DOD EXCESS PROPERTY

Control Breakdowns Present Significant Security Risk and Continuing Waste and Inefficiency

Why GAO Did This Study

GAO's previous work found problems in security controls over sensitive excess military equipment that resulted in lost and stolen items, some of which were sold to the public, and significant waste and inefficiency in the Department of Defense (DOD) excess property reutilization program. GAO was asked to perform follow-up investigations to determine whether (1) unauthorized parties could obtain sensitive excess military equipment that requires demilitarization (destruction) when no longer needed by DOD and (2) system and process improvements are adequate to prevent sales of new, unused excess items that DOD continues to buy or that are in demand by the military services.

What GAO Recommends

GAO briefed DOD and military service management on the results of its investigations and provided perspectives on ways to resolve the control breakdowns that resulted in public sales of sensitive excess military equipment and new, unused excess items that the military services are continuing to use. In addition, GAO asked DOD to comment on a draft of its report. In its comments, DOD stated that given the time allotted to comment, the department was not able to do a detailed review and has no comments at this time. DOD also commented that it continues to implement changes to procedures based on GAO's May 2005 report (GAO-05-277).
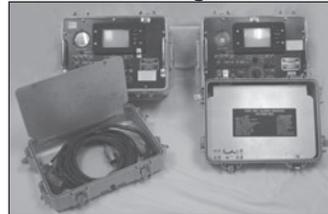
What GAO Found

GAO investigators posing as private citizens to disguise their identity purchased several sensitive military equipment items from DOD's liquidation sales contractor, indicating that DOD has not enforced security controls for preventing sensitive excess military equipment from release to the public. GAO investigators at liquidation sales purchased ceramic body armor inserts currently used by deployed troops, a cesium technology timing unit with global positioning capabilities, a universal frequency counter, 2 guided missile radar test sets, 12 digital microcircuits used in F-14 fighter aircraft, and numerous other items. GAO was able to purchase these items because controls broke down at virtually every step in the excess property turn-in and disposal process. GAO determined that thousands of military items that should have been demilitarized (destroyed) were sold to the public. Further, in June 2006, GAO undercover investigators posing as DOD contractor employees entered two excess property warehouses and obtained about $1.1 million in sensitive military equipment items, including 2 launcher mounts for shoulder-fired guided missiles, several types of body armor, a digital signal converter used in naval surveillance, an all-band antenna used to track aircraft, and 6 circuit cards used in computerized Navy systems. At no point during GAO's warehouse security penetration were its investigators challenged on their identity and authority to obtain DOD military property. The table below shows examples of sensitive military equipment obtained during GAO's undercover operations.

Sensitive Military Equipment Obtained during GAO's Undercover Tests

Frag jacket

Radar test sets

Ceramic body armor plates

Antenna

Guided missile mount

Time selector unit

Source: GAO, Moog Corporation for antenna.

GAO investigators posing as private citizens also bought several new, unused items currently being purchased or in demand by the military services from DOD's excess property liquidation sales contractor. Although military units paid full price for these items when they ordered them from supply inventory, GAO paid a fraction of this cost to purchase the same items, demonstrating continuing waste and inefficiency.

_____**United States Government Accountability Office**