



Ass. Dir. (21)

UNITED STATES GENERAL ACCOUNTING OFFICE
INTERNATIONAL DIVISION

FA3 EAST BRANCH
PRINCE JONAH KUHIO KALANIANAOLE FEDERAL BUILDING
300 ALA MOANA BOULEVARD
HONOLULU, HAWAII 96813-96850



LM104774

JAN 20 1973

5284
Commander in Chief
UNC/USFK/EUSA
APO San Francisco 96301

Dear Sir:

We have reviewed the cargo security and accountability procedures in Korea with emphasis on the operations of the U.S. Army Port, Pusan, Korea. Our efforts were directed towards assessing (1) the effectiveness of corrective actions taken responsive to recommendations made in our 1973 report on the need for improvement in cargo security management in Korea and (2) whether any additional problem areas exist or further steps are needed to assure the security of cargo. Although we do not anticipate issuing a report to the Congress, we would like to advise you of our observations made during October and November 1977 at Headquarters, 8th U.S. Army; the 2nd Transportation Group; the U.S. Army Port, Pusan; and selected cargo consignees and law enforcement organizations.

We found that corrective actions had been taken since our 1972 survey to better control cargo from the time it arrives at the Pusan Port until it reaches the ultimate consignee. Many of the actions taken were those that we had been advised of by the military in response to our 1973 report. Also, additional corrective actions were recently taken as a result of an Army Audit Agency review of the controls over the movement of Army cargo in Korea. These actions in conjunction with the increased use of containers and the reduced level of cargo entering Korea since 1972 have, in our opinion, greatly improved the security being afforded military cargo entering Korea through the Pusan Port.

Notwithstanding the above mentioned improvements, several areas requiring corrective actions were identified during our current survey. The most important of these areas pertained to the need for prompt identification of cargo shortages that occur after cargo is in the port's custody and the prompt conclusion of investigations into what caused the shortages so that potential thefts can be referred to law enforcement organizations for investigation. In this regard, we were advised that in the near future the port will initiate a more systematic inspection approach to quickly resolve inventory discrepancies. We were also advised that coordination between the local military police and port authorities has been effected to insure that military police are informed of suspected shortages as soon as they are discovered. Furthermore, we understand that actions have been initiated to correct other less significant weaknesses we identified during our survey.

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In view of the corrective actions agreed upon as a result of our recent survey and the Army Audit Agency review, the Army's plan to begin operations from new pier facilities within the Pusan Port in the fall of 1978, and the impact of drawdown plans on transportation functions, we do not anticipate further audit work in the area of cargo security in the immediate future.

We would appreciate any comments you may have on the matters discussed in this letter. We appreciate the courtesies and cooperation extended to us during our recent survey.

Sincerely yours,

(Signed) W. H. Sheley, Jr.

W. H. Sheley, Jr.
Director

W. H. Sheley, Jr.
RMC/LWM/NSM/WHS:wm

(6)2--Addressee

2--FEB:Subj/C

1--Mr. Mangene

1--W/P (Mr. Crowl)