



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

Resources, Community, and
Economic Development Division

B- 271789

June 4, 1996

The Honorable David E. Skaggs
House of Representatives

Dear Mr. Skaggs:

This report responds to your concerns regarding the Department of Energy's (DOE) control over firearms, ammunition, and other military equipment at the Rocky Flats Environmental Technology Site. Your concerns arose from a May 1995 incident in which federal investigators seized eight M-114 armored personnel carriers that were once used at the Rocky Flats nuclear weapons production facility. These personnel carriers, which had not been demilitarized, had been transferred to private parties who were allegedly ineligible to receive such equipment.

As a result of this incident, you asked us to (1) verify Rocky Flats' current inventory of firearms, ammunition, and other military equipment,¹ and (2) determine whether any firearms, ammunition, or night-vision devices at Rocky Flats have been written off as an unrecoverable loss.

In summary, we found that Rocky Flats' firearms, ammunition, and night-vision devices were properly accounted for. Rocky Flats no longer has any armored personnel carriers in its inventory. We also observed a number of physical controls over access to military equipment at Rocky Flats: Firearms, ammunition, and night-vision devices were locked up; access to them was restricted to a few employees; and inventory counts were conducted at regular intervals.

According to the records we reviewed at Rocky Flats, only three night-vision devices have been written off as unrecoverable losses. From 1991, when the

¹As agreed with your office, we restricted our inventory of other military-type equipment to night-vision devices.

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current security contractor assumed custody of the inventory, three night-vision devices could not be located.

INVENTORIES ARE ACCURATE

Our physical count of inventories shows that, as of March 19, 1996, the number of firearms, ammunition, and night-vision devices at Rocky Flats correctly matches the property records. Wackenhut Services, Inc., provides the security services at Rocky Flats and is the primary custodian of the military equipment at the site. Table 1 shows the inventory of equipment at Rocky Flats.

Table 1: Inventory of Military Equipment at Rocky Flats, March 19, 1996

Equipment type	Number
Firearms	
Handguns	642
Rifles (including semi- and full-automatic)	218
Submachine guns	76
Machine guns	46
Shotguns	83
Total	1,065
Ammunition (rounds of ammunition)	
.22 caliber	7,500
.243 caliber	1,200
.270 caliber	300
.38 caliber	197,601
.45 caliber	3,200
5.56 millimeter	301,960
7.62 millimeter	108,095
9 millimeter	162,310
12 gauge	31,312
Total	813,478
Night-vision devices	
Night-vision scopes	9
Night-vision goggles	2
Total	11

Source: GAO's verification of Rocky Flats' inventory.

As part of our review of Rocky Flats' inventory, we observed the physical and procedural controls that were used to safeguard firearms, ammunition, and

night-vision devices. Wackenhut shift supervisors account for firearms on a daily basis, issuing them to individual members of the protective service at the beginning of each work shift and accounting for their return at the end of the shift. In addition, Wackenhut personnel perform monthly and annual inventories, by serial number, of all firearms at Rocky Flats. Our physical count of the inventory found that all firearms were either at the armory, in storage, or at the appropriate guard stations at Rocky Flats and that all the firearms' serial numbers properly reconciled to inventory records.

Ammunition is similarly safeguarded; it is secured in locked safes or vaults within locked buildings that have alarms and can be accessed by only three Wackenhut officials. Additionally, Wackenhut conducts an annual inventory of the ammunition supply. Our physical inventory of the ammunition found that all ammunition was placed in either short- or long-term storage, and the quantities and types of ammunition properly reconciled to inventory records.

DOE's night-vision devices at Rocky Flats are stored in a locked safe inside a locked trailer that can be accessed by only two Wackenhut employees. Our physical count found that all the night-vision devices were properly secured and that the serial number of each piece of equipment properly reconciled to inventory records.

ONLY ONE WRITE-OFF HAS OCCURRED

With one exception, there have been no write-offs of firearms, ammunition, or night-vision devices at Rocky Flats. In 1991, when Wackenhut Services, Inc., assumed responsibility for the inventory of military equipment at Rocky Flats, it could not locate three night-vision devices valued at about \$15,000. DOE officials could provide no information on the disappearance of the night-vision devices and wrote off the equipment loss in 1995.

AGENCY COMMENTS

We provided a draft of this report to DOE's Office of Non-Proliferation and National Security and Rocky Flats' Contracts and Assets Management Division for their review and comment. We discussed the contents of this report with DOE officials in Washington, D.C., and at Rocky Flats, including the Management and Internal Controls manager. Overall, these officials agreed with the report and said that it reflected the inventory of weapons, ammunition, and night-vision devices at Rocky Flats, as well as the one write-off of missing night-vision devices. However, DOE officials pointed out that in trying to locate the

night-vision devices, they conducted two inventories before writing them off as a loss in 1995.

SCOPE AND METHODOLOGY

We conducted physical inventories of firearms, ammunition, and night-vision devices at Rocky Flats and reconciled the results to the inventory records. We interviewed DOE and Wackenhut officials at the Rocky Flats Environmental Technology Site; we also interviewed officials at DOE headquarters in Germantown, Maryland, and at the Department of the Treasury's Bureau of Alcohol, Tobacco, and Firearms in Denver, Colorado, and Washington, D.C. We reviewed workpapers prepared for two previous GAO reports (Mar. 1994 and Dec. 1995) on property management at Rocky Flats.² The December 1995 report noted that property management at Rocky Flats had improved. Additionally, we reviewed a February 1996 report by the DOE Inspector General of the agency's management of military equipment.³

We also reviewed inventory records for the past 3 years for firearms and the current year for ammunition and night-vision devices. For each type of equipment, we checked the inventory against property records. We conducted our review from January through April 1996 in accordance with generally accepted government auditing standards.

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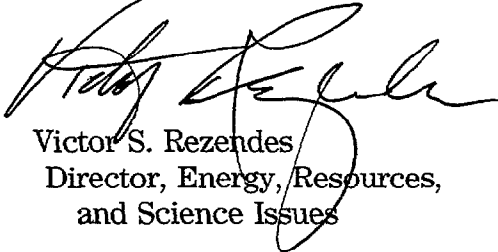
²Department of Energy: The Property Management System at the Rocky Flats Plant is Inadequate (GAO/RCED-94-77, Mar. 1, 1994); Department of Energy: Property Management Has Improved at DOE's Rocky Flats Site (GAO/RCED-96-39, Dec. 28, 1995).

³Special Audit Report on the Department of Energy's Arms and Military-Type Equipment, U.S. Department of Energy, Office of Inspector General, Capital Regional Audit Office, Report No. DOE/IG-0385 (Feb. 1, 1996).

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Major contributors to this report were Ronald J. Guthrie, James S. Crigler, and Robert E. Sanchez. If you or your staff have any questions, please contact me at (202) 512-6543 or Mr. Guthrie at (303) 572-7332.

Sincerely yours,



Victor S. Rezendes
Director, Energy, Resources,
and Science Issues

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