

GAO
Accountability · Integrity · Reliability
Highlights

Highlights of [GAO-06-981T](#), testimony before the Subcommittee on National Security, Emerging Threats and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

In light of GAO's past three testimonies and two reports on problems with controls over excess DOD property, GAO was asked to perform follow-up investigations to determine if (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 management on the results of its follow-up investigation and provided additional 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 continue to use. In its comments on GAO's draft report, 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).

www.gao.gov/cgi-bin/getrpt?GAO-06-981T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory D. Kutz at (202) 512-7455 or kutzgd@gao.gov.

DOD EXCESS PROPERTY

Control Breakdowns Present Significant Security Risk and Continuing Waste and Inefficiency

What GAO Found

GAO investigators posing as private citizens 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, two 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 two 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 six 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



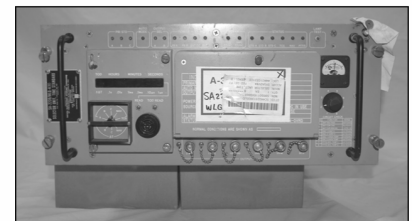
Ceramic body armor plates



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.