring location.

<sup>38</sup>According to Army and DLA officials, there were approximately 100,000 surplus M1911 handguns in storage at DLA's facilities in Anniston, Alabama prior to the first shipment of surplus M1911 handguns to CMP in January 2018.

<sup>39</sup>See 36 U.S.C § 40728A(a). Specifically, the Army may recover from a foreign country the types of firearms, ammunition, repair parts, or other supplies described in section 40732(a) that were furnished on a grant basis to that country under conditions imposed by section 505 of the Foreign Assistance Act of 1961 and that have become excess to the needs of that country.

<sup>40</sup>Under 36 U.S.C. § 40728A(c), materiel recovered is available for transfer to CMP in accordance with the provisions of section 40728 as well as any additional terms the Secretary prescribes. The Memorandum of Understanding contains procedures regarding the transfer of recovered materiel.



After CMP receives the surplus firearms, the MOU requires CMP to perform all accounting procedures required by the Army for inventory control, including compiling the surplus firearms' serial numbers. According to CMP officials, CMP uses a commercial point of sale system to track inventory and performs an audit of firearms stored at its facilities annually. For example, according to CMP officials, to count and verify the inventory of incoming shipments of surplus firearms, CMP staff open and inspect each box of surplus firearms upon receipt of the firearms in their facilities in Anniston, Alabama. CMP staff then inventory each firearm by matching the unique serial number found on the receiver of each firearm to the manifest included with the shipment. CMP then enters these firearms into its inventory using each firearm's unique serial number. After shipping firearms to CMP, the MOU requires TACOM to update the Army's Unique Item Tracking database for tracking the firearms, which it does by serial number. By statute, title to a transferred firearm does not vest with CMP until immediately before CMP delivers the firearm to an eligible purchaser.<sup>41</sup>

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### CMP Uses Sales Procedures and Federal Background Checks to Address Requirements Related to the Sale of Surplus Firearms

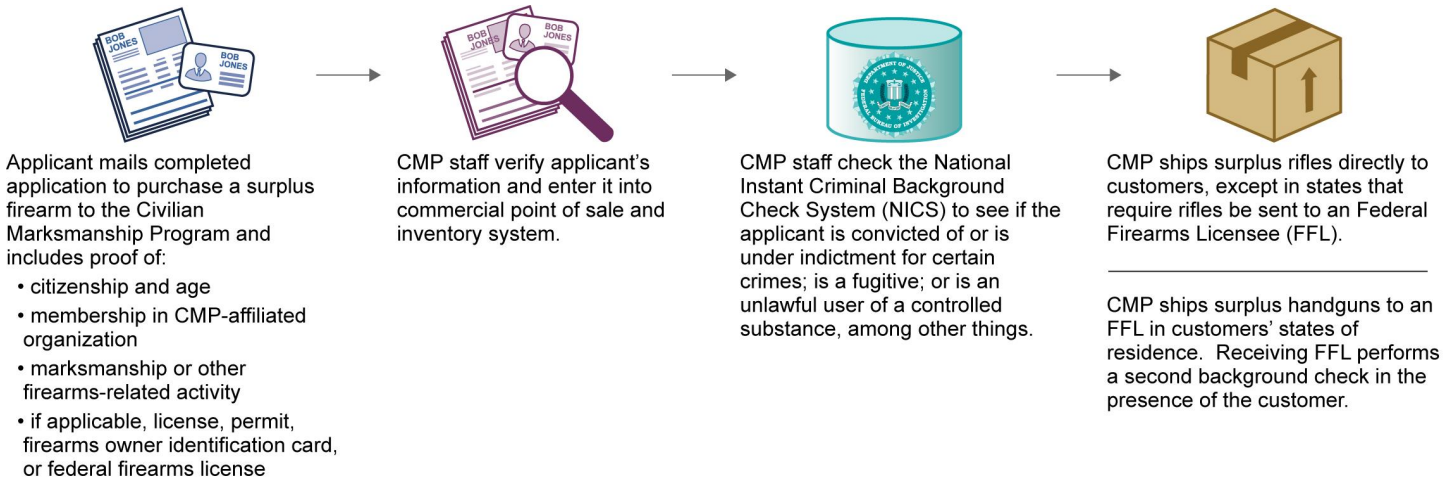
CMP primarily uses sales procedures and the Federal Bureau of Investigation's National Instant Criminal Background Check System (NICS) to address requirements related to the sale of surplus firearms.<sup>42</sup> See figure 3 below for a description of several of the processes used by CMP to address the requirements related to the sale of surplus firearms.

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<sup>41</sup>§ 40728(c). In the case of firearms issued or loaned by CMP to eligible organizations under section 40731, title vests with CMP on the issuance of the item to the eligible recipient.

<sup>42</sup>CMP has taken actions to meet other requirements regarding the storage and sale of M1911 handguns. For example, CMP's facility for the storage and processing of M1911 handguns was certified to meet Army standards for the storage of Category IV weapons by the Army in April 2018. To meet certain federal requirements for the sale of handguns, CMP includes trigger locks on the handguns when they are sold.

**Figure 3: Civilian Marksmanship Program’s (CMP) Process for Selling Surplus Firearms**



Source: GAO analysis of Civilian Marksmanship Program information. | GAO-19-287

While various federal statutes and provisions from the agreements between the Army and CMP apply to selling both the surplus rifles and the surplus handguns, there are some differences. For example:

- Because section 40733 of Title 36, U.S. Code, exempts CMP from certain federal firearms requirements and restrictions, CMP can ship surplus rifles directly to a customer’s home, unless that would conflict with state or local laws applicable where the firearm is being shipped. In contrast, CMP must operate as an FFL for selling surplus M1911 handguns and will ship purchased handguns to an FFL, such as a certified gun shop, in the customer’s state.<sup>43</sup> The local FFL repeats the background check before turning over the firearm to the customer.
- The MOU limits CMP’s sale of surplus rifles to eight per customer per calendar year, while the Memorandum of Agreement limits CMP’s sale of M1911 handguns to one per customer while it is in effect.<sup>44</sup>

<sup>43</sup>Specifically, section 40733 provides that sections 922(a)(1)-(3) and (5) of Title 18, U.S. Code, do not apply to the shipment, transportation, receipt, transfer, sale, issuance, loan, or delivery by CMP of an item it is authorized to issue, loan, sell, or receive under chapter 407 of Title 36. However, with respect to firearms other than caliber .22 rimfire and caliber .30 rifles, CMP is required to obtain a license as a dealer in firearms and abide by all relevant requirements. See § 40733.

<sup>44</sup>Once the Memorandum of Agreement is no longer in effect, a provision in the general Memorandum of Understanding may take effect, which would limit the sale of M1911 handguns to two per customer for the duration of the M1911 transfer program.

- The minimum age to purchase any rifle from CMP, including surplus rifles, is 18 while the minimum age for purchasing handguns, including surplus handguns, is 21.
- CMP is required to ship the surplus handguns with a security device such as a trigger lock, which it is not required to do for the sale of surplus rifles.

**CMP uses sales procedures to address federal requirements and agreements with the Army.** According to CMP officials, the sales procedures, specifically the application to purchase the surplus firearms that customers are required to complete and have notarized, address some of the federal requirements and agreements between the Army and CMP for the sale of surplus firearms. According to CMP, customers are required to mail the original completed application package, including copies of substantiating documentation and notarization, to CMP in order to apply to purchase a surplus firearm. The application includes a form requiring potential customers to certify that they do not fall within any of the categories of individuals prohibited from being sold or receiving a firearm. The form must be signed and notarized, and specifically lists the prohibited categories, as well as certain CMP-unique categories.<sup>45</sup> As part of the form, potential customers must also certify that by receipt or possession of the firearm they will not be in violation of any state law or published ordinance applicable where they reside. Additionally, applicants must provide proof of the following:

- **Citizenship and age:** Applicants must include a copy of a U.S. birth certificate; passport; proof of naturalization; a military identification card for certain ranks (active duty, reserve component, National Guard, or retired); or any official government document that shows that an individual was born in the United States or that otherwise identifies U.S. citizenship. According to the application procedures, a copy of a driver's license is proof of age, but not of citizenship.
- **Membership in CMP-affiliated organization:** Applicants are required to provide a copy of their current membership card or

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<sup>45</sup>Applicants must certify that they do not fall within the categories of individuals prohibited from being sold a firearm or receiving one under subsections 922(d), (g), and (n) of Title 18, U.S. Code—that is the categories listed on the form. Applicants must also certify that they are U.S. citizens, are not members of any organization that advocates the violent overthrow of the U.S. government, and are current members of a gun club or state association presently affiliated with CMP.

another proof of membership in a CMP-affiliated organization.<sup>46</sup>

According to CMP, this requirement can also be satisfied by providing proof of membership in one of the federally chartered veterans' organizations such as the Veterans of Foreign Wars or American Legion; proof of either current or retired military service; or proof of current or retired status in a law enforcement department, agency, or association.

- **Marksmanship or other firearms-related activity:** Applicants are required to show proof of participation in a marksmanship-related activity or otherwise show familiarity with the safe handling of firearms and range procedures. According to CMP, this can be accomplished by providing documentation of current or past military or law enforcement service, participation in a shooting competition, completion of a marksmanship clinic that included live-fire training, a concealed carry license, or a FFL license, among other things.<sup>47</sup>
- **Proof of license, permit, or firearms owner identification card:** If the state or locality where the applicant resides requires a license, permit, firearms owner identification card, or other documentation, applicants are also required to include a photocopy of such a document with the application for purchase of the surplus firearm.
- **Federal Firearms Licensee:** Applicants purchasing surplus rifles who reside in states or localities where shipments must be made to an FFL and applicants purchasing surplus M1911 handguns must provide a copy of the license for the FFL that will be receiving the shipped firearm.

According to CMP officials, CMP staff verifies the completeness of the application, including all required documentation while entering applicants' information into CMP's commercial point of sale and inventory system. According to CMP officials this involves staff entering the customer's data into the point of sale and inventory system and verifying the customer's name, address, proof of age, proof of citizenship, and membership in a CMP-affiliated organization, among other data.

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<sup>46</sup>CMP does not offer individual memberships; instead, it has a network of affiliated shooting clubs and associations that covers every state in the United States. The clubs and associations offer firearms safety training and marksmanship courses as well as the opportunity for continued practice and competition.

<sup>47</sup>The application package indicates that proof of marksmanship is not required if over age 60.

CMP uses a separate version of the same commercial point of sale and inventory system to enter and verify customers' information for the purchase of surplus M1911 handguns. According to CMP officials this is due in part to the requirement to operate as an FFL in order to sell the surplus M1911 handguns. According to CMP, in addition to meeting additional record-keeping requirements required of FFLs, using two different systems helps CMP ensure it addresses certain sales requirements included in the agreements it has with the Army. For example, according to CMP officials, this helps them address the Memorandum of Understanding and Memorandum of Agreement provisions regarding the maximum number of sales of each type of firearm per customer.<sup>48</sup>

During our site visits to CMP's southern headquarters in Anniston, Alabama in August 2018 and November 2018 we observed CMP officials processing applications from the public to purchase surplus firearms to better understand how CMP addressed certain federal requirements and agreements between the Army and CMP. Specifically, we observed 11 transactions from the receipt of an order through processing and packaging for shipment. Six of these transactions involved rifles and five involved handguns. The 11 transactions we observed were consistent with the sales procedures we identified above. For example, in all cases, we saw CMP staff verify and update customer information from the application packet for existing customers of surplus rifles and input customer information from the application packet for new customers of both the surplus rifles as well as the surplus handguns.

We also observed that CMP staff could not move forward with the sale without entering and verifying the information supplied in the application. In one instance, we observed a CMP employee entering an application for the purchase of a surplus rifle that had not been notarized and signed. CMP employees stopped the process for this application and informed us the applicant would be contacted directly and requested to provide the required notarization in order for CMP to proceed with the sale. In another instance, CMP staff demonstrated what would occur if information pertaining to the documentation required to demonstrate membership in a

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<sup>48</sup>This system also serves as CMP's inventory system, and firearms' corresponding serial numbers are registered as "sold" rather than "inventoried" upon completion of the sales process. CMP officials further noted that they were using the system to meet requirements related to an FFL's acquisition and disposition records.

CMP-affiliated gun club was not entered. We saw that CMP employees could not continue to the next screen without entering these data.

**CMP addresses various other federal requirements for the sale of firearms via background checks.** Once the application procedures we described above are completed, CMP staff then enter the prospective customer's information into the system used by the Federal Bureau of Investigation to perform background checks. CMP intends this National Instant Criminal Background Check System (NICS) to address certain federal requirements for the sale of firearms that we identified above. For example, the NICS background check analyzes various databases to determine whether a prospective customer falls into any of the categories of persons prohibited from being sold or receiving a firearm.

The prohibitions involve sale to or receipt by a prospective customer who is under indictment for or has been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year; is a fugitive from justice; or has been convicted in any court of a misdemeanor crime of domestic violence, among other things.<sup>49</sup> The NICS background check also searches databases to identify a prospective customer who has been discharged from the U.S. Armed Forces under dishonorable conditions, was a U.S. citizen but has since renounced his or her citizenship, or is an unlawful user of or addicted to any controlled substance.

Additionally, CMP uses the NICS background check to confirm the applicant is of the minimum age necessary to purchase either a rifle or a handgun. Specifically, CMP uses the NICS background checks to ensure the applicant is at least 18 in order to purchase a surplus rifle or a minimum of 21 in order to purchase a surplus handgun. If an age is entered into NICS that is younger than the minimum age required for purchasing a firearm, the system will not continue performing the background check and will notify CMP staff that the buyer is not old enough to purchase the firearm(s).

During our site visits to CMP's southern headquarters in Anniston, Alabama in August 2018 and November 2018 we observed CMP

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<sup>49</sup>See 18 U.S.C. § 922(g), (n) (prohibiting certain categories of individuals from, among other things, receiving a firearm shipped or transported in interstate or foreign commerce); see also § 922(d) (prohibiting sale of a firearm knowing or having reasonable cause to believe that the recipient falls within certain categories).

employees performing the NICS background checks for 10 of 11 transactions, and we observed that the employees were unable to proceed with the background check without certain required information.<sup>50</sup> Specifically, CMP employees demonstrated the result of a change to the birthdate while processing the sale of a surplus M1911 handgun so that the customer would be under 21 years of age. This resulted in the NICS system automatically not allowing the background check to proceed.

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### TACOM Oversees the Charges and Reimbursements Funded by CMP for the Transfer of Surplus Firearms.

As previously discussed, the MOU requires (1) CMP to reimburse the Army for certain costs associated with the transfer of firearms to CMP, and (2) TACOM to account for the funds reimbursed by CMP. Specifically, CMP is responsible for assuming or reimbursing TACOM for certain costs associated with transportation, standard depot operations, and administrative support.<sup>51</sup> According to Army officials, these administrative support costs include TACOM's annual cost of one full-time equivalent position to help administer the identification and shipment of surplus firearms to CMP.<sup>52</sup> The MOU also requires TACOM to provide CMP with semi-annual reports identifying the reimbursable costs the Army incurred for any firearms transfers. According to TACOM and CMP officials, TACOM has met this requirement since at least fiscal year 2012 by providing briefings at CMP's biannual Board of Director's meetings. CMP reimburses TACOM by depositing funds into a TACOM-managed reimbursement account. TACOM uses the funds in this account to pay the costs associated with transferring firearms to CMP. According to the MOU, TACOM is also responsible for maintaining accountability of funds provided by CMP in support of certain transportation, supply depot operations, and administrative support. The MOU further provides that administrative funding will be evaluated at the end of each fiscal year.<sup>53</sup>

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<sup>50</sup>Staff set aside the application and did not conduct the background check for one application because the notarization and signature had not been included with the application package.

<sup>51</sup>According to TACOM officials, the Army is reimbursed by CMP even if the firearms come from a non-Army location, such as from another service, because the Army is charged for the transfer by the transferring location.

<sup>52</sup>According to TACOM officials, the fulltime equivalent position has ranged from a GS11 to a GS13.

<sup>53</sup>Memorandum of Understanding, para. 3.d(1), (2) (Sept. 12, 2016).

For fiscal years 2008 through 2015, TACOM did not have complete information on the reimbursable costs incurred by the Army and on the amounts CMP reimbursed the Army for those costs. This is because, according to TACOM officials, information on transactions involving the reimbursement account prior to fiscal year 2016 was maintained under a different accounting system and could no longer be accessed. According to TACOM officials, TACOM began using a new financial system in fiscal year 2016 to track the information used to maintain accountability including, among other things, the Army's reimbursable costs and CMP's payments for those costs. For fiscal years 2016 and 2017, TACOM officials provided us with examples of the documentation from the current system demonstrating that in addition to tracking CMP's reimbursement payments TACOM tracks reimbursable costs for transportation, standard depot operations, and administrative support using five specific categories of information: travel, labor, commercial transportation, intra-Army purchases, and contract service.<sup>54</sup> For example, these documents showed that CMP reimbursed the Army for a total of \$5 million in fiscal year 2017.

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## Sale of Surplus Firearms Has Been the Primary Source of CMP's Revenue; Although Associated Profits Could Not Be Determined, Estimated Future Revenue Could Fund Operations for Several Years

CMP's primary source of revenue from fiscal years 2008 through 2017 was the sale of surplus firearms. During this time frame, according to CMP's internal financial documents, CMP generated \$196.8 million in revenue from the sales of surplus Army rifles. However, the profit that CMP realized from these sales could not be determined. CMP's internal financial documents show that CMP incurred \$84.7 million in costs for those sales, but CMP's methodology for calculating costs associated with the transfer and sale of surplus rifles did not account for depreciation and administrative expenses. CMP officials anticipate generating additional

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<sup>54</sup>According to TACOM officials, TACOM uses the General Fund Enterprise Business System to track costs charged to the reimbursement account as well as funds paid by CMP to reimburse the Army for those costs. We did not perform an audit of this system as part of this review.



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revenue from the future sale of surplus M1911 handguns and surplus rifles that CMP currently has available to sell. We estimate these sales could generate as much as \$104.9 million, or enough to fund CMP's operations for several more years.

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### CMP's Primary Source of Revenue Has Been from the Sale of Surplus Army Rifles

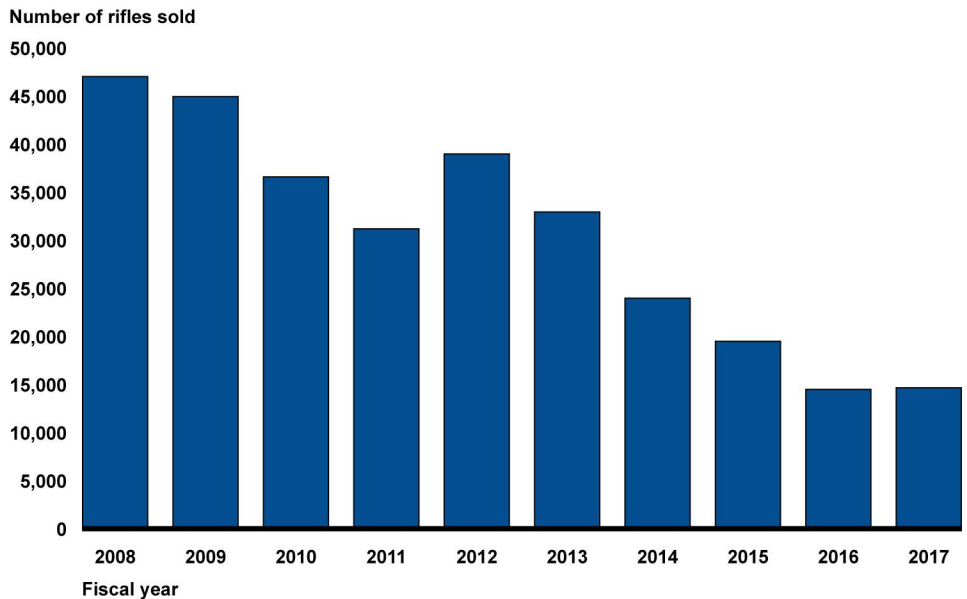
Based on our analysis of CMP's IRS filings and the corporation's internal financial documents, we identified four primary sources of revenue, of which the sale of surplus Army rifles accounted for the largest share.<sup>55</sup>

**Sale of surplus Army rifles.** According to CMP's internal financial documents, CMP generated \$196.8 million in revenue from the sale of surplus Army rifles during fiscal years 2008 through 2017. The vast majority of these firearms were M1 rifles (see app. II for additional details on the specific types of rifles CMP sold during that time frame). Although the number of surplus rifles CMP sold varied from year to year, as shown in figure 4, except for fiscal years 2012 and 2013, the number of rifles sold has trended downward from fiscal years 2008 through 2017.

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<sup>55</sup>These internal financial documents (referred to as profit and loss statements) may vary from business to business and in CMP's case are used for internal purposes. These statements are produced on a monthly, quarterly, and annual basis to internally report revenue and expenses associated with the corporation's sales and program operations, and for other internal management purposes.

**Figure 4: Number of Surplus Rifles Sold by the Civilian Marksmanship Program, Fiscal Years 2008-2017**



Source: GAO analysis of Civilian Marksmanship Program data. | GAO-19-287

**Sale of ammunition and memorabilia.** CMP purchases bulk quantities of commercially available ammunition at a discounted rate due to the size of the order, and then sells this ammunition to its affiliated groups.<sup>56</sup> CMP also sells memorabilia such as T-shirts and hats. According to CMP’s fiscal years 2008 through 2017 internal financial documents, the sale of ammunition and memorabilia was CMP’s second largest source of revenue and generated \$76.4 million. Figure 5 shows boxes of commercially purchased ammunition stored in CMP’s warehouse in Anniston, Alabama.

<sup>56</sup>According to CMP officials, prior to 2014, sales of ammunition also included surplus ammunition transferred from the Army to CMP.

**Figure 5: Boxes of Commercially Purchased Ammunition Stored in the Civilian Marksmanship Program’s Anniston, Alabama, Facility**

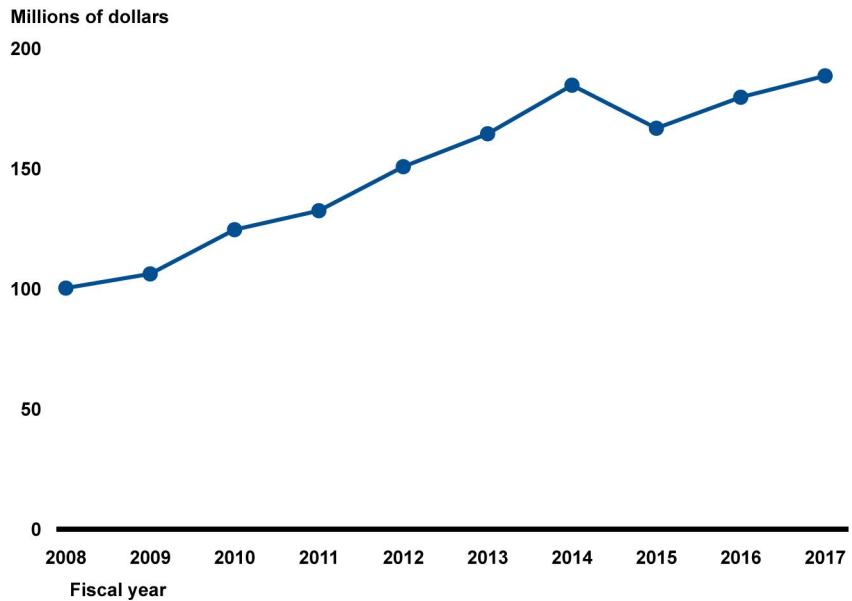


Source: GAO. | GAO-19-287

**Investment account income.** CMP officials told us that CMP established an investment account to ensure it had the financial resources to continue to meet its mission should the transfer of surplus firearms from the Army cease. According to CMP’s fiscal years 2008 through 2017 IRS filings, CMP reported earning \$49.8 million in interest and dividend income from the corporation’s investment account.<sup>57</sup> As seen in figure 6, CMP’s investment account grew by approximately \$88 million, from \$100.3 million at the end of fiscal year 2008 to \$188.6 million by the end of fiscal year 2017.

<sup>57</sup>The investment account value of \$188.6 million is the market value of CMP’s securities as of September 30, 2017. CMP’s investment income consists of interest and dividends as well as gains or losses on securities.

**Figure 6: The Civilian Marksmanship Program’s Investment Account, Fiscal Years 2008-2017**



Source: GAO analysis of Civilian Marksmanship Program Internal Revenue Service filings. | GAO-19-287

Although CMP’s investment account grew over this 10-year period, in some years CMP made net deposits into the account, and in other years CMP had net withdrawals from the account. For example, CMP’s net deposits from fiscal years 2008 through 2013 were \$73.5 million. However, CMP had net withdrawals of \$21.5 million from fiscal years 2014 through 2017. CMP officials stated that they used withdrawals from the investment account in those years to expand marksmanship-related programs and to finance construction of the Talladega Marksmanship Park, completed in 2015, shown in figure 7.

**Figure 7: Talladega Marksmanship Park in Talladega, Alabama**



**Talladega Marksmanship Park**

Source: GAO. | GAO-19-287



**Firing Range**

**Marksmanship-related programs.** CMP charges fees for individuals to participate in its marksmanship-related programs such as training programs, matches, youth camps, and competitions. According to CMP’s fiscal years 2008 through 2017 IRS filings, CMP generated approximately \$9.2 million in revenue from these fees. CMP’s IRS filings for those years also indicate that CMP’s expenses associated with CMP’s marksmanship programs exceeded revenue by approximately \$85.8 million. According to CMP officials, CMP heavily subsidizes participation fees for both matches and youth camps to help make the corporation’s programs as accessible as possible, and revenue generated from the sale of surplus firearms covered any program deficits. Figure 8 shows competitors during the National Matches event we observed in July 2018.

**Figure 8: Competitors on the Firing Line at the National Matches, July 2018**



Source: GAO. | GAO-19-287

**Other revenue.** According to CMP’s fiscal years 2008 through 2017 internal financial documents, CMP also generated some additional

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revenue from a variety of other sources. For example, CMP's Talladega Marksmanship Park has generated over \$1.5 million in revenue from range rental and match fees, among other things.

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## Profits from the Sale of Surplus Firearms Could Not Be Determined

CMP reported an overall profit of \$125.9 million on its IRS filings for fiscal years 2008 through 2017, but this amount includes all categories of revenue and expense for business operations, not only those categories specific to surplus rifle sales.<sup>58</sup> We were therefore unable to use CMP's IRS filings to determine CMP's profits from the sale of surplus rifles.

The amount of profit specific to surplus rifle sales also could not be determined from CMP's internal financial documents. CMP's internal financial documents showed \$84.7 million in expenses to sell surplus rifles in fiscal years 2008 through 2017, including costs associated with labor, shipping, and other expenses to prepare the surplus firearms for sale.<sup>59</sup> This is less than the \$196.8 million CMP's internal financial documents show CMP generated in revenue from the sale of surplus Army rifles during fiscal years 2008 through 2017. However, in its internal financial documents, the methodology CMP used to calculate the expenses to sell surplus Army rifles did not include all of CMP's expenses for these sales. Specifically, the methodology CMP used did not account for depreciation and administrative expenses.

CMP did not begin selling surplus M1911 handguns until November 2018, and therefore had just begun generating revenue from these sales at the

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<sup>58</sup>CMP's IRS filings provide some information on CMP's revenues and costs associated with the sale of surplus rifles. For example, CMP officials told us that some revenue from the sale of surplus rifles is included on the "sales of inventory" line, and some revenue from sales of surplus rifles is included on the "government grant (contribution)" line. Costs specific to the sale of surplus rifles, such as labor costs, are not separately reported on CMP's IRS filings.

<sup>59</sup>CMP also incurred costs related to its role in the Ceremonial Rifle Program, which loans or donates certain firearms to veteran's organizations, law enforcement agencies, and national cemeteries. According to CMP officials, CMP uses surplus M1 rifles that are no longer serviceable and have been modified to fire blank ammunition only. CMP has spent approximately \$3.6 million on the Ceremonial Rifle Program since fiscal year 2011, according to CMP's internal financial documents. Both TACOM and CMP officials also told us that CMP currently stores approximately 30,000 Ceremonial Rifle Program rifles in its warehouses for the Army free of charge.

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time of our report. CMP's internal financial documents reported some costs associated with the surplus M1911 handguns. For example, in fiscal year 2018, in response to an Army requirement, CMP spent approximately \$0.7 million upgrading a facility used to house CMP's M1911 handgun operations. CMP also reported expenses specific to the M1911 handguns of just over \$8,000 in fiscal year 2017.

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### CMP Could Generate Millions of Dollars in Future Revenue from the Projected Sale of M1911 Handguns and Surplus Rifles

According to CMP officials, CMP anticipates selling most, if not all, of the M1911 handguns because there has been a higher demand for the surplus M1911 handguns than the quantity available to CMP for sale. For example, CMP officials reported that they received more than 19,000 orders for the 8,000 surplus M1911 handguns transferred from the Army in January 2018. How much CMP will sell each surplus handgun for depends on the quality, or grade, of the handguns as determined by CMP. Specifically, CMP officials told us CMP will sell service grade surplus M1911 handguns for \$1,050, field grade handguns for \$950, and rack grade handguns for \$850 each.<sup>60</sup>

CMP officials reported that as of December 2018, CMP had sold 632 service grade surplus M1911 handguns for \$1,050 each, which generated \$663,600 in revenue. Further, CMP officials told us they had determined that 145 of the surplus M1911 handguns were in unsellable condition. As a result, as of December 2018, 7,223 surplus M1911 handguns remained from the original 8,000 CMP received from the Army. If CMP sold all of the remaining handguns, we estimate that CMP could generate from \$6.14 million to \$7.58 million in additional revenue, depending on the grade of each surplus M1911 handgun sold. As of December 2018, CMP officials told us they expected to complete the processing and sale of the

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<sup>60</sup>CMP identifies service grade surplus M1911s as handguns that may exhibit minor pitting and wear on exterior surfaces and friction surfaces, have complete handgrips with no cracks, and are in issuable condition. CMP identifies field grade surplus M1911s as handguns that, in addition to being in the condition characteristic of service grade, may also exhibit minor rusting. Finally, CMP identifies rack grade surplus M1911s, as in addition to being in the condition characteristic of field grade, exhibiting rust, having handgrips that may be incomplete, and requiring minor work to return to issuable condition, but being functional. As of December 13, 2018, CMP officials reported they had not yet identified any field or rack grade surplus M1911 handguns, though they had identified 145 surplus M1911 handguns as unsellable.

surplus M1911 handguns in the spring of 2019. We estimate that by the time these sales are completed CMP could generate total revenue of from \$6.8 million to \$8.2 million from the sale of surplus M1911 handguns.<sup>61</sup>

CMP may also be able to continue to generate revenue from surplus rifles that are currently available for sale. Based on CMP's reported sales of 304,233 surplus rifles from fiscal years 2008 through 2017 and revenue generated from these sales of \$196.8 million, we determined the average sale of these surplus rifles to be approximately \$650 per rifle. According to CMP, as of August 16, 2018 it had approximately 148,714 sellable surplus rifles.<sup>62</sup> Based on our calculation of the average sales price of \$650 per surplus rifle, we estimate CMP could generate approximately \$96.7 million in revenue from selling surplus rifles currently available for sale. Combined with the potential revenue from the sale of M1911 handguns, we estimated CMP could generate from \$103.5 million to \$104.9 million from the future sale of surplus firearms.<sup>63</sup> Given CMP's fiscal year 2017 expenses of \$15.8 million, and assuming a similar level of future annual expenses, we estimate CMP could fund a similar level of operations for several more years from the sale of all of the surplus firearms it currently has available for sale.

Further, as discussed earlier, CMP has other sources of revenue. As of September 30, 2017, CMP reported having cash of \$3.6 million and an investment account that was valued at \$188.6 million, for a total of \$192.2 million.<sup>64</sup> This could also allow CMP to continue operations for several

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<sup>61</sup>Additionally, CMP could identify some of the surplus M1911 handguns as high enough quality, or as collectible enough, to put up for auction on its website. CMP officials reported that as of December 13, 2018 they had reserved 39 surplus M1911 handguns for auction due to their high quality or collectability. CMP officials told us that they expect surplus M1911 handguns to sell at auction for a higher price than the \$1,050 the service grade handguns are to be sold for. Since, as of December 2018, CMP had not yet sold any of the surplus handguns by auction, we included the 39 identified for auction in the total available handguns remaining to be sold.

<sup>62</sup>According to CMP, as of August 16, 2018, it had 228,791 rifles on hand. However, CMP officials also told us they estimate that approximately 35 percent of that inventory is unserviceable and unsellable drill rifles. Our estimate of potential future revenue is therefore based on the number of sellable rifles CMP currently has on hand.

<sup>63</sup>By statute, in the context of a sale, title to a transferred item does not vest with CMP until immediately before it delivers the item to an eligible purchaser in accordance with a contract for sale. 36 U.S.C. § 40728(c).

<sup>64</sup>As of September 30, 2017, CMP reported liabilities—the amount of money it owes—of \$2.4 million.



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additional years if it did not receive any additional transfers of surplus firearms.

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## CMP and the Five Selected Corporations Have Similarities in Aspects of Their Business Operations, but Differ in Their Relationship with Members

In addition to CMP, we examined five other federally chartered corporations—the U.S. Naval Sea Cadet Corps, the Civil Air Patrol, Big Brothers Big Sisters of America, Future Farmers of America, and the Boy Scouts of America—that have a similar focus on the development, education, or training of youth. Four of the six corporations, including CMP, have received federal funding or resources, and each of the six corporations is governed by some form of a board of directors. However, CMP’s relationship with members, which CMP officials refer to as “affiliated groups” (e.g., gun clubs throughout the United States), differs from the other five corporations we selected for comparison.

**Organizational mission.** All five of the other federally chartered corporations we examined have a focus on the development, education, or training of youth.

- The Naval Sea Cadet Corps identifies itself as a national youth leadership development organization that promotes interest and skill in naval disciplines while instilling strong moral character and life skills through leadership and technical programs modeled after the Navy’s professional development system.
- The Civil Air Patrol’s mission statement includes the development of youth and promotion of air, space, and cyber power. Further, the Civil Air Patrol identified that it promotes aviation and related fields through aerospace/science technology engineering and math education and by helping shape future leaders through its cadet program.
- Big Brothers Big Sisters of America’s overall mission includes providing children facing adversity with strong and enduring, professionally supported relationships that change their lives for the better, including helping children to achieve educational success.
- Future Farmers of America’s mission statement involves making a positive difference in the lives of students by developing their potential

for premier leadership, personal growth and career success through agricultural education.

- The Boy Scouts of America identified that its goal is to train youth in responsible citizenship, character development, and self-reliance through participation in a wide range of outdoor activities, and educational programs, among other things.

**Federal funding or resources.** CMP, the Naval Sea Cadet Corps, the Civil Air Patrol, and Big Brother Big Sisters of America received some form of federal funding or resources during fiscal years 2015 through 2017. CMP is the only one of these four corporations that relies on the transfer and sale of federally donated surplus firearms for the majority of its revenue. According to officials from the corporations, the Naval Sea Cadet Corps and the Civil Air Patrol rely on federal appropriations and federal grants from the Navy and the Air Force, respectively.<sup>65</sup> For example, according to officials from the Naval Sea Cadet Corps, the corporation received approximately \$5.1 million in federal grants from the Navy from fiscal years 2015 through 2017. Civil Air Patrol officials stated that federal funds were the largest source of revenue. According to officials from Big Brothers Big Sisters of America, the corporation received approximately \$3.8 million in federal grants from the Department of Labor and \$8.2 million in federal grants from the Department of Justice's Office of Juvenile Justice and Delinquency Prevention from fiscal years 2015 through 2017. Officials from Big Brothers Big Sisters of America told us that these grants were the corporation's largest source of funding. Officials at both Future Farmers of America and the Boy Scouts of America told us they raise funds through membership dues and merchandise sales, among other things, but do not receive any federal funding or resources.<sup>66</sup>

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<sup>65</sup>Recent appropriations acts have included provisions appropriating funds to the Civil Air Patrol. See, e.g., Consolidated Appropriations Act, 2018, Pub. L. No. 115-141, § 8023 (2018); Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, § 8024 (2017). Congressionally directed funds for the Naval Sea Cadet Corps from the Navy Operation and Maintenance appropriations account are identified in explanatory statements accompanying these acts. See, e.g., 164 Cong. Rec. H2169 (daily ed. Mar. 22, 2018); 163 Cong. Rec. H3444 (daily ed. May 3, 2017).

<sup>66</sup>Some of these corporations may also receive nonmonetary federal support in certain instances. For example, the Secretary of Defense is authorized to lend equipment to the Boy Scouts of America for the use and accommodation of those attending national or world Boy Scout Jamborees and, when a Jamboree is held on a military installation, to provide personnel services and logistical support. 10 U.S.C. § 2554(a), (g).

**Organizational structure.** The leadership structure of CMP and the five selected federally chartered corporations was similar. That is, officials from CMP and the five selected corporations told us that each corporation has a board of directors or board of governors that may or may not have term limits. For example, CMP's Board of Directors includes 11 board members with repeatable 2-year term limits, for which the Chairman of the Board also serves as the Chief Executive Officer. According to Boy Scouts of America officials, the corporation's National Council's Board of Directors is elected through a nominating process and has no fixed term limits. The Board of Directors in turn elects representatives to the Executive Committee and there is also an Advisory Council. The Advisory Council, according to Boy Scouts of America officials, reports to the Board of Directors and comprises both former members of the board and members who may become future directors on the board. According to officials from Future Farmers of America, that corporation has a Board of Directors of which four members are designated by the Department of Education including a designated Chairperson, and these four members serve open-ended terms. According to these officials, the remaining members of the board not designated by the Secretary of Education serve 3-year terms. The Civil Air Patrol has an 11-member Board of Governors: four are appointed by the Secretary of the Air Force; four are from its volunteer force; and three are from outside the corporation.

**Organizational relationships.** CMP's relationship with what it refers to as affiliated groups (e.g., gun clubs) throughout the United States, differs when compared with the five federally chartered corporations we selected for review. CMP is located in two facilities: one in Anniston, Alabama, that, according to CMP officials, primarily handles sales and operations and one in Port Clinton, Ohio, that, according to CMP officials, manages mission-related programs, such as the National Matches. CMP also sells surplus firearms to members of groups affiliated with CMP from throughout the United States. But, while CMP officials identified 5,002 affiliated clubs throughout the United States and referred to them as being "affiliated" with CMP, none of these entities are actually part of CMP. According to CMP officials, the clubs pay a small annual fee to become affiliated with CMP, which allows them to participate in CMP-sanctioned marksmanship matches and so that their members are eligible to buy surplus firearms from CMP, among other things. In contrast, according to officials from the other five selected corporations, those corporations have members or affiliates throughout the United States—meaning that these members and affiliated groups are part of the organization as a whole. For example, officials from the Boy Scouts of America told us that they divide the country into regions, then local

councils, local districts, counties or communities, and then to local sponsors of individual units or troops; all members are part of the Boy Scouts of America. Similarly, Naval Sea Cadet Corps officials told us the organization is comprised of regional and local units; there is open communication between headquarters and the local units, and a standardized training program is implemented at the local level.

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## Agency Comments, Third-Party Views, and Our Evaluation

We provided copies of a draft of this report to the Secretary of the Army, the Civilian Marksmanship Program, and other interested parties for comment. The Secretary of the Army and Civilian Marksmanship Program provided technical comments, which we incorporated into this report as appropriate.

We are sending copies of this report to appropriate congressional committees and the Secretary of the Army. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-9627 or at [maurerd@gao.gov](mailto:maurerd@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.



Diana Maurer  
Director  
Defense Capabilities and Management

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# Appendix I: Scope and Methodology

The National Defense Authorization Act for Fiscal Year 2018 required the Army to transfer surplus M1911 handguns to the Civilian Marksmanship Program (CMP) during fiscal years 2018 and 2019, including no fewer than 8,000 in fiscal year 2018 and no more than 10,000 in any fiscal year.<sup>1</sup> The act also included a provision for us to review certain matters related to CMP.<sup>2</sup> This report (1) examines the Army's and CMP's procedures to address requirements governing the transfer and sale of firearms; (2) examines CMP's primary sources of revenue, costs and profits, and estimated future revenue associated with the sale of surplus firearms; and (3) compares certain aspects of CMP's business operations with those of five selected youth-focused, federally chartered nonprofit corporations

The scope of our review focused primarily on fiscal years 2008 through 2017. We compiled 10 years of the sale of surplus rifles from fiscal years 2008 through 2017 to understand the numbers of surplus rifles transferred as well as the revenue, costs, and profits associated with the sale of surplus rifles. To identify the requirements governing the transfer and sale of surplus firearms, we reviewed applicable federal statutes including relevant provisions from chapter 407 of Title 36, and section 922 of Title 18, U.S. Code, as well as agreements between the Army and CMP such as the 2016 Memorandum of Understanding and the 2018 Memorandum of Agreement. We also reviewed transfer and sales procedures from fiscal years 2018 and 2019 to provide a current status regarding CMP's sale of surplus M1911 handguns, which CMP began selling in November 2018.

To identify procedures put in place by the Army to address the requirements governing the transfer of firearms, we reviewed documentation of reimbursements CMP made to the Tank-automotive and Armaments Command (TACOM), the organization within the Army responsible for facilitating the transfer of surplus firearms to CMP as well

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<sup>1</sup> Pub. L. No. 115-91, § 1091(a) (2017).

<sup>2</sup>Pub. L. No. 115-91, § 1091(f)(1).

as for managing the related reimbursement account. Our review of the procedures associated with the reimbursement account included obtaining cash collection vouchers submitted to the Army by CMP and TACOM briefings presented at CMP's biannual Board of Director's meetings. Further, we interviewed TACOM and Defense Logistics Agency (DLA) officials to gain an understanding of how reimbursable costs are identified and requested from CMP. We also compared multiple source documents related to transfers. To understand how TACOM identifies and reports costs associated with the transfer of surplus firearms, we reviewed documentation related to reimbursement for labor, transportation, and standard depot operation costs associated with the transfer of firearms from the Army to CMP.

To identify procedures put in place by CMP to address the requirements governing the transfer and sale of firearms, we conducted site visits to CMP's northern and southern headquarters in Port Clinton, Ohio and Anniston, Alabama, and observed the inventory and sales processes for rifles and handguns. During our site visits to CMP's southern headquarters in Anniston, Alabama, in August 2018 and November 2018 we observed 11 examples of firearm transactions and compared the procedures with various federal requirements and the agreements between the Army and CMP. We also reviewed documentation of sale order forms, and of CMP's sales operating system processing an order in order to identify how CMP enters and confirms certain information related to sales. In addition, we interviewed CMP officials to obtain further clarification on the organization's sales processes.

To determine CMP's primary sources of revenue, as well as the costs and profits associated with the sale of surplus rifles, we reviewed financial information provided by CMP. Our review included an analysis of CMP's IRS filings and internal financial documents for fiscal years 2008 through 2017. We used CMP's IRS filings to provide information on revenue generated from overall sales, investments, and programs, as well as on the growth of CMP's investment account. We relied on the internal financial documents for a more granular account of the revenue CMP generated specifically from the sale of surplus rifles as well as commercially purchased ammunition and memorabilia. CMP officials provided us with a methodology for determining which data within the organization's internal financial documents are revenue and expenses specific to the sale of surplus rifles. We assessed the reliability of the data by interviewing CMP officials to gain an understanding of how CMP's IRS filings and internal financial documents are produced and found it sufficiently reliable for our purposes.

To assess the reliability of the surplus firearms transfer data provided by TACOM we spoke with TACOM officials for clarification and further explanation of the data provided, including firearm nomenclature and identification codes. The additional information TACOM provided allowed us to identify 17 different types of .22 or .30 caliber surplus rifles that could be grouped together based on make, model, and/or caliber. TACOM officials confirmed our groupings for the types of firearms transferred from fiscal years 2008 through 2017, and we used the results of our analysis to summarize the number and types of surplus rifles transferred to CMP during this time frame. We found the data to be sufficiently reliable for our purposes.

To determine potential future revenue associated with the sale of surplus M1911 handguns we obtained current sales price information from CMP, and used this information to project a range of potential future revenue based on the number of surplus rifles and handguns CMP currently has on hand. Specifically, to determine the range of potential revenue for the sale of surplus handguns, we asked CMP to provide information on the sales prices for each of the three grades of preordered M1911 handguns. CMP reported that it had sold 632 surplus M1911 handguns as of December 13, 2018 and further that it had identified another 145 surplus handguns as unsellable. To determine the number of surplus handguns remaining to be sold, we subtracted both the 632 surplus handguns CMP reported as sold and the 145 surplus handguns CMP had determined to be unsellable from the total of 8,000 surplus M1911 handguns the Army originally transferred to CMP. To calculate the range of potential revenue from the remaining 7,223 surplus M1911 handguns, we then multiplied the 7,223 remaining surplus handguns by the lowest and the highest sales prices, \$850 and \$1,050 respectively. This gave us a range of revenue from the future sales of from \$6.14 million to \$7.58 million. We then added the known \$663,600 in revenue from the sale of the 632 service grade handguns CMP identified to our low and high end calculations to determine the range of future revenue of from \$6.8 million to \$8.2 million from the sale of surplus M1911 handguns.

To determine potential future revenue associated with the sale of surplus rifles, we reviewed inventory and sales data provided by CMP and used this information to estimate potential future revenue based on the average price of the surplus rifles CMP has sold from fiscal years 2008 through 2017. Based on CMP's reported sales of 304,233 surplus rifles from fiscal years 2008 through 2017 and revenue generated from these sales of



\$196.8 million, we determined the average sale of these surplus rifles to be approximately \$650 per rifle.<sup>3</sup> According to CMP, as of August 16, 2018, it had 228,791 rifles on hand, of which CMP identified 148,714 as being in sellable condition. We then multiplied the number of rifles available for sale as of August 2018 by \$650, assuming the average sales price would remain the same going forward, to obtain the potential future revenue from the sale of surplus rifles. We then added the range of potential surplus M1911 handgun sales to determine a potential range of CMP's future sales of surplus firearms. Given CMP's fiscal year 2017 expenses of \$15.8 million, and assuming those expenses remained the same, CMP could fund a similar level of operations for several years from the sale of all of the surplus firearms it currently has available to sell.

In order to compare CMP's business operations with those of other federally chartered nonprofit corporations, we focused on CMP's youth-focused mission and identified eight other youth-focused, federally chartered nonprofit corporations.<sup>4</sup> Specifically, we reviewed 93 federally chartered nonprofit corporations to identify corporations that focused on the education, training, or development of youth. We developed a set of relevant questions and interviewed officials from five of the eight federally chartered nonprofit corporations we identified—the Naval Sea Cadet Corps, the Civil Air Patrol, Big Brothers Big Sisters of America, Future Farmers of America, and the Boy Scouts of America. Of the remaining three corporations, two did not respond to our requests for meetings and the third declined to meet. We posed the same questions to all the corporations' officials we met with and compared certain aspects of CMP's business operations with the federally chartered nonprofit corporations regarding governance, organizational structure and relationships, and funding sources.

We conducted this performance audit from May 2018 to February 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our

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<sup>3</sup>We did not adjust for inflation; the \$650 average is in nominal dollars.

<sup>4</sup>The eight other federally chartered nonprofit corporations we identified as having functions most similar to CMP's stated functions, focusing on the education, training, or development of youth, were Big Brothers Big Sisters of America; the Boy Scouts of America; Boys and Girls Clubs of America; the Civil Air Patrol; Future Farmers of America, the Girls Scouts of the United States of America; Little League Baseball, Inc.; and the Naval Sea Cadet Corps.

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findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix II: Surplus Rifles Transferred from the Army to the Civilian Marksmanship Program from Fiscal Years 2008 through 2017

The Army transferred 279,032 surplus rifles to the Civilian Marksmanship Program (CMP) from fiscal years 2008 through 2017. The surplus rifles transfer data characterized rifles with different descriptions for nomenclatures (e.g., M1903, Mossberg M144, and M1917 Enfield) and firearm identification codes. Our analysis determined that the different nomenclatures could be combined into 17 distinct groups because many of the rifles were variants of the same type of .30 caliber rifle or carbine, or .22 caliber rimfire rifle. The 17 types of rifles we identified were grouped together based on make, model, and/or caliber.

Through our analysis, we determined that the majority of rifles transferred to CMP by the Army from fiscal years 2008 through 2017 have been surplus M1 rifles. Our analyses determined that 203,644 of the 279,032 surplus rifles transferred to CMP from fiscal years 2008 through 2017 were serviceable M1 rifles. The second largest type of surplus rifles transferred during this period were drill rifles—rifles not capable of firing live or blank rounds of ammunition—although CMP received nearly four times the number of M1s as it did drill rifles. See table 1 for a description of the surplus rifles transferred to CMP by the Army from fiscal years 2008 through 2017.

**Appendix II: Surplus Rifles Transferred from the Army to the Civilian Marksmanship Program from Fiscal Years 2008 through 2017**

**Table 1: Surplus Rifles Transferred to the Civilian Marksmanship Program, FY 2008-2017**

Surplus rifle type	Number transferred
M1	203,644
Drill rifle <sup>a</sup>	56,303
M82 Kimber	5,014
Dummy rifle <sup>b</sup>	4,624
M44	3,937
6741518	1,355
M12	675
M52	573
M513T Remington	570
M40X1/M40	503
M14 National Match	486
M1917 Enfield <sup>c</sup>	443
Miscellaneous <sup>d</sup>	319
M1903	183
M13	182
M70	122
Mossberg M144	99
<b>Total</b>	<b>279,032</b>

Source: GAO review of Tank-automotive Armaments Command data. | GAO-19-287

Note: The number of surplus M1 rifles transferred to CMP from fiscal years 2008 through 2017 does not include approximately 100,000 M1 rifles recovered and transferred to CMP from the Philippines and Turkey from February 2018 through April 2018.

<sup>a</sup>Surplus rifles in the “drill rifle” type include 26,023 M1903A3 drill rifles, and 30,280 M1 drill rifles.

<sup>b</sup>Rifles in the “dummy rifle” type include 1,974 MK5-0 dummy rifles, and 2,650 MK6 dummy rifles.

<sup>c</sup>Surplus rifles in the “M1917 Enfield” type include 307 1917 ceremonial rifles.

<sup>d</sup>Rifles in the “Miscellaneous” type include different types of surplus .30 caliber and .22 caliber firearms transferred to CMP from fiscal years 2008 through 2017.

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

Diana Maurer, (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Marilyn Wasleski, Assistant Director; Scott Behen, Analyst-in-Charge; Mae Jones; Richard Kusman; Amie Lesser; Rebecca Mendelsohn; Mike Shaughnessy; Mike Silver; Carter Stevens; and Roger Stoltz made key contributions to this report.

# Appendix IV: Accessible Data

## Data Tables

**Accessible Data for Figure 4: Number of Surplus Rifles Sold by the Civilian Marksmanship Program, Fiscal Years 2008-2017**

Fiscal year	Number of rifles sold
2008	47021
2009	44929
2010	36579
2011	31185
2012	38970
2013	32943
2014	23976
2015	19492
2016	14492
2017	14646

**Accessible Data for Figure 6: The Civilian Marksmanship Program's Investment Account, Fiscal Years 2008-2017**

Fiscal year	Millions of dollars
2008	100.3
2009	106.2
2010	124.6
2011	132.5
2012	150.8
2013	164.5
2014	184.7
2015	166.8
2016	179.7
2017	188.6



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