

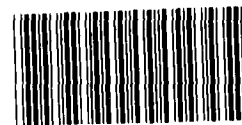
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BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Secretary Of Defense

Defense Department's Management Of Property Leased To Foreign Governments Is Still Inadequate

The Department of Defense has implemented procedures to establish management controls over defense property leased to foreign governments, as required by a 1981 amendment to the Arms Export Control Act. However, lease notifications sent to the Congress have not contained information required by the Arms Export Control Act, all rents and associated lease costs have not been collected, and rents have not been credited to the proper Treasury account. Because the use of property has not been monitored, Defense does not know if the use of leased property complies with the terms in lease agreements. Efforts are being made to renew the expired leases of property valued at \$68.9 million. Although some of the leases expired 6 years ago, there is no evidence that anything is being done to get the property returned.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

B-202833

The Honorable Caspar W. Weinberger
The Secretary of Defense

Dear Mr. Secretary:

We reviewed leases of defense property to foreign governments to follow up on our 1981 report 1/ and to determine if the leases complied with the provisions of chapter 6 of the Arms Export Control Act (AECA), enacted December 29, 1981, and prior authority, 10 U.S.C. 2667. We found the financial management and monitoring of leased property is inadequate and congressional notification requirements are not being fully met. As a result, the Congress is not being provided information needed for effective oversight and thousands of dollars in lease costs are not being recovered. In addition, there is little monitoring of the use of leased property and, in some instances, the property has not been returned at the expiration of a lease.

Defense property valued at over \$170 million was in the possession of foreign governments as of September 30, 1982, as a result of 80 leases under the authority of either chapter 6, AECA, 10 U.S.C. 2667 or separate legislation. Property valued at about \$11.4 million is leased under chapter 6. About \$159.2 million is leased under 10 U.S.C. 2667 or under separate legislation, including about \$68.9 million for leases which have expired. Current and expired leases are listed in appendices I and II.

BACKGROUND

Chapter 6, "Leases of Defense Articles", was added to the Arms Export Control Act by Public Law 97-113, December 29, 1981. It authorized the President to lease defense articles to foreign governments and removed the prior authority for leases by the military departments under 10 U.S.C. 2667. This amendment was based on our 1981 report, in which we recommended that rent-free or nominal-cost leases be prohibited and procedures be established to require monitoring of lessee compliance with lease terms and payment schedules.

1/"Appropriateness of Procedures for Leasing Defense Property to Foreign Governments" (ID-81-36, Apr. 27, 1981).

The new law requires full reimbursement to the United States of all costs incurred for leases under chapter 6 except when a lease is for cooperative research or development, military exercises, communication or electronics interface projects, or when the article leased has passed three-quarters of its normal service life. The new law established a 5-year limit on the duration of leases and requires congressional notification of all leases at least 30 days prior to execution or renewal of a lease having a duration of 1 year or more. Furthermore, leases of at least 1-year duration of major defense equipment valued at \$14 million or more and defense articles valued at \$50 million or more are subject to congressional disapproval except when the lease is to a NATO country, Japan, Australia, or New Zealand.

The authority to enter into leases to foreign governments and the responsibility for lease administration was delegated within the Department of Defense (DOD) to the Defense Security Assistance Agency (DSAA) in May 1982. DSAA is responsible for ensuring that leases comply with legislative requirements, informing the Congress of leases, and ensuring that lessee governments comply with lease terms.

DSAA HAS NOT PROVIDED ADEQUATE GUIDANCE
TO ENSURE THE COLLECTION OF RENTS AND
THE MONITORING OF EQUIPMENT USAGE

To implement chapter 6 requirements, DSAA issued an interim change to the Military Assistance and Sales Manual (MASM) in March 1982 providing instructions in lease procedures to its Security Assistance Accounting Center (SAAC) and to the military departments. The instructions have generally resolved the problem of rent-free or nominal-cost leases which we believed were tantamount to grant military assistance. Rents are now computed based on the depreciation of an item over the term of the lease. However, we found that DSAA's instructions have not provided the guidance necessary to promote the timely collection of rent or the monitoring of lessee usage of leased property.

Lease payments have not been collected from lessee countries when due and charges for associated lease costs are often not being collected. In addition, rent collections have not been properly credited to the Miscellaneous Receipts Account of the Treasury. Use of leased equipment by lessee governments is not being monitored to ensure that the use is consistent with the lease terms. DSAA has not required reports on the financial status of leases or equipment use and has been generally unaware that these problems existed.

Financial management of leases

SAAC is responsible for the financial management of leases, including the billing and collection of rents and other costs, disbursing lease payments to appropriate accounts, and maintaining lease accounting records. These functions are carried out

in conjunction with SAAC management of the Foreign Military Sales (FMS) program utilizing the automated FMS program accounting system. SAAC also manages the financial accounting of Air Force leases implemented under 10 U.S.C. 2667, as well as leases implemented under the new legislation. During a visit to SAAC in August 1982, we examined 10 current Air Force leases implemented under 10 U.S.C. 2667 and one under chapter 6. We also examined two Army and two Navy leases implemented under chapter 6 of the AECA.

The volume of transactions processed by SAAC for the FMS program is far greater than for leases. SAAC's automated accounting system is designed specifically for FMS program accounting and the system is deficient for handling leases. Because of SAAC personnel's limited experience with leases and inadequate guidance from DSAA, late and inaccurate lease billings have occurred. For example, rent of \$13,579 for an Army lease of two UH-1H helicopters that expired July 19, 1982, has not been collected. As another example, an Air Force lease of F-111 aircraft equipment to Australia required a payment of \$10,512 on or before receipt of the equipment. The equipment was delivered in November 1981, however, Australia had not been billed as of August 1982. Five of the 14 leases submitted to SAAC for billing have past due rents totaling \$72,748.

The MASM requires that, in addition to rents, lessee countries pay all costs for packaging, crating, and handling (PCH), and transportation of leased equipment. The amounts paid are to be reimbursed to the military department incurring the costs. We found that in four leases where PCH and transportation costs were reported to SAAC, the costs were not added to the total amount due. For example, an Air Force lease to Norway required rent of \$6,810 which was entered into the SAAC billing system as the total amount due on the lease. Subsequently, the Air Force reported PCH costs of \$3,050 which should have been added to the total amount to be collected and included in the next billing, but were not. Therefore, only the \$6,810 rent payment instead of the total lease cost of \$9,860 was collected from Norway. This type of situation occurred in three other leases and a total of \$21,260 in PCH and transportation costs reported to SAAC were not collected. Since the military departments have not reported whether PCH and transportation costs were incurred on the other nine leases we examined, additional amounts may not have been collected by SAAC.

We also found that collected rents are not being credited to the Miscellaneous Receipts Account of the Treasury as required by the MASM. Deficiencies in the computer accounting system have resulted in \$81,301 in rent payments not being credited to this account. These funds are being held in interest-bearing Federal Reserve Bank accounts of the lessee countries, or in the FMS Trust Fund. The SAAC accounting system does not provide for automatic transfer of rent collections to the Treasury account and SAAC personnel had not taken steps to make the transfer manually.

Furthermore, the MASM states that SAAC must be able to provide DSAA reports on the financial status of all leases. Although SAAC officials said that the automated accounting system can be programmed to generate such reports and more effectively handle leases, all lease data must currently be retrieved and processed manually. Therefore, SAAC is unable, automatically, to identify leases, report amounts due or past due, or amounts transferred to or due the Treasury.

Monitoring the use of leased property

The MASM states that leases should require that leased items be used only for purposes specified in a mutual defense assistance agreement, a defense treaty with the United States, for internal security, self-defense, or civic actions. DSAA officials said that the administration of leases has been delegated to the military departments and that this includes the responsibility for monitoring the use of leased equipment to ensure that it is consistent with the purposes specified above. However, we found that officials of the military departments did not understand that the responsibility for monitoring the use of leased property had been delegated to them. The officials stated that MASM instructions are vague regarding the monitoring of property usage. DSAA officials believe the military advisory groups overseas can best monitor the use of the equipment because of their proximity to the equipment being used and said that specific instructions will be added to the MASM.

LEASES UNDER AUTHORITY OF 10 U.S.C. 2667 AND SEPARATE LEGISLATION

Property valued at more than \$159.2 million was leased under 10 U.S.C. 2667 or separate legislation as of September 30, 1982; however, the MASM instructions regarding leases do not provide for management of these leases. DSAA actions taken to improve lease procedures have focused chiefly on leases made under chapter 6 and have paid little attention to existing or expired leases. A large percentage of the past-due rents and the amounts collected but not credited to the Treasury account are derived from leases under 10 U.S.C. 2667.

Furthermore, when chapter 6 was added to the law, DSAA revised the MASM to state that chapter 6 requirements do not apply to Navy ship leases authorized in separate, specific legislation unless the legislation so specifies. DSAA officials explained that this instruction is based on their interpretation of chapter 6. Using this guidance, the Navy submitted a bill to the Congress in September 1982 proposing to transfer nine ships to foreign governments, eight by lease and one by sale. The proposed bill stated that the leases were to be made without regard to chapter 6 provisions. These leases were to be subject only to conditions required by the President, which were not specified in the bill.

In our view, chapter 6 was meant to apply to all leases of defense equipment to foreign governments, including ships. We believe the MASM instruction is inappropriate and the Navy should be required to make any ship leases under the authority of chapter 6. The bill was subsequently revised authorizing the leases under chapter 6, and we believe the MASM should also be revised to require that ships be leased under the authority of chapter 6.

SOME PROPERTY NOT RETURNED WHEN LEASE EXPIRED

Leases under 10 U.S.C. 2667 or separate legislation of defense property valued at about \$68.9 million have expired as of September 30, 1982, and the property has not been returned to the United States. In our prior review we found that the lack of attention given to the management of leases by the military departments made it difficult to determine if the lessee government was complying with the lease terms. We stated that the most severe type of non-compliance is the failure of lessee countries to return properties when leases expire. This continues to be a problem and we could find no evidence that DSAA has done anything to require return of the property. A list of property for which the leases have expired is contained in appendix II.

For Army leases we noted that a Nike missile launching and radar equipment lease expired in September 1979. Defense officials said that the State Department has been urged to resolve this problem; however, because of foreign policy considerations, the State Department has not wanted to renew the lease or to ask for the return of the property. For the other expired Army lease --ammunition equipment to Israel--Army officials indicated it is now being renewed.

The remaining 26 expired leases are those of Navy ships and communications equipment valued at about \$65.3 million leased under the authority of 10 U.S.C. 2667 or under separate legislation. Navy officials state that these leases can be renewed only with specific congressional approval as required by 10 U.S.C. 7307 for all ship transfers, whether by loan, lease, or sale. Because Navy officials believe that renewal of the leases is in the best interests of the United States they are reluctant to request that the lessee return the ships. In addition, they point out, significant costs would be incurred by the United States if the ships were returned and transferred to the "mothball fleet."

During 1982 the Navy asked the Congress to approve renewal of the leases and end the limbo status that now exists. However, the Congress has not considered the proposed approval legislation submitted by the Navy and it appears that the current situation will continue at least until the new Congress convenes in 1983.

CONGRESSIONAL REPORTING REQUIREMENTS
ARE NOT ALWAYS MET

Chapter 6 requires that before any lease is entered into or renewed, a written certification be submitted to the Congress identifying the lessee government, a description of the articles to be leased and their value, the lease terms and duration, and a justification for the lease including an explanation of why the equipment is being leased rather than sold. These requirements are intended to assure the Congress is informed of why a lease is being proposed, that appropriate rents are being charged, the rationale for leasing instead of selling the articles is sound, and the lease is consistent with other arms transfer legislation. Moreover, within 30 days of the certification, the Congress, by concurrent resolution, may object to the lease of certain higher value equipment.

DSAA sent the Congress 13 certifications of lease proposals from January through July 1982. We examined the certifications and found at least five which did not comply with the legislative reporting requirements. Although chapter 6 states that the certifications should list the value (in terms of replacement cost) for each leased or loaned item, in three cases the value listed was not the replacement cost (three other certifications stated that replacement costs could not be estimated and provided a value calculated on another basis). Chapter 6 also requires that the certification specify the terms of the lease or loan. An essential term of any such agreement is whether or not rent is charged and, if so, how much? Despite this, three certifications failed to state what, if any, was the rental charge.

In general we found that the certifications were vague and incomplete. The most common problem was the lack of a clear explanation of why the lease was being proposed. Only five certifications contained an explanation which would provide the Congress with an understanding of why the item should be leased. Also, an explanation of why the article was not being sold was included in only eight of the notifications.

CONCLUSIONS

Chapter 6 of the AECA has accomplished its objectives of curtailing rent-free or nominal-rent leases of military property to foreign governments. However, DSAA's instructions concerning leases to implement chapter 6 have not been specific enough and, as a result, rents have not been collected on time, associated lease costs have not been billed or collected, and amounts collected have not been credited to the proper account. Because DSAA officials had not requested reports on the financial status of leases from SAAC, they were not aware that past-due rents and other problems were occurring in the financial management of leases until we called it to their attention. MASM instructions do not provide for

Monitoring the use of leased equipment and DSAA has not requested reports from the military assistance advisory groups overseas. As a result, DSAA does not know if the use of leased equipment complies with lease requirements and the purpose of the lease.

DSAA has not provided guidance or exercised overall management oversight and control of leases implemented under 10 U.S.C. 2667 or under separate legislation. Furthermore, DSAA has not attempted to resolve the problem of unreturned property.

RECOMMENDATIONS

We recommend that the Secretary of Defense require the following actions be taken to resolve the deficiencies we found in leasing procedures. DSAA should review all current leases to ensure that appropriate rents have been collected and credited to the Treasury Miscellaneous Receipts Account. DSAA should also instruct SAAC to add all PCH and transportation costs to the amounts due on all current leases during the next billing cycle. Costs which have not been reported should be obtained by DSAA and reported to SAAC. For future leases, rent payment schedules should conform to the automated quarterly billing cycle used by SAAC and PCH and transportation cost estimates should be provided to DSAA and billed at the beginning of the lease. Any adjustments to the estimated costs can subsequently be made based on actual costs. SAAC should program the automated accounting system used to process leases to ensure that rent payments are credited to the proper Treasury account, to provide for easy identification of all leases, and to automatically generate data for periodic financial reports on leases to DSAA.

In addition DSAA should

- ensure that lease notification documents sent to the Congress contain all the information required by chapter 6;
- instruct the military advisory groups to perform periodic reviews of lessee country use of leased property and report the review results to DSAA at least annually;
- ensure that control, management, accountability, and overall oversight for all leases to foreign governments is established, whether they were implemented under the the authority of 10 U.S.C. 2667, separate legislation, or under chapter 6 of the AECA;
- amend the MASM to require that all ship leases be made under the authority of chapter 6; and
- work with the military departments, military advisory groups, the State Department, U.S. Embassies overseas, and the Congress to resolve the problem of unreturned property.

VIEWS OF AGENCY OFFICIALS

We provided a draft of this report to DOD officials in order to obtain their comments. Although official DOD comments were not received in time to be incorporated in the final report, we discussed the report with DSAA officials responsible for managing leases. They generally agreed with our recommendations and have already resolved some of the problems we identified. DSAA officials said that \$21,475.91 in additional PCH and transportation charges have been billed to lessee countries and \$266,142.46 in lease payments has been credited to the Treasury Miscellaneous Receipts Account. In addition, SAAC has published standard operating instructions for financial management of leases and provided additional guidance to the military departments.

DSAA officials said that the MASM will be revised to require annual reports from military advisory groups overseas on the usage of leased property. They will also request from the military departments a summary of actions taken on unreturned property and will assist in resolving problems regarding unreturned property. We believe the proposed actions and those already undertaken can resolve most of the problems found during our review.

DSAA officials said they did not agree with our recommendation that the MASM be amended to require that all ship leases be made under the authority of chapter 6. They state that ships transferred under separate specific legislation need not be transferred under the authority of chapter 6 unless the separate legislation expressly so provides. We disagree. Section 61(c) of chapter 6 states in part that "Defense Articles in the stocks of the Department of Defense may be leased or loaned to a foreign country or international organization only under the authority of this chapter or chapter 2 of part II of the Foreign Assistance Act of 1961* * *." Among other things, chapter 2 of the Foreign Assistance Act relates to loans. We believe this legislation is clear and reaffirm our recommendation that the MASM be revised accordingly.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our review included an examination of all leases where the property leased is currently controlled by foreign governments to determine if the leases complied with the provisions of chapter 6, AECA, and whether the financial management and control over leased property was adequate. We conducted the review at the Department of Defense and the Departments of the Army, Navy, and Air Force in Washington, D.C.; and at the Security Assistance Accounting Center, Denver, Colorado. At the headquarters departments we examined lease notifications sent to the Congress, copies of leases, and quarterly reports of leases prepared by the military departments. At SAAC we examined all 14 lease accounts currently in their files and analyzed the financial management accounting for leases. Our review was performed in accordance with our current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

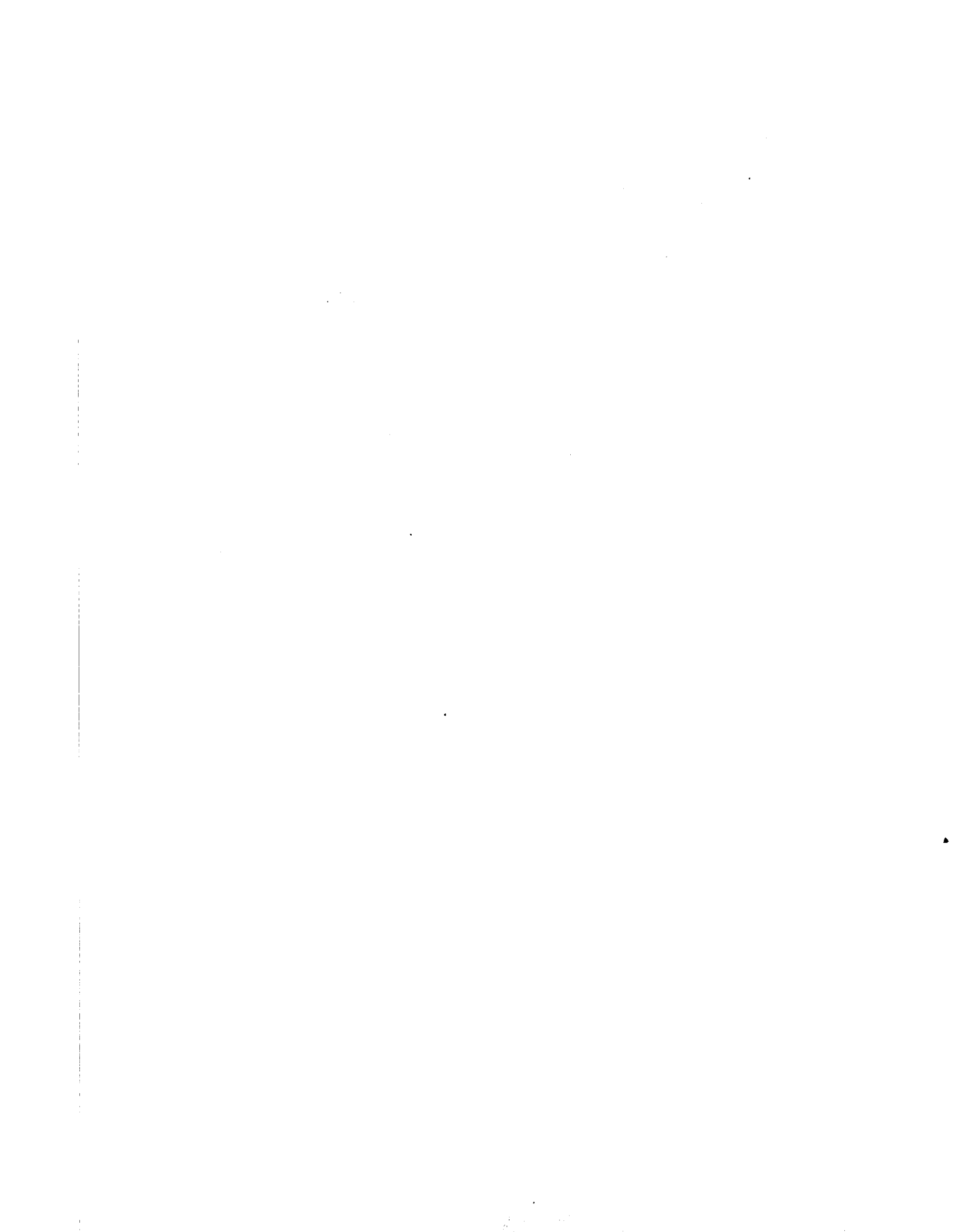
As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of this report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the cognizant congressional appropriation and authorization committees; and others upon request.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank C. Conahan".

Frank C. Conahan
Director



LEASES TO FOREIGN GOVERNMENTS AS OF SEPTEMBER 30, 1982 (note a)

<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL RENT</u> <u>Dollars</u>	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>	<u>AUTHORITY</u>
Argentina	Communications Equipment	2/27/73	2/27/83	NONE	222,846	Navy	Communications interface	10 U.S.C. 2667
Australia	8 ea. F-111 aircraft ferry wing tips	10/13/81	10/13/84	10,512	38,400	Air Force	Military assistance	10 U.S.C. 2667
Belgium	72 ea. TER-9A triple ejection bomb racks	6/30/80	6/30/85	14,017	134,280	Air Force	Military assistance	10 U.S.C. 2667
Bolivia	Communications equipment	12/11/73	12/11/83	NONE	92,673	Navy	Communications interface	10 U.S.C. 2667
Brazil	Communications equipment	4/17/73	4/17/83	NONE	69,150	Navy	Communications interface	10 U.S.C. 2667
	Ocean Research Ship (AGOR-6)	7/01/74	7/01/84	NONE	3,300,000	Navy	Military assistance	10 U.S.C. 2667
Chile	Communications equipment	12/04/73	12/04/83	NONE	10,400	Navy	Communications interface	10 U.S.C. 2667
Colombia	Communications equipment	8/29/73	8/29/83	NONE	272,610	Navy	Communications interface	10 U.S.C. 2667
Denmark	70 ea. TER-9A triple ejection bomb racks	10/01/80	9/30/85	19,686	130,550	Air Force	Military assistance	10 U.S.C. 2667

a/The information for the current and expired leases was taken from lease copies and related documents furnished by DSAA on other lessor organizations.

<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL RENT</u> ----- Dollars	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>	<u>AUTHORITY</u>
Dominican Republic	Auxiliary ocean tug (ATA-208)	2/1972	12/31/85	NONE	890,000	Navy	Military assistance	10 U.S.C. 2667
	Fleet ocean tug (ATF-72)	2/1972	12/31/85	NONE	1,400,000	Navy	Military assistance	10 U.S.C. 2667
	Yard oiler (YO-213)	2/1972	12/31/85	NONE	700,000	Navy	Military assistance	10 U.S.C. 2667
	Yard oiler (YO-215)	2/1972	12/31/85	NONE	700,000	Navy	Military assistance	10 U.S.C. 2667
	Harbor tug (YTL-600)	2/1972	12/31/85	NONE	147,000	Navy	Military assistance	10 U.S.C. 2667
	Communications equipment	10/23/73	10/23/83	NONE	281,920	Navy	Communications interface	10 U.S.C. 2667
	Auxillary ocean tug (ATA-193)	10/30/80	10/30/85	NONE	890,000	Navy	Military assistance	10 U.S.C. 2667
Ecuador	Communications equipment	11/1976	6/27/83	NONE	74,370	Navy	Communications interface	10 U.S.C. 2667
	Communications equipment	4/1978	11/26/84	NONE	20,000	Navy	Communications interface	10 U.S.C. 2667
Honduras	10 ea. UH-1H helicopters	4/25/80	4/24/84	NONE	9,452,278	Army	Military assistance	10 U.S.C. 2667
Commander, Iberian Atlantic Area (note a)	Communications equipment	9/22/80	9/22/85	NONE	22,920	Navy	Communications interface	10 U.S.C. 2667

a/This is a NATO Command located in Lisbon, Portugal.

<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL RENT</u> <u>Dollars</u>	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>	<u>AUTHORITY</u>
Israel	Field medical shelters	6/22/82	6/17/83	NONE	588,000	Navy	Military assistance	Chapter 6, AECA
Korea	Gasoline tanker (T-ACG-79)	2/22/82	2/22/87	NONE	286,680	Navy	Military assistance	Chapter 6, AECA
	Gasoline tanker (T-ACG-79)	2/22/82	2/22/87	NONE	286,680	Navy	Military assistance	Chapter 6, AECA
Netherlands	6 ea. MK-20 rocket and FMU-81 fuzes	11/01/81	10/30/82	1,662	9,210	Air Force	Military assistance	10 U.S.C. 2667
	100 ea. TER-9A triple ejection bomb racks	12/11/81	12/31/84	26,100	186,500	Air Force	Military assistance	10 U.S.C. 2667
New Zealand	Gasoline tanker (T-AGOR-5)	7/28/70	7/28/85	NONE	2,800,000	Navy	Military assistance	10 U.S.C. 2667
	2 ea. UH-1H helicopters	5/22/82	3/19/84	71,254	958,500	Army	Military assistance	Chapter 6, AECA
Norway	84 ea. TER-9A triple ejection bomb racks	9/25/79	12/31/82	6,810	156,660	Air Force	Military assistance	10 U.S.C. 2667
Pakistan	6 ea. T-37B aircraft	12/20/81	2/05/84	191,088	1,001,694	Air Force	Military assistance	10 U.S.C. 2667
	16 ea. T-37B aircraft	6/06/82	2/05/84	133,540	6,240,000	Air Force	Military assistance	10 U.S.C. 2667

<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL PENT</u> <u>Dollars</u>	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>	<u>AUTHORITY</u>
Paraguay	Communications equipment	10/31/73	10/31/83	NONE	291,413	Navy	Communications interface	10 U.S.C. 2667
Peru	Communications equipment	8/04/73	8/04/83	NONE	291,413	Navy	Communications interface	10 U.S.C. 2667
Philippines	Auxiliary floating dock (AFDL-10)	8/22/79	8/22/84	NONE	640,000	Navy	Military assistance	10 U.S.C. 2667
Portugal	TA-7C aircraft	5/20/82	11/31/82	71,254	6,000,000	Navy	Military assistance	Chapter 6, AECA
Saudi Arabia	12 ea. GFL-940 MCF light tables and Bausch & Lomb Zoom 70 optics	10/25/81	10/25/82	1,536	6,136	Air Force	Military assistance	10 U.S.C. 2667
Spain	4 ea. P-3A aircraft	6/1979	2/1983	2,888,275	13,200,000	Navy	Military assistance	10 U.S.C. 2667
Turkey	Auxiliary repair ship (ARS-24)	9/28/79	9/28/84	NONE	2,500,000	Navy	Military assistance	10 U.S.C. 7307
	M48A5 tank and associated equipment	11/06/79	11/06/84	224,030	407,331	Army	Military assistance	10 U.S.C. 2667
	Submarine (SS-563)	2/05/80	2/08/85	NONE	16,600,000	Navy	Military assistance	10 U.S.C. 7307
	Destroyer (DD-822)	6/05/80	6/05/85	NONE	8,500,000	Navy	Military assistance	10 U.S.C. 7307
	Destroyer (DD-842)	6/05/80	6/05/85	NONE	7,900,000	Navy	Military assistance	10 U.S.C. 7307

<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL RENT</u> <u>Dollars</u>	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>	<u>AUTHORITY</u>
Turkey	M48A5 tank location/inspection fixtures	10/07/80	10/07/85	NONE	564,994	Army	Military assistance	10 U.S.C. 2667
	Destroyer (DD-825)	2/20/81	2/20/86	NONE	7,900,000	Navy	Military assistance	10 U.S.C. 7307
	Landing ship tank (LST-1167)	9/23/81	9/23/86	NONE	400,000	Navy	Military assistance	10 U.S.C. 7307
	Landing ship tank (LST-1170)	9/23/81	9/23/86	NONE	400,000	Navy	Military assistance	10 U.S.C. 7307
	Non-self propelled barracks barge (APL-47)	9/23/81	9/23/86	NONE	472,500	Navy	Military assistance	10 U.S.C. 7307
	Non-self propelled barracks barge (APL-53)	9/23/81	9/23/86	NONE	397,500	Navy	Military assistance	10 U.S.C. 7307
	Destroyer (DD-827)	2/22/82	2/22/87	NONE	3,321,210	Navy	Military assistance	Chapter 6, ABCA
United Kingdom	4 ea. KGV-4 data units	10/17/80	10/17/82	NONE	60,000	Air Force	Communications interface	10 U.S.C. 2667
Uruguay	Communications equipment	3/30/73	3/30/83	NONE	203,580	Navy	Communications interface	10 U.S.C. 2667
Venezuela	Communications equipment	10/25/72	10/25/82	NONE	27,450	Navy	Communications interface	10 U.S.C. 2667
	Communications equipment	7/27/73	7/27/83	NONE	304,306	Navy	Communications interface	10 U.S.C. 2667

EXPIRED LEASES TO FOREIGN GOVERNMENTS - PROPERTY NOT RETURNED AS OF SEPTEMBER 30, 1982

<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL RENT</u> -----Dollars-----	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>
Argentina	Auxiliary Repair Dry Dock (ARD-23)	8/1961	7/17/76	NONE	3,000,000	Navy	Military assistance
	Nike Hercules Missile Launching and Radar Equipment	9/26/74	9/26/79	NONE	3,000,000	Army	Military assistance
Bolivia	Communications equipment	7/09/75	7/09/80	NONE	14,000	Navy	Communications interface
Chile	Fleet ocean tug (ATF-93)	5/1960	4/12/75	NONE	1,400,000	Navy	Military assistance
	Landing craft (LSM-444)	9/1960	8/08/75	NONE	900,000	Navy	Military assistance
	Auxiliary repair dry dock (ARO-32)	12/1960	4/12/75	NONE	3,000,000	Navy	Military assistance
	Fleet ocean tug (ATF-98)	7/01/71	7/01/76	NONE	1,400,000	Navy	Military assistance
	Gasoline tanker (AOG-8)	7/05/72	7/05/77	NONE	1,700,000	Navy	Military assistance
	Communications equipment	9/13/72	9/13/82	NONE	291,453	Navy	Communications interface
Costa Rica	Hydrographic survey sounding boat (C-30407)	6/21/71	6/21/81	NONE	150,000	Navy	Military assistance
Greece	Minesweeping launch (MSL-33)	4/19/71	4/19/76	NONE	35,000	Navy	Military assistance
	Minesweeping launch (MSL-35)	4/19/71	4/19/76	NONE	35,000	Navy	Military assistance

<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL RENT</u> -----Dollars-----	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>
Greece	Minesweeping launch (MSL-39)	4/19/71	4/19/76	NONE	35,000	Navy	Military assistance
	Minesweeping launch (MSL-40)	4/19/71	4/19/76	NONE	35,000	Navy	Military assistance
Honduras	Hydrographic survey sounding boat (C-30408)	1/10/72	1/10/82	NONE	150,000	Navy	Military assistance
Israel	Ammo renovation equipment	2/1977	2/1980	NONE	627,135	Army	Military assistance
Italy	Landing ship tank (LST-1171)	7/17/77	7/17/82	NONE	11,000,000	Navy	Military assistance
	Landing ship tank (LST-1175)	7/17/77	7/17/82	NONE	11,000,000	Navy	Military assistance
Korea	PG-96	10/15/71	10/15/76	NONE	4,600,000	Navy	Military assistance
Malta	Patrol craft (C-6823)	2/1971	2/1976	NONE	136,000	Navy	Military assistance
	Patrol craft (C-6824)	2/1971	2/1976	NONE	136,000	Navy	Military assistance
Mauritius	26 Ft. Personnel boat (26 PE 664)	9/1970	9/1975	NONE	47,000	Navy	Military assistance
Nicaragua	Hydrographic survey sounding boat (C-30409)	1/10/72	1/10/77	NONE	150,000	Navy	Military assistance

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<u>COUNTRY</u>	<u>ITEMS</u>	<u>DATE</u>	<u>EXPIRATION</u>	<u>TOTAL RENT</u> -----Dollars-----	<u>VALUE</u>	<u>LESSOR</u>	<u>PURPOSE</u>
Taiwan	Auxiliary repair dry dock (ARD-22)	6/01/71	6/01/76	NONE	3,000,000	Navy	Military assistance
	Surveying ship (AGS-35)	3/29/72	3/29/77	NONE	20,000,000	Navy	Military assistance
Turkey	Auxiliary repair dry dock (ARD-12)	11/1971	11/1976	NONE	3,000,000	Navy	Military assistance
Uruguay	Landing craft medium No. 6551	10/13/72	10/13/77	NONE	46,000	Navy	Military assistance
	Landing craft medium No. 36824	10/13/72	10/13/77	NONE	46,000	Navy	Military assistance

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