



REPORT TO THE CONGRESS



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Army And Air Force Controls Over Inventories In Europe B-161507

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-161507

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on Army and Air Force controls over inventories in Europe. Our examination was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Bureau of the Budget; the Secretary of Defense; the Secretary of the Army; and the Secretary of the Air Force.

A handwritten signature in cursive script, reading "James B. Stewart".

Comptroller General
of the United States

D I G E S T

WHY THE REVIEW WAS MADE

In August 1968, the General Accounting Office (GAO) issued a summary report on the movement of American Forces from France (Operation FRELOC) in 1966-67. GAO pointed out that during the operation control had been lost over large quantities of supplies and equipment.

This report reviews in detail the problems connected with controls over inventories in Europe as summarized in the August 1968 report.

FINDINGS AND CONCLUSIONS

Despite the relatively short period of time available--12 months--and the magnitude of the move from France, the Army and Air Force were able to move and dispose of supplies and equipment and to evacuate and relocate personnel by the deadline imposed, March 31, 1967. However, control over assets moved from France by the Army and Air Force was insufficient to ensure that shipments were received at the correct destinations in the quantities and in the conditions specified.

This loss of control over assets moved from France was, in GAO's opinion, symptomatic of a long-standing problem--the high incidence of error in stock records.

The need to move most of the supplies and equipment stored in France on short notice highlighted the magnitude of stock-record inaccuracies. Shipping instructions were prepared on the basis of quantities of stocks recorded and storage locations identified that did not agree either with the quantities and condition of stocks on hand or with the locations where they were stored.

The problem was further complicated by the lack of advance information on shipments at new receiving locations, the loss of documents needed for inspection and accounting purposes, the late inspection of receipts, the delayed recording of receipts, and the short period of time available to physically move the stocks.

Even at the conclusion of the GAO examination in late 1967, months after the move, it appeared that the Army still did not know, with any degree of certainty, the quantities, locations, or conditions of its inventories in Europe. The Air Force, on the other hand, had been able to

correct most of its stock records because of the significantly smaller volume of assets moved and the prompt action taken by the Air Force to complete physical inventories of materiel at the new storage locations.

Examples showing the magnitude of the Army and Air Force inventory control problems are shown below.

- GAO found that the Army had removed from its records \$177.2 million worth of assets because the records were considered to be invalid due to the length of time the assets had been shown on the records as being in transit. These adjustments were made necessary because the computer, used to delete assets from the records when the assets were received at their final (or user) destination was improperly programmed. Subsequently, the Army was able to account for \$74.6 million worth of these assets. With respect to the remaining \$102.6 million worth, GAO found, at the time of its examination, that the Army did not know where these assets were or if any of them had been lost. (See p. 16.)
- GAO found that the quantities of ammunition shipped from France had differed from those directed to be shipped and that the quantities received had not agreed with the quantities shown on the records as having been shipped. (See p. 17.)
- The depot surveillance records (DSRs) for 215 lots of ammunition were lost, and the current condition of the ammunition in those lots is unknown. Inspections for 314 lots of ammunition for which DSRs were received were overdue, some by more than 2 years, and the completion of all necessary inspections will take a substantial period of time. GAO noted that the ammunition in question was part of the war reserve materiel maintained in Europe and that delays in inspection and necessary maintenance could adversely affect the combat readiness capabilities of the Army in Europe in the event of hostilities. (See p. 18.)
- GAO found that an Air Force reconciliation of inventory received at Scylthorpe in the United Kingdom showed certain shortages at the time of GAO's examination. (See p. 22.) GAO was informed by the Acting Assistant Secretary of Defense (Installations and Logistics) in February 1969, however, that most of the Air Force materiel had been adequately accounted for subsequent to the completion of GAO's fieldwork.

RECOMMENDATIONS OR SUGGESTIONS

In view of the actions taken by the Army and the Air Force after the conclusion of the review, GAO is making no further suggestions for improvement.

AGENCY ACTIONS AND UNRESOLVED ISSUES

GAO brought the matters in the report to the attention of the Department of Defense. The Acting Assistant Secretary of Defense (Installations and Logistics) commented on the findings and furnished GAO with information on actions taken after the conclusion of its fieldwork.

GAO was informed of the steps being taken by the Army to overcome its inventory problems and of its program to control inventories. Also, GAO was informed that, for the most part, Air Force assets had been accounted for after the date of the review.

GAO intends to evaluate the adequacy and effectiveness of actions taken or to be taken in future reviews of supply management operations of military activities in Europe.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is being submitted to the Congress because of continuously expressed congressional interest in measures taken to overcome supply-support problems affecting American Forces assigned overseas.

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ABBREVIATIONS

COMZ	U.S. Army Communications Zone, Europe
DSR	Depot surveillance record
GAO	General Accounting Office
<i>MAP</i>	Military assistance program
S&MA	Supply and Maintenance Agency
USAFE	U.S. Air Forces in Europe
USAGD-UK	U.S. Army General Depot, Burtonwood, United Kingdom
USAREUR	U. S. Army, Europe
WRM	War readiness materiel

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This report reviews in detail the problems connected with controls over inventories in Europe as summarized in the August 1968 report.

FINDINGS AND CONCLUSIONS

Despite the relatively short period of time available--12 months--and the magnitude of the move from France, the Army and Air Force were able to move and dispose of supplies and equipment and to evacuate and relocate personnel by the deadline imposed, March 31, 1967. However, control over assets moved from France by the Army and Air Force was insufficient to ensure that shipments were received at the correct destinations in the quantities and in the conditions specified.

This loss of control over assets moved from France was, in GAO's opinion, symptomatic of a long-standing problem--the high incidence of error in stock records.

The need to move most of the supplies and equipment stored in France on short notice highlighted the magnitude of stock-record inaccuracies. Shipping instructions were prepared on the basis of quantities of stocks recorded and storage locations identified that did not agree either with the quantities and condition of stocks on hand or with the locations where they were stored.

The problem was further complicated by the lack of advance information on shipments at new receiving locations, the loss of documents needed for inspection and accounting purposes, the late inspection of receipts, the delayed recording of receipts, and the short period of time available to physically move the stocks.

Even at the conclusion of the GAO examination in late 1967, months after the move, it appeared that the Army still did not know, with any degree of certainty, the quantities, locations, or conditions of its inventories in Europe. The Air Force, on the other hand, had been able to

correct most of its stock records because of the significantly smaller volume of assets moved and the prompt action taken by the Air Force to complete physical inventories of materiel at the new storage locations.

Examples showing the magnitude of the Army and Air Force inventory control problems are shown below.

- GAO found that the Army had removed from its records \$177.2 million worth of assets because the records were considered to be invalid due to the length of time the assets had been shown on the records as being in transit. These adjustments were made necessary because the computer, used to delete assets from the records when the assets were received at their final (or user) destination was improperly programed. Subsequently, the Army was able to account for \$74.6 million worth of these assets. With respect to the remaining \$702.6 million worth, GAO found, at the time of its examination, that the Army did not know where these assets were or if any of them had been lost. (See p. 16.)
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MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is being submitted to the Congress because of continuously expressed congressional interest in measures taken to overcome supply-support problems affecting American Forces assigned overseas.

INTRODUCTION

The General Accounting Office has examined into the controls exercised by the Army and Air Force over supplies and equipment located in Europe with particular emphasis on Operation FRELOC. Our primary emphasis was on examining into matters apparently needing attention, and we made no overall evaluation of the management of supplies and equipment. In our report to the Congress entitled "Movement of American Forces From France (Operation FRELOC)" (B-161507, August 7, 1968), we summarized our overall findings with respect to Operation FRELOC, including those pertaining to stock control, and this report provides further details concerning this matter. The scope of our review is shown on page 25 of this report.

On March 7, 1966, in a letter to the President of the United States, President DeGaulle of France stated that France believed that significant changes in world conditions had occurred subsequent to the signing of the North Atlantic Treaty Organization agreement in 1949. He stated further that, because of the changes that had taken place, conditions no longer justified:

"*** the arrangements of a military nature made after the conclusion of the alliance, either jointly or in the form of multilateral agreements, or by special agreements between the French Government and the American Government."

The letter went on to point out that:

"France intends to recover, in her territory, the full exercise of her sovereignty, now impaired by the permanent presence of allied military elements or by the habitual use being made of its airspace ***."

As a result of President DeGaulle's decision, the United States was faced with the task of moving about 70,000 military, civilian, and dependent personnel; moving or otherwise disposing of over 800,000 short tons of supplies and materiel; evacuating about 190 installations;

relocating major headquarters activities; constructing, or otherwise obtaining, new storage facilities outside France; providing for the disposition of installations in France; and providing for other matters necessary for the support of troops to be stationed outside France.

With respect to supplies and equipment, the Army had to move from France or dispose of about 590,000 short tons of supplies and equipment valued at an estimated \$786 million and about 138,000 short tons of non-mission-essential property, such as desks, chairs, and maintenance equipment.

The Air Force estimated that 72,400 short tons of supplies and equipment (including 181 aircraft) and 11,900 short tons of non-mission-essential materiel were moved. The total value of these assets was \$571.3 million.

We did not perform a detailed review of matters relating to the military assistance program (*MAP*). France has not been a *MAP* recipient for several years. The Foreign Excess Sales Office, now under the control of Headquarters, U.S. Air Forces in Europe (*USAFE*), is responsible for the disposition of *MAP* property recovered from France. In regard to Operation *FRELOC*, certain theater excesses were distributed to *MAP* recipients, primarily Greece and Turkey. These matters are classified and are considered as part of our continuing *MAP* reviews.

In our secret report (B-161049, July 12, 1967), we concluded that U.S. activities were not always making case-by-case economic recoverability determinations on *MAP* property that **was** (1) offered by the recipient country to the United States for recovery and (2) not needed to satisfy other *MAP* or U.S. requirements.

The U.S. Army Communications Zone, Europe (*COMZ*), under the direction of the U.S. Army, Europe (*USAREUR*), is the responsible agency for providing supply support to *USAREUR* Forces. *USAREUR* stocks are located in the *COMZ* depots; in U.S. Army, Southern European Task Force depots; in *COMZ* maintenance plants and at *COMZ* centers; and at prepositioned-stock points. The stocks are managed by the Supply and Maintenance Agency (*S&MA*), a staff element of *COMZ*.

USAFE had the responsibility of providing direction for the Air Force movement **from** France. The stocks, while in France, were managed by each individual Air Force base.

A list of the principal officials of the Department of Defense responsible for administration of activities discussed in this report is shown as appendix 11.

NEED FOR IMPROVEMENT IN CONTROL
OVER SUPPLIES AND EQUIPMENT

Despite the relatively short period of time available and the magnitude of the move from France, the Army and Air Force were able to move and dispose of supplies and equipment and to evacuate and relocate personnel by March 31, 1967. Although supplies and equipment were re-located by the deadline (March 31, 1967) that was established by the President of the United States, control over assets moved from France by the Army and Air Force was, in our opinion, insufficient to ensure that all assets were received in the quantities shipped, at the destinations planned, and in the conditions specified by the stock records.

During the latter part of 1967, when we concluded our fieldwork at military sites in Europe, there were major stock-record discrepancies that had not been resolved and military officials estimated that it might require a substantial period of time to reconcile the differences, properly locate stocks on hand, and determine whether any materiel had actually been lost. In response to our draft report, the Department of Defense advised us that some of the materiel, especially with respect to the Air Force, had been located subsequent to the completion of our examinations at the sites.

The loss of control over assets moved from France was, in our opinion, symptomatic of a long-standing problem-- the high incidence of error in stock records. Inaccurate stock records and the inability to locate stocks on hand can materially contribute to supply-support problems and can reduce combat-readiness capabilities.

The need to move all the materiel stored in France highlighted the magnitude of the inaccurate stock records because shipping instructions were prepared on the basis of recorded quantities, locations, and conditions that did not agree with the stocks actually on hand. The problem was further complicated by the lack of advance information

on shipments at receiving locations, the loss of documents needed for inspection and accounting purposes, the late inspection of receipts, the delayed recording of receipts, and the short period of time available to physically move the stocks.

Also, it appeared that the **Army** and Air Force task **of** relocating or disposing of over 800,000 short tons of assets was made more difficult by the late dates of decisions by the Secretary of Defense regarding new storage sites and new air bases and the simultaneous phase down of some facilities and reactivation of others. We were advised by Department of Defense officials that these decisions had been delayed by the need to consider relations with foreign governments and gold-flow problems and by the need to formulate acceptable lines of communications to support **U.S.** Forces in Europe.

Details of **our** examination follow.

CONTROL OVER ASSETS MOVED

FROM FRANCE BY THE ARMY

Our review of the movement of Army materiel from France showed that inventory control over significant quantities of assets had been lost, in many instances, due to inaccurate records prior to the move, the lack of control over documents needed for inspections and posting of stock records, the incomplete and late inspections, the delayed recording of receipts, and a malfunction in a computer program. In some cases the quantities received at new storage locations were less than those directed to be shipped while, in other cases, they were substantially more.

Summarized below are our findings relating to (1) mission stocks, (2) medical supplies, and (3) ammunition.

SUPPLIES AND EQUIPMENT (MISSION STOCKS)

S&MA has had serious difficulties in maintaining accurate stock records in the past, and the impact of Operation FRELOC served to highlight the extent of the problem. In addition, the various depots maintained records which showed asset locations and balances. During the period from October through December 1965, an attempt had been made to reconcile the asset data on depot records with the records maintained by S&MA. When Operation FRELOC was initiated in 1966, S&MA was still engaged in research to determine why total adjustments of \$1.3 billion had been needed to bring the records into agreement. The adjustments amounted to more than the recorded dollar value of the entire inventory managed by S&MA in Europe.

Another physical inventory of the stocks remaining at depots located in France was accomplished in November 1966, to determine whether additional adjustments to the records were required. The depots submitted about 60,000 count cards to S&MA for reconciliation, and correction of the records and a report on the reconciliation showed that there was about a 25-percent error between the counts of items actually on hand and S&MA's records.

The report showed total adjustments of \$363 million to that part of the inventory valued at \$381 million, as follows :

	<u>Millions</u>
Counts exceeded quantities per records	\$299
Quantities per records exceeded counts	<u>64</u>
Total adjustments	<u>\$363</u>
Net gain	<u>\$235</u>

Operation FRELOC served to highlight the magnitude of the Army's inventory control problems and compelled Army officials to deviate from normal shipping and stock-control procedures. Shipment procedures usually provide that the inventory control activity (in this instance S&MA) transmit a materiel release order to the applicable depot and, at the same time, adjust the stock records to reflect the change. A materiel release order indicates (1) the item, (2) the quantity to be shipped, and (3) the destination. During Operation **FRELOC**, however, because of the inaccurate stock records and the need to move all materiel, the depots were given broad disposition instructions and were advised to report to S&MA the items, the quantities shipped, and the destinations.

One depot failed to follow these instructions, and control over about \$33 million worth of assets was lost. In June 1967 procedures were outlined which were to be used in accounting for the "lost" assets. The procedures provided that a manual matching of the assets shown as still on hand in France would be performed with receipts at other depots that had not been matched to specific shipments.

As of December 1, 1967, S&MA had accounted for all but \$579,000 worth of the assets. About \$260,000 worth of those assets will not be researched due to the low **dollar** value per line item.

Actions taken Subsequent to
Operation F'RELOC

Many actions were taken subsequent to Operation FRELOC, including complete inventory of certain commodities, establishment of controls over assets in transit, complete inventories and location surveys at selected depots. Despite these actions, it appeared to us that the Army was still not in a position to know, with any degree of certainty, the quantities, locations, or conditions of inventories in Europe. Discussed below are the details concerning some of the problems disclosed.

Inventory at the depot located
in the United Kingdom

A complete inventory was performed at the U.S. Army General Depot, Burtonwood, United Kingdom (USAGD-UK) in June 1967 because it was a newly established depot and S&MA desired to verify the validity of the balances on the stock records. The report prepared as a result of the inventory showed that about 800 different line items had been counted, resulting in gains of \$8.95 million and losses of \$5.91 million, or a total adjustment of \$14.9 million. The total value of the inventory, after adjustments, was about \$17 million.

We subsequently selected 72 line items for physical re-validation of the inventory and found that 39 items (54 percent) had discrepancies between depot records and actual locations and quantities on hand, as follows:

	<u>Number of items</u>
Discrepancies in warehouse locations (note a)	22
Discrepancies in quantities (note a)	23
Not on records	5

^aSome items had discrepancies in both quantity and location.

We also compared our inventory counts with the balances shown on S&MA records (after S&MA records supposedly had been adjusted to agree with the depot counts) and found that the quantities still did not agree on 20 of the 72 items.

The results of our tests indicated that the accuracy of the stock-record balances had not significantly improved at S&MA as a result of the physical inventory even though there had been relatively few stock issues after S&MA's establishment. In our opinion, it is to be expected that records would be more reliable for low volumes of stock issues than for high volumes of stock issues.

In our discussion and review of the differences with USAGDUK and S&MA personnel, we found that little effort was being made to reconcile the differences. USAGDUK personnel stated that its inventory had been accomplished with new personnel in a short period of time and that, if S&MA personnel had had any questions, they should have requested recounts. Conversely, S&MA personnel stated that, where differences existed between the depot count and the records, the records had been adjusted to the depot count. S&MA personnel stated also that they had no choice but to accept the count based on their interpretation of Army Regulations 780-45 which states that:

"Adjustments to stock records will be made within 10 workdays after discovery of discrepancies revealed through physical inventory .

Inventory of assets on hand at
selected depots in September 1967

Because of the large volume of assets moved from France, the Army initiated complete inventories of selected depots in September 1967. Over 209,500 counts were made in the various locations. The comparison of these counts with S&MA stock records indicated that 28 percent of the records were in error and that the net adjustments required amounted to an increase of over \$2.1 million.

Location surveys--October 1967

Location surveys were performed by S&MA in October 1967 at those depots where complete inventories had not been undertaken in September 1967. We were informed by an official of the S&MA that the magnitude and significance of the errors disclosed cast doubt on the reliability of the surveys. Further research by S&MA was being performed at the time we concluded our fieldwork.

Inventory adjustments during the period May 1966 through October 1967

Our review of monthly inventory adjustment reports for the 18-month period ended October 1967 showed inventory gain and loss adjustments totaling \$1.6 billion for an inventory (throughout Europe) valued at about \$1 billion. The adjustments averaged \$89 million monthly and involved an average 2,700 items with differences of \$1,000 or more.

During calendar year 1967, S&MA inventoried 388,816 different line items. Only 7,145 of the inventories were the result of scheduled inventories accomplished for control purposes, with the remaining 381,671 inventories' being performed (1) when the stock records showed balances on hand but the warehouse records indicated no stocks physically available to fill requests for the materiel (warehouse denial), (2) to validate suspected discrepancies between the recorded stock-record balances and the assets on hand, or (3) on request from the inventory manager or another appropriate official. When the physical inventory shows the stock-record balances to be incorrect, corrections coded as unexplained gains or losses are then posted and later researched to determine why they were necessary and whether physical losses were involved.

We advised Army officials in Europe that we believed that corrective action to curtail the voluminous number of adjustments could be directed to specific causes of adjustments by analyzing the research justification codes selected to explain the approximately 32,000 inventory gain and loss adjustments annually. We were informed that the Army did not have the necessary manpower to make such an analysis or

to implement the corrective action needed. **The** Army **offi-**
cials stated that they believed that the principal problem
was inaccurate paper work which had been aggravated by the
large movement of stocks **during** Operation FRELOC.

Improvement needed in controls over assets recorded as being in transit

Assets in transit from one depot to another, valued at \$195.4 million, were recorded on S&MA records as of June 15, 1967. Assets valued at about \$177.2 million were subsequently removed from the records, including about \$74.2 million worth which were removed during the period of Operation FRELOC, because the records were considered to be invalid due to the length of time the assets had been shown as being in transit. It appears that these adjustments were made necessary because the computer was not properly programmed to delete in-transit assets from the records when the assets were received at their destinations.

Research is being performed on the \$177.2 million worth of assets deleted from the records, to determine whether the assets had actually been received at another depot. In November 1967 we were informed that, considering the staffing and work loads, it would take a substantial amount of time to complete the research which involved about 18,000 items. In December 1967 we were informed that 232 line items had been researched and that \$74.6 million worth of assets had been accounted for. With respect to the remainder, the Army was not yet in a position to know, in December 1967, where these assets were or whether any of them had been lost.

MEDICAL SUPPLIES

Two Army depots in France had about 9,000 short tons of medical supplies, valued at over \$19 million, on April 1, 1966. For some items, S&MA was unable to provide the depots with shipping instructions because there was no record of the items' being on hand. For other items, the receiving depots were not notified of the incoming shipments.

To provide shipping authority for those supplies not recorded on the records at S&MA, partially completed shipping directives were provided to the depots. The depots were to insert the data for items shipped and return

the forms to S&MA for posting to the stock records, However, only one of the two depots completed and returned the shipping directives. Quantities of over 3,300 items were moved in this manner and inventory gains of \$697,000 resulted, indicating that the records had been inaccurate,

In September 1967 the Army Medical Depot in Germany completed an inventory of its stocks. At the time we concluded our examination at the site in November 1967, the reconciliation had not been completed, but we were informed that a substantial inventory gain had resulted.

AMMUNITION

There were about 197,000 short tons of ammunition, valued at an estimated \$276.5 million, on hand in two depots in France as of May 1, 1966. Our review showed that the quantities of ammunition shipped from France had differed from those directed to be shipped and that the quantities received had not agreed with the quantities shown as having been shipped. In addition, ammunition inspection records were lost, resulting in a lack of knowledge as to which ammunition could be used and which needed to be rehabilitated.

We limited our review to the circumstance surrounding the shipment of 120,000 short tons of ammunition from France to the U.S. Army Ammunition Depot, Miesau, Germany, and to the ammunition storage facilities at USAGD-UK.

Details of our findings follow.

Differences between stock records and quantities received at destinations

We reviewed the available records for all 78 items of ammunition shipped from France to England and found discrepancies between S&MA's records and the quantities received for 60 of the items. For selected items, we also compared the balances shown on the depots' records with the quantities shown on S&MA's records and with the quantities received in England and Germany and found significant differences.

In some instances, neither the balance recorded by S&MA nor the balance recorded by the depot agreed with the quantity received at the new storage location. In other instances, the quantities recorded were in agreement, but the quantities received differed. For example:

Item (note a)	Number of rounds		
	Directed to be shipped by S&MA	Shipped--per depot records	Received at destination
A	2,977,800	2,971,080	2,957,640
B	954,000	662,000	660,000
C	16,028	16,028	20,404
D	18,341	18,341	13,802

^aSpecific identification of ammunition items has been omitted because of security classifications.

Ammunition inspection records

Ammunition that has been in storage for long periods of time becomes subject to deterioration. To preclude the use of ammunition that could damage weapons or be a safety hazard, periodic inspections must be made and necessary maintenance (sanding, repainting, fuze replacement, etc.) must be accomplished. Control over these activities is maintained for each lot of ammunition by means of a depot surveillance record which contains a complete record of inspection and maintenance data.

Our review showed that the DSRs for 215 of the 943 lots of ammunition shipped to England had been lost and that the current condition of the ammunition in those lots was unknown.

Amy personnel stated that, due to the loss of the DSRs, one of the first tasks of depot personnel would be to perform inspections of the 215 lots of ammunition to determine its condition. However, inspections for 314 lots

for which DSRs were received were overdue, some by more than 2 years, and the completion of all necessary inspections will take a substantial period of time. The ammunition in question is part of the war reserve materiel maintained in Europe. Delays in inspection and necessary maintenance could therefore adversely affect the combat readiness capabilities of American Forces,

In October 1967, S&MA personnel stated that inspections had been accomplished on 175 of the 215 ammunition lots for which DSRs had been lost. The loss of the DSRs necessitated inspections that may not otherwise have been due and therefore may have hindered surveillance personnel from concentrating their attention on those lots which were, in fact, overdue for inspections.

Personnel at the Miesau Depot in Germany also stated that DSRs were missing for some of the ammunition received from France. However, they stated that this had not adversely affected the surveillance operations because inspections had been performed upon receipt of the ammunition in order to establish its condition.

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On October 21, 1968, we brought our findings to the attention of the Department of Defense. We suggested that the Secretary of the Army direct that (1) trained inventory teams be sent to Europe from the United States to assist Army personnel in the correction of inventory records and identification of causes of errors in those records and (2) an inventory program be established requiring that closed depot wall-to-wall inventories be accomplished on a cyclical basis in Europe until such time as the inventory records reached an acceptable level of reliability.

By letter dated February 15, 1969 (see app. I), the Acting Assistant Secretary of Defense (Installations and Logistics) informed us that, because of the progress made by USAREUR in resolving the identified problem areas, it was not deemed necessary to send an inventory team to Europe to assist in the correction of inventory records.

The Acting Assistant Secretary stated also that the Department of the Army would continue to monitor the USAREUR management improvement program and would provide assistance when required.

We were also informed that closed depot wall-to-wall inventories entailed disruptions in the normal flow of supply that were considered unwarranted when alternatives were available. This is particularly true in the case of the depots in Europe that provide support directly to a field Army with relatively little depth and dispersion in stock availability. We were advised that the Army in Europe will prosecute its program for depot inventories and that DOD intended to monitor the Army actions and probably would send representatives to the European area for this purpose in the near future.

The Assistant Secretary of Defense stated also that, within the context of the high overall dollar value inventories of Operation FRELOC, unresolved record discrepancies indicative of some degree of loss of control of assets during this critical operation were of a relatively low proportionate dollar value. He stated also that research had indicated that the majority of the invalid in-transit assets involved no physical loss to the Government and had been created by errors in the reporting system. In addition, he stated that DOD had published new instructions for improving inventory record accuracy.

We believe that the control over assets moved from France by the Army was insufficient to ensure that all items were received at the planned destinations in the quantities shipped and in the conditions shipped. In our opinion, the loss of control was symptomatic of a long standing problem--the high incidence of error in stock records.

In a prior report to the Congress entitled "Improved Inventory Controls needed for the Departments of the Army, Navy, and Air Force and the Defense Supply Agency" (B-146828, November 14, 1967), we pointed out that inaccurate inventory records in the various military services were a significant problem requiring high-level management

attention. The loss of control in Europe was also generally due to the lack of due-in information on planned shipments at the receiving point; the loss of documents needed for inspecting, posting, and accountability purposes; the late inspection of receipts; and the delayed recording of receipts.

We believe that the Army task of controlling and accounting for thousands of tons of assets which had to be relocated from France or otherwise disposed of was further complicated by the short period of time available to accomplish the move, the late date of decisions by the Secretary of Defense concerning the establishment of new depots and other storage sites, and the simultaneous phase down of some facilities and reactivation of others. We were advised by an official of the Army that the rotation of experienced personnel whose knowledge was in great need also had an adverse effect on the operation.

In view of the Army's plan to continue to prosecute its program for depot inventories, we are making no further suggestions for improvement. If this program is effectively implemented, improvement should be achieved. At a later time, we will examine into the adequacy and effectiveness of the actions taken.

CONTROL OVER ASSETS MOVED
FROM FRANCE BY THE AIR FORCE

The Air Force lost control over some quantities of materiel moved from France during Operation FRELOC because stock records were inaccurate and because shipping documents were either lost or misdirected. The Air Force, however, was able to establish, on a more timely basis, than the Army, the locations and quantities of materiel shipped. This was possible, in our opinion, because of the significantly smaller volume of assets moved and the prompt action taken by the Air Force to complete physical inventories of materiel at the new storage locations.

Details of our findings follow.

WAR READINESS MATERIEL

Each operational Air Force base maintains certain quantities of equipment and supplies classified as war readiness materiel (WRM). WRM located at the various bases in France prior to Operation FRELOC was valued at \$50.2 million. Of that amount, about \$31 million worth was redistributed to other Air Force bases outside France or was disposed of and the remaining \$19.2 million was placed in interim storage at Sculthorpe in the United Kingdom.

In September 1967, WRM Division, USAFE, received the results of a complete inventory of the WRM at Sculthorpe, which was taken to determine exactly what was on hand. Upon examining the results of the inventory, we requested from an official of USAFE a reconciliation of the quantities directed to be shipped from France to Sculthorpe with those quantities actually received at Sculthorpe.

The reconciliation showed the following indicated shortages.

1. 84 aircraft .50 caliber machine guns valued at about \$168,000.
2. 70 aircraft pylons valued at about \$175,000.
3. 86,139 gallons of deicing fluid valued at about \$73,000.

It appeared that these were not isolated instances involving only WRM, because USAFE, on January 22, 1967, sent a message to all bases located in France concerning misrouted property. The message stated that considerable amounts of property were being received at three main bases in the United Kingdom rather than at the intended destination.

The quantities of some items received at Sculthorpe exceeded the quantities directed to be shipped. For example, 1,123 more aircraft gun barrels and 19 more wing-tip fuel tanks were recorded as received than were shown on shipping documents.

MUNITIONS

The Air Force moved about 9,400 short tons of munitions valued at \$36.5 million from France during Operation FRELOC. The majority of the munitions were moved to various ammunition supply squadrons in Europe.

Although the recipient bases were not specifically required to report the nonreceipt of expected shipments of munitions to the USAFE munition-shipping monitors, one squadron in Italy reported that it had not received 207,000 rounds of small caliber munitions which supposedly had been shipped to it. In September 1967, inquiries to the other ammunition squadrons showed that they had not received the shipment; and at the conclusion of our examination in January 1968, USAFE had still not accounted for the shipment.

In another instance, a squadron received on 20 shipping documents 186,550 rounds of munitions for which shipping information had not been provided. The lack of due-in information precluded the recipient from verifying that all the munitions shipped were received.

COMMUNICATIONS AND ELECTRONIC EQUIPMENT

USAFE estimated that communications and electronic equipment with an acquisition cost of about \$20.8 million had been moved from France during Operation FRELOC. About \$8 million worth of this equipment was relocated to Greenham Common, United Kingdom, and the remaining equipment was sent

to the United States, transferred to other Air Force bases outside USAFE, or turned in to disposal activities.

USAFE officials stated that, prior to Operation FRELOC, they knew what equipment was authorized to be stocked at the bases in France but did not know what equipment actually was on hand.

A 100-percent inventory of the equipment on hand at Greenham Common was initiated in September 1967 because USAFE officials did not believe that an accurate accounting of the equipment shipped could be made due to:

1. Lost shipping documents.
2. The rapidity of the move from France, which had resulted in errors in reporting the contents of shipments.
3. Redistribution of assets from the United Kingdom storage location to other USAFE locations after the completion of Operation FRELOC.
4. Some equipment's being turned in to disposal activities.

In response to our draft report to the Secretary of Defense, the Acting Assistant Secretary of Defense (Installations and Logistics) informed us that most of the Air Force materiel had been adequately accounted for subsequent to the completion of our fieldwork. (See app. I.)

The Acting Assistant Secretary also stated that a 100-percent inventory of equipment was an effective and logical management action to ensure that what was put into the transportation channels was actually received.

In view of actions taken by the Air Force, we are making no suggestions for improvement.

SCOPE OF REVIEW

Our fieldwork, at selected activities of the Army and Air Force in Europe, was completed during the latter part of 1967. We concentrated our efforts on the movement of Army supplies and equipment because the Army had the largest tonnage of assets to be relocated from France. Only a limited amount of effort was applied to the movement of the lesser tonnage of Air Force stocks and equipment.

During our review we inquired into the policies and procedures established for controlling and accounting for supplies and equipment moved from France during Operation FRELOC. We also obtained summary statistics relative to the tonnage and value of the assets moved.

Our work in the Army included an examination of selected entries in the accountable records and supporting data for entries therein. For some stocks, we inquired into the status of and explanations for adjusting entries resulting from physical inventories which had been taken or which were in process during Operation FRELOC. In addition, we tested the accuracy of a physical inventory taken at one depot.

Since the assets moved from France by the Air Force were to be accounted for at the various shipping and receiving bases, our review was generally limited. In a number of instances, tests were made to determine whether the prescribed procedures had been followed and discussions were held with USAFE officials.

Our review was conducted at the following locations.

Department of the Army:

Headquarters, United States Army, Europe, and 7th Army,
Heidelberg, Germany

Headquarters, United States Army Communications Zone,
Europe, Worms, Germany

United States Army Terminal Command, Europe,
Bremerhaven, Germany

Supply and Maintenance Agency, Zweibruecken,
Germany

United States Army General Depot, Kaiserslautern,
Germany
United States Army General Depot, Nahbollenbach,
Germany
United States Army General Depot, Pirmasens,
Germany
United States Army General Depot, Burtonwood,
United Kingdom
United States Army Depot Activity, Fauld/Bramshall,
United Kingdom
United States Army Depot Activity, Ditton Priors,
United Kingdom
United States Army Ammunition Depot, Miesau, Germany
Taunus District Headquarters, Frankfurt, Germany
Palatinate District Headquarters, Kaiserslautern,
Germany
United States Army Engineer Command, Europe, Frankfurt,
Germany
 Taunus District Engineers, Frankfurt, Germany
 Palatinate District Engineers, Kaiserslautern,
 Germany
Military Liquidation Section, Paris, France

Department of the Air Force:

Headquarters, United States Air Forces in Europe,
Wiesbaden, Germany
 Ramstein Air Base, Ramstein, Germany
 Sembach Air Base, Sembach, Germany

APPENDIXES



SP
INSTALLATIONS AND LOGISTICS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

15 FEB 1969

Mr. C. M. Bailey
Director, Defense Division
General Accounting Office
Washington, D. C. 20548

Dear Mr. Bailey:

The Secretary of Defense has asked me to reply to your letter of October 21, 1968 which transmitted copies of your draft report entitled "Need for Improvement in Controls over Supplies and Equipment in Europe" (OSD Case #2845). An interim reply was provided to you on December 23, 1968.

In view of the stated relation of this draft report to expressed Congressional interest in various aspects of the Movement of American Forces from France (Operation FRELOC), our more specific comments are addressed to those elements pertinent to that very substantial and critical operation. We recognize and appreciate your interest in the background of this operation; data derived from a review of certain of its aspects must be considered in the context of the related conditions.

In this regard we would like to further emphasize that Operation FRELOC encompassed the relatively immediate withdrawal of some 813,000 tons of materiel valued in excess of 1.5 billions of dollars. The complexities of moving substantial quantities of materiel under accelerated and turbulent conditions have been emphasized in many instances; the difficulties of such actions within the parameters of Operation FRELOC must properly serve as an introduction to any consideration of detailed matters related to this Operation.

As you recall, we met with representatives of your Office in June 1968 to discuss the draft of your Summary Report on Operation FRELOC (B-161507). While there were certain aspects of that report on which we were in substantial agreement, our points of discussion, particularly in regard to the dates of certain decisions and the limited usefulness of gross inventory adjustment data, are equally applicable to this draft report.

The comments in this draft report are somewhat complex in view of the spectrum of relationships addressed. However, within the context of the high overall dollar value inventories of Operation FRELOC, unresolved record discrepancies indicative of some degree of loss of control of assets during this critical operation were of a relatively low proportionate dollar value. The efforts of the Army and Air Force toward the resolution of problem areas which developed during this operation are commendable; the fact that such actions are now nearing completion contrasts somewhat markedly with comments contained in the draft report as to corrective actions required and related time frames.

The Army situation in this matter has, of course, been the more difficult to resolve in view of the tremendous mission imposed on, and accomplished by the Army. A summary of the Army views in regard to the comments and proposed recommendations in the draft report follows :

ARMY POSITION SUMMARY:

It is acknowledged that a significant number of inventory adjustments arose in the waning days of FRELOC when capability to maintain precise stock record accounts was eroded. The GAO report observes correctly that the problem had its genesis in the inadequate accounting records and computer programs which predated FRELOC. This situation was aggravated by the overriding need to give priority attention to the move from France under a compressed time frame, at the same time that the Supply and Maintenance Agency (S&MA) was in the midst of developing a new computer system. Both of these actions had to be accomplished while preserving supply continuity in the face of severe turbulence in manpower and facilities. Under these conditions, with the communication network being dismantled, French workforce terminated, military tours curtailed and supervisory echelons severely overtaxed, documentation did get lost in some cases.

When the problem was identified in the immediate aftermath of FRELOC, S&MA promptly initiated extensive and painstaking efforts to reconstruct its records and to research residual discrepancies. A series of location surveys and physical

-inventories supplemented the regular program of cyclical inventories. Residual balances at depots in France, amounting to \$25.2 million at the conclusion of FRELOC, have been researched down to \$300 thousand, which represents less than one-tenth of one percent of the value of materiel moved from France. For \$195.4 million of intransit inventories on the records at the conclusion of FRELOC (including \$103 million of pre-FRELOC transactions) research has been conducted on all but \$38.4 million, with most discrepancies explained as an accumulation of accounting errors which began before establishment of S&MA.

The method utilized in reconciling the in-transit assets was by investigation of balances with extended dollar value of 5,000 dollars or more, and by preparation of a Report of Survey for the balances which could not be explained or were not researched (because of the low dollar value of the adjustment entries). The investigation has been completed, and the Report of Survey which includes both FRELOC-related and pre-FRELOC discrepancies, is being reviewed. The FRELOC portion of the unresolved balance cannot be ascertained because the two portions were not separately recorded.

Research indicated that the majority of the invalid in-transit assets involved no physical loss to the Government and were created by:

- a. Computer failure to reduce the assets at the time of processing applicable receipts;
- b. Depots reporting receipts under depot-assigned documentation;
- c. Receipts not being processed at S&MA.

ARMY POSITION ON GAO RECOMMENDATIONS:

Recommendation:

We recommend that the Secretary of the Army direct that inventory teams, similar to those sent to Vietnam under Project

COUNTER, be sent to Europe to assist Army personnel in the correction of inventory records and identification of causes of errors in those records.

Army Comments:

Because of the progress made by the Command in resolving the identified problem areas disclosed at the time of the audit, it is not deemed necessary to send an inventory team to Europe at this time to assist the Command in the correction of inventory records. However, the Department of the Army will continue to monitor the **USAREUR** management improvement program and will provide assistance when required.

Recommendation:

That the Secretary of the Army direct that an inventory program be established requiring that closed depot wall-to-wall inventories be accomplished on a cyclical basis in Europe, until such time as the inventory records reach an acceptable level of reliability.

Army Comments:

Closed depot wall-to-wall inventories entail a disruption in the normal flow of supply which is considered unwarranted when alternatives are available. This is particularly true in the case of the depots in **Europe** which provide support directly to a field Army with relatively little depth and dispersion in stock availability.

The S&MA is continuing to prosecute its regular program for depot inventories, which includes the following:

- a. Semi-annual location survey audits.
- b. Statistical sampling on an annual cycle of stocks at twelve major depots and maintenance plants to include recounts of those lots which fail to achieve a 95 percent accuracy level as a result of the statistical sampling.
- c. Annual inventories at ammunition depots and minor storage locations not employing statistical sampling.

d. Quarterly inventory of intensively managed items (approximately 230 items) and sensitive ammunition (approximately 90 items).

e. Semi-annual inventory of classified, sensitive items other than ammunition, and troop issue subsistence items.

We concur in general, in the Army's position in view of the obvious and significant accomplishments by the Army during Operation FRELOC and of the evident progress made in resolving discrepancies following this Operation. However, we will continue our strong interest in inventory record accuracy, and intend to monitor the Army actions very closely, to include a probable visit by representatives of this Office to the European area in the very near future to verify the adequacy of current inventory procedures and resulting expected improvements in inventory record accuracy.

In this connection, you will be interested in learning that we have strengthened DoD-wide policies and procedures for improving inventory record accuracy by the publication of a new DoD Instruction 4140.35, "Physical Inventory Control of DoD Supply System Assets". **This** new policy issuance represents a significant step forward toward more uniform and accurate record keeping throughout DoD by:

- a. Providing more effective criteria in the selection of items for physical inventory count;
- b. Establishing a minimum research requirement for potential inventory adjustments;
- c. Establishing standard procedures and objectives for locator record accuracy;
- d. Providing a uniform definition of physical inventory adjustments and other basic inventory control terms;
- e. Requiring quality control programs in key work processes affecting inventory accuracy; and
- f. Establishing a quarterly report to measure inventory control effectiveness in each Service and DSA.

A summary of Air Force views in regard to appropriate portions of your draft report follows:

AIR FORCE POSITION SUMMARY:

The Air Force does not concur in the allegations that significant quantities of materiel were lost or misplaced. The GAO survey was conducted five months after closure of the French bases. The accountable records had been terminated and audited, and were stored in a Records Depository. The GAO Team Members did not elect to search these stored records nor did they compare actual shipments against actual receipts. They compared the quantities on shipping directives issued by USAFE with receipts reported by recipients. Any imbalance between these two sources of information was construed or considered to be a deficiency. A detailed analysis conducted by USAFE revealed:

a. There was a considerable delay in processing the receiving documents for the machine guns, as stated in the subject audit report, but all were accounted for;

b. The quantity of aircraft pylons directed to be shipped was 2,508, and the quantity received and accounted for at RAF Sculthorpe was 2,509;

c. The quantity of de-icing fluid directed to be shipped was 317,380 gallons. The quantity received and accounted for at RAF Sculthorpe was 227,830 gallons, and 91,740 gallons were shipped to, received, and accounted for by RAF Upper Heyford. This accounts for an actual balance of 319,570 gallons. The shipping directives reviewed by the GAO originally directed the total shipment to RAF Sculthorpe, which accounts for the alleged shortage. In summation, there were no actual shortages in these items.

In addition to the above, USAFE has thoroughly verified the actual shipments and receipts of gun barrels. The quantity directed to be shipped was 3,143. The quantity actually received and accounted for by RAF Sculthorpe was 3,159, an overage of 16 gun barrels, rather than an overage of 1,123 as alleged in the GAO report. Research reveals that there were instances of duplicate reporting of receipts in the receiving data which was reviewed by GAO.

The overage of 19 wing tip tanks as listed in the report has been substantiated.

In regard to the small caliber munitions, USAFE reports that their review of the documentation involved revealed that there were administrative and transposition errors on the listing of outstanding Ammunition Disposition Requests (ADRs) provided to GAO. The sum total of items on the listing is 207,028. The following applicable information is furnished:

a. The quantity shown for ADR 66-65 (AFB 5669) on the listing was 20,400 whereas actual ADR was 450. This accounts for 19,950 which should not be included as a "lost quantity;"

b. The quantity shown for ADR 66-78 (AFB 5669) could be misread as 11,200; the actual quantity on the ADR is 1200;

c. The quantity for ADR 67-185 (AFK 5678) could have been misread as 44, when actual ADR quantity was 4 each;

d. A recapitulation of the allegedly "lost" ammunition shows the following :

207,028	quantity in correspondence (includes above errors)
<u>-29,990</u>	quantity difference attributed to above errors
177,038	quantity contained in the ADRs
<u>-136,805</u>	quantity received without the due-ins being cleared
40,233	quantity not accounted for

e. Freight documentation was found for 29,244 rounds of the 40,233, but USAFE tracer action produced negative results on the remainder. No freight documentation was found for the remaining 10,989 rounds. The 40,233 rounds have an estimated value of \$1,080.00 and weigh approximately two tons, or 0.2% of the total 9,400 tons of munitions which the Air Force shipped during FRELOC.

In reference to the lack of advance ADRs, there were 186,550 rounds of munitions received at other Ammunition Support Squadrons from the squadrons in France on Redistribution Orders (RDOs) issued by the Theatre Ammunition Control Point (then AFX 55133, for which there were no advance ADRs because no

ADRs were involved. It is **not** believed that this indicates a lack of control **or** a lack of advance notice.

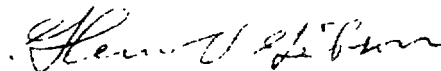
The lack **of** specifics regarding Communications and Electronics (C&E) equipment prevents detailed comment; however, USAFE/European Communications Area did exert maximum effort toward using basic Programmed Communications Support **Program** (PCSP) Documents and on-site surveillance of **packing, crating** and shipment of equipments.

A full-time roving team of field grade officers was utilized to assure protection and proper accountability of government property. Audit trail management during the accelerated exodus from France was by receipt **and** file of DD **Form 1348-1** (Release/Receipt Document) at the time the equipment **was** put in transportation channels,, Couriers were not employed to accompany shipment, and some **risk** of loss or damage was inherent in the procedure. A 100% inventory of equipment at **Greenham Common** **was in no way** an after-the-fact action, but rather an effective and logical management action to insure that what **was** put into the transportation channel⁶ was actually received. Local auditor cognizance of FRELOC actions relative to C&E equipment movement was in being, and terminal **audits** of property accountability records were accomplished.

In view of these very substantial Air Force comments, it is recommended that appropriate modification of those elements of your draft report pertaining to the Air Force be made when the Final Report is prepared.

Please be assured of our continuing interest in the **more general, over-**all subject of your report, i. e., control over supplies **and** equipment. We **would** be pleased to provide such additional information as may be useful to your office in regard to this matter.

Sincerely,



GLENN V. GIBSON
Acting Assistant Secretary of Defense
(Installations and Logistics)

PRINCIPAL OFFICIALS OF THE
DEPARTMENT OF DEFENSE
RESPONSIBLE FOR ADMINISTRATION OF
ACTIVITIES DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE:		
Melvin R. Laird	Jan. 1969	Present
Clark M. Clifford	Mar. 1968	Jan. 1969
Robert S. McNamara	Jan. 1961	Feb. 1968
DEPUTY SECRETARY OF DEFENSE:		
David Packard	Jan. 1969	Present
Paul H. Nitze	July 1967	Jan. 1969
Cyrus R. Vance	Jan. 1964	June 1967
ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS) :		
Barry J. Shillito	Jan. 1969	Present
Thomas D. Morris	Sept. 1967	Jan. 1969
Paul R. Ignatius	Dec. 1964	Aug. 1967
<u>DEPARTMENT OF THE ARMY</u>		
SECRETARY OF THE ARMY:		
Stanley R. Resor	July 1965	Present
UNDER SECRETARY OF THE ARMY:		
Thaddeus R. Beal	Mar. 1969	Present
David E. McGiffert	July 1965	Mar. 1969
ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS AND LOGISTICS):		
Vincent P. Huggard	Mar. 1969	Present
Dr. Robert A. Brooks	Oct. 1965	Feb. 1969

PRINCIPAL OFFICIALS OF THE
DEPARTMENT OF DEFENSE
RESPONSIBLE FOR ADMINISTRATION OF
ACTIVITIES DISCUSSED IN THIS REPORT (continued)

<u>Tenure of office</u>	
<u>From</u>	<u>To</u>

DEPARTMENT OF THE ARMY (continued)

CHIEF OF STAFF:

Gen. William C. Westmoreland	July 1968	Present
Gen. Harold K. Johnson	July 1964	June 1968

DEPUTY CHIEF OF STAFF FOR

LOGISTICS :

Lt. Gen. Jean E. Engler	July 1967	Present
Lt. Gen. Lawrence J. Lincoln	Aug. 1964	June 1967

ARMY MATERIEL COMMAND:

Gen. Ferdinand J. Chesarek	Mar. 1969	Present
Gen. Frank S. Besson, Jr.	July 1962	Mar. 1969

CHIEF OF STAFF, U.S. ARMY

EUROPEAN COMMAND :

Maj. Gen. Benjamin Taylor	May 1968	Present
Maj. Gen. Charles Chase	May 1967	May 1968
Maj. Gen. Francis T. Pachler	July 1966	May 1967
Lt. Gen. John W. Bowen	July 1964	July 1966

DEPARTMENT OF THE AIR FORCE

SECRETARY OF THE AIR FORCE:

Dr. Robert C. Seamans, Jr.	Jan. 1969	Present
Dr. Harold Brown	Oct. 1965	Jan. 1969
Eugene M. Zuckert	Jan. 1961	Sept. 1965

PRINCIPAL OFFICIALS OF THE
DEPARTMENT OF DEFENSE
RESPONSIBLE FOR ADMINISTRATION OF THE
ACTIVITIES DISCUSSED IN THIS REPORT (continued)

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<u>DEPARTMENT OF THE AIR FORCE</u> (continued)		
UNDER SECRETARY OF THE AIR FORCE:		
John L. McLucas	Mar. 1969	Present
Townsend Hoopes	Oct. 1967	Mar. 1969
Norman S. Paul	Oct. 1965	Oct. 1967
ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS AND LOGISTICS):		
Philip N. Whittaker	May 1969	Present
Robert H. Charles	Nov. 1963	May 1969
CHIEF OF STAFF:		
Gen. John P. McConnell	Feb. 1965	Present
COMMANDER IN CHIEF, U.S. AIR FORCES IN EUROPE:		
Gen. Joseph R. Holzapple	Feb. 1969	Present
Gen. Horace M. Wade	Aug. 1968	Jan. 1969
Gen. Maurice A. Preston	Aug. 1966	July 1968
Gen. Bruce K. Holloway	Aug. 1965	July 1966