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The Honorable Henry M. Jackson  
Chairman, Permanent Subcommittee  
on Investigations  
Committee on Government Operations  
United States Senate

Dear Mr. Chairman:

During its investigation of disposal operations in Europe, the staff of your Subcommittee noted what appeared to be significant weaknesses in the U.S. Army Supply System. Tactical vehicle repair parts recently received from the United States were apparently being sent from Army depots to property disposal activities.

By letter dated December 8, 1972, the Chief Counsel for the Subcommittee requested us to review the U.S. Army's practices and procedures for initiating and directing the disposal of items from the supply system in Europe. Accordingly, we made our review at the (1) U.S. Army Materiel Management Agency, Europe, which manages the Army's depot stocks in Europe, (2) Kaiserslautern Army Depot, which is the largest Army depot in the European theater, and (3) Germersheim Army Depot, at which the Subcommittee staff had noted the problem.

During 1972 the Army Materiel Management Agency sent 36,000 disposal orders to the two depots for items having a total acquisition cost of approximately \$12.5 million. We statistically tested selected transactions and reviewed the supply histories of the items involved to ascertain whether (1) like items had been recently received from the United States, (2) the items were still needed, and (3) the items sent to disposal activities were in better condition than like items retained in stock.

We also subjectively selected and examined additional disposal actions for automotive and weapons-type items. This selection was made so as to include in our examination a

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number of the apparently erroneous disposal actions that had been identified by the Subcommittee staff. We obtained the transaction histories of these items and compared the actions to the Army's disposal criteria.

We did not find that repair parts recently received from the United States were being sent from depots to disposal activities. Our review did disclose that about 6 percent of the disposal transactions we reviewed involved errors. Reasons for the erroneous disposal actions were as follows:

- 1.1 percent of the items were ordered to disposal because of human error.
- 1.3 percent of the disposal actions resulted from erroneous inventory adjustments.
- 3.6 percent of the disposal actions resulted from not considering maintenance requirements. (Action had been taken to correct this weakness, as a result of an internal audit report.)

The other transactions we reviewed appeared to be consistent with the Army's disposal criteria. If we may be of further assistance in this matter, please contact us.

Sincerely yours,



Comptroller General  
of the United States