DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING (TABLE OF CONTENTS)

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

X = NOT ON Audit list
✓ = ON Audit list

DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

```
                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565000000  FUNCTIONAL AREA:  X X X X X X X   X                                          (00 )
                   CODE: 650 DESCRIPTION: MARINE CORPS EXCHANGES                         (01 )
                   INSPECTED BY: <_____________________________________________>         (02 )
                   FUNCTIONAL AREA GRADE: <__>                                           (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001000  SUB-CATEGORY:     X X X X X X X   X                                          (00 )
                   CODE: 01 DESCRIPTION: ADMINISTRATION                                  (01 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001001          X X X X X X X   X                                                    (00 )
                   THE EXCHANGE OFFICER, HIS OFFICER ASSISTANTS, MEMBERS OF THE         (01 )
                   EXCHANGE COUNCIL AND THE ENLISTED COMMITTEE HAD NOT BEEN DETAILED    (02 )   2-19
                   IN WRITING.                                                          (03 )
                   (MCO P4066.13E, PAR 2202.1)                                          (04 )
                X  (MCO P4066.13E, PAR 2202.4)                                          (05 )
                   (MCO P4066.13E, PAR 2206.1)                                          (06 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001002          X X X X X X X   X                                                    (00 )
                   THE EXCHANGE OFFICER, OR ANY OFFICER ASSISTANT WAS NOT SERVING       (01 )
                   UNDER APPOINTMENT AS A DISBURSING OR ACCOUNTABLE OFFICER, OR AS A    (02 )   2-18
                X  DEPUTY OR AGENT OF EITHER.                                           (03 )
                   (MCO P4066.13E, PAR 2202.2)                                          (04 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001003          X X X X X X X   X                                                    (00 )
                   THE ORIGINAL COMBINATION INVOICE AND RECEIPT IN THE CASE OF THE      (01 )
                X  PRESENT EXCHANGE OFFICER WAS NOT, ON FILE WITH THE OFFICIAL RECORDS  (02 )   2-18
                   OF THE EXCHANGE.                                                     (03 )
                   (MCO P4066.13E, PAR 2202.8)                                          (04 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001006          X X X X X X X   X                                                    (00 )
                   THE ORIGINAL RECORD OF PROCEEDINGS OF THE EXCHANGE COUNCIL,          (01 )
                   INCLUDING THE COMMANDING OFFICER'S ENDORSEMENT, WAS NOT RETAINED IN  (02 )   2-21
                X  THE OFFICIAL FILES OF THE EXCHANGE.                                  (03 )
                   (MCO P4066.13E, PAR 2205.6)                                          (04 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                n/a X X X X X X X   X                                                    (00 )
                   THE SENIOR MEMBER OF THE ENLISTED COMMITTEE OR A MEMBER DESIGNATED   (01 )
                   BY HIM WAS NOT PRESENT DURING THE TIME THE EXCHANGE COUNCIL          (02 )
```

03005 F/LAMES
BMC SHEETS & PROCEDINGS

RECEIPT F/TURNOVER OF PROP, MOSE, ECF

DELETE ~~[illegible]~~

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```
                 AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)
                CONSIDERED THE REPORT OF THE COMMITTEE.                    (03 )
                (MCO P4066.13E, PAR 2206.4)                                (04 )

                 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                         (00 )
                A REPRESENTATIVE OF THE EXCHANGE DESIGNATED IN WRITING BY THE (01 )
                EXCHANGE OFFICER DID NOT ATTEND ALL MEETINGS OF THE ENLISTED (02 )
                COMMITTEE.                                                 (03 )
                (MCO P4066.13E, PAR 2207.3)                                (04 )

                 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001009        X X X X X X X   X                                         (00 )
                THE QUICK RATIO (ABILITY OF THE EXCHANGE TO MEET ITS SHORT TERM (01 )
                FINANCIAL OBLIGATIONS) WAS NOT ADEQUATE. THERE WAS ONLY <_____> (02 )
                IN ASSETS FOR $1.00 OF LIABILITY; THE GUIDELINE IS $1.00 TO $1.00. (03 )
                (MCO P4066.13E, PAR 1601.3)                                (04 )

                 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001010        X X X X X X X   X                                         (00 )
                INSPECTIONS BY COMMANDER AND EXCHANGE OFFICER WERE NOT MADE (01 )
                FREQUENTLY AND AT IRREGULAR INTERVALS.                     (02 )
                (MCO P4066.13E, PAR 1306)                                  (03 )

                 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                         (00 )
                THE COMMANDING OFFICER HAD NOT AUTHORIZED OFFICER MEMBERSHIPS IN (01 )
                LOCAL, CIVIC OR BUSINESS ORGANIZATIONS.                    (02 )
                (MCO P4066.13E, PAR 1701)                                  (03 )

                 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001015        X X X X X X X   X                                         (00 )
                THE COST AND COMPLETION DATE OF ALL CONSTRUCTION PROJECTS, WHICH (01 )
                WERE TO BE RECORDED IN THE RECORDS OF THE MARINE CORPS EXCHANGE FUND (02 )
                HAD NOT BEEN REPORTED TO THE COMMANDANT OF THE MARINE CORPS. (03 )
                (MCO P4066.13E, PAR 21404.1C)                              (04 )

                 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565001016        X X X X X X X   X                                         (00 )
                THE EXCHANGE DID NOT HAVE SUFFICIENT CAPITAL TO INSURE A SOUND (01 )
                FINANCIAL POSITION.                                        (02 )
                (MCO P4066.13E, PAR 1601)                                  (03 )
```

DELETE

N/A

2-23

ACCIG 01016

1-34

1-24

DELETE

1-37

2-161/62
6-129

ACCIG

1-33/34

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
ADMIN 565001017                                                                    (00 )
THE INTERNAL EXCHANGE DIRECTIVE SYSTEM CONTAINED OLD, OBSOLETE                     (01 )
DIRECTIVES WHICH HAD NOT BEEN CANCELLED UPDATED OR CONSOLIDATED.                   (02 )
(MCO P5215.1, PAR 1004.1)                                                          (03 )
```

1-47 N/C

```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565001018                                                                          (00 )
THE FINANCIAL OPERATION OF THE (STATE FACILITY) WAS NOT SATISFACTORY               (01 )
IN THAT IT HAD OPERATED AT A LOSS FOR AN EXTENDED PERIOD OF TIME.                  (02 )
(MCO P4066.13E, PAR 4100.1)                                                        (03 )
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4-5

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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
DELETE                                                                             (00 )
THE NONAPPROPRIATED FUND PROCUREMENT COMMITTEE HAD NOT BEEN                        (01 )
ESTABLISHED BY THE COMMANDER.                                                      (02 )
(MCO P4066.13E, PAR 21000.5)                                                       (03 )
```

2-97

```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565001020                                                                          (00 )
THE SENIOR MEMBER OF THE EXCHANGE COUNCIL WAS NOT NOTIFIED WHEN SPOT               (01 )
CHECK INVENTORIES REVEALED AN EXCESSIVE SHORTAGE OR OVERAGE.                       (02 )
(MCO P4066.13E, PAR 2155.1)  2155.1                                                (03 )
```

2-175

```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565001021                                                                          (00 )
VENDOR ACCOUNTS PAYABLE DEBIT BALANCES (MONEY OWED TO EXCHANGE FOR                 (01 )
MERCHANDISE RETURNED OR OTHER CREDITS) WERE EXCESSIVE.                             (02 )
(MCO P4066.13E, PAR 61003.2)                                                       (03 )
```

ACTG 4039

6-140

```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565001022                                                                          (00 )
DIRECT DELIVERY CONTRACTS WERE NOT BEING MAINTAINED PROPERLY IN THAT               (01 )
THERE WERE NO CURRENT COST AND SELL PRICE LISTS AVAILABLE FOR USE BY               (02 )
ALL ACTIVITIES WHO RECEIVE DIRECT DELIVERY ITEMS                                   (03 )
(MCO P4066.13E, PAR 21007.4)                                                       (04 )
```

04006

2-103

```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
DELETE                                                                             (00 )
THE METHOD OF COMPUTING MARKUP WAS NOT CONSISTENTLY APPLIED.                       (01 )
(MCO P4066.13E, PAR 3102.1)                                                        (02 )
```

3-6

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

```
                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                                (00 )
565001024
                THE EXCHANGE PRICING POLICY WAS NOT BEING COORDINATED WITH OTHER  (01 )  2-12
X               GEOGRAPHIC COMMANDS.                                              (02 )
                (MCO P4066.13E, PAR 2103.1)                                       (03 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                                (00 )
565001025 1029
                STANDARD FORM 99 (NOTICE OF AWARD OF SERVICE CONTRACT) HAD NOT BEEN (01 )  2-136
X               FILED WITH THE DEPARTMENT OF LABOR.                               (02 )
                (MCO P4066.13E, PAR 21019.4C)                                     (03 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                                (00 )
~~[illegible]~~ DELETE 5008
                AS OF (DATE) THE EXCHANGE WAS <____________> (OVER/UNDER) STOCKED. (01 )  1-34
                (MCO P4066.13E, PAR 1601.2)                                       (02 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                                (00 )
565001027
                POSITIVE CONTROL OF PRENUMBERED PURCHASE ORDERS COULD NOT BE      (01 )  2-104
✓               VERIFIED IN THAT ALL NUMBERS WERE NOT ACCOUNTED FOR.              (02 )
                (MCO P4066.13E, PAR 21008.2)                                      (03 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                                (00 )  69 1/2
565001028 4038
                SPOT CHECK INVENTORIES REVEAL SUBSTANTIAL (SHORTAGES/OVERAGES) OF (01 )
X               <_____> PERCENT FROM ON-CHARGE BALANCES IN THE <_____> (ACTIVITY  (02 )
                OR DEPARTMENT) INVENTORY SHORTAGES OF 1 PERCENT OR LESS OF SALES  (03 )  2-174
                IS  NORMALLY CONSIDERED ACCEPTABLE.                               (04 )
                (MCO P4066.13E, PAR 215[illegible].5)                             (05 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                 X X X X X X X   X                                                (00 )
565001029
                STANDARD FORM 98 (NOTICE OF INTENTION TO MAKE A SERVICE CONTRACT) (01 )
X               HAD NOT BEEN FILED WITH THE DEPARTMENT OF LABOR.                  (02 )  2-135
                (MCO P4066.13E, PAR 21019.4A)                                     (03 )
```

NO

Personnel

DEPARTMENT OF THE NAVY
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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002000 SUB-CATEGORY:  X X X X X X X   X                                    (00 )
CODE: 02 DESCRIPTION: PERSONNEL PROCEDURES                                     (01 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002001       X X X X X X X   X                                             (00 )
FOOD HANDLERS, BARBERS AND BEAUTICIANS WERE NOT EXAMINED PHYSICALLY.           (01 )
(MCO P5300.9B, PAR 2013)                                                       (02 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565002000~~   X X X X X X X   X                                             (00 )
A POSITIONAL SALARY AND WAGE SCHEDULE HAD NOT BEEN PREPARED TO COVER            (01 )
ALL EMPLOYMENT AND COMPENSATION OF CIVILIAN AND MILITARY EMPLOYEES              (02 )
OF THE EXCHAGE.                                                                 (03 )
(MCO P5300.9B, PAR 3002)                                                        (04 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565002000~~   X X X X X X X   X                                             (00 )
ALL OVERTIME PAY FOR CIVILIAN EMPLOYEES HAD NOT BEEN PROPERLY                   (01 )
AUTHORIZED.                                                                     (02 )
(MCO P5300.9B, PAR 3004.3)                                                      (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002005       X X X X X X X   X                                             (00 )
ALL EMPLOYEES HAD NOT BEEN INFORMED OF SECNAVINST 5370.2. (STANDARDS            (01 )
OF CONDUCT)                                                                     (02 )
(MCO P5300.9B, PAR 4002.6)                                                      (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002007       X X X X X X X   X                                             (00 )
THE UNEMPLOYMENT COMPENSATION PROGRAM WAS NOT BEING ADMINISTERED                (01 )
WHEN APPLICABLE.                                                                (02 )
(MCO P5300.9B, PAR 5002)                                                        (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565002000~~   X X X X X X X   X                                             (00 )
LEAVE RECORDS AND ACCRUAL RATES WERE NOT BEING PROPERLY                         (01 )
ADMINISTERED.                                                                   (02 )
(MCO P5300.9B, PAR 5004)                                                        (03 )
(MCO P5300.9B, PAR 5005)                                                        (04 )
```

DELETE 2-13

DELETE 3-2

DELETE 3-5

4-2

5-1

DELETE 5-3 & 8

Personnel

DEPARTMENT OF THE NAVY
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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002009       X X X X X X X   X                                                  (00 )
TRAVEL ON OFFICIAL BUSINESS OF THE EXCHANGE WAS NOT BEING PROPERLY                 (01 )
ADMINISTERED.                                                                      (02 )
(MCO P5300.9B, PAR 6000)                                                           (03 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002010       X X X X X X X   X                                                  (00 )
PERSONNEL FILES WERE NOT MAINTAINED FOR EACH EMPLOYEE.                             (01 )
(MCO P5300.9B, PAR 8001)                                                           (02 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002011       X X X X X X X   X                                                  (00 )
WHEN APPLICABLE, THE EMPLOYEE GROUP BENEFITS PLANS WERE BEING                      (01 )
IMPROPERLY ADMINISTERED.                                                           (02 )
(MCO P5300.9B, PAR 5000)                                                           (03 )
(MCO P5300.9B, PAR 8001)                                                           (04 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002012       X X X X X X X   X                                                  (00 )
CURRENT WORK PERFORMANCE APPRAISALS WERE NOT ON FILE FOR EACH                      (01 )
EMPLOYEE.                                                                          (02 )
(MCO P5300.9B, PAR 2005.9)                                                         (03 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565002013       X X X X X X X   X                                                  (00 )
THE EXCHANGE OFFICER DID NOT PROVIDE FOR, AND ADMINISTER, OR CAUSE                 (01 )
TO BE ADMINISTERED, A CONTINUOUS TRAINING PROGRAM FOR ALL EMPLOYEES,               (02 )
INCLUDING MILITARY PERSONNEL, DESIGNED TO TRAIN THEM IN THE PROPER                 (03 )
PERFORMANCE OF THEIR ASSIGNED DUTIES AND ENSURE DEVELOPMENT OF                     (04 )
MAXIMUM POTENTIAL.                                                                 (05 )
(MCO P5300.9B, PAR 7001.2)                                                         (06 )
```

6-1

8-1

5-1 & 8-1

2-3

7-1

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565003000   SUB-CATEGORY:   X X X X X X X   X                                          (00  )
                            CODE: 03 DESCRIPTION: MANAGEMENT                           (01  )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565003001           X X X X X X X   X                                                  (00  )
                            RULES OF ORDER HAD NOT BEEN PRESCRIBED BY THE EXCHANGE OFFICER,  (01  )
                      X     APPROVED BY THE COMMANDING OFFICER AND A COPY THEREOF POSTED IN  (02  )  2-29
                            EACH SALES AREA OF THE EXCHANGE.                               (03  )
                            (MCO P4066.13E, PAR 2301)                                      (04  )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565003002           X X X X X X X   X                                                  (00  )
                      X     A COPY OF THE MARINE CORPS EXCHANGE MANUAL WAS NOT AVAILABLE FOR  (01  )  2-30
                            THE INSTRUCTION OR INFORMATION OF EMPLOYEES AND AUTHORIZED PATRONS.  (02  )
                            (MCO P4066.13E, PAR 2302.2)                                    (03  )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565003003~~       X X X X X X X   X                                                  (00  )
DELETE                      THE LATEST BALANCE SHEET AND EXCHANGE COUNCIL PROCEEDINGS WITH THE  (01  )
1006                        COMMANDING OFFICER'S ACTION THEREON, WAS NOT MADE AVAILABLE TO  (02  )  2-30
                            AUTHORIZED PATRONS ON REQUEST.                                 (03  )
                            (MCO P4066.13E, PAR 2302.3)                                    (04  )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565003004~~       X X X X X X X   X                                                  (00  )
DELETE                      THE EXCHANGE HAD NOT BEEN DEPARTMENTALIZED TO SHOW DELEGATION OF  (01  )  2-35
                            AUTHORITY AND RESPONSIBILITIES.                                (02  )
                            (MCO P4066.13E, PAR 2401)                                      (03  )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565003006~~       X X X X X X X   X                                                  (00  )
DELETE                      THE IMPREST CASH ACCOUNTING METHOD WAS NOT BEING EMPLOYED BY THE  (01  )  2-43
                            EXCHANGE OFFICER.                                              (02  )
                            (MCO P4066.13E, PAR 2601.1)                                    (03  )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565003009           X X X X X X X   X                                                  (00  )
                      X     RECEIPTS CURRENTLY DATED WITHIN THE PRESENT ACCOUNTING PERIOD WERE  (01  )
                            NOT ON FILE FOR CASH ENTRUSTED TO MANAGERS FOR THE PURPOSE OF MAKING  (02  )  2-43
                            CHANGE.                                                        (03  )
                            (MCO P4066.13E, PAR 2601.3)                                    (04  )
```

DEPARTMENT OF THE NAVY
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WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

~~565003011~~ DELETE

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
THE AUTHORITY FOR SUBORDINATES TO APPROVE CHECKS FOR CASHING WAS NOT (01 )
X DELEGATED TO THEM SPECIFICALLY IN WRITING.                       (02 )
(MCO P4066.13E, PAR 2604.3)                                        (03 )
```

2-49

OPNS

```
565003012
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
CASH REGISTERS WERE NOT PROVIDED FOR EACH FACILITY OR BRANCH       (01 )
X AND FOR EACH SEPARATE DEPARTMENT OR COUNTER.                     (02 )
(MCO P4066.13E, PAR 2605.1)                                        (03 )
```

2-51

~~565003013~~ DELETE

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
SALES RECEIPTS WERE NOT CHECKED AGAINST REGISTER READINGS DAILY    (01 )
✓ AND WHERE EXCESSIVE DIFFERENCES OCCUR, APPROPRIATE CORRECTIVE    (02 )
MEASURES WERE NOT TAKEN BY THE EXCHANGE OFFICER.                   (03 )
(MCO P4066.13E, PAR 2605.3)                                        (04 )
```

2-51

```
565003015
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
CASH FROM ALL ACTIVITIES WAS NOT DEPOSITED IN THE EXACT AMOUNT OF  (01 )
X THE DAY'S RECEIPTS ON THE FOLLOWING WORKDAY, WITH SEPARATE RECEIPTS (02 )
PREPARED AND VALIDATED FOR BUSINESS TRANSACTED ON FRIDAY, SATURDAY (03 )
AND SUNDAY.                                                        (04 )
(MCO P4066.13E, PAR 2603.11)                                       (05 )
(MCO P4066.13E, PAR 2603.12)                                       (06 )
```

2-47

```
565003016
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
WHEN A NIGHT DEPOSITORY WAS UTILIZED, AT LEAST TWO PEOPLE DID NOT  (01 )
X ACCOMPANY THE DEPOSIT FROM THE EXCHANGE TO THE BANK.             (02 )
(MCO P4066.13, PAR 2603.13)                                        (03 )
```

2-48

```
565003017
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
THE EXCHANGE OFFICER DID NOT MAINTAIN A LOG WHICH RECORDED THE DATE, (01 )
X TIME AND SIGNATURES OF PERSONS RECEIVING THE LOCKED DEPOSIT BAG AND (02 )
UPON DEPARTURES TO AND RETURN FROM THE BANKING FACILITY.           (03 )
(MCO P4066.13, PAR 2603.13)                                        (04 )
```

2-48

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

SECURITY

```
                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X                                                  (00 )
565003018       COMBINATIONS TO SAFES WERE NOT CHANGED WHENEVER RESPONSIBILITY FOR (01 )
                THE SAFE CHANGED.                                                  (02 )
                (MCO P4066.17, PAR 11000.8)                                        (03 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X                                                  (00 )
565003019       OVERRINGS AND UNDERRINGS WERE NOT BEING VOIDED BY THE STORE MANAGER (01 )
                OR DESIGNEE AT THE TIME OF THE TRANSACTION.                        (02 )
                (MCO P4066.13E, PAR 3605.3)                                        (03 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X                                                  (00 )
                GAMBLING WAS PERMITTED WITHIN EXCHANGE FACILITIES.                 (01 )
                (MCO P4066.13E, PAR 2303)                                          (02 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X                                                  (00 )
                A CHARGE WAS MADE FOR CHECK CASHING SERVICES.                      (01 )
                (MCO P4066.13E, PAR 2604.2)                                        (02 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565003022       X X X X X X X   X                                                  (00 )
                CASH REGISTERS ON LOCATION AT SALES ACTIVITIES, WHETHER USED OR NOT, (01 )
                WERE NOT READ DAILY AND RECORDED ON THE CASH REPORT FORM.          (02 )
                (MCO P4066.13E, PAR 2605.2)                                        (03 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565003023       X X X X X X X   X                                                  (00 )
                THE COMMAND HAD NOT COMPLIED WITH THE POLICY REGARDING THE EXCHANGE (01 )
                AS THE PRIMARY SOURCE OF RESALE MERCHANDISE AND SERVICES ON THE    (02 )
                INSTALLATION.                                                      (03 )
                (MCO P4066.13E, PAR 1104.5)                                        (04 )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565003024       X X X X X X X   X                                                  (00 )
                <                                                                  (01 )
                <                                                                  (02 )
                <                                                                  (03 )
                <                                                                  (04 )
                <                                                                  (05 )
                <                                                                  (06 )
                <                                                                  (07 )
```

11-4

3-98

~~565003020~~ DELETE

5-30

~~565003021~~ DELETE

2-48

4043

2-51

1-6

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

565004000 SUB-CATEGORY:

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X
```

CODE: 04 DESCRIPTION: OPERATIONS/MERCHANDISING (00) (01)

565004001

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X
```

X THE CREDENTIALS OF NONUNIFORMED PATRONS WERE NOT CHECKED CAREFULLY TO ENSURE THAT EACH INDIVIDUAL WAS ENTITLED TO THE PRIVILEGE HE SOUGHT.
(MCO P4066.13E, PAR 2903.1)
(00) (01) (02) (03) (04) 2-81

565004004

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X
```

X THE EXCHANGE DID NOT MAINTAIN A LIST OF FIRMS WHICH WERE INELIGIBLE, DEBARRED AND SUSPENDED FROM DOING BUSINESS WITH THE GOVERNMENT.
(MCO P4066.13E, PAR 21000.11)
(00) (01) (02) (03) 2-99

~~565004005~~ DELETE

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X
```

✓ NAVY PRICE AGREEMENT BULLETINS WERE NOT CURRENT.
(MCO P4066.13E, PAR 21005.1)
(00) (01) (02) 2-101

565004006 1022

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X
```

X WRITTEN AGREEMENTS FOR PROCUREMENT OF DIRECT DELIVERY ITEMS DID NOT CONTAIN ALL THE PERTINENT POINTS OF AGREEMENT.
(MCO P4066.13E, PAR 21007)
(00) (01) (02) (03) 2-103

565004007

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X
```

✓ SUBORDINATES WHO ORDER AND RECEIVE DIRECT DELIVERY ITEMS WERE NOT AUTHORIZED TO DO SO IN WRITING BY THE EXCHANGE OFFICER.
(MCO P4066.13E, PAR 21007.4)
(00) (01) (02) (03) 2-103

~~565004006~~ DELETE

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X
```

✓ PURCHASE ORDERS WERE NOT TYPEWRITTEN, ISSUED IN NUMERICAL SEQUENCE AND COMPLETE IN EVERY DETAIL.
(MCO P4066.13E, PAR 21008.2)
(00) (01) (02) (03) 2-104

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

```
                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004009           X X X X X X X   X                                                   (00 )
                  ✓ THE NUMERICAL FILE COPY OF THE PURCHASE ORDER OR A NUMERICAL LOG WAS (01 )  2-104
                    NOT MAINTAINED.                                                     (02 )
                    (MCO P4066.13E, PAR 21008.2)                                        (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004010           X X X X X X X   X                                                   (00 )
4006 & 1022         ALL CONTRACTUAL RELATIONSHIPS WERE NOT COVERED BY CURRENT WRITTEN   (01 )  2-125
                  X CONTRACTS.                                                          (02 )
                    (MCO P4066.13E, PAR 21014.1)                                        (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565004011~~       X X X X X X X   X                                                   (00 )
DELETE            X STATEMENT NOT IN USE AT THIS TIME.                                  (01 )
                    (MCO P4066.13D, PAR 3151)                                           (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004012           X X X X X X X   X                                                   (00 )
                  X THE SECURITY OF THE RECEIVING ROOM/WAREHOUSE WAS INADEQUATE.        (01 )  3-63
                    (MCO P4066.13D, PAR 3300.7)                                         (02 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004016           X X X X X X X   X                                                   (00 )
                  X MERCHANDISE WAS NOT STOCKED IN SUCH A MANNER AS TO FACILITATE ISSUE, (01 )
                    INVENTORY AND ROTATION OF STOCK, TO PROTECT AGAINST DAMAGE OR       (02 )  3-64
3301.7              DETERIORATION, AND WAS NOT ISSUED ON A "FIRST IN", "FIRST OUT"      (03 )
ON MCX FORM         BASIS.                                                              (04 )
                    (MCO P4066.13E, PAR 3301)                                           (05 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004017           X X X X X X X   X                                                   (00 )
                  X MERCHANDISE WAS NOT PROCESSED INTO THE WAREHOUSE EXPEDITIOUSLY.     (01 )  3-65
                    (MCO P4066.13E, PAR 3302.1)                                         (02 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004018           X X X X X X X   X                                                   (00 )
                  X MERCHANDISE WAS NOT PRICE-MARKED PROPERLY AND IN SUCH A MANNER AS TO (01 )  3-70
                    PRECLUDE DAMAGE TO THE ITEM AND TO BE CLEARLY VISIBLE TO THE PATRON. (02 )
                    (MCO P4066.13E, PAR 3304.2)                                         (03 )
```

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

DELETE

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
STOCK RECORD CARDS WERE NOT MAINTAINED IN A CURRENT STATUS FOR ALL (01 )
X MERCHANDISE STOCKED IN THE WAREHOUSE, WITH BASIC INFORMATION AND (02 )
MINIMUM AND MAXIMUM STOCK LEVELS RECORDED.                         (03 )
(MCO P4066.13E, PAR 3503)                                          (04 )
```

3-86

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
THE MERCHANDISE IN THE RETURN SECTION HAD NOT RECEIVED ADEQUATE    (01 )
X FOLLOW-UP TO SECURE VENDOR AUTHORIZATIONS.                       (02 )
(MCO P4066.13E, PAR 3306)                                          (03 )
```

565004020

3-74

DELETE

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
X THE PHYSICAL INVENTORY CONTROL SYSTEM WAS NOT UTILIZED AT SELLING (01 )
FLOOR LEVEL.                                                       (02 )
(MCO P4066.13E, PAR 3501.3)                                        (03 )
```

3-82

DELETE

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
CREDIT SALES WERE NOT LIMITED TO THOSE AUTHORIZED.                 (01 )
(MCO P4066.13E, PAR 3602)                                          (02 )
```

3-92

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
"NO SMOKING" SIGNS WERE NOT POSTED IN SERVICE BAY AREAS OF THE     (01 )
SERVICE STATION.                                                   (02 )
(MCO P4066.13E, PAR 4302.6)                                        (03 )
```

565004023

4-35

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
THE EXCHANGE OFFICER HAD NOT ESTABLISHED ADEQUATE PROCEDURES FOR   (01 )
HANDLING LAYAWAY SALES.                                            (02 )
(MCO P4066.13E, PAR 3604.2)                                        (03 )
```

565004024

3-95

```
0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00 )
SALESCLERKS WERE NOT PROPERLY TRAINED IN THE USE OFTHE CASH REGISTER (01 )
AND HANDLING OF RECEIPTS AND CHANGE.                               (02 )
(MCO P4066.13E, PAR 3605)                                          (03 )
```

565004025

3-97

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

```
                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004026           X X X X X X X   X                                                  (00  )
                  ✓ A NOTICE, TO THE EFFECT THAT PATRONS TRANSPORTING BEER OFF A       (01  )
                    MILITARY RESERVATION BECOME SUBJECT TO THE LAWS OF THE DISTRICT,   (02  )  2-147
                    STATE OR TERRITORY WITHIN WHICH THE INSTALLATION IS LOCATED WAS NOT (03  )
                    POSTED PROMINENTLY IN ALL AREAS WHERE BEER WAS SOLD FOR CONSUMPTION (04  )
                    OFF THE INSTALLATION.                                              (05  )
                    (MCO P4066.13E, PAR 21201.4)                                       (06  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004027           X X X X X X X   X                                                  (00  )
                  X A NOTICE WAS NOT POSTED, WHERE APPLICABLE, CONTAINING THE STATE OR (01  )
                    LOCAL LAW REGARDING THE MAXIMUM QUANTITY OF CIGARETTES, FREE OF    (02  )  2-148
                    STATE OR LOCAL TAXES, WHICH MAY BE LEGALLY TRANSPORTED OFF THE     (03  )
                    STATION.                                                           (04  )
                    (MCO P4066.13E, PAR 21202.1)                                       (05  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004028           X X X X X X X   X                                                  (00  )
                  X THE EXCHANGE HAD NOT ESTABLISHED ADEQUATE CONTROL AND SECURITY ON  (01  )
                    GUNS AND AMMUNITION.                                               (02  )  2-148
                    (MCO P4066.13E, PAR 21206)                                         (03  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
(565004030)         X X X X X X X   X                                                  (00  )
OK AS IS.         ✓ FOUR MONTHS AFTER RECEIPT, UNCLAIMED FINISHED WORK WAS NOT DISPOSED (01  )  4-7
                    OF PROPERLY. <                                                     (02  )
                    (MCO P4066.13E, PAR 4107)                                          (03  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004031           X X X X X X X   X                                                  (00  )
                  X CALIBRATION TESTS ON GASOLINE PUMPS HAD NOT BEEN MADE AT LEAST     (01  )  4-30
                    MONTHLY.                                                           (02  )
                    (MCO P4066.13E, PAR 4301.6)                                        (03  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004032           X X X X X X X   X                                                  (00  )
                  ✓ ADEQUATE WRITTEN SAFETY PRECAUTIONS WERE NOT POSTED AT SERVICE     (01  )  4-35
                    STATIONS.                                                          (02  )
                    (MCO P4066.13E, PAR 4302.6)                                        (03  )
```

DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565004033       SANITARY RULES AND REGULATIONS, APPROVED BY THE LOCAL MEDICAL          (00 )
                DEPARTMENT, WERE NOT POSTED CONSPICUOUSLY IN EACH BARBER AND BEAUTY    (01 )
                SHOP AND WERE NOT BEING ENFORCED.                                      (02 )
                (MCO P4066.13E, PAR 4500.6)                                            (03 )
                (MCO P4066.13E, PAR 4501.7)                                            (04 )
                                                                                       (05 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565004034       WHEN LAUNDRY AND DRY CLEANING WORK WAS PERFORMED ON STATION, THERE     (00 )
                WERE NO SAFETY RULES, NO "NO SMOKING" SIGNS AND OTHER SAFETY           (01 )
                REMINDERS DISPLAYED PROMINENTLY.                                       (02 )
                (MCO P4066.13E, PAR 4502.5)                                            (03 )
                                                                                       (04 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
[illegible]     IDENTIFICATION TAGS WERE NOT ATTACHED TO SHOES WITHIN THE SHOE         (00 )
                REPAIR SHOP.                                                           (01 )
                (MCO P4066.13E, PAR 4613.3)                                            (02 )
                                                                                       (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565004037       ALL PRICES CHARGED AT SERVICE FACILITIES OR FOR PERSONAL SERVICES      (00 )
                WERE NOT POSTED OR OTHERWISE CLEARLY VISIBLE TO THE PATRONS.           (01 )
                (MCO P4066.13E, PAR 4601)                                              (02 )
                                                                                       (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565004038       THE ORIGINAL OF THE GRAND RECAPITULATION SHEET (MCX FORM 403-3)        (00 )
                WAS NOT RETAINED IN THE OFFICIAL FILES OF THE EXCHANGE.                (01 )
                (MCO P4066.13E, PAR 21512.6)                                           (02 )
                                                                                       (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
[illegible]     UNCOLLECTIBLE ACCOUNTS WERE NOT DISPOSED OF PROPERLY.                  (00 )
                (MCO P4066.13E, PAR 61003.2)                                           (01 )
                                                                                       (02 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X
565004040       "SATISFACTION GUARANTEED" SIGNS WERE NOT PROMINENTLY DISPLAYED IN      (00 )
                ALL EXCHANGE ACTIVITIES.                                               (01 )
                (MCO P4066.13E, PAR 3601.2)                                            (02 )
                                                                                       (03 )
```

4-46 & 48

4-35

DELETE

4-62

4-59

ADMIN 565004038

2-171

DELETE 1021

6-140

3-91

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

DELETE

```
                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
                X X X X X X X   X                                          (00  )
THE (STATE ACTIVITY) WAS NOT OF SUFFICIENT SIZE TO                         (01  )  1-31
ADEQUATELY SERVICE PERSONNEL.                                              (02  )
(MCO P4066.13E, PAR 1505.1)                                                (03  )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004042       X X X X X X X   X                                          (00  )
                THE EQUIPMENT AND FIXTURES AT THE (STATE FACILITY) WERE IN NEED OF (01  )
X               REPLACEMENT.                                               (02  )  3-12
                (MCO P4066.13E, PAR 3107)                                  (03  )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004043 3022  X X X X X X X   X                                          (00  )
X               DETAIL TAPE WAS NOT IN THE CASH REGISTER(S) AT THE (STATE FACILITY) (01  )  4-59
                AND THEREFORE NO PERMANENT RECORD OF SALES.                (02  )
                (MCO P4066.13E, PAR 4600)                                  (03  )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004044       X X X X X X X   X                                          (00  )
X               THE SAFE IN THE (STATE FACILITY) WAS NOT FULLY LOCKED.     (01  )  11-3
                (MCO P4066.17, PAR 11000.3)                                (02  )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004048       X X X X X X X   X                                          (00  )
X               THE EXCHANGE WAS STOCKING UNAUTHORIZED ITEMS OF MERCHANDISE. (01  )  2-83
                (MCO P4066.13E, PAR 2904)                                  (02  )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004049       X X X X X X X   X                                          (00  )
X               THE EXCHANGE WAS EXCEEDING THE COST PRICE LIMITATIONS.     (01  )  2-95
                (MCO P4066.13E, PAR 2905)                                  (02  )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004050       X X X X X X X   X                                          (00  )
✓               THE EXCHANGE IS NOT UTILIZING THE CRITICAL ITEM CONTROL FORM TO (01  )
                CONTROL ITEMS OF MERCHANDISE WITH A SELL VALUE OF $500 OR MORE. (02  )  3-66
                (MCO P4066.13E, PAR 3303)                                  (03  )

                0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004051       X X X X X X X   X                                          (00  )
                THE PRICE MARKING WAS NOT SATISFACTORY IN THAT IT DID NOT PROVIDE (01  )  3-9
                FOR THE AGING OF INVENTORIES BY THE IMPRINTING ON THE PRICE TICKET (02  )
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                 AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)
X                AND THE RETENTION, AFTER PRICE CHANGES, OF THE ORIGINAL SEASON CODE.   (03 )
                 (MCO P4066.13E, PAR 3104.1)                                            (04 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004052        X X X X X X X   X                                                      (00 )
                 FOR YOUR INFORMATION (FYI) BULLETINS WERE NOT PROMINENTLY              (01 )
X                DISPLAYED AND READILY ACCESSIBLE TO ALL PATRONS AT CENTRAL             (02 )
                 LOCATIONS IN MAIN EXCHANGES AND BRANCH STORES.                         (03 )
                 (MCO P4066.13, PAR 1703)                                               (04 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004053        X X X X X X X   X                                                      (00 )
X                THE EXCHANGE DID NOT HAVE AN ADEQUATE STOCK ASSORTMENT                 (01 )
                 OF HOUSE BRAND PRODUCTS TO SUPPORT THE NEEDS OF THE PATRONS.           (02 )
                 (MCO P4066.13, PAR 3404)                                               (03 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004054        X X X X X X X   X                                                      (00 )
                 MARINE CORPS EXCHANGE HOUSE BRAND PRODUCTS WERE NOT PROPERLY           (01 )
X                DISPLAYED, PROMOTED AND SIGNED.                                        (02 )
                 (MCO P4066.13, PAR 3404)                                               (03 )

                 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565004055        X X X X X X X   X                                                      (00 )
                 CONTRACTS DID NOT CONTAIN CURRENT VEHICLE LIABILITY AND                (01 )
X                WORKMAN'S COMPENSATION INSURANCE FORMS, AS APPLICABLE.                 (02 )
                 (MCO P4066.13, PAR 2100.4)                                             (03 )
```

NOT YET IN MANUAL

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AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005000  SUB-CATEGORY:  X X X X X X X   X                                          (00 )
                   CODE: 05 DESCRIPTION: MERCHANDISING                                (01 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005001          X X X X X X X   X                                                  (00 )
                   THE VISUAL MERCHANDISING DISPLAY AND PRESENTATION AT THE (STATE    (01 )
                   FACILITY OR ACTIVITY) WAS NOT IN KEEPING WITH PRESCRIBED STANDARDS. (02 )
                   (MCO P4066.13E, PAR 3107)                                          (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005002          X X X X X X X   X                                                  (00 )
                   AN EFFICIENT MARKDOWN PLAN WAS NOT IN EFFECT TO SYSTEMATICALLY     (01 )
                   DISPOSE OF SEASONAL OR OUTDATED MERCHANDISE.                       (02 )
                   (MCO P4066.13E, PAR 3103.6)                                        (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005003          X X X X X X X   X                                                  (00 )
                   THE MERCHANDISE STOCK ASSORTMENT AT THE (STATE FACILITY OF ACTIVITY) (01 )
                   WAS NOT ADEQUATE TO MEET THE NEEDS OF THE PATRONS.                 (02 )
                   (MCO P4066.13E, PAR 3100)                                          (03 )
                   (MCO P4066.13E, PAR 3400)                                          (04 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005004          X X X X X X X   X                                                  (00 )
                   THE CLEANLINESS AND POLICE OF THE (STATE FACILITY OR ACTIVITY) WAS (01 )
                   NOT IN KEEPING WITH PRESCRIBED STANDARDS.                          (02 )
                   (MCO P4066.13E, PAR 3107)                                          (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005005          X X X X X X X   X                                                  (00 )
                   STORE SIGNS WERE NOT ATTRACTIVE, CURRENT, CLEAN AND IN KEEPING WITH (01 )
                   PRESCRIBED STANDARDS.                                              (02 )
                   (MCO P4066.13E, PAR 3107.5)                                        (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005006          X X X X X X X   X                                                  (00 )
                   THE SALEABILITY OF THE MERCHANDISE AT THE (STATE FACILITY OR       (01 )
                   ACTIVITY) WAS NOT SATISFACTORY.                                    (02 )
                   (MCO P4066.13E, PAR 3103)                                          (03 )
```

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3-11

3-8

3-5 & 7

3-11

3-7

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```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005007       X X X X X X X   X                                                  (00 )
                "NEVER OUT" LISTS WERE NOT PREPARED AND DISTRIBUTED FOR BASIC,     (01 )
                STAPLE AND REGULAR STOCK ITEMS.                                    (02 )
                (MCO P4066.13E, PAR 3400.1)                                        (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565005008       X X X X X X X   X                                                  (00 )
                AN EFFICIENT MERCHANDISE AND OPEN-TO-BUY PLAN WAS NOT IN EFFECT    (01 )
                (MCO P4066.13E, PAR 3206)                                          (02 )
```

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                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006000  SUB-CATEGORY:  X X X X X X X   X                                          (00 )
                    CODE: 06 DESCRIPTION: FOOD SERVICE SANITATION                      (01 )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006001           X X X X X X X   X                                                  (00 )
                    BADLY WORN, CRACKED OR CHIPPED DINNERWARE HAD NOT BEEN REMOVED FROM (01 )
                    SERVICE.                                                           (02 )
                    (NAVMED P5010-1, ART 1-16 (1))                                     (03 )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
DELETE              X X X X X X X   X                                                  (00 )
                    FOOD SERVICE EQUIPMENT WAS NOT PROPERLY CLEANED AND SANITIZED AFTER (01 )
                    USE.                                                               (02 )
                    (NAVMED P5010-1, ART 1-17)                                         (03 )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006003           X X X X X X X   X                                                  (00 )
                    FOOD ITEMS WHICH HAVE BEEN REMOVED FROM ORIGINAL CONTAINERS AND    (01 )
                    STORED IN REFRIGERATED SPACES, WERE NOT COVERED WITH APPROPRIATE   (02 )
                    NON-ABSORBENT MATERIAL SUCH AS ALUMINUM FOIL OR WAX PAPER.         (03 )
                    (NAVMED P5010-1, ART 1-48(7)(F))                                   (04 )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006004           X X X X X X X   X                                                  (00 )
                    POTENTIALLY HAZARDOUS COOKED FOODS WERE NOT REMOVED FROM SERVICE   (01 )
                    AFTER BEING HELD IN UNSAFE TEMPERATURES FOR THREE HOURS.           (02 )
                    (NAVMED P5010-1, ART 1-56)                                         (03 )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
DELETE              X X X X X X X   X                                                  (00 )
                    SANDWICHES WERE NOT PROPERLY PREPARED, MAINTAINED AND SERVED IN    (01 )
                    ACCORDANCE WITH APPLICABLE REGULATIONS.                            (02 )
                    (NAVMED P5010-1, ART 1-56(5))                                      (03 )

                    0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006006           X X X X X X X   X                                                  (00 )
                    ALL SERVING LINES AND SALAD BARS WERE NOT EQUIPPED WITH A SNEEZE   (01 )
                    SHIELD.                                                            (02 )
                    (NAVMED P5010-1, ART 1-57)                                         (03 )
```

1-15

1-16

1-29

1-31

1-56

1-34

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

~~565006001~~ DELETE

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 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
 X X X X X X X   X                                                  (00 )
SELF-SERVICE FOOD ITEMS WERE NOT REMOVED FROM SERVICE AFTER BEING   (01 )
HELD AT UNSAFE TEMPERATURES FOR THREE HOURS.                        (02 )
(NAVMED P5010-1, ART 1-57)                                          (03 )
```

1-35

```
 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006008
 X X X X X X X   X                                                  (00 )
MOBILE FOOD SERVICE VEHICLES WERE NOT MAINTAINED IN A CLEAN.        (01 )
SANITARY CONDITION.                                                 (02 )
(NAVMED P5010-1, ART 1-61)                                          (03 )
```

1-37

~~565006000~~ DELETE

```
 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
 X X X X X X X   X                                                  (00 )
AUTHORIZED COFFEE MESSES WERE NOT COMPLYING WITH SANITARY           (01 )
REGULATIONS.                                                        (02 )
(NAVMED P5010-1, ART 1-62)                                          (03 )
```

1-37

```
 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006010
 X X X X X X X   X                                                  (00 )
FOOD SERVICE TRAINING CERTIFICATES (NAVMED 4061/1) WERE NOT KEPT ON (01 )
FILE AT THE WORK LOCATION.                                          (02 )
(NAVMED P5010-1, ART 1-69 1(E))                                     (03 )
```

1-39

```
 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006011
 X X X X X X X   X                                                  (00 )
"NO SMOKING" SIGNS WERE NOT POSTED IN ALL FOOD PREPARATION AREAS.   (01 )
(NAVMED P5010-1, ART 1-69 (3))                                      (02 )
```

1-39

```
 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006012
 X X X X X X X   X                                                  (00 )
FOOD SERVICE PERSONNEL WERE NOT WEARING HAIR RESTRAINTS IN THE      (01 )
(STATE ACTIVITY) FOOD FACILITY.                                     (02 )
(NAVMED P5010-1, ART 1-69 (2))                                      (03 )
```

1-39

```
 0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006013
 X X X X X X X   X                                                  (00 )
PERSONAL HYGIENE SIGNS WERE NOT CONSPICUOUSLY POSTED IN ALL FOOD    (01 )
SERVICE AREAS.                                                      (02 )
(NAVMED P5010-1, ART 1-69 (2))                                      (03 )
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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006014       X X X X X X X   X                                                  (00 )
EQUIPMENT AND UTENSILS WHICH WAS NO LONGER USED OR WAS UNSERVICEABLE               (01 )
WAS NOT REMOVED FROM THE GALLEY SPACES.                                            (02 )
(NAVMED P5010-1, ART 1-17)                                                         (03 )
```

1-16

```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565006015~~   X X X X X X X   X                                                  (00 )
DELETE                                                                             (01 )
THE REFRIGERATOR AT THE (STATE FACILITY OR ACTIVITY) CONTAINED                     (02 )
FRUITS AND VEGETABLES WHICH WERE NOT SEPARATED FROM DIARY PRODUCTS                 (03 )
THUS UNCREASING THE POSSIBILITY OF SPOILAGE.                                       (04 )
(NAVMED P5010-1, ART 1-48)
```

1-28

```
                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565006016       X X X X X X X   X                                                  (00 )
THE TIME AND DATES OF REFREGIRATOR TEMPARATURE READINGS AT THE                     (01 )
(STATE FACILITY OR ACTIVITY) WERE NOT BEING PROPERLY RECORDED.                     (02 )
(NAVMED P5010-1, ART 1-48)                                                         (03 )
```

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DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007000  SUB-CATEGORY:  X X X X X X X   X                                          (00 )
                   CODE: 07 DESCRIPTION: SECURITY AND LOSS PREVENTION                  (01 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007001           X X X X X X X   X                                                  (00 )
                   THE EXCHANGE HAD NOT ESTABLISHED PROCEDURES FOR LOSS PREVENTION     (01 )
                   TRAINING AND REINFORCEMENT FOR ALL EMPLOYEES.                       (02 )
                   (MCO P4066.17, PAR 24001.5)                                         (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007002           X X X X X X X   X                                                  (00 )
                   CENTRAL STATION ALARMS WERE NOT TESTED AT LEAST MONTHLY TO INSURE   (01 )
                   PROPER SIGNALS WERE RECEIVED FOR THE CORRECT ACTIVITY.              (02 )
                   (MCO P4066.17, PAR 5003.5)                                          (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007003           X X X X X X X   X                                                  (00 )
                   EMERGENCY NOTIFICATION DECALS WERE NOT POSTED ON THE FRONT ENTRANCE (01 )
                   TO ALL FACILITIES.                                                  (02 )
                   (MCO P4066.17, PAR 5006)                                            (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007004           X X X X X X X   X                                                  (00 )
                   THE NAMES AND TELEPHONE NUMBERS OF RESPONSIBLE FACILITY MANAGEMENT  (01 )
                   WERE NOT RECORDED AT THE MILITARY/SECURITY POLICE OFFICE.           (02 )
                   (MCO P4066.17, PAR 5006.1)                                          (03 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007005           X X X X X X X   X                                                  (00 )
                   PATRON REFUNDS WERE NOT SPOT-CHECKED FOR AUTHENTICITY.              (01 )
                   (MCO P4066.17, PAR 15000.12)                                        (02 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007006           X X X X X X X   X                                                  (00 )
                   PRE-EMPLOYMENT CHECKS FOR PROSPECTIVE EMPLOYEES WERE NOT CONDUCTED. (01 )
                   (MCO P4066.17, PAR 17001)                                           (02 )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007007           X X X X X X X   X                                                  (00 )
                   THE LOCATION AND MOVEMENT OF ALL VENDING MACHINES WERE NOT          (01 )
                   DOCUMENTED.                                                         (02 )
                   (MCO P4066.17, PAR 20001)                                           (03 )
```

24-4

5-4

5-5

5-5

15-4

17-3

20-3

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007008       X X X X X X X   X                                                  (00 )
PATRON AWARENESS SIGNS WERE NOT POSTED IN CONCESSIONAIRE ACTIVITIES.               (01 )
(MCO P4066.17, PAR 21000.4)                                                        (02 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007009       X X X X X X X   X                                                  (00 )
LOSS PREVENTION SURVEYS AND INSPECTIONS HAD NOT BEEN CONDUCTED IN                  (01 )
ALL EXCHANGE ACTIVITIES.                                                           (02 )
(MCO P4066.17, PAR 22000)                                                          (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007010       X X X X X X X   X                                                  (00 )
NO CORRECTIVE ACTION HAD BEEN INITIATED ON DEFICIENCIES NOTED ON                   (01 )
LOSS PREVENTION SURVEY.                                                            (02 )
(MCO P4066.17, PAR 22000.6)                                                        (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007011       X X X X X X X   X                                                  (00 )
ALL CARTONS AND BOXES WERE NOT FLATTENED BEFORE DISPOSAL.                          (01 )
SUPERVISORY PERSONNEL DID NOT INSPECT TRASH BEFORE REMOVAL TO                      (02 )
STORAGE OR DISPOSAL AREA.                                                          (03 )
(MCO P4066.17, PAR 24001.3)                                                        (04 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007012       X X X X X X X   X                                                  (00 )
MAIN EXCHANGE EMPLOYEES HAD NOT BEEN PROVIDED WITH LOCKERS FOR                     (01 )
STORAGE OF PERSONAL EFFECTS.                                                       (02 )
(MCO P4066.17, PAR 25000.1)                                                        (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007013       X X X X X X X   X                                                  (00 )
EXCHANGE HAD NOT DESIGNATED AN AREA AT EACH FACILITY, AS AN EMPLOYEE               (01 )
PACKAGE AREA.                                                                      (02 )
(MCO P4066.17, PAR 25000.2)                                                        (03 )

                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007014       X X X X X X X   X                                                  (00 )
EXCHANGE HAD NOT DESIGNATED SPECIFIC EMPLOYEE ENTRANCES/EXITS FOR                  (01 )
EACH FACILITY.                                                                     (02 )
(MCO P4066.17, PAR 25000.3)                                                        (03 )
```

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24-4

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25-3

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DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007015       X X X X X X X   X                                                  (00 )
THE EXCHANGE HAD NOT INSTITUTED PROPER FITTING ROOM CONTROLS TO HELP               (01 )
CONTROL SHOPLIFTING.                                                               (02 )
(MCO P4066.17, PAR 25000.7)                                                        (03 )
```

25-4

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                0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565007016       X X X X X X X   X                                                  (00 )
THOSE EXITS DESIGNATED AS FIRE EMERGENCY EXITS HAD NOT BEEN EQUIPPED               (01 )
WITH AN APPROVED PANIC ALARM.                                                      (02 )
(MCO P4066.17, PAR 25000.10)                                                       (03 )
```

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DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

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                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565008000  SUB-CATEGORY:  X X X X X X X   X                                          (00  )
                   CODE: 08 DESCRIPTION: MILITARY CLOTHING                             (01  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565008001                 X                                                            (00  )
                   THE EXCHANGE, DESIGNATED AS A CENTRAL STOCKING POINT FOR WOMEN       (01  )
                   MARINE UNIFORMS AND ACCESSORIES, HAD NOT MAINTAINED AN ADEQUATE      (02  )
                   STOCK OF THOSE ITEMS TO PROVIDE FULL SUPPORT TO WOMEN MARINES        (03  )
                   THROUGHOUT THE MARINE CORPS.                                         (04  )
                   (MCO 10123.8B, PAR 5A(1))                                            (05  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565008002           X   X X   X X   X                                                  (00  )
                   THE EXCHANGE, NOT DESIGNATED AS A CENTRAL STOCKING POINT FOR WOMEN   (01  )
                   MARINE UNIFORMS AND ACCESSORIES, HAD NOT PROVIDED A BALANCED STOCK   (02  )
                   ASSORTMENT OF THOSE ITEMS TO SUPPORT THE NEEDS OF WOMEN MARINES ON   (03  )
                   BOARD.                                                               (04  )
                   (MCO 10123.8B, PAR 5A(2))                                            (05  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565008003             X     X                                                          (00  )
                   THE EXCHANGE, DESIGNATED AS A CENTRAL STOCKING POINT FOR MALE        (01  )
                   UNIFORM AND ACCESSORIES, HAD NOT MAINTAINED AN ADEQUATE STOCK OF     (02  )
                   THESE ITEMS TO PROVIDE FULL SUPPORT TO MALE MARINES THROUGHOUT THE   (03  )
                   MARINE CORPS.                                                        (04  )
                   (MCO 10123.8B, PAR 5B(1))                                            (05  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
~~565008007~~ DELETE X   X X   X X   X                                                 (00  )
                   THE EXCHANGE, NOT DESIGNATED AS A CENTRAL STOCKING POINT FOR MALE    (01  )
                   MARINE UNIFORMS AND ACCESSORIES, HAD NOT MAINTAINED A BALANCED STOCK (02  )
                   ASSORTMENT OF APPLICABLE ITEMS TO SUPPORT THE NEEDS OF MALE MARINES  (03  )
                   ON BOARD.                                                            (04  )
                   (MCO 10123.8B, PAR 5B(2))                                            (05  )

                    0 0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
                    1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
565008005           X X X X X X X   X                                                  (00  )
                   THE SELLING PRICES OF COMMERCIALLY PROCURED UNIFORMS AND ACCESSORIES (01  )
                   ESTABLISHED BY THE COMMANDER, WERE NOT IN ACCORDANCE WITH APPLICABLE (02  )
                   GUIDELINES.                                                          (03  )
                   (MCO 10123.8B, PAR 5C)                                               (04  )
```

DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380
INSPECTOR GENERAL OF THE MARINE CORPS

AUDIT STATEMENT LISTING FOR 650 FUNCTIONAL AREA(S)

~~565008006~~ DELETE

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0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X   X X   X X   X                                                  (00  )
THE EXCHANGE, NOT DESIGNATED AS A CENTRAL STOCKING POINT, HAD NOT  (01  )
ESTABLISHED A COMPREHENSIVE CUSTOMER SERVICE PROGRAM INCLUDING     (02  )
SPECIAL/MAIL ORDER PROCEDURES, TO ASSIST MARINES IN PROCURING      (03  )
REQUIRED UNIFORMS AND ACCESSORIES.                                 (04  )
(MCO 10123.8B, PAR 5D)                                             (05  )
```

~~565008007~~ DELETE

```
0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
  X     X                                                            (00  )
THE EXCHANGE, DESIGNATED AS A CENTRAL STOCKING POINT, HAD NOT      (01  )
OFFERED A DEFERRED PAYMENT PLAN FOR UNIFORMS AND ACCESSORIES TO ALL (02  )
AUTHORIZED PERSONNEL REGARDLESS OF WHERE STATIONED.                (03  )
(MCO 10123.8B, PAR 5D)                                             (04  )
```

565098001

```
0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00  )
<__________________________________________________________________>  (01  )
<__________________________________________________________________>  (02  )
<__________________________________________________________________>  (03  )
<__________________________________________________________________>  (04  )
<__________________________________________________________________>  (05  )
<__________________________________________________________________>  (06  )
<__________________________________________________________________>  (07  )
<__________________________________________________________________>  (08  )
<__________________________________________________________________>  (09  )
<__________________________________________________________________>  (10  )
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565098002

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0 0 0 0 0 0 0 0 0 1 1 1 1 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 3 3 3 3 3
1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 1 2 3 4
X X X X X X X   X                                                  (00  )
<__________________________________________________________________>  (01  )
<__________________________________________________________________>  (02  )
<__________________________________________________________________>  (03  )
<__________________________________________________________________>  (04  )
<__________________________________________________________________>  (05  )
<__________________________________________________________________>  (06  )
<__________________________________________________________________>  (07  )
<__________________________________________________________________>  (08  )
<__________________________________________________________________>  (09  )
<__________________________________________________________________>  (10  )
```

INSPECTOR: SAMUEL J. PITIS	FUNCTIONAL AREA: MARINE CORPS EXCHAN
WIRS NO: 650	MAJOR COMMAND TITLE: MARINE CORPS LOGISTICS BASE, ALBANY, GA
UNIT INSPECTED: MARINE CORPS EXCHANGE	DATE OF INSPECTION: 14 JAN 1986
RECOMMENDED GRADE: (CIRCLE ONE) OUTSTANDING (OS) EXCELLENT-NO COMMENT (XN) EXCELLENT W/COMMENT (EX) ABOVE AVERAGE (AA) AVERAGE (AV) BELOW AVERAGE (BA) UNSATISFACTORY (UN) NO RATING (NR)	REPORT NO. (FOR TEAM USE ON

~~DISCREPANCIES~~/COMMENTS:

THE QUALITY OF SERVICE TO AUTHORIZED PATRONS HAS BEEN CONSIDERABLY ENHANCED DURING THE PAST TWO YEARS. MERCHANDISE PRESENTATION AND STOCK ASSORTMENT OF THE MAIN STORE WAS COMMENDABLE. THE OUTSTANDING LEADERSHIP QUALITIES OF EXCHANGE MANAGEMENT STAFF WAS QUITE EVIDENT; MORALE AND ENTHUSIASM WAS UNIFORMALLY HIGH AND THE STATE OF POLICE WAS SUPERB.

This will be part of MCCDC files to forward to each location.

Review IG check list

so we have no overlaps within our compliance test or we can utilize some of them.

INSPECTOR: SAMUEL J. PITTS	FUNCTIONAL AREA: MARINE CORPS EXCHAN
WIRS NO: 650	MAJOR COMMAND TITLE: MARINE CORPS LOGISTICS BASE, ALBANY, GA
UNIT INSPECTED: MARINE CORPS EXCHANGE	DATE OF INSPECTION 14 JAN 1986
RECOMMENDED GRADE: (CIRCLE ONE) OUTSTANDING (OS) EXCELLENT-NO COMMENT (XN) EXCELLENT W/COMMENT (EX) ABOVE AVERAGE (AA) AVERAGE (AV) BELOW AVERAGE (BA) UNSATISFACTORY (UN) NO RATING (NR)	REPORT NO. (FOR TEAM USE ON

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REGULATION CHECK LIST

1. Cash Register Requirements - 2605.2

2. Wholesale tax stamp required if MCX sells beer to other activities (2802.8a).

a. Beer retail tax stamps required for each location that are not centrally located (same premises, etc.) 2802.8b

3. Information Returns - IRS Form 1099 (Statement for Recipients of Miscellaneous Income) or 1096 for all independent contractors fees, commissions, etc:

- Should be filed by MCX's making payments under a personal services contract aggregating $600 or more to anyone.

- Must be filed to IRS by 28 February and to person by 31 January.

4. Compliance with authorized service activities (2900,2 & .3.)

5. Hobby shops operated by Rec. program - are supplies procurred thru MCX - if so are cost price limitations met for authorized resale items?

6. NAF Procurement Committee - Is one established and what are the results? (21000.5)

a. MEMBERS - Regular NAF fund procurement and operating personnel together w/representation from commander's appropriated fund procurement and legal staff. Chaired by largest procurement volume.

b. MEETINGS - At least Semi-annually and record of proceedings shall be maintained.

PRICING POLICY - 2103.2 - (IN PART) Essential items shall be priced to generate the lowest gross profit.

MARKUP RATE - Not less than 15% and not more than 35%.

c. PURPOSE

(1) Consolidate procurement of common items used by more than one fund.

(2) Assignment of purchasing responsibility to a single fund for commonly utilized items.

(3) Comparison of prices paid by each fund for the same or similar items.

(4) Sources of supply.

7. Price Agreement Bulletins (PAB) - Maintained current and utilized for purchase except when local vendor can provide at same or lower price or in case of emergency or other justifiable circumstances (21005.1,.2)

8. Direct Delivery receiving procedures with 21007.5. (not received thru warehouse)

SPOT INVENTORIES 21500 - Shall be conducted periodically.

9. Seconds and rejects shall be procurred without specific approval of the commander. If sold they must be advertised as such. (21107)

10. Statement of eligibility to supply livestock products slaughtered by methods approved by Sec. of Agriculture. Must be attached to all contracts, POs, Direct Delivery, etc. (21113)

11. Periodic price surveys of local competitive stores and catalogue houses, shall be conducted. (3101.2)

12. Warehouse critical item control - (3303) $500 cost

- Utilization of critical item control form (MCX 419) is for high value items and prepared upon receipt.

a. Prepared for each unit, serial #, unit sell, date of receipt and receiving number.

b. Original to operations, security, etc. for filing and inventory follow-up.

c. Copy remains with unit until sold, at which time balance of form is completed in every detail and bottom portion of the form will be provided to the customer. The top section forwarded to those maintaining original where they are matched and filed together for 2 years.

d. Once per month unsold items will be inventoried by persons other than those who have custody of the merchandise. Inventory results should be noted on the back of the original. A detail report of the verification results should be provided to the MCXO.

- 3502.1 - MCX's not on MIS shall utilize MUC system.

- 3502.2 - MCX's not on MIS system shall utilize MUC system for warehouse stock.

13. Sales to government Activities (3606).

- Merchandise price - landed cost + 10% service charge.
- Services - Direct labor cost plus material cost plus administrative/overhead cost. (3606.2a, b & c.)
- Food - Food Service purchased and catagory is at regular sell price and is recorded as sales..

14. Pricing (4101) - Barber, Beauty, Tailor, Laundry and Dry Cleaning, Shoe, Portrait/photographic operations will not exceed a 30% operating profit.

15. Employee Uniforms (4104) - MCX owned or rented shall be laundered at the expense of the facility.

16. Control methods and procedures (4106.3)

- Each facility should have separate operating goals, be self sustaining, etc.

- Unexplained variances from month to month shall be examined for instances of fraud, etc.

17. Control methods and procedures - Food (4209.3)

- Procurement will be planned in quantities that will be consumed within a 10 day period. Monetary value of inventory in CONUS should not exceed 25% of monthly sales.

- Stock control records will be established on all items regularly stocked with the exception of daily consumables. (4209.3,b)

- Free Meals (4210.6)

- Food Service Medical Exam (4210.7) - Examined by staff medical officer.

- Food price comparison (4210.15) - Purchase price quotations will be obtained from 3 or 4 prospective vendors each time order is to be placed on at least twice a week. Monthly quotations for baked goods and dairy products will suffice. Similar comparisons will be made on staple products.

- Sale of waste products (4210.18) - Where possible MCXO will arrange for sale of such as garbage, grease, trash, containers, etc. to commercial sources

18. Service Station -

(a) 4300.5 - State credit to cover gasoline evaporation, shrinkage, cost of tax collections, etc. - contact state tax authorities for procedures.

(b) 4301.9c - At Service Station without branch service stations, Merchandise Unit Control Form (MCX 436) will be maintained at the service station as a method for recording merchandise and eliminating slow moving merchandise.

MCX's operating branch S/S locations and when all merchandise transferred to branches is issued from either a warehouse or storage area at the main service station. Stock cards will be maintained at the Main Facility and MUC's at the branch locations.

(c) 4302.2b. - Record of battery sales on each battery sold will contain group and type numbers, patrons name, date of sale and battery code date. (work order with this data will be suffice.

(d) 4301.9a - Price marking of retail items $2.00 or less will be stamped $2.00 or more ticketed.

19. Vending locations (4401.3) MCX's shall keep a monthly record of sales, both direct and indirect by location for sales comparison, product changes, machine movement etc.

20. Safety Standards (4407) - MCXO should require continuous inspection to ensure all equipment is in top operating condition and that all safety features are attached and functioning. Also signs shall be posted near coin operated laundry machines which will prohibit children unless accompanied by an adult.

21. Control Procedures (4408.1) -Direct non product collections - unscheduled cash collections shall be made.

22. Vending (4408.2) - Inventories of exchange owned vending machines consist of warehouse, route vehicle and machine stocks, and controls will be maintained at these 3 levels.

(a) Warheouse inventory will be maintained at sell and verified periodically by spot inventory.

(b) Route vehicle inventory will be at sell and will be physically inventoried before leaving warehouse and upon return from vending route.

(c) Provisions of 4408.1 are applicable to indirect non product vending operations except that 1 key will be retained by the contractor for service access to machine and the other maintained by person designated by MCXO. Cash collections will be made by the contractor and MCX rep. Collections will be accounted for by individual machine. Receipts will be verified by MCX rep and contractor at MCX vending. Receipts will not be counted at vending site.

(d) All provisions of 4408.2 are applicable to indirect product vending except inventory control will be maintained at a single level, when the product is placed in the machine at which time title passes to the MCX.

Security of cash is responsibility of contractor. MCX will perform periodic verification of inventory controls versus cash collected on contractor owned machines.

(e) Machine (MCX OWNED) not equipped with lockable cash containers will be so equipped upon replacement.

(f) Contractors (4408.6) - will provide up to date master list of locations on all machines.

- Frequent spot checks of machine locations will be accomplished by Exchange personnel. It is MCX responsibility to verify through cross checking of route sheets, machine #'s and location list to ensure all machines are reported.

23. Barbers/Barber Shops -4500

(a) 4500.6 - Comprehensive list of sanitary rules and regulations (stated in MCXM) will be conspicously posted in each barber shop and will be strictly observed.

(b) 4500.6g - Barbers will be examined on a scheduled basis as prescribed by station medical officer.

24. Beauty Shops - 4501

(a) Sanitary rules prescribed in 4501.7 will be conspicuously posted.

(b) 4501.7f - Beauticians will be examined on a scheduled basis as prescribed by the medical officer.

25. Laundry/Dry Cleaning - 4502 - MCXO will ensure laundry test service provided by the International Fabricare Institute is utilized every 90 days. Dry cleaning test service every 30 days.

26. Optical Controls - 4504.5 - MCXO will cause selection at random of 5 completed opthalmic orders and submit to military optometrist or his rep. for evaluation.

27. CCF Projects - New Exchange Facility (Last 2 years) - 6805 - Provied a narrative report of the good and bad points of the structure, materials, etc. (Shall report 6 months after occupancy).

POLICY OR PROCUREMENT

21000.3 Procurement shall be made wo/favortism in open market primarily thru competition negotations and to best advantage of the Ex. Only 1st quality goods will be procurred.

21000.4 Exchanges should not, under normal circumstances purchase fuel for Exch vehicles from the supply system.

DELETE ON I/G 21000.5 The Commander shall establish a NAF procurement committee.

21001.2 Goods, equipment and supplies shall not be procurred under any credit arrangement.

21001.3 Exchanges should at all times extend courteous, considerate and impartial treatment to vendors or REPS.

21002. Guaranteed Sales

21003. Consignment

Delete on I/G 21005.1 & 2 Price Agreement Bulletins

21006. Special orders - Items not included or authorized resale ~~xxxx~~ list cannot be special ordered.

21006.2 Advance deposit for Spec. Orders - 1/3 - if salability of the item is limited.

21007.2 Prescribed PO shall not be used. MCX 414-2 is used.
✓ 21007.4 EXO shall designate who are authorized to order and receive.

✓ 21008.2 PO procedures - PO's are considered binding contracts of purchase upon acceptance of vendor.

p. 4, 10 & 11 on I/G
10 on I/G Deleted

21010.5 FOB terms clearly stated on PO

21010.9 SHIP BEST WAY stated on PO should be avoided.

21012.1 All procurement, except DD or PO's shall be by competitive quotation resulting in written contract.

21012.5 Quotation received shall not be opened until day after day utilized for the receipt. 3 members of ExCouncil shall participate in evaluation.

21012.6 Unsuccessful quotations shall be notified in writing should info be requested by unsuccessful quoter, info shall be furnished.

21012.7 Late quotation received after date indicated will be included if circumstances are as such.

WEAPONS AND AMMUNITION

2502. Only (1) model of each weapon will be displayed

Display only small quantities of ammunition.

No shotgun of any gauge that has barrel less than 18" may be stocked or sold.

No rifle w/barrel less than 16" may be stocked.

Only pistols and revlolvers of military type or those commonly used in target practice w/a barrel of 4" or more may be stocked or sold.

21012. All procurement, other than DD or PO shall be competitive quotation resulting in a written contract as described under 21012.

21206.7 Record of all ammunition received for sale or disposition must be maintained for a period of not less than 2 years.

21206.9 Is treasury form ATF 3310.4 available and applied for an unlicensed purchaser who purchases 2 or more pistols/revolvers at one time for within 5 consecutive business days.

21206. Sale of guns and ammunition in compliance w/State and Fed law/with respect to sale, reporting of sale, registration and waiting period between date of application or purchase and delivery. FORM ATF-4473 required - conviceted felon, etc.

21206.6 MCX form 464 recorded and retained?

SELF INSURANCE PROGRAM AND ETC.

2700. Will not provide protection for the following:

- Mysterious disappearance (inventory shortages-cash register shortages)
- Uncollectible checks
- Loss as result of accidental damage to merchandise by customer or exchange employee.
- Minor damages to buildings, shipment via parcel post.
- Does not cover items of property costing less than $100

2802.8.a Exchanges that sell beer to other activities for resale requires a wholesale tax stamp.

2805.1 IRS FORM 1099 - These forms are required to be filed for Payments made to independent contractor for fees, commission and other compensation related to Non-Employee services. Such return must be filed by Exchanges making payments under a personal services contract aggregation $600 or more to anyone other than a Corp.

Payments to individuals for prizes, awards, contract entertainers; and individuals performing personal services who are non-employees must also be reported on IRS Forms 1099 and 1096 Misc.

1103 Deviations - Deviations from policies and procedures must be authorized in writing by CMC (Code LFE).

PUBLIC RELATIONS

Delete on 7/6 ✓

1701. Expense for no more than 2 such memberships shall be borne by the Exchange.

1702 Commander shall designate in writing the person best qualified to enhance exchange-community relations. 2 memberships should not be maintained in same organization.

21113 Livestock products - Statement of eligibility??????

2600 The use of exchange funds for other than exchange business ~~xxxxxx~~ is prohibited.

2605. Cash Register requirements - Extra cash registers should be centrally stored in a secure place and issued only when needed.

2605.2 All cash registers on location in sales activities shall be read daily, including those not in use; Info be recorded by cash collector. Register indicator shll not be reset; Cash register tape will be removed and identified by date, number and initial; The tape shall be submitted w/cash register reading report. Tapes shall be retained in the records of the Exchange for 1 Year.

Delete on I/G 2605.3 Sales receipts shall be checked against the register reading daily and if differences occur appropriate corrective measures shall be taken.

21403.2.b Property & Equipment - All items purchased at $100 shall be carried as an asset and depreciated.

21403.2.c Items costing less than $100 shall be classified as expendable and charged directly to the appropriate expense asset at the time of purchase.

21403.2.e Property and equipment shall not be transferred from the accounts of one Exchange to another without specific authority of CMC (LFE)

21403.2.f Spot checks should be made periodically to ensure items are being properly safeguarded, used and kept in good repairs.

21403.4.a Exchange owned property $500 or less, damaged or beyond economical repair or unfit for trade-in shall be disposed of in the best interest of the Exchange by the EXO. Documentation of such will be made and maintained.

Items costing more than $500, damaged or beyond economical repair a voucher will be approved by a member of the ExCouncil designated in writing by Commander.

21403.4.a Property & Equipment missing by inventory at close of accounting period or property and equipment missing and the councils disposition has not been determined will be listed on inventory sheets as a shortage. Missing items shall be the subject of an investigation by an officer designated by the commander.

21403.4.c Excess items of government owned property and equipment shall be turned in for disposition to the supply officer.

RECEIVING AND WAREHOUSE

3301.7 The following stowage conditions should be observed, if practical, concerning tobacco and smoking accessories:

- Clay moistener and humidifier should be used to preserve cigars.
- Humidity 50 to 60 percent
- Out of direct sunrays
- Away from possible contaminating items, such as soap and shoe polish
- Matches should be in a fireproof location away from other merchandise.
- Luggage and leather goods should not be stored unwrapped, stored near heat, dampness or in areas where dust and grit is more than average.
- Film should be stored in a cool, dry place.
- Liquid shoe polish should not be stored in below 32 F temperatures.

3303 WAREHOUSE - CRITICAL ITEM CONTROL $500 Cost

Utilization of critical item control form (MCX 419) is for high value items and prepared upon receipt.

3502.1 MCX's not on MIS shall utilize MUC system

3502.2 MCX's not on MIS system shall utilize MUC system for warehouse stock.

MERCHANDISE

21106. Imprinted items - No items shall be procurred for resale with exchange name imprinted.

21107. Seconds and rejects, if procurred must have approval of the Commander and if sold advertised as such.

21500 Are spot check inventories being made periodically?

3101.2 Price surveys local competitive stores and catalogue houses.

2108. Patron surveys not less than every other year.

3205.2.e Do branch managers pinpoint merchandise areas for which there is an unfulfilled demand or to call attention to classification or subclasses for which there is insufficient demand.

3206.6.a 2-6 month merchandise plans should be prepared each year to 2 major selling seasons; Spring-Summer (Feb-July) Fall-Winter (Aud-Jan). One 6 month plan by dept. and another 6 month plan (accumulation of all department plans) for total exchange.

4101.2 When more than one facility of a kind is operated identical items or services be sold for the same price in all facilities concerned.

4106.3 Operational goals should be established separately for each facility - if adverse deviations occur from these goals or unexplained variances from month to month shall cause the command to ascertain whether fraud or dishonesty exists. Each activity shall be self sustaining.

MERCHANDISE PRESENTATION

3104.2 Changes in sell prices must be authorized by MCXO except damaged or soiled items. Store managers may be delegated subject to condirmation ty EXO.

3106.2 Departmentalization

3107.4 Check out Areas

3107.5 indoor or outdoor signs - misrepresentation

3203. Function of merchandise manager

3204.2.a Exchange policy to consider needs and desires of all patrons. Middle economic segment of Dept store trends

High standards - service oriented- etc 3204.

3208. Guidelines for achieving sales and profit objectives

3208.1 Assortment planning

3208.2 Sales plan

3208.3 Exploit best sellers

3208.4 New items create excitement

3208.5 Promotional merchandise

3208.6 Maintain Basic assortment

3208.7 Use MUC system effectively

3208.9 Overstocks, causes for

3208.10
11 Problem mdse.

3210.3 Gifts and gratiuties

3214.1 Mdse display

MDSE STOCK ASSORTMENT

✓ 3400.1 Never out list

3401. Towne-Oller Report Used?

3402. Maxwell Report - Cigarette Sales

3403. SAMI report - Candy sales

MDSE SALES

✓ 3601.2 "satisfaction guaranteed" signs or plaques displayed?

✓ 3604. Layaway Sales - Process? Payment? Amount down?

HANDLING RECEIPTS AND CHANGE

✓ 3605.3 Proper use of cash register-money-receipts-etc.

3603 Sales to government activities

FOOD SERVICES

4202.3	Are menu's prepared with consideration of what type customer will be served? Menu and pricing range?
4204.	Portion control
4204.3	Training personnel - portion control - portion charts hung near servicing area.
4205.1	Food cost - are item cost and batch cost cards used?
4209.	Controls, methods and procedures
4206.	Menu pricing
4207.	Purchasing - Food cost
4210.6	Are managers maintaining a daily log of employees meals provided. Not to exceed 2.00 a meal.
4210.18 21204	Sale of waste products and materials to commercian sources.
21201	No person under 21 Years of age shall be employed as a bartender or any other capacity involving the sale alcholic beverages.
21201	A notice shall be posted in all areas where alcholic beverages are sold for off installation consumption "Patrons transporting alcholic beverages off a military reservation become subject to the laws of the state or territory.
4203	Recipe Development-Savings, etc.
4210.5	Classroom training in food sanitation
4210.7	Food service employees must be examined by staff Med. officer.
4210.13	Exchanges will require statement from suppliers that products are inspected and approved by Dept. of Agriculture - Requests to the Base Med. Dept for inspection of premises and products of local vendors for sanitation, quality and fitness for human consumption.
4210.14	Purchase agreements for gound beef shall prescribe that meat provided be in accordance w/NAMP 136 (BULK) and 1136 (PATTY). Finished product shall not exceed 25% Fat.
4210.15	Procurement of daily consumable items (meats, produce, fresh frozen and the like) purchase price quotation will be obtained from 3 or 4 vendors each time an order is to be placed or at least twice a week. Monthly quotations for dairy or baked goods will suffice. Close liason w/other Exchanges in the area for product and price comparison will be maintained.

4210.16 Sandwiches will not be procurred from commerical sources for resale if adequate facilities are available with Exchange.

SERVICE STATIONS

21204	Is exchange arranging for the sale of waste oil drained from vehicles, used tire casings, etc. to commerical users?
4300.4	Are state tax rebates obtained on gasoline used in exchange vehicles?
4301.1	Are Exchange prices saving the customer 20% over commercial prices?
4301.2	Daily tank gauging taken?
4301.3	Stick readings, deliveries are made before and after. Attendant in charge should sign delivery ticket.
4302.2.b	Battery sales record maintained. Warranty purposes.
4302.2.c	Are arrangements for sale of discarded batteries made at least once monthly.
4302.3	Used tires or tires marked seconds will not be offered for sale
4302.4	Displays - Location-changed-clean-undamaged-merchandise-sell price visible on displayed merchandise??
4302.5	Privately owned tools used? If so are they properly identifiable? Is cleaning and maintenance rules adhered to?
✓4302.6	Safety precaution instructions for employees being made available?
4302.6.j	No smoking signs in service bay area?
4302.7.b	Adequate instruction available on self service pumps?
4302.12	Sale of waste products and materials - as also 21204. above.
4301.9.a	Price marking of retail items $2 or less will be stamped. $2 and over will be ticketed.
4301.9.c	MUC control form MCX 436 will be maintained at station w/out branch station for recording mdse and eliminating slow moving mdse.
	Mdse issued from warehouse or storage area at Main Station, stock cards will be maintained at Main Station and MUC's at branch station.
4301.9.b	When new merchandise is received w/an increase in price - old stock shall be sold first.

4301.9.d Keys to the gasoline pump housing will be retained in the custody of the service station manager and used only when pump requires maintenance by authoirzed personnel. After maintenance is completed all seals will be prelaced on computer and metering mechanism.

4302.1 A service vehicle may assist vehicles only on military reservation. The vehicle may not be towed from military reservation.

4302.6 Safety precaution list will be posted.

SERVICE ACTIVITIES

4100.1 No service activity or facility shall be operated at a planned loss.

4101.1 Every effort should be made to maintain a pricing structure that will save the patron approximately 20% over same service in commercial sector. In no case shall a pricing policy yield an operating profit in excess of 30%.

4101.2 Identical items or services shall be sold for the same price in all facilities concerned. All prices shall be posted or clearly visible.

4105. Claims by patrons - An Exchange patron shall never be required to settle a claim directly with a contractor.

4106.4 When a service activity is operated by a concessionaire, cash registers within the activity shall be read at least monthly by an Exchange Rep. Concessionaire should not be permitted access to "CLEAR or RESET" register keys. All internal control provision in paragraph 4600 are also applicable to concessionaires.

4104. Employee Uniforms - MCX owned or rented shall be laundered at the expense of the facility.

DRY CLEANING, SHOE REPAIR, ETC.

4107.1 Unclaimed finished work - Unclaimed articles - after 60 days after day of receipt attempts should be made to find owner. If address is known notify the owner that if not picked up they will disposed of 120 days from the day of receipt.

4107.2 90 days after receipt of the work a list of owners who have not redeemed their property shall be posted in the appropriate activity.

4107.3 120 days after receipt of the work all unclaimed articles shall be disposed of by sale.

4107.5 In exceptional cases items will be held until patron returns.

4502.2.a Laundry test by Int'l Fabricare Inst. be utilized every 90 days.

4502.2.b drycleaning service provided by Int's Fabricare be utilized every 30 days.

2101.2 Competitive quotation procedures be utilized.

4502.5 Safety rules posted, premises and equipment be inspected periodically for fire and safety hazards, "NO SMOKING" signs psoted.

4613.5 Record of transfer at pick-up and delivery locations should be kept.

4502.5 Local station regulations concerning use and storeage of inflammable liquids being complied with.

4101. Pricing will not exceed a 30% operating profit.

OPTICAL

4504.5 MONTHLY, each Exchange will select at random 5 complete orders and submit to military optometrist or representative for evaluation.

WATCH REPAIR

4611. All work accepted should be entered in a log book with complete info.

RADIO & TV

4612. All work accepted should be entered in a log book with complete info.

4612.3 Claim checks recovered from patron after service is completed should be attached to and verified against daily cash receipts.

SHOE REPAIR

4613.3 Are ID tags being properly used to identify shoes?

4614.4 Patrons claim check be submitted with activity daily report for verification of cash on register tape. Differences of $1.00 or more should be reported to EXOfficer.

4613.5 Record of transfer at pick-up and delivery location should be kept.

4500.4	Barber shops - Signs - hours of operation and complete price list displayed?
✓ 4500.6.g	Barbers will be examined on a scheduled basis as prescribed by the station medical officer.
4101.	Will not exceed a 30% net profit.

BEAUTY SALONS

4501.3.h	Permanent wave and hair color cards of salon patrons kept?
4501.4	Hours of operation signs displayed.
✓ 4501.7	Sanitary Rules and Regs. prscribed by medical officer posted?
4501.7.f	Beautician will be examined on a scheduled basis as prescribed by medical officer.
4101.	Will not exceed a 30% operating net profit.

VENDING & AMUSEMENT MACHINES

2700.10 Self insurance will cover vending machines losses.

4406. Sanitation standards

4407. Safety standards

4408.1 All direct nonproduct and amusement machines shall be equipped w/nonresettable counters and lockable cash counters.

a.Counter readings shall be recorded each time cash is collected and reconciled against cash receipts. b. Reconciliation shall be made to only those totals generated by counting devices which define pure unit/sell computations. c. All keys to cash containers will be retained by person designated by ExO/general manager. d. Collections will be made by a minimum of 2 persons. e. Unscheduled cash collection will be made.

4408.2 All direct vending shall be controlled by inventory method.

a. Whse at sell value with spot check inventories
b. Route vehicle at sell value, inventoried before vehicle departs and upon return.
c. All controls will be maintained at sell value
d. Machines not equipped w/lockable cash containers will be so equipped upon replacement of the machine.

4408.3 One key will be retained by the contractor for Indirect non-product vending for service access and the other key retained by person designated by ExO.

Cash collections will be made by contractor w/an Exch. Rep.

Receipts shall be verified at time collection is made but not counted at vending site.

4408.4 Security of cash in contractors owned machines shall be the responsibility of the contractor.

Exchanges will perform perioduc checks of inventory controls versus cash collected on contractor owned machines.

Contractor will provide all data relevant to inventory control for each individual machine.

4408.5 At the end of each month the contractor shall provide the Exch a contractor's invoice, check and documentation of monthly activity.

4408.6 All movement of machines must be authorized and recorded by type, name and control number.

Contractors will provide Exchange w/an up-to-date master location.

Spot checks by ExPerson will be made frequently.

Exch should cross check of route sheets, machine numbers and location lists that all machines are reported on.

4408.7 Service vehicles will be provided w/an attached depository or safe so receipts can be deposited but not extracted. Route person shall not have access to key or combination.

4408.9 A cash collection slip w/be utilized when making collections from Ex owned machines.

4408.11 All vending machines will be equipped w/a decal located in an eye level spot indicating machine, telephone number to report problems w/machines.