



November 2018

DEFENSE LOGISTICS

Actions Needed to Enhance the Security of High-Risk Ammunition at Storage Locations

GAO Highlights

Highlights of [GAO-19-118](#), a report to congressional committees

Why GAO Did This Study

DOD maintains stockpiles of ammunition for use during operations, including SRC I ammunition. SRC I ammunition requires a high level of protection and security due to its ability to cause extreme damage or lethality.

Senate Report 114-255 (2016), included a provision that GAO evaluate how DOD and the military services have established and maintained physical security measures at DOD locations with SRC I ammunition. GAO's report evaluates the extent to which (1) military service guidance is consistent with DOD's requirements for safeguarding SRC I ammunition and (2) the military services have identified and resolved physical security deficiencies at selected locations that store SRC I ammunition. GAO reviewed DOD guidance, visited selected military locations that were chosen based on size and variety of SRC I inventory, and interviewed officials. GAO also analyzed security inspection reports from 2014 to 2017.

This is a public version of a sensitive report that GAO issued in September 2018. Information that DOD deemed sensitive has been omitted.

What GAO Recommends

GAO is making five recommendations, including that the Army, Navy, and Marine Corps take actions to ensure their physical security inspections of locations that store SRC I ammunition are completed in accordance with policy, and that DOD revise its guidance to require that the services establish a process to consistently document the resolution of all identified physical security deficiencies. DOD concurred with all five recommendations.

View [GAO-19-118](#). For more information, contact Diana Maurer at (202) 512-9627 or maurerd@gao.gov.

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What GAO Found

Military service guidance for safeguarding Security Risk Category (SRC) I ammunition—which consists of nonnuclear, portable missiles and rockets in a ready-to-fire configuration—is not consistent with all of the Department of Defense's (DOD) minimum requirements. For example, DOD's guidance requires at least 8 hours of backup power for intrusion detection systems, but the Army, Navy, and Air Force guidance requires only 4 hours. The Army and Navy have drafted updates to their guidance to be consistent with DOD requirements and planned to issue revised guidance by or before the end fiscal year 2018. Marine Corps and Air Force officials told GAO they also plan to revise their guidance to be consistent with DOD requirements.

Examples of Physical Security Requirements for Ammunition Storage



Intrusion detection systems



Restricted area signage



Exterior lighting

Source: GAO. | GAO-19-118

The military services have conducted inspections of the physical security at locations with SRC I ammunition that GAO reviewed, and have identified security deficiencies. However, GAO is not identifying examples of deficiencies in this report because DOD deemed such information sensitive. GAO determined that some inspections were not conducted on time in accordance with military service guidance. For example, GAO reviewed 125 Army, Navy, and Marine Corps inspection reports from select locations and found that 54 inspections (or 43 percent) were late by 1 day to 14 months. These services have not taken actions to help ensure that physical security inspections are being conducted on time. Without taking actions to help achieve the services' requirements for timely inspections—such as assigning roles and responsibilities for monitoring—the services are at greater risk of compromising the security of SRC I ammunition.

In addition, it is unknown whether the military services have resolved all security deficiencies because the services do not consistently document resolutions. For example, only 3 of 14 Army locations provided documentation about how identified physical security deficiencies were resolved. DOD guidance does not require such documentation, and therefore GAO could not determine whether 29 of the 35 selected locations reviewed across the services had consistently resolved all identified deficiencies and, if so, what steps were taken to do so. Revising DOD guidance to ensure that the military services establish a process for documenting the resolution of all identified security deficiencies would help the services further reduce the risk of loss or theft of SRC I ammunition.

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Abbreviations

AA&E	Arms, Ammunition, and Explosives
DOD	Department of Defense
SRC	Security Risk Category

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November 5, 2018

The Honorable James M. Inhofe
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mac Thornberry
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Department of Defense (DOD) manages a stockpile of sensitive conventional ammunition including ammunition identified as Security Risk Category (SRC) I, which is nonnuclear, portable missiles and rockets in a ready-to-fire configuration.¹ SRC I ammunition can destroy aircraft in flight and pierce armor; therefore, the department requires a higher level of protection and security for SRC I ammunition than that provided for the other categories of conventional ammunition.² Examples of SRC I ammunition include: Stinger and Javelin missiles, the 66-mm Light Anti-Tank Weapon, and the M136 Anti-Armor Weapon.³

Senate Report 114-255 (2016), accompanying S.2943, a bill for the National Defense Authorization Act for Fiscal Year 2017, includes a provision that we evaluate the extent to which DOD and the military services, in accordance with policies and procedures, have established and maintained physical security measures at DOD and contractor

¹Conventional ammunition is an end item, a complete round, or a materiel component charged with explosives, propellants, pyrotechnics, or initiating composition for use in connection with defense or offense as well as ammunition used for training, ceremonial, or non-operational purposes. It is not nuclear, biological, or chemical.

²SRC designation is based on the ammunition's utility, casualty or damage effect, adaptability, and portability. SRC I ammunition is highly explosive, extremely damaging or lethal, easy to employ without use of other systems, and easily carried by one person; thus, it is accorded a category I designation.

³See appendix I, figure 2, for photographs and descriptions of selected SRC I ammunition.

locations with SRC I ammunition. It also includes a provision that we evaluate the extent to which identified security measures differ between selected DOD depot and retail locations, as well as selected contractor locations.⁴ In our report, we evaluated the extent to which the (1) military services' guidance is consistent with DOD's requirements for safeguarding SRC I ammunition and (2) the military services have identified and resolved physical security deficiencies at selected locations within the continental United States.

This report is a public version of a sensitive report that we issued in September 2018. DOD deemed some of the information in our September report to be sensitive, which must be protected from public disclosure. Therefore, this report omits sensitive information about the specific quantity of SRC I ammunition items at DOD installations located in the continental United States and about specific examples of identified physical security deficiencies. This report addresses the same objectives as the sensitive report and uses the same methodology.

To determine the extent to which the military services' guidance is consistent with DOD's requirements for safeguarding SRC I ammunition, we reviewed and compared Department of Defense Manual 5100.76, *Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives* (AA&E), (April 17, 2012) and military service guidance that outlines specific physical security requirements for SRC I ammunition in the continental United States. We reviewed and compared all DOD and military service published and draft guidance. Also, we interviewed cognizant officials at the Office of the Under Secretary of Defense for Intelligence and each of the military services, which have responsibilities for promulgating guidance, to gain an understanding of DOD's and the services' physical security standards and criteria for SRC I ammunition, and implementation of these standards at ammunition storage locations throughout the continental United States. We visited 6 military service locations—including military service installations and ammunition supply points—and 1 contractor location with a current production contract for SRC I missiles. We selected these locations based on the size of SRC I inventory, the variety of SRC I ammunition being stored, and the

⁴Depot locations include military sites that are responsible, among other things, for shipping, storing, and maintaining ammunition. Retail locations include military service installations, bases, and ammunition supply points. Contractor locations include areas—through contracts with the DOD components—where arms, ammunition, and/or explosives are manufactured, retrofitted, modified, or developed.

geographic features of the location. At these locations, we observed implemented security measures and discussed with knowledgeable officials how they safeguard SRC I ammunition.

To determine the extent to which the military services have identified and resolved physical security deficiencies at selected locations within the continental United States, we selected a non-generalizable sample of 35 service locations that had SRC I ammunition as of May 31, 2017 (for the Navy, Marine Corps, and Air Force) and as of June 20, 2017 (for the Army), which coincided with the timing of our audit work. We requested each location's physical security inspection reports from calendar years 2014 to 2017, corrective action documentation, and other relevant information.⁵ We selected this timeframe to provide multiple years of reports to review and analyze. We selected these 35 military service locations, which included the 6 locations we visited, based on the size of SRC I inventory, service, the geographic site of the service location, and the mission of or type of service location. In total, we received 178 physical security inspection reports. We analyzed these reports to determine whether the military services were meeting service guidance requirements in effect from 2014 to 2017, such as whether the locations conducted the inspections in accordance with the timeframe set forth in their guidance, and included required information. In addition, we interviewed physical security officials at all but one of the 35 locations, to discuss, if applicable, why the inspections were not conducted on time and the process for correcting deficiencies identified during the inspections.⁶ Also, we determined whether the military services' physical security efforts were consistent with federal internal control standards that state management should (1) evaluate performance and hold individuals accountable for their responsibilities and (2) establish and operate monitoring activities, including documenting the results of ongoing

⁵We use the term "inspections" even though the Navy, Marine Corps, and Air Force use the term "survey" in their guidance. The Navy stores ammunition onboard ships. Office of the Chief of Naval Operations Instruction 5530.13C, *Department of the Navy Physical Security Instruction for Conventional Arms, Ammunition, and Explosives (AA&E)* includes physical security requirements for ammunition onboard ships. However, DOD Manual 5100.76 does not apply to ammunition stored aboard a United States Naval Ship or United States Ship. Therefore, we did not include physical security inspections conducted onboard naval ships in the scope of our review.

⁶We were unable to interview physical security officials at one location in our non-generalizable sample due to scheduling conflicts.

monitoring.⁷ While the results of our sample cannot be generalized, they provide valuable insights based on a mix of locations in terms of the services, geographic dispersion, size of inventory, and mission types. Appendix II describes our scope and methodology in greater detail.

We conducted this performance audit from September 2016 to September 2018 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. We subsequently worked with DOD in October 2018 to revise the original sensitive report so it could be issued to the public. This public version was also prepared in accordance with these standards.

Background

Policy and Guidance for Physical Security of SRC I Ammunition

DOD has issued department-wide guidance on the physical security of sensitive conventional arms, ammunition, and explosives (AA&E), including SRC I ammunition. DOD Manual 5100.76, *Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)*, directs DOD components—including the military services—that possess AA&E to implement the procedures in the manual and to develop supplemental guidance to protect AA&E. DOD policies establish the requirement for continuous program and policy oversight to ensure protection of AA&E within DOD. DOD components—including the military services—are responsible for developing and implementing security plans and policies that include security measures for all AA&E under their control. Further, DOD policies require SRC I ammunition to have a higher level of protection and security than that provided for SRC II through SRC

⁷GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

IV conventional ammunition.⁸ Table 1 shows DOD's and the military services' policies and guidance for protecting SRC I ammunition.

Table 1: Department of Defense (DOD) Policies and Regulations and Military Service Regulations and Guidance on Physical Security of Arms, Ammunition and Explosives, Including Security Risk Category I Ammunition

Component	DOD policies and regulations and military service regulations and guidance
DOD	DOD Instruction 5100.76, <i>Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)</i> (February 28, 2014). DOD Manual 5100.76, <i>Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)</i> (April 17, 2012).
Army	Army Regulation 190-11, <i>Military Police: Physical Security of Arms, Ammunition, and Explosives</i> (September 5, 2013). Army Regulation 190-13, <i>Military Police: The Army Physical Security Program</i> (February 25, 2011). Army Regulation 190-51, <i>Security of Unclassified Army Property (Sensitive and Nonsensitive)</i> (September 30, 1993). Army Pamphlet 190-51, <i>Risk Analysis for Army Property</i> (September 30, 1993).
Navy	Office of the Chief of Naval Operations Instruction 5530.13C, <i>Department of the Navy Physical Security Instruction for Conventional Arms, Ammunition, and Explosives (AA&E)</i> (September 26, 2003). Office of the Chief of Naval Operations Instruction 5530.14E, <i>Navy Physical Security and Law Enforcement Program</i> (November 20, 2017) (change transmittal 3, November 20, 2017).
Marine Corps	Marine Corps Order 5530.14A, <i>Marine Corps Physical Security Program Manual</i> (June 5, 2009).
Air Force	Air Force Instruction 31-101, <i>Integrated Defense</i> (July 5, 2017).

Source: DOD policies, regulations, and guidance. | GAO-19-118

Overview of Key Stakeholders Responsible for Physical Security of SRC I Ammunition

The Undersecretary of Defense for Intelligence has responsibility for developing DOD guidance establishing the minimum physical security standards for safeguarding AA&E and facilities that maintain AA&E stocks, including specific requirements for SRC I. In addition, the Undersecretary of Defense for Intelligence is responsible for establishing policies, standards, and procedures governing the physical security of AA&E and for their effective and uniform implementation.

⁸The SRC identification process supports the minimum security requirements to adequately protect identified ammunition. Also, the SRC designation is based on the ammunition's utility, casualty or damage effect, adaptability, and portability. Examples of SRC II include: missiles and rockets that are crew-served or require platform-mounted launchers; grenades and mines; and light automatic weapons. Examples of SRC III include: missiles and rockets that require platform-mounted launchers and complex hardware and software equipment to function; blasting caps and bulk explosives; and silencers and mufflers weapons components. Examples of SRC IV include ammunition with non-explosive projectile, riot control agents, and handguns.

The heads of DOD components oversee compliance with existing AA&E security policies and develop physical security programs that implement processes and procedures to assess and evaluate appropriate security measures. Within each military service, the following individual or office has been assigned responsibility for establishing physical security programs for AA&E:

- the Army's Provost Marshal General;
- the Chief of Naval Operations' Special Assistant for Naval Investigative Matters;⁹
- the Marine Corps Deputy Commandant for Plans, Policies, and Operations; and
- the Air Force's Office of the Deputy Chief of Staff for Logistics, Engineering and Force Protection, Directorate of Security Forces.

According to military service ammunition data, the Army, Navy, Marine Corps, and Air Force store SRC I missiles and rockets in the continental United States.

Conventional AA&E in the custody of contractor-owned facilities, including SRC I ammunition, are required to be protected according to the provisions of DOD Manual 5100.76 through express terms of the contract. As required or requested, the Defense Security Service conducts pre-contract award surveys and inspections of contractor-owned, contractor-operated facilities within the U.S. to assess compliance with security requirements. Inspections are to be conducted at intervals not exceeding 12 months or more frequently if requested.¹⁰

⁹The Department of the Navy is currently in the process of updating its conventional arms, ammunition and explosives physical security policy. Navy officials told us the final version is expected to be issued in the summer of 2018. In an October 2017 version of the draft shared with GAO, the Chief of Naval Operations' Supply, Ordnance, and Logistics Operations Division will be overseeing the management and coordination of the Navy's ammunition security program.

¹⁰The Defense Security Service oversees the protection of U.S. and foreign classified information and technologies in the hands of cleared industry under the National Industrial Security Program. Its Facility Clearance Branch processes facility clearance requests and undertakes security assessments.

Physical Security Requirements for SRC I Ammunition

DOD guidance includes multiple physical security requirements for missiles, rockets, and all SRC ammunition and explosives. For example, DOD guidance requires that structures storing SRC I ammunition be equipped with intrusion detection systems and lighting of the external building and doors. Moreover, DOD guidance states that the components responsible for the protection of AA&E shall develop policies that outline inspection and audit requirements to ensure that physical security of AA&E is maintained. Further, DOD guidance includes that inspections of AA&E storage facilities shall be conducted at intervals not to exceed 18 months. Table 2 provides examples of DOD physical security requirements and figure 1 shows some associated pictures.

Table 2: Examples of Department of Defense (DOD) Physical Security Requirements for Arms, Ammunition and Explosives (AA&E), Including Security Risk Category (SRC) I Ammunition

Examples of DOD physical security requirement(s)	Description of the DOD physical security requirement(s)
Intrusion detection systems	Electronic systems that provide alarm protection of facilities and consists of various types of sensors and a central monitoring station that detect unauthorized intrusion into a room, structure, or facility.
Security forces	Security forces include armed personnel that can include DOD military and civilian security guards. Security forces must be able to respond to alarms not later than within 15 minutes of alarm notification.
Restricted area posting	Facilities containing AA&E must be designated restricted areas and have posted signs stating "RESTRICTED AREA."
Access control	Access to areas storing AA&E for all personnel must be recorded manually or electronically.
Key, combination, and lock control	Procedures for monitoring storage and access to keys, locks, and combinations used to gain admission to ammunition storage areas.
Perimeters, openings, and fencing	Fencing standards for areas storing SRC I and II ammunition and explosives around the perimeter of and, as necessary, within the storage area.
Exterior lighting	Exterior building and door lighting sufficient to allow detection of unauthorized activity provided for all structures storing SRC I and II items.
Communications	Storage areas for missiles, rockets, and all SRC ammunition and explosives must have a primary and backup means of communications that permit notification of emergency conditions.

Source: GAO analysis of DOD's Manual 5100.76. | GAO-19-118

Figure 1: Examples of Department of Defense (DOD) Physical Security Requirements for Security Risk Category I Ammunition



Intrusion detection systems

Restricted area signage

Exterior lighting

Fencing

Source: GAO. | GAO-19-118

Military Service Guidance on Safeguarding Ammunition Is Not Consistent with DOD Requirements, but the Services Have Plans to Update Their Guidance

DOD Manual 5100.76 prescribes minimum standards for the physical security of ammunition and establishes requirements to protect ammunition stored by the military services. The manual assigns responsibility to the heads of DOD components possessing AA&E for implementing the procedures in the manual and developing supplemental guidance. The military services have developed supplemental guidance for the protection of AA&E.

In comparing a range of physical security requirements specified in DOD 5100.76 with the military services' requirements, we found that the military services' guidance includes some but not all of the minimum DOD requirements.¹¹ Examples of DOD requirements include installing intrusion detection systems; employing security forces; posting restricted area signage; having procedures for controlling access; having procedures related to keys, locks, and combinations; installing fencing; installing exterior lighting; and having primary and secondary means of communications. Our review found the following:

Intrusion Detection Systems

- **Back-Up Power Source:** DOD Manual 5100.76 requires that the military services have a minimum of 8 hours of protected independent backup power for the intrusion detection system. Marine Corps

¹¹DOD Manual 5100.76 does not apply to ammunition stored aboard a United States Navy ship or United States ship. All references to the Navy guidance and ammunition are to Navy ammunition stored on land.

guidance is consistent with DOD's requirement of 8 hours of protected independent backup power. However, Army, Navy, and Air Force guidance specifies requirements for only 4 hours of independent backup power. During the course of our review, Army and Navy officials shared with us drafts of planned updates to their guidance that will change the current requirement to a minimum of 8 hours. According to an Army official from the Office of the Provost Marshal General, the Army had planned to update both of its key guidance documents by the end of fiscal year 2018.¹² According to Navy officials, the updated Navy guidance was expected to be issued in the summer of 2018.¹³ An Air Force official—from the Office of the Deputy Chief of Staff for Logistics, Engineering and Force Protection, Directorate of Security Forces—stated that the Air Force was in the process of comparing DOD's guidance with the Air Force's guidance. According to the official, the results of this comparison would inform updates about ammunition physical security requirements; this official's initial estimate for issuing the updated Air Force guidance is by December 2018.

- **Testing:** DOD Manual 5100.76 generally requires the military services to test intrusion detection systems monthly to ensure proper function of the alarm sensors. One exception involves systems at bulk ammunition storage areas (e.g., depots, weapon stations) where DOD guidance requires at least quarterly testing. The Air Force guidance requires monthly and quarterly testing, consistent with DOD requirements. The Army guidance requires quarterly testing and monthly operational checks of some components of the intrusion detection system, consistent with DOD requirements. However, the Navy and Marine Corps guidance requires only quarterly testing. In a draft of the Navy's revised guidance, the Navy has changed the requirement to be consistent with DOD's requirement for monthly and quarterly testing. Marine Corps officials told us they plan to update their guidance no later than June 2019 to be consistent with DOD's minimum testing standards.

Perimeters, Openings, Fencing

- **Bottom of Fencing:** DOD Manual 5100.76 requires that the bottom of the fence surrounding the ammunition storage area will extend 2

¹²As of October 24, 2018, the Army had not publically issued updates to either key guidance document.

¹³As of October 24, 2018, the Navy had not publically issued this updated guidance.

inches into the ground. Officials from the Office of the Undersecretary of Defense for Intelligence told us that it is not their intention for the military services to replace current fencing that is not extended 2 inches into the ground; however, as the military services replace existing fencing the new fencing is to be 2 inches into the ground. Air Force guidance includes this fencing requirement and states that existing facilities constructed prior to March 7, 2013, are not required to meet the standard, but facilities designed and constructed after this date are required to meet this standard. However, Army, Navy, and Marine Corps guidance requires that fencing will be within 2 inches of the ground, rather than extending into the ground as required by DOD Manual 5100.76. We reviewed drafts of the Army's and Navy's forthcoming revised guidance and both documents are consistent with the DOD requirement for extending the bottom of new fences 2 inches into the ground. Marine Corps officials told us they plan to update their guidance no later than June 2019 to be consistent with DOD's bottom-of-fencing requirements.

- **Minimum Height of Fencing:** DOD Manual 5100.76 requires a minimum fence height of 6 feet excluding a physical guard—typically made of wire—on the top. The Marine Corps guidance exceeds this height requirement and the Air Force guidance is consistent with DOD Manual 5100.76. However, the Army guidance is not consistent with DOD Manual 5100.76 because it allows for the minimum 6-foot height of the fence to include a physical guard on the top. We reviewed a draft of the forthcoming revised Army guidance, and found that it is consistent with the DOD requirement of a minimum fence height of 6 feet excluding a physical guard on the top. In addition, Navy guidance includes a 6-foot height requirement, but does not state whether it excludes a physical guard on the top. During our review, we pointed out to Navy officials that an October 2017 version of planned revisions in draft guidance did not state whether the minimum height of fencing is 6 feet excluding a physical guard on the top. Navy officials told us they will add clarification in the planned update to Navy guidance that the minimum height of fencing is 6 feet excluding a physical guard on the top.

Physical Security Waivers and Exceptions

DOD Manual 5100.76 allows the military services to deviate from the construction standards for existing facilities if they specify equivalent levels of protection. The services may also request waivers for non-construction security requirements. Waivers or exceptions are considered on an individual basis. A waiver may be approved for temporary relief from a specific security requirement pending action to conform to the

requirement, whereas an exception may be approved for permanent relief from a specific requirement when compliance would unduly impede mission performance. Temporary waivers are granted for a 12-month period and may be extended for another 12 months. Permanent exceptions are reviewed every 3 years.¹⁴

We compared military service and DOD guidance for waivers and exceptions and found the following consistencies or inconsistencies:

- Army guidance is consistent with most of the DOD requirements for physical security waivers and exceptions. However, Army guidance allows for an exception when correcting the physical security deviation is not feasible or cost effective, while DOD guidance does not include an exemption for cost effectiveness. A draft of revised Army guidance is consistent with the DOD requirements for physical security waivers and exceptions. Specifically, according to a draft we reviewed, a waiver may be approved for temporary relief from a specific security requirement pending action to conform to the requirement, whereas an exception may be approved for permanent relief from a specific requirement when compliance would unduly impede mission performance.
- Navy guidance about physical security and law enforcement is consistent with most DOD requirements. Temporary waivers may not exceed one year and may be extended. Blanket waivers and exceptions are not authorized. However, this guidance allows exceptions to be submitted when correcting a physical security deficiency would be cost prohibitive.¹⁵ A draft of forthcoming revised Navy guidance is consistent with the DOD requirements for physical security waivers and exceptions. For example, according to the draft we reviewed, exceptions can be permanent or approved for up to three years. In addition, reviewing existing waivers and exceptions for continuing need and compliance at least annually will be required.
- Marine Corps guidance is consistent with DOD requirements that allow for one-year waivers when corrective action may be accomplished in the near term and three-year exceptions when

¹⁴When a waiver or exception is approved, DOD guidance states that personnel in charge of an ammunition storage facility shall ensure that prescribed compensatory measures are implemented to protect the ammunition.

¹⁵According to Navy officials, the Navy offices that review and decide upon waiver and exception requests from ammunition physical security requirement(s) do not approve requests when cost is cited as a reason for not meeting a requirement.

correction cannot be accomplished in the near term. Also, Marine Corps guidance disallows granting blanket waivers—listing several different facilities that have the same deficiencies—and permanent exceptions or those lasting beyond three years. Further, Marine Corps guidance allows requesting extensions for existing waivers and exceptions, which is consistent with DOD requirements.

- Air Force guidance is consistent with DOD requirements in that temporary or permanent waivers may be granted. However, Air Force guidance is inconsistent with the time frames of DOD requirements; temporary waivers granted by the Air Force may last up to three years (rather than DOD’s one-year allowance) and permanent waivers may be granted when compliance is currently unachievable and is not correctable in three or more years.¹⁶ An Air Force official told us that the Air Force had planned to publish a Guidance Memorandum in July 2018 that will change the timeframes for temporary waivers and permanent exceptions to be consistent with DOD requirements.

In light of the military services’ ongoing efforts or plans to update their guidance to address the issues identified in this report, we are not making recommendations on the issues we identified. Revised military service guidance will enhance the department’s physical security at ammunition storage locations with SRC I ammunition.

¹⁶The Air Force refers to waivers and exceptions as temporary and permanent security deviations.

Military Services Have Identified Physical Security Deficiencies at Select SRC I Ammunition Storage Locations, but It Is Unknown Whether All Deficiencies Have Been Resolved

The military services have conducted physical security inspections at locations we reviewed that store SRC I ammunition within the continental United States, as required by their guidance; also, as applicable, they have identified deficiencies in the associated inspection reports. However, we found that the Army, Navy, and Marine Corps did not always conduct physical security inspections on time, in accordance with their service guidance. In addition, the services are not consistent within their own service on how they conduct inspections. Furthermore, the military services have not always documented the resolution of all physical security deficiencies at selected locations.

Military Services Have Conducted Physical Security Inspections That Have Identified Deficiencies at Selected Locations

Our review found that 29 of 35 military service locations selected for our review had identified one or more physical security deficiencies in their physical security inspection reports. We also found that 108 of 178 inspection reports had identified one or more physical security deficiencies. The number of identified deficiencies in a single report per military service ranged from 1 to 24 for the Army, 1 to 16 for the Navy, 1 to 7 for the Marine Corps, and 1 to 6 for the Air Force. According to DOD Manual 5100.76, inspections are tools for the oversight, management, and control of ammunition and ensure physical security of ammunition is maintained.¹⁷ Further, DOD Manual 5100.76 directs DOD components—including the military services—to develop policies that outline inspection requirements to ensure that physical security of AA&E is maintained.

While we did not specifically evaluate the severity of the deficiencies, we note that they have the potential to range considerably in their severity. However, we are not reporting specific examples of deficiencies because DOD deemed the information sensitive.

¹⁷We use the term “inspections” even though the Navy, Marine Corps, and Air Force use the term “survey” in their guidance.

Army, Navy, and Marine Corps Locations Have Not Always Conducted Inspections on Time

DOD Manual 5100.76 requires that the military services conduct physical security inspections of ammunition storage facilities at intervals not to exceed 18 months. We found that the Army, Navy, and Marine Corps SRC I ammunition storage locations conduct periodic inspections of physical security, but the services have not always conducted the inspections on time, as specified in service guidance in effect from 2014 through 2017. Most locations we assessed for timeliness had at least one late inspection. Specifically:

- Army: Prior to September 9, 2014, Army guidance required inspections every 24 months for ammunition in bulk storage or every 18 months for ammunition not in bulk storage and a reinspection 6 months later if the initial inspection resulted in a “not adequate” rating.¹⁸ After September 9, 2014, Army locations were required to conduct inspections of all AA&E storage facilities at intervals not to exceed 18 months.¹⁹ Army guidance continues to require reinspection 6 months later if the initial inspection resulted in a “not adequate” rating. We reviewed 45 physical security inspection reports from 13 locations and determined that 26 inspections (or 58 percent) were not conducted on time. The late inspections, including reinspections, were approximately 19 days to 14 months late.²⁰ Also, two Army locations provided only one inspection report during the scope of our review

¹⁸The Army uses the term “unsatisfactory” in its guidance, but uses the term “not adequate” in the Department of Army Form 2806-1 Physical Security Inspection Report. We use the term “not adequate” throughout this report.

¹⁹Army guidance defines bulk storage areas as depot activities, prestocked points, and ammunition supply points where the Army can store large quantities of items such as missiles, rockets, ammunition, and explosives. On September 9, 2014, the Army issued a memorandum clarifying the timelines for physical security inspections for bulk storage ammunition and explosives. Specifically, the memorandum requires Army locations to conduct physical security inspections of all ammunition storage facilities at intervals not to exceed 18 months.

²⁰At one Army location, one of its ammunition storage structures received a “not adequate” inspection rating and should have been reinspected 6 months later. Nonetheless, the reinspection occurred approximately 14 months later. The physical security inspector at this location told us that inspections and reinspections were not conducted on time because of a lack of available inspection personnel, the large geographic size of and number of ammunition storage structures at the location, and other security related responsibilities.

and we could not determine if their inspections were conducted within the required timeframe.²¹

- Navy: Navy guidance requires inspections every 12 months. We reviewed 66 physical security inspection reports from 8 locations and found that 22 inspections (or 33 percent) were not conducted within required timeframes, ranging from approximately 12 days to 5 months.
- Marine Corps: Marine Corps guidance requires inspections within 365 days. We reviewed 14 physical security inspection reports from 6 locations and found that 6 inspections (or 43 percent) were not conducted on time. The lateness of the inspections ranged from approximately 1 day to 2 months.
- Air Force: Air Force guidance requires inspections on an annual basis, but the service requires maintaining only the most current inspection report to show that an inspection was conducted.²² Therefore, we could not determine if all 6 selected Air Force locations were consistently conducting their inspections annually as required because older reports were not available.²³

Army, Navy, and Marine Corps inspectors cited various reasons for the inspections being late, including understaffing, scheduling conflicts with the inspected units or organizations, and demanding workloads. For example, inspectors at multiple locations stated they have additional responsibilities such as developing and exercising physical security plans, conducting crime prevention surveys, and responding to and participating in external inspections. Our review found that inspections have continued to be conducted late because the Army, Navy, and Marine Corps have not taken actions to help ensure that inspections are conducted on time.

²¹In addition, one Army location could not provide us any inspection reports for the 2014 to 2017 timeframe we requested. The location's physical security inspection was not conducted until January 2018. We excluded this location from our sample of 15 Army locations.

²²Officials from the Office of the Under Secretary of Defense for Intelligence told us they intend to require the military services to keep multiple years of the physical security inspection reports in the planned updated DOD guidance in 2019.

²³At 1 selected Air Force location, an official was able to provide us with two consecutive reports that showed the second inspection was conducted on time. However, we could not determine if the remaining 5 selected Air Force locations were conducting their inspections on time.

Actions to help achieve an entity's objectives, according to *Standards for Internal Control in the Federal Government*, include assigning responsibility and delegating key roles for monitoring and taking steps to remediate any deficiencies.²⁴ Without actions to help achieve the military services' requirements for timely inspections—such as assigning roles and responsibilities for monitoring, and remediation of any deficiencies—the military services are at greater risk for the loss or theft of SRC I ammunition.

All Military Services Except the Air Force Are Taking Actions or Plan to Revise Inspection Processes to Ensure Consistency in Inspections

We identified inconsistencies in how the services conduct inspections at various locations within their own service. The Army, Navy, and Marine Corps are taking actions or have plans to revise their inspection processes to ensure consistency in inspections conducted within their service, but the Air Force does not have plans to do so.²⁵ Specifically, we found:

Army's use of definitions. The Army has two rating categories in its inspection reports—"adequate" or "not adequate"—but does not provide standard definitions for inspectors to use when rating the overall physical security inspection. Inspectors at the locations in our review described different approaches for determining the overall rating category. For example, inspectors at several locations stated they relied upon their judgment, while others said they determined the rating by quantifying the number and types of physical security deficiencies into either an "adequate" or "not adequate" rating. During the course of our review, Army officials told us they are aware that there are no standard definitions for the two rating categories and they plan to implement a new information system that will be implemented across the Army by the end of fiscal year 2018.²⁶ According to officials, the new system will automatically determine whether the overall rating of the physical security inspection is "adequate" or "not adequate" based on information that the inspectors enter into the system. If the Army implements the new

²⁴[GAO-14-704G](#).

²⁵In light of the documentation and implementation variations we observed, the physical security deficiencies were not always comparable across military services or within military services. In addition, it is possible that the reporting did not identify all physical security deficiencies.

²⁶The name of the new web-based information system is the U.S. Army Security Management System (Counter Measures).

information system as planned, inspectors will have a tool that consistently rates the overall physical security inspection.

Navy inspection reports. Inspectors at 2 of 8 Navy locations in our review did not document having checked all physical security requirements during the inspection. Navy guidance requires inspection reports to include five items:

- a review of the status of any corrective actions taken on previously identified security deficiencies;
- a review of orders, procedures, and security regulations;
- a review to ensure waivers and exceptions have been requested when appropriate and copies of approved waivers and exceptions are on file;
- a comparison of a random selection of ammunition inventory records with the designated storage location of those ammunition items; and
- a comparison of a random selection of ammunition items with the listed inventory quantities.

The Navy's guidance does not clarify how to document inspection results, but the Navy is revising its guidance to include new inspection documentation requirements and plans to finalize its guidance by the summer of 2018. Navy officials shared with us an October 2017 version of the draft guidance that includes new inspection documentation and review and approval requirements. For example, the proposed revisions will require the inspection to be a formalized document routed through the chain of command for final review and written approval. The inspection must include, among other items, the name and signature of the person conducting the inspection and a plan of action and milestones for corrective actions. If the Navy finalizes its guidance as planned, inspectors will have clear direction about how to consistently document inspection results.

Marine Corps inspection reports. Inspectors at 2 of 6 Marine Corps locations in our review did not follow Marine Corps guidance for conducting physical security inspections. Marine Corps guidance requires inspectors to use a standardized form—Navy Marine Corps Form 11121—to complete the physical security inspection. Appendix E of the guidance provides inspectors an example of the form while Appendix F provides them instructions for completing the form uniformly. According to Appendix F, inspectors are required to address 13 physical security categories for physical security equipment such as: vehicle/personnel

gates, locks, intrusion detection system, and closed circuit television. However, we found inspectors at 2 Marine Corps locations did not document as having checked between 6 to 7 of the 13 categories—including the vehicle/personnel gates and closed circuit television categories—during the inspection. Also, according to guidance in Appendix F, inspectors are required to address 5 physical security categories for preventive measures and procedures, such as security training and access control. However, we found inspectors at the same 2 Marine Corps locations did not document that they checked security training during the inspection.

Marine Corps guidance does not clearly state what items must be included in the physical security inspection report. According to a Marine Corps official from the Physical Security Section within the Headquarters Marine Corps Security Division in the Protection Branch, the differences between the two appendixes in the guidance can lead to confusion about what the specific physical security requirements are and what information should be included in the inspection reports. This Marine Corps official stated that the Marine Corps would clarify the inspection requirements in a planned update to Marine Corps Order 5530.14A by June 2019. If the Marine Corps revises its guidance as planned, inspectors will have clear guidance about what items must be included in the physical security inspection report.

Air Force inspection reports. Inspectors at all 6 Air Force locations in our review had not documented that they checked all physical security requirements during inspections. Air Force guidance requires that inspection reports must include information about compliance with physical security standards, administrative records (e.g., inventories of key and lock custodians), operating instructions, personnel training, and assessments of non-duty hour and/or nighttime security standards and circulation control. However, we determined:

- 4 locations did not include information about administrative records—in particular about inventories key and lock custodians;
- 1 location did not include information about administrative records, operating instructions, and circulation control;²⁷ and

²⁷According to Air Force guidance, circulation control procedures are designed to detect hostile actions within areas and prevent unauthorized removal of material from areas.

-
- 1 location did not include information about administrative records and circulation control.

In interviews, officials from 3 locations provided varying explanations of why the inspection reports did not include the required minimum information: one official stated he did not know why; another official stated that the requirement was checked, but not documented. A third official's interpretation was that documenting a particular requirement was not required if no deficiency was noted.

Our review found that Air Force inspectors at locations with AA&E are not consistently addressing Air Force requirements that inspection reports include information about compliance with physical security standards because the Air Force has not taken actions to document compliance. Actions to help achieve an entity's objectives, according to *Standards for Internal Control in the Federal Government*, include documenting compliance with agency requirements, assigning responsibility and delegating key roles for monitoring, and taking steps to remediate any deficiencies.²⁸ Without actions to help achieve Air Force compliance with physical security standards, including documenting that inspectors checked compliance with requirements, the Air Force will not have assurance that physical security deficiencies are being identified.

Contractor

DOD guidance requires that AA&E in the custody of contractor owned facilities be protected according to the provisions of DOD Manual 5100.76 through the express terms of the contract. Further, as required or requested, the Defense Security Service conducts pre-contract award surveys and inspections of contractor-owned, contractor-operated facilities to assess compliance with security requirements in DOD Manual 5100.76. The Defense Security Service is to conduct inspections at intervals not exceeding 12 months or more frequently if requested.

At the contractor location we visited, we observed multiple physical security measures such as security lighting, perimeter fencing, and access control procedures. In addition, we reviewed the Defense Security Services' last 3 physical inspection reports—from 2013, 2015, and 2017—of this contractor facility. The Defense Security Service reviewed the specific physical security requirements in each report and where applicable identified physical security deficiencies. According to the Defense Security Service representative who had conducted the last 2

²⁸[GAO-14-704G](#).

physical inspections, he provided the final inspection reports to the Army organization with oversight of the contract.²⁹ While the results cannot be generalized, they provide insights on how physical security is maintained at contractor locations.

It Is Unknown Whether the Military Services Have Resolved All Security Deficiencies at SRC I Ammunition Storage Locations

It is unknown whether the military services had resolved all physical security deficiencies identified at SRC I ammunition storage locations. For 29 of the 35 selected locations that had identified one or more deficiencies in their physical security inspection reports, we found that the inspection documentation did not consistently show whether the locations had resolved all the deficiencies and, if so, what steps were taken to do so. DOD Manual 5100.76 requires that inspection findings and deficiencies resulting in noncompliance with the requirements will be corrected as soon as practical.³⁰

Specifically, our review of documentation found:

- **Army:** At 14 of 15 Army locations, officials had identified at least one physical security deficiency in their physical security inspection reports. At 3 of 14 Army locations, officials consistently provided documentation about how all of the identified physical security deficiencies were resolved. For the remaining 11 Army locations, there was no documentation about the resolution of all deficiencies. Instead, we found notes in the inspection documentation about next steps—such as submitting a repair work order—to attempt to remedy some but not all of the identified deficiencies. We are not identifying examples of deficiencies that were not documented as resolved because DOD deemed the information sensitive.
- **Navy:** At 5 of 8 Navy locations, officials had identified at least one physical security deficiency in their physical security inspection reports. For the remaining 3 locations, we found 2 locations had no deficiencies, and we could not determine whether the third location

²⁹We did not specifically evaluate how the contractor resolved the identified physical security deficiencies.

³⁰According to DOD Manual 5100.76, for findings and deficiencies that can be corrected within 90 days, no waiver is necessary. For those deficiencies that cannot be corrected within 90 days, a request for waivers or exceptions may be submitted. When a waiver or exception is granted for deficiencies, the military services are required to put compensatory security measures in place during the time interval they are addressing the deficiency.

had any deficiencies. For the 5 Navy locations with identified deficiencies, we found no documentation about whether and how they were resolved. Instead, we found notes in the inspection documentation about next steps—such as submitting a repair work order or multi-year funding and refurbishment tasks—that were intended to help address some but not all of the identified deficiencies. We are not identifying examples of deficiencies that were not documented as resolved because DOD deemed the information sensitive.

- **Marine Corps:** At 6 of 6 Marine Corps locations, officials had identified at least one physical security deficiency in their physical security inspection reports. For these 6 Marine Corps locations, we found no documentation about whether and how the deficiencies were resolved. Instead, we found notes in the inspection documentation about next steps—such as submitting a repair work order—that were taken regarding some but not all of the identified deficiencies. We are not identifying examples of deficiencies that were not documented as resolved because DOD deemed the information sensitive.
- **Air Force:** At 4 of 6 Air Force locations, officials had identified at least one physical security deficiency in their physical security inspection reports. For the 4 Air Force locations that had physical security deficiencies, we found that 2 locations had documentation about the resolution of all identified deficiencies. Another location had notes in the inspection documentation about next steps—such as submitting a repair work order—that were taken regarding some but not all of the identified deficiencies. The fourth location’s documentation had no details about how the identified deficiencies would be resolved. We are not identifying examples of deficiencies that were not documented as resolved because DOD deemed the information sensitive.

Standards for Internal Control in the Federal Government states that agency managers should establish and operate monitoring activities, including documenting the results of ongoing monitoring.³¹ Also, the Under Secretary of Defense for Intelligence, according to DOD Instruction 5100.76, is responsible for establishing policies, standards, and

³¹[GAO-14-704G](#).

procedures governing the physical security of ammunition and their effective and uniform implementation.³²

While DOD guidance requires monitoring activities in the form of conducting inspections, DOD guidance does not require documentation of whether and how all physical security deficiencies identified during the inspection are resolved. Further, the Under Secretary of Defense for Intelligence has not revised DOD guidance to require a process to consistently document the resolution of all identified physical security deficiencies. Consequently, the military services have not consistently documented the resolution of all identified deficiencies.

Until DOD issues revised guidance that the services establish a process to document the resolution of all identified physical security deficiencies at locations storing sensitive ammunition, including SRC I, the department will not know if all identified deficiencies are resolved and is at greater risk for the loss or theft of SRC I ammunition.

Conclusions

To protect against loss or theft, DOD establishes minimum requirements for physical security of extremely damaging or lethal ammunition. While the military services' respective guidance is not consistent with DOD requirements, the services are either updating or have plans to update their guidance to ensure consistency. We, therefore, are not making recommendations on this issue. It will be important for the services to follow through on their planned updates to ensure that minimum physical security requirements are consistently implemented across SRC I ammunition storage locations.

In addition, the military services have identified physical security deficiencies in inspection reports from selected locations that store SRC I ammunition within the continental United States. However, the services have not always conducted these inspections on time. Until the Army, Navy, and Marine Corps ensure inspections are conducted on time, they are at greater risk of loss or theft of SRC I ammunition. In addition, there is inconsistency within each of the services regarding whether inspectors are checking for all of the minimum security requirements during inspections. While the Army, Navy, and Marine Corps are taking actions

³²The Under Secretary of Defense for Intelligence is the senior DOD official with the authority and responsibility for the establishment of uniform DOD physical security policy (except for nuclear, chemical, and biological matters).

or plan to revise their inspection processes to ensure consistent inspections within their services, the Air Force does not have similar actions underway. Until the Air Force ensures that inspectors are consistently documenting whether they checked for compliance with all minimum requirements, it does not have assurance that physical security deficiencies are being identified.

In addition, when inspectors identify deficiencies, DOD and military service policies require corrections to physical security deficiencies as soon as practical. However, it is unknown whether the military services have resolved all identified physical security deficiencies. Until DOD revises DOD guidance to require a process to consistently document resolution of all identified deficiencies, the department will not have assurance they are resolved and is at greater risk for potential damage, theft, or other misuse at ammunition storage locations with SRC I ammunition.

Recommendations for Executive Action

We are making five recommendations to the Department of Defense:

The Secretary of the Army should direct the Army's Provost Marshal General to take actions to help ensure that physical security inspections at locations with AA&E are conducted on time, as required by Army guidance. (Recommendation 1)

The Secretary of the Navy should direct the Chief of Naval Operations' Supply, Ordnance, and Logistics Operations Division to take actions to help ensure that physical security inspections at locations with AA&E are conducted on time, as required by Navy guidance. (Recommendation 2)

The Secretary of the Navy should direct the Marine Corps Deputy Commandant for Plans, Policies, and Operations to take actions to help ensure that physical security inspections at locations with AA&E are conducted on time, as required by Marine Corps guidance. (Recommendation 3)

The Secretary of the Air Force should direct the Air Force's Office of the Deputy Chief of Staff for Logistics, Engineering and Force Protection, Directorate of Security Forces, to take actions to help ensure that inspectors at locations with AA&E are consistently documenting in inspection reports that all minimum requirements for physical security were checked. (Recommendation 4)

The Secretary of Defense should direct the Under Secretary of Defense for Intelligence to revise DOD guidance to require that the military services establish a process to consistently document the resolution of all identified physical security deficiencies. (Recommendation 5)

Agency Comments

We provided a draft of this report to DOD for comment. DOD provided written comments, which are reproduced in appendix III. In its written comments, DOD concurred with all five of our recommendations, and described ongoing and planned actions to address them.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Secretaries of the Army, the Navy, and the Air Force; the Commandant of the Marine Corps; and the Under Secretary of Defense for Intelligence. 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 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 IV.



Diana Maurer
Director, Defense Capabilities and Management

Appendix I: Selected Examples of Security Risk Category I Ammunition

Figure 2: Selected Examples of Security Risk Category I Ammunition



Stinger missile

In production since 1978, the Stinger missile is a lightweight air defense weapon that can be rapidly deployed in any combat situation.



Javelin missile

Javelin is a portable, shoulder-launched missile system that is highly lethal against targets ranging from main battle tanks to fleeting targets of opportunity found in current threat environments.



AT4 M136

The AT4 M136 is a lightweight, portable, anti-armor weapon.



M72A7 Light Anti-tank Weapon (LAW)

The M72A7 Light Anti-tank Weapon system is a shoulder-fired rocket.

Source: Department of Defense. | GAO-19-118

Figure 2: Selected Examples of Security Risk Category I Ammunition Continued



**M72A9 Light Anti-tank Weapon (LAW)
Anti-Structure Munition (ASM)**

The M72A9 LAW-ASM is a portable, lightweight, shoulder-fired anti-structure weapon and can only be fired in the open field environment.



Bunker Defeat Munition

The Bunker Defeat Munition is a single-shot, disposable, shoulder launched munition designed to defeat earth and timber bunkers under all weather and visibility conditions.



**AT4 Confined Space (CS) -
Reduced Sensitivity (RS)**

The AT4 CS-RS is a lightweight, portable, anti-armor weapon.

Source: Department of Defense. | GAO-19-118

Appendix II: Scope and Methodology

To determine the extent to which the military services' guidance is consistent with DOD's requirements for safeguarding SRC I ammunition, we reviewed and compared Department of Defense (DOD) Manual 5100.76, *Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)*, (April 17, 2012) and military service guidance that outline specific physical security requirements for SRC I ammunition in the continental United States. We reviewed and compared all DOD and military service published guidance, as well as drafts of planned updates to Army and Navy guidance. Also, we interviewed cognizant officials at the Office of the Under Secretary of Defense for Intelligence, and officials at each of the military services who have responsibilities for promulgating guidance, to gain an understanding of DOD's and the services' physical security standards and criteria for SRC I ammunition, and implementation of these standards at ammunition storage locations throughout the continental United States. We visited 6 military service locations—including military service installations and ammunition supply points—and one contractor with a current production contract for SRC I missiles. We selected the military service locations based on the variety of the size of the stored SRC I inventory, types of SRC I ammunition being stored, and the geographic features of the location. We selected the contractor location because it was the only one we could identify as having a current production contract for SRC I ammunition with any of the military services. At these locations, we observed implemented security measures and discussed with knowledgeable officials how they safeguard SRC I ammunition.

To determine the extent to which the military services have identified and resolved physical security deficiencies at selected locations within the continental United States, we requested and analyzed physical security inspection reports, corrective action documentation, and any waivers or exceptions from a sample of 35 military service locations in the continental United States storing SRC I ammunition as of May 31, 2017 (for the Navy, Marine Corps, and Air Force) and as of June 20, 2017 (for the Army), which coincided with the time of our audit work.¹ We requested

¹The Navy stores ammunition onboard ships. Office of the Chief of Naval Operations Instruction 5530.13C, *Department of the Navy Physical Security Instruction for Conventional Arms, Ammunition, and Explosives (AA&E)*, includes physical security requirements for ammunition onboard ships. However, DOD Manual 5100.76 does not apply to ammunition stored aboard a United States Naval Ship or United States Ship. Therefore, we did not include physical security inspections conducted onboard naval ships in the scope of our review. We use the term "inspections" even though the Navy, Marine Corps, and Air Force use the term "survey" in their guidance. The Air Force refers to waivers and exceptions as temporary and permanent security deviations.

this information from calendar years 2014 to 2017 to provide multiple years' of reports, as available, to review and analyze. We selected this non-generalizable sample based on the size of SRC I inventory, service, the variability of the geographic site of the service location, and the mission of or type of service location. For the size of the SRC I inventory selection factor, we included locations with small, medium, and large quantities on hand. In total, we reviewed 178 physical inspection reports for calendar years 2014 to 2017 provided by 35 military service locations in response to our request for all reports—56 inspection reports from 15 Army locations, 93 inspection reports from 8 Navy locations, 21 inspection reports from 6 Marine Corps locations, and 8 inspection reports from 6 Air Force locations.

The Army, Navy, and Marine Corps locations mostly provided multiple physical security inspection reports. For the Army, we received a minimum of 2 to a maximum of 10 inspection reports from 13 locations, and 1 inspection report from the remaining 2 locations we selected. For the Navy, we received a minimum of 3 to a maximum of 58 inspection reports from the 8 locations we selected. For the Marine Corps, we received a minimum of 3 to a maximum of 6 inspection reports from the 6 locations we selected. The reasons why there were variations in the numbers of inspection reports we received included: some locations provided inspection reports for each individual structure storing SRC I ammunition while other locations provided a consolidated report; the frequency of inspections differed among the three military services either due to requirements in service-specific guidance or how locations implemented the guidance, and the services' inspection documentation retention policies. In addition, 2 Army locations had inspection reports missing from 2014 to 2017 and could not provide those reports to us in accordance to the time requirements in Army guidance. Furthermore, 1 Army location could not provide any inspection reports for the 2014 to 2017 timeframe we requested. The location's physical security inspection was not conducted until January 2018. Therefore, we excluded this location from our sample of 15 Army locations. Each Navy and Marine Corps location provided all the inspection reports that their guidance required during the 2014 to 2017 timeframe that we requested.

To determine whether the Army, Navy, and Marine Corps locations were conducting their inspections on time, we generally used the first inspection report provided as the baseline of our analysis of the reports for 2014 to 2017. Based on the time requirements in each military service's guidance—that was in effect from 2014 to 2017—we calculated the time duration between the date of the first inspection report to the

date of the second inspection report to determine whether the second inspection report was conducted on time. For Army inspections conducted prior to an Army memorandum, dated September 9, 2014, requiring inspections of all AA&E storage facilities to be conducted at intervals not to exceed 18 months, we used the 24-month timeliness requirement for AA&E in bulk storage in Army Regulation 190-13, *Military Police: The Army Physical Security Program* (February 25, 2011). For inspections conducted after the Army memorandum, we used the 18-month timeliness requirement. If this time duration calculation was equal to or under the military service's specific timeliness requirement in its guidance, then we considered the inspection to be conducted on time. If this time duration calculation was over the military service's specific timeliness requirement in its guidance, then we considered the inspection to not be conducted on time. We repeated this process for subsequent inspection reports we received. However, 11 Army locations' inspection reports documented the date of the previous inspection in the first inspection report that was provided to us. For those 11 Army locations' inspection reports, we used the date of the previous inspection to calculate the time duration between it and the date of the first inspection report we received. If this time duration calculation was equal to or under the Army's specific timeliness requirement, then we considered the inspection to be conducted on time. Otherwise, we considered the inspection to not be conducted on time. Then, we calculated and compared the time duration between the date of the first inspection report we received to the date of the second inspection report we received and applied the same criteria to the resulting time duration to determine if the second inspection was conducted on time. We continued this process for the additional inspection reports provided by the locations. Further, for Army locations' inspection reports that received a "not adequate" rating, we checked to see if a reinspection was conducted within 6 months as is required by Army Regulation 190-13.² If the reinspection was not conducted within 6 months, then we considered the reinspection to not be conducted on time.

We could not determine whether all of the selected Air Force locations were conducting their inspections on time because these locations generally kept only their most current inspection report on hand. Since our sample of 35 locations was not generalizable, the results of our

²The Army uses the term "unsatisfactory" in its guidance, but the term "not adequate" on the associated inspection form. We use the term "not adequate" for the purposes of this appendix.

analysis about the timeliness of the Army, Navy, and Marine Corps' physical security inspections are not generalizable by military service or in the aggregate.

To identify differences in the military services' processes for conducting and documenting the results of physical security inspections, we interviewed officials at 34 locations. We did not interview officials at 1 location in our non-generalizable sample due to scheduling conflicts. Also, we reviewed the available military service guidance and inspection reports for each military service and location. We compared the documentation and noted similarities and differences between locations within the same military service. In addition, we compared the information each service and location was required to collect, based on its procedures and guidance, against what had actually been collected in the physical security inspection reports we examined. Because we relied on our 35 selected locations for this analysis, our findings are not generalizable to all locations containing SRC I ammunition.

To determine how the military services were identifying and resolving physical security deficiencies, we compared the content of the inspection reports and any relevant documents against inspection requirements outlined in the military service guidance to determine what, if any, physical security deficiencies had been identified. Then, we looked for information within the documentation of how identified deficiencies were resolved. In addition, we reviewed any waivers and exceptions from our selected locations to determine if any of the identified deficiencies were covered by approved waivers and exceptions.

In addition, we interviewed officials at 34 locations but did not interview officials at 1 location in our non-generalizable sample due to scheduling conflicts. We discussed with the officials at these locations their background and training in conducting inspections, other responsibilities they may have, why the inspections were not conducted on time, if applicable, and the process for resolving deficiencies identified during the inspections. Also, we determined whether the military services' physical security efforts were consistent with federal internal control standards that state management should (1) evaluate performance and hold individuals accountable for their responsibilities and (2) establish and operate monitoring activities, including documenting the results of ongoing

monitoring.³ While the results of our sample cannot be generalized, they provide valuable insights based on a mix of locations in terms of the services, geographic dispersion, size of inventory, and mission types. Because of the differences in the inspection reports by military service and location, which we describe in the body of the report, we could make only higher-level comparisons between them.

We conducted this performance audit from September 2016 to September 2018 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. We subsequently worked with DOD in October 2018 to revise the original sensitive report so it could be issued to the public. This public version was also prepared in accordance with these standards.

³GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

Appendix III: Comments from the Department of Defense



INTELLIGENCE

OFFICE OF THE UNDER SECRETARY OF DEFENSE
5000 DEFENSE PENTAGON
WASHINGTON, DC 20301-5000

AUG 20 2018

Ms. Diana Maurer
Director, Defense Capabilities Management
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Maurer:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-18-542SU, "DEFENSE LOGISTICS: Actions Needed to Enhance the Security of High-Risk Ammunition at Storage Locations," dated June 20, 2018 (GAO Code 101143). Detailed comments on the report recommendations are enclosed. Thank you for the opportunity to provide comments on this draft report.

Sincerely,

A handwritten signature in black ink, appearing to read "Garry P. Reid".

Garry P. Reid
Director for Defense Intelligence
(Intelligence & Security)

Enclosure:
As stated



GAO DRAFT REPORT DATED JUNE 20, 2018
GAO-18-542SU (GAO CODE 101143)

“DEFENSE LOGISTICS: ACTIONS NEEDED TO ENHANCE THE SECURITY OF
HIGH-RISK AMMUNITION AT STORAGE LOCATIONS”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION

RECOMMENDATION 1: The GAO recommends that the Secretary of the Army should direct the Army's Provost Marshal General to take actions to help ensure that physical security inspections at locations with AA&E are conducted on time, as required by Army guidance.

DoD RESPONSE: DoD concurs with the recommendation regarding inspections of Army property with AA&E. The Army has already started work to correct the deficiency by fielding and implementing a new web-based Security Management System to track and aid physical security inspectors in managing and conducting AA&E inspections.

RECOMMENDATION 2: The GAO recommends that the Secretary of the Navy should direct the Chief of Naval Operations' the Supply, Ordnance, and Logistics Operations Division to take actions to help ensure that physical security inspections at locations with AA&E are conducted on time, as required by Navy guidance.

DoD RESPONSE: DoD concurs with the recommendation regarding Navy property with AA&E. Chief of Naval Operations (OPNAV) Instruction 5530.13C is being revised to include templates for performing physical security surveys to assist installation personnel tasked with those duties and to establish a more uniform format across all Navy installations. The new instruction will also include a requirement to treat those inspection reports as official documents which, along with a formal plan of action and milestones for correcting identified deficiencies, must be forwarded up the chain of command for review and written approval. The target release date for this revision is 1 October 2018.

RECOMMENDATION 3: The GAO recommends that the Secretary of the Navy should direct the Marine Corps Deputy Commandant for Plans, Policies, and Operations to take actions to help ensure that physical security inspections at locations with AA&E are conducted on-time, as required by Marine Corps guidance.

DoD RESPONSE: DoD concurs with the recommendation regarding inspections of the Navy and Marine Corps property with AA&E. The Marine Corps physical security policy will be updated no later than July 2019. Where appropriate interim policy will be published until the Marine Corps order is updated and published. Additionally, the Marine Corps will incorporate requirements to ensure corrective actions are taken as well as to report a periodic status of the progress of approved corrective actions.

RECOMMENDATION 4: The GAO recommends that the Secretary of the Air Force should direct the Air Force's Office of the Deputy Chief of Staff for Logistics, Engineering and Force Protection, Directorate of Security Forces, to take actions to help ensure that inspectors at locations with AA&E are consistently documenting in inspection reports that all minimum requirements for physical security were checked.

DoD RESPONSE: DoD concurs with the recommendation regarding inspections of Air Force property with AA&E. Air Force has already updated the Management Internal Control Toolset which outlines the minimum requirements for annual inspection reports. This update requires unit personnel to verify compliance with minimum inspection requirements and highlights these requirements to personnel reviewing installation resource protection programs.

RECOMMENDATION 5: The GAO recommends that the Secretary of Defense should direct the Under Secretary of Defense for Intelligence to revise DOD guidance to require that the military services establish a process to consistently document the resolution of all identified physical security deficiencies.

DoD RESPONSE: DoD concurs with the recommendation for the Under Secretary of Defense for Intelligence to require that the military services establish a process to consistently document the resolution of all identified physical security deficiencies. Revised DoD policy on AA&E inspections will require consistent documentation of inspections, including the retention of inspection reports for as long as physical security deficiencies remain and for three years when no physical security deficiencies are found.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Diana Maurer, (202) 512-9627 or maurerd@gao.gov

Staff Acknowledgments

In addition to the contact named above, Marilyn Wasleski (Assistant Director), Jerome A. Brown, Martin DeAlteriis, Shvetal Khanna, Mary Jo Lacasse, Felicia Lopez, and Richard Powelson made key contributions to this report.

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