

153640



United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-259633

March 2, 1995

The Honorable John Glenn
Ranking Minority Member
Committee on Governmental Affairs
United States Senate

Dear Senator Glenn:

In November 1993, we issued a report and testified before your committee on the Army's weak internal controls over small arms parts.¹ In response to your August 1994 request, we describe below the corrective actions taken by the Army in responding to that report and testimony. We also discuss the Army's efforts to identify and improve controls over small arms and the extent small arms are lost or stolen in the Army.

RESULTS IN BRIEF

In response to recommendations in our previous report and testimony on small arms parts, the Army created a Small Arms Task Force. Although initially tasked with addressing small arms parts issues, the task force expanded its work to cover small arms, ammunition, and explosives. To correct the internal control weaknesses it found in each of these areas, the task force prepared a business action plan containing 66 action items. The task force continues to meet quarterly to monitor the Army's progress in addressing these items. Based on these actions and other information we found during our review, it appears that the Army is taking reasonable steps to identify and address control weaknesses over both small arms and small arms parts.

¹Small Arms Parts: Poor Controls Invite Widespread Theft (GAO/NSIAD-94-21, Nov. 18, 1993) and Military Small Arms Parts: Poor Controls Invite Widespread Theft (GAO/T-NSIAD-94-79, Nov. 18, 1993).

Reported small arms losses in the Army are not extensive relative to total inventory, but are still of concern. Less than 250 weapons were reported lost, missing, or stolen between 1990 and 1993 out of an inventory of 3.4 million small arms. In addition, officials of the Bureau of Alcohol, Tobacco and Firearms and some local law enforcement agencies told us they encountered few, if any, military small arms. Furthermore, our limited work at the First Armor Training Brigade, Fort Knox, Kentucky, and the Army Armament and Chemical Acquisition and Logistics Activity (ACALA), Rock Island, Illinois,² indicated that small arms thefts and losses were minimal.

BACKGROUND

Our previous report and testimony pointed out numerous control weaknesses that made small arms parts vulnerable to theft and loss in the Army. These weaknesses included inattentive management; no separation of key duties between those who order, control, and use the parts; inadequate review of parts requisitions; poor inventory controls; generally weak physical security; and automated system weaknesses. As a result of these weaknesses, some small arms parts, several of which can be used to convert a semi-automatic civilian rifle to an automatic weapon similar to an M16, were stolen from Army facilities and allegedly sold on the open market. We made several recommendations aimed at improving these control weaknesses.

The Army has 3.4 million small arms (e.g., .45-caliber pistols, M16 rifles, and M60 machine guns) in its inventory. About half of these weapons are at central warehouses, and the remainder are assigned to and located at Army, Army Reserve, or Army National Guard installations. The Army accounts for small arms through manual or automated accountable records, such as property books, maintained at the Army installations. Small arms are among several materials, such as precious metals, narcotics, ammunition, and others, that are classified as "sensitive" and require a high degree of protection and control. Army installations, for example, store small arms in secure locations or vaults and generally limit the number of people who have authorized, unescorted access. They also periodically inventory small arms to verify that none have been lost or stolen.

²ACALA is responsible for buying, receiving, and issuing wholesale stocks of small caliber weapons for the Army. A small quantity of these wholesale stocks of small arms is stored in a central warehouse at Rock Island.

The Department of Defense (DOD) maintains a central database of all small arms in the military, although it is not used for accountability purposes. Called the DOD Small Arms Serialization Program (DODSASP), this database includes information, by serial number, on the movement of all small arms from the time they enter the military supply system until they leave via some type of disposal or demilitarization. If one of these arms is used during the commission of a crime, DOD uses the database to identify for law enforcement agencies (usually within 72 hours) the last known activity accountable for the weapon. The database is also used within DOD to locate lost or missing weapons.

The Army maintains an automated system called the Lost, Stolen, Recovered Firearms and Ammunition database. Whenever a weapon is lost or stolen, Army units are required to report losses to the Army Criminal Investigation Command and notify the Office of the Deputy Chief of Staff, Operations and Plans, which maintains the database. The database is used to respond to various requests, such as from the Army Physical Security Review Board, for information on weapons losses.

ARMY ACTIONS ADDRESS WEAKNESSES

Shortly after our November 18, 1993, testimony, the Army created a Small Arms Task Force, primarily to address our concerns about inventory and physical security control weaknesses over small arms parts. This task force, which has the attention and support of some of the highest levels in the Army, quickly expanded its mission to include small arms, explosives, and ammunition control issues. The task force is chaired by the Chief, Supply Policy Division, Office of the Deputy Chief of Staff for Logistics. Its membership includes representatives from various Army organizations, such as ACALA, the Army Audit Agency, the Army Inspector General (IG), the Criminal Investigation Command, the Office of Public Affairs, and the National Guard Bureau. The task force met monthly between December 1993 and August 1994 and utilized large working groups--called process action teams--to address the topics mentioned above.

An early, significant input to the task force's work was a special inspection by the Army IG. Directed by the Army Vice Chief of Staff, this inspection was conducted from January to March 1994 at 44 active Army, National Guard, and Reserve units and depots. In addition to IG personnel, the inspection team included experts in the fields of supply, maintenance, and physical security. In its July 1994 report, the IG concluded that internal control vulnerabilities exist and made 70 recommendations to improve

physical security and management controls over small arms, small arms parts, ammunition, and explosives. The IG plans to conduct a similar inspection in March 1995 and to follow up at some sites visited in the first inspection to determine if corrective actions have been taken.

Another input to the task force's work were two reviews by the Army Audit Agency concerning DODSASP and the demilitarization of small arms parts--two areas the IG inspection also found deficient. The resulting reports, issued in September 1994, recommended improvements in both areas. The Audit Agency found, for example, that DODSASP, which uses 20-year-old technology, has had longstanding data input and processing problems that result in misleading information about the status of small arms shipments and missing weapons. The Army, recognizing that the present data collection and database management system (which includes DODSASP) is inefficient and does not provide the required visibility, classified the system as a material weakness in its fiscal year 1994 Federal Managers' Financial Integrity Act compliance statement. This classification elevates the significance of the deficiencies and requires special management oversight and tracking. The Army is in the process of taking corrective measures to improve DODSASP.

The Army Audit Agency's review of selected aspects of the demilitarization process found that better internal controls were needed over sensitive small arms and parts by both the government and contractors. It found, for instance, that some contractors were not fully complying with demilitarization recordkeeping requirements or witnessing (and certifying) the actual demilitarization process by subcontractors. As a result, there was no assurance that parts and weapons were being disposed of in accordance with DOD requirements. The Audit Agency recommended that government administrative officers ensure that demilitarization certifications are received before authorizing final contract payments.

Based on these inputs and other work by the process action teams, the Small Arms Task Force produced a business action plan of 66 action items that it now monitors on a quarterly basis. This plan was approved by the Vice Chief of Staff of the Army in early December 1994 and was distributed to Army commands worldwide. One of the major action items under this plan includes reengineering DODSASP. The goal of this long-term effort is to allow data to be entered directly into DODSASP at the same time weapons are recorded in the Army's accountable records (property books). The Army believes this will help correct the input and processing problems plaguing this program.

Other action items deal with enhancing automated management controls; improving training; reevaluating the security coding of parts; improving regulations and policies; and improving the accounting and visibility of small arms shipments. Some actions have been completed while others are still in process. Examples of specific actions include (1) revising regulations and guidance to ensure that field units understand and comply with applicable DOD guidance on demilitarizing small arms and small arms parts, and (2) enhancing the accountability and visibility of small arms in-transit by improving the tracking, shipment acknowledgement, and discrepancy reporting and resolution processes.

In another action, the Army Criminal Investigation Command began a comprehensive, year-long vulnerability assessment of small arms parts, small arms, ammunition, and explosives in late July 1994. The action is geared to the Command's assessment of its basic role and mission in these areas. In examining nearly 6 years of available criminal intelligence and related data, the Command hopes to enhance its role in ensuring the accountability and control of these items.

Lastly, the Army continued to include small arms parts control problems as a material weakness in its fiscal year 1994 Federal Managers' Financial Integrity Act compliance statement.

REPORTED SMALL ARMS LOSSES
ARE SMALL, BUT STILL A CONCERN

Although the extent of reported small arms losses in the Army is small in relation to its total inventory, the Army views any weapons loss with concern. The Army reported less than 250 weapons lost, missing, or stolen between 1990 and 1993 from an inventory of 3.4 million small arms. Many of these losses were attributed to administrative or actual losses before, during, or after major combat missions, such as Desert Shield/Storm and Somalia. In addition, a recent study of 4 years of stolen small arms, ammunition, and explosives conducted by the Office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence found that only 50 DOD small arms thefts had been recorded between fiscal years 1990 and 1994.

Furthermore, according to Bureau of Alcohol, Tobacco and Firearms officials, they encounter few military small arms during their investigative work. This experience was confirmed by our contact with several local law enforcement agencies located near major Army bases.

During the preliminary stages of our work, we visited ACALA at Rock Island, Illinois, and the First Armor Training Brigade, Fort Knox, Kentucky. We noted at Fort Knox that controls over small arms parts had been improved. For example, small arms parts in the arms vault of the First Armor Training Brigade were segregated from the repair area, and steps were instituted so that the repairer had to order parts from a parts clerk. In addition, close attention was paid to physical security controls at Fort Knox, including controls over small arms. Although we only conducted limited work at these two sites on the adequacy of small arms controls, we found that small arms thefts and losses were minimal. Our limited testing did not divulge any significant weaknesses or any areas the task force and related work did not already address.

SCOPE AND METHODOLOGY

We performed our work at the Office of the Deputy Chief of Staff Logistics; the Office of the Army Inspector General; the Army Audit Agency; the Army Criminal Investigation Command; and the Office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence in the Washington, D.C., area. We also briefly visited ACALA, Rock Island, Illinois; the First Armor Training Brigade, Fort Knox, Kentucky; and the Bureau of Alcohol, Tobacco and Firearms, Washington, D.C.

We focused much of our work on the activities of the Small Arms Task Force rather than independently visiting numerous Army sites. We did this because of the extensive scope, recency, and applicability of the task force's work and the extensive corrective actions that were occurring and being planned. We (1) discussed the Army's response to our report on small arms parts with members of the Army Small Arms Task Force; (2) reviewed and analyzed task force meeting minutes and the final business action plan; (3) discussed the Army's controls over small arms with officials of the Small Arms Task Force, the Army IG, the Army Audit Agency, ACALA, and the First Armor Training Brigade, Fort Knox. We reviewed applicable DOD reports and reviews as well as Army and DOD policies and regulations.

To determine the extent of small arms losses, we obtained information from the Army's Lost, Stolen, Recovered Firearms and Ammunition database from calendar years 1990 to 1993. We did not verify the accuracy and completeness of this database. Additionally, we discussed the extent of small arms losses with officials of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence and the Bureau of Alcohol, Tobacco and

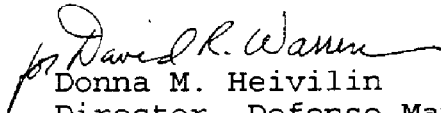
Firearms, and obtained data from several local law enforcement agencies located near major Army bases.

We discussed the results of our work with DOD officials, and they generally concurred with our observations. We performed our work from April 1994 to January 1995 in accordance with generally accepted government auditing standards.

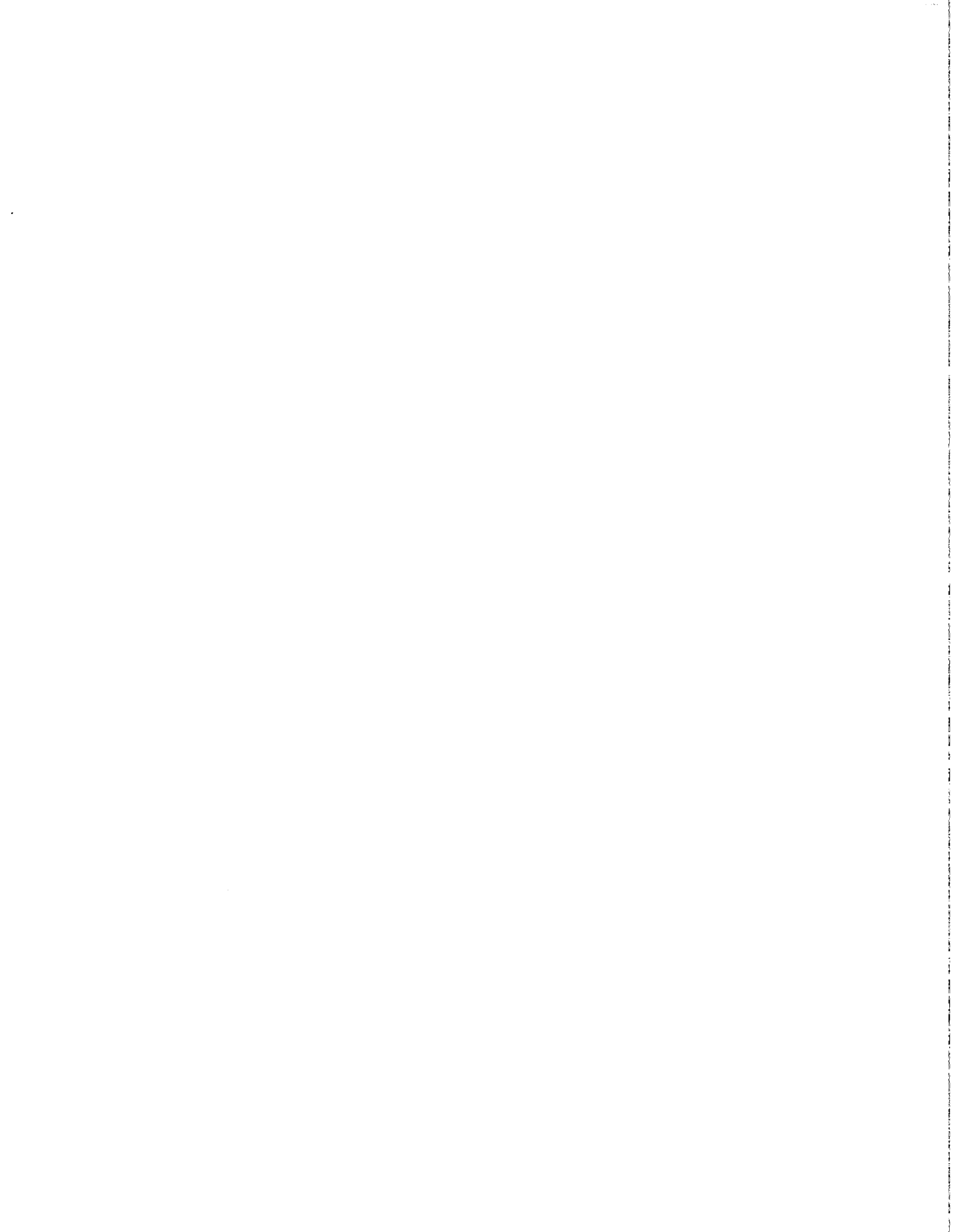
We are sending copies of this report to the Chairman of the Senate Committee on Governmental Affairs; the Chairmen and Ranking Minority Members of the Senate Committee on Armed Services, the House Committee on National Security, the House and Senate Committees on Appropriations, and the House Committee on Government Reform and Oversight. We are also sending copies to the Secretaries of Defense and the Army. We will also make copies available to others on request.

Please contact me or James E. Hatcher at (202) 512-8412 if you or your staff have any questions concerning this letter.

Sincerely yours,



Donna M. Heivilin
Director, Defense Management
and NASA Issues



Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (301) 258-4097 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

**United States
General Accounting Office
Washington, D.C. 20548-0001**

<p>Bulk Mail Postage & Fees Paid GAO Permit No. G100</p>

**Official Business
Penalty for Private Use \$300**

Address Correction Requested
