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June 30, 1999

The Honorable Henry A. Waxman
Ranking Minority Member
Committee on Government Reform
House of Representatives

The Honorable Rod R. Blagojevich
House of Representatives

Subject: Weaponry: Availability of Military .50 Caliber Ammunition

As requested, enclosed with this letter is a copy of a briefing that OSI gave to representatives of the House Committee on Government Reform on May 21, 1999. At that time, we briefed those present on the results of our review, which Ranking Minority Member Waxman had requested, concerning how military .50 caliber ammunition, including armor-piercing and armor-piercing incendiary ammunition, becomes available for civilian purchase. This included the process by which the U.S. Department of Defense disposed of the .50 caliber ammunition for demilitarization, the initial process used by the contractor that demilitarized the ammunition, and that contractor's manufacturing and marketing practices for the demilitarized ammunition.

We will make copies of this letter available to others on request. If you have any questions, please contact Assistant Director Ron Malfi at (202) 512-6722.

Robert H. Hast
Acting Assistant Comptroller General
for Special Investigations

Enclosure

167395
GAO/OSI-99-14R Availability of Military .50 Caliber Ammunition

BRIEFING PAPER
.50 Caliber Military Surplus Ammunition

For the House Committee on Government Reform

◆ **INTERVIEWS**

Talon Manufacturing Company, Paw Paw, West Virginia

Department of Defense, Industrial Operations Command, Rock Island, IL

◆ **QUESTION**

How does military .50 caliber ammunition, including armor-piercing (AP) and armor-piercing incendiary (API), become available for civilians to purchase?

◆ **SUMMARY OF SIGNIFICANT FINDINGS**

Talon Manufacturing Company, headquartered in Paw Paw, West Virginia, holds an exclusive contract with DOD to demilitarize (demil) small arms ammunition, defined as .50 caliber and below. Ammunition leaving the DOD account is classified in three categories: unserviceable, excess, or obsolete. No small arms ammunition goes directly from DOD to the civilian market. The ammunition is shipped in bulk to Talon from various military storage depots. DOD pays Talon \$1 per ton for the ammunition that it will demil.

In the case of .50 caliber ammunition, Talon separates the round and discards the primer. The remaining components can then be (1) sold for scrap, (2) used to manufacture reconditioned ammunition (with a new primer), or (3) sold on the civilian market for customers who reload their own ammunition using the brass casing, projectile, and propellant (gunpowder) components. The reconditioned ammunition sold by Talon for purchase by civilians has essentially the same ballistic characteristics as the original military round. It is widely referred to as "military surplus" ammunition.

DOD provides Talon with five types of .50 caliber ammunition: ball, armor-piercing (AP), armor-piercing incendiary (API), armor-piercing incendiary tracer (APIT) and ball tracer. These rounds are all sold on the civilian market.

◆ **HIGHLIGHTS OF FINDINGS**

DOD Process Used to Demilitarize Small Arms Ammunition

DOD, Industrial Operations Command, Rock Island, Illinois, provided the following information:

- DOD has awarded Talon Manufacturing Company an exclusive contract to demil small arms ammunition, defined as .50 caliber and below.
- The term “military surplus” ammunition is a misnomer, since DOD does not sell ammunition directly to the civilian market.
- Ammunition leaving the DOD account can be classified in three categories: unserviceable, excess, or obsolete.
 - Unserviceable ammunition is transferred to a storage depot and reported on the B5A Demil Account.
 - Excess ammunition is offered to other branches of the military or to other federal agencies. It can also be offered to foreign military agencies. If there is no interest in the excess ammunition, it is then transferred to a storage depot and reported on the B5A Demil Account.
 - Obsolete ammunition can be offered to foreign military agencies. If there is no interest in the obsolete ammunition, it is then transferred to a storage depot and reported on the B5A Demil Account.
- Ammunition reported on the B5A Demil Account is shipped in bulk from a storage depot to Talon.
- DOD pays Talon \$1 per ton for the ammunition.

Talon - Initial Processing of Military .50 Caliber Ammunition

- Demil ammunition of all calibers is delivered in bulk to a Talon plant in Herdon, West Virginia. Talon is paid by the ton and does not keep track of the number of rounds it receives from DOD.
- The primer is removed and discarded. The projectile is then separated from the brass casing. The propellant (gunpowder) is removed and saved. The brass casing is inspected and polished. The projectile is inspected.
- Ninety-eight percent of the .50 caliber rounds are used for scrap. The gunpowder is used to create a mixture called “slurry,” which is sold as an explosive for use in road construction. The brass casings and projectiles are melted.
- Two percent of the .50 caliber rounds are used to produce reconditioned ammunition or components sold for reloading of ammunition.

Talon – Manufacturing and Marketing of .50 Caliber Ammunition

- The components of the .50 caliber round—propellant, brass casings, and projectiles—are shipped from the Talon plant in Herdon to the plant in Paw Paw, where a new primer is used with the components to manufacture reconditioned ammunition.
- The reconditioned ammunition has essentially the same ballistic characteristics as the original military round. It is widely referred to as “military surplus” ammunition.
- .50 caliber ammunition is sold to both U.S. and foreign military customers and on the civilian market. Talon sells ammunition only to legitimate businesses. Its biggest customers for .50 caliber rounds are Cascade Ammo in Oregon, Claflin Cartridge Company in Illinois, and Wideners Reloading in Tennessee. Wideners buys brass casings and projectiles for resale to civilian customers who reload their own ammunition.
- Talon receives five types of .50 caliber rounds from DOD, which can be identified by the tip of the projectile: (1) ball – no color; (2) AP – black; (3) API – silver; (4) APIT – silver and red; and (5) ball tracer – brown or dark orange.
- These rounds are all sold on the civilian market. The most popular means of packaging the .50 caliber ammunition is belted in 100 round strips (4 API rounds and 1 APIT round with the sequence repeated). It is shipped in the original U.S. military “ammo” can. The belted rounds are intended for machine guns, but the rounds can be used in either bolt-action or semiautomatic rifles by detaching a round from the belt.
- Talon reported that during the one-year period ending March 1999, it sold approximately 419,000 .50 caliber rounds, broken down as follows:
 - 200,000 rounds AP sold to Brazilian Military
 - 3,000 rounds API sold to Colombian Military
 - 35,000 rounds ball sold to U.S. Military
 - 110,000 rounds API and APIT (4 to 1 belted) sold to the commercial civilian market
 - 56,000 rounds ball and ball tracer (4 to 1 belted) sold to the commercial civilian market
 - 15,000 rounds ball tracer and APIT (4 to 1 belted) sold to the commercial civilian market

The only other armor-piercing type ammunition Talon receives from DOD is a 7.62 caliber AP round. According to Talon, because this caliber ammunition can be used in handguns as well as rifles, civilian possession is banned under federal law. Talon sells 7.62 AP ammunition only to military customers.

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