

BY THE COMPTROLLER GENERAL

# Report To The Congress

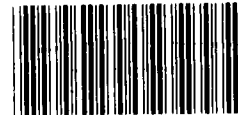
OF THE UNITED STATES

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## Need For Uniform Security Measures In Transporting Arms, Ammunition, And Explosives

Arms, ammunition, and explosives continue to be sought by terrorist, dissident, and criminal groups. These items receive varying levels of security while being transported. In contrast to shipments for the Department of Defense, shipments to non-Defense customers often are made without security measures.

This report demonstrates the need for uniform transportation security procedures. Legislation is needed to give the Secretary of Transportation specific authority to issue mandatory regulations in this area.



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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-176139

To the President of the Senate and the  
Speaker of the House of Representatives

This report discusses the security measures used in  
transporting arms, ammunition, and explosives.

We made our review after observing that security pro-  
tection varied considerably in the Government and private  
sectors.

This review was made pursuant to the Budget and Accounting  
Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act  
of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director,  
Office of Management and Budget, and the Secretaries of Trans-  
portation, Defense, and the Treasury.

A handwritten signature in cursive script, reading "James R. Atack".

Comptroller General  
of the United States



D I G E S T

Arms, ammunition, and explosives receive various degrees of protection while in transit--from the highest security for Department of Defense shipments to a complete absence of security for non-Defense shipments. Because these items continue to be sought by terrorist, dissident, and criminal groups, they are sensitive items and non-Defense shipments should be considered no less vulnerable to theft or loss than shipments for Defense.

Although there are mandatory regulations for storage of certain sensitive items, there are none providing for security on shipments of those items. Protection varies among the individual services within Defense.

To determine the extent of the differences, GAO reviewed 430 shipments of sensitive items used by 2 or more military services. Levels of protection differed on 75 of these shipments because the services' security procedures were not uniform. Generally the Army provided a higher level of security than the other services. For example, it required dual-driver protective service on truckload shipments. (See ch. 3.)

DOD has recognized the problem and in June 1978 published a manual which will provide minimum uniform standards for all the services. Carrying out these standards should reduce the nonuniformity. (See ch. 2.)

GAO also contacted 31 commercial manufacturers or distributors of sensitive items to determine their intransit security requirements. Of these firms, 23 did not require security on shipments to non-Defense customers. (See ch. 4.)

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Generally the firms were not in favor of mandatory regulations for intransit security of sensitive items. However, it seems incongruous to have security protection on shipments for DOD and not for others, particularly when the same firms or carriers often provide transportation for both. (See ch. 4.)

Considering the differing procedures now in use, GAO believes that a study is needed to develop uniform standards. A study group with representatives from Government and industry could cover the various security possibilities and provide the basis for standards that apply to shipments to both DOD and non-DOD customers. (See ch. 6.)

Both the Department of Transportation and the Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms recognize the need for intransit security. But the agencies question whether they are authorized to issue mandatory regulations on intransit security, although Transportation has done so for intransit safety and the Bureau has issued regulations on in-storage security. (See ch. 2.)

Attaining uniform intransit security on sensitive items will require positive actions by the Congress, the Secretary of Transportation, and the Secretary of Defense.

--The Congress should enact legislation giving the Secretary of Transportation specific authority to issue mandatory regulations.

--The Secretary of Transportation should work with the Congress in preparing the legislation needed to obtain this authority and establish a joint Government-industry study group to determine the levels of security required. Once the authority is obtained and the study group completes its work, the Secretary should issue the necessary mandatory security regulations.

--In the interim, the Secretary of Defense should monitor the implementation of its new security manual provisions among DOD activities to make sure that uniform minimum standards are followed. (See ch. 6.)

The Departments of Defense and the Treasury agreed with the recommendations. The Department of Transportation stated that it could not comment on the recommendations because the Administration's position on proposed cargo security legislation was still being developed. (See ch. 6.)





## C o n t e n t s

	<u>Page</u>
DIGEST	i
CHAPTER	
1 INTRODUCTION	1
2 POLICIES AND PROCEDURES FOR INTRANSIT SECURITY	3
Department of Defense	3
Non-Defense	4
3 MILITARY SHIPMENTS RECEIVE INCONSISTENT INTRANSIT SECURITY	6
4 NON-DEFENSE SHIPMENTS OFTEN RECEIVE LITTLE OR NO PROTECTION	9
5 RATIONALE FOR PROVIDING INTRANSIT SECURITY	11
6 CONCLUSIONS, RECOMMENDATIONS, AGENCY COMMENTS, AND OUR EVALUATIONS	13
Conclusions	13
Recommendations	14
Agency comments and our evaluations	15
7 SCOPE OF REVIEW	17
APPENDIX	
I Glossary of transportation protective measures	19
II History and description of DOD security guidelines	23
III Transportation comments, dated October 13, 1978	27
IV Defense comments, dated October 4, 1978	28
V Treasury comments, dated September 14, 1978	33

### ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office



## CHAPTER 1

### INTRODUCTION

The Department of Defense (DOD) ships large quantities of arms, ammunition, and explosives (sensitive items) worldwide by commercial carriers to meet its mission requirements. Manufacturers, distributors, and other commercial enterprises ship the same or similar items to non-Defense customers. They provide their own transportation or use the same commercial carriers as DOD.

Shipments are provided varying degrees of security depending on the sensitivity of the items and the policies and procedures of the DOD or commercial office responsible for specifying security. Because of congressional and other concerns for security during transportation, we reviewed these policies and procedures.

There have been intransit losses in the past, although exact numbers were difficult to obtain until fairly recently. In January 1976 DOD began identifying intransit losses in its semiannual reports on losses of sensitive items. The following losses have been reported from that time to December 1977.

#### Intransit Losses January 1976 to December 1977

	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Marine Corps</u>	<u>Total</u>
Conventional arms	148	45	15	6	214
Small arms ammunition (rounds)	72,322	10,028	850	210	83,410
Other ammunition (rounds)	26	16	20	-	62
Explosives and related items	409	137	-	2	548

The Army has the largest losses despite having greater security measures than the other services. The Army notes, however, that many of the losses were due to administrative errors and were subsequently recovered.

The Department of Transportation also accumulates certain statistics on intransit losses. They show that 11,960 claims were paid between 1972 and 1976 for theft and related losses of arms, ammunition, and explosives. Starting in

July 1977 the Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms also began requiring that thefts or losses of explosives be reported to the Bureau.

The cost of intransit security also is difficult to obtain. DOD spends about \$6.3 million annually to provide transportation and intransit security for its sensitive items, but it does not break out intransit security costs alone. However, a limited analysis by us of shipments by motor carriers indicated that security costs represent about 8 percent of total transportation costs for these shipments.

## CHAPTER 2

### POLICIES AND PROCEDURES FOR INTRANSIT SECURITY

The sensitivity of individual arms, ammunition, and explosive items generally determines the security method used while in transit. The sensitivity is assigned on the basis of the item's relative utility; casualty/damage effect; adaptability; and portability in the hands of terrorist, dissident, or criminal groups.

The most frequent forms of intransit security used are signature security service or a combination of signature security service and dual driver protective service. Armed guard security is used for the most sensitive items. Exclusive vehicle use and single-line haul by one carrier are also used. A glossary of the more common forms of transportation protective measures and their definitions is contained in appendix I.

DOD and each of the military services have issued security guidelines for the shipment of sensitive arms, ammunition, and explosives. In contrast, commercial concerns have not been given mandatory security guidelines for shipments to non-Defense customers. They have been given such guidelines for storage of certain sensitive items.

#### DEPARTMENT OF DEFENSE

The basic DOD guidance for the protection of sensitive arms, ammunition, and explosives was given in DOD Directive 5100.76. However, the directive assigned the military services responsibility for taking appropriate physical security measures to protect the sensitive items. It also enjoined the services to employ practical cost considerations in providing security.

In the absence of specific guidance on uniform intransit security measures, the services interpreted the conflicting goals of providing protection and keeping costs low differently. The result was different levels of security provided for the same or similar items.

The Army regulation generally requires greater security than the other services. It categorizes arms, ammunition, and explosives by sensitivity and provides matrices which assign the level of security by category of sensitivity and mode of transportation. The Navy and Air Force instructions are not that specific or stringent. For example, the

Navy merely provides a basic list of sensitive items which require signature security service as the minimum protective measure.

In June 1978 DOD published a manual entitled "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives," setting forth the applicable policies, standards, criteria, and procedures governing the physical security of these items. The manual states that the standards and criteria are the minimum required and that additional security provisions may be established by a DOD component when warranted.

The manual is much more specific than DOD Directive 5100.76 and, with regard to intransit security, contains requirements along the lines of the existing Army regulation. Depending on the degree of sensitivity, it spells out the type of minimum security required, such as armed guard service, constant surveillance service, or signature security service. In addition to specifying minimum security requirements, the manual requires the services to develop and maintain uniform security risk category codings for each sensitive arm, ammunition, or explosive item.

The services estimate that it will cost about \$99.8 million to implement the new DOD manual requirements. Because the existing Army regulation is more stringent than the DOD manual, the Army believes it is already in compliance. However, the Navy and Air Force estimate that it will cost them \$97.5 million and \$2.3 million, respectively, to comply. DOD officials stated these costs cover both increasing security at storage sites (except costs have not been estimated for electronic intrusion detection systems for the Navy) and bringing intransit security up to the required minimum level. Cost estimates for intransit security alone were not provided.

A more detailed history and description of the DOD security procedures is included as appendix II.

#### NON-DEFENSE

There are no mandatory regulations governing intransit security for shipments of arms, ammunition, and explosives by manufacturers, distributors, and other vendors to non-Defense customers. In contrast, there are such regulations on storage of certain sensitive items.

In the absence of mandatory regulations on intransit security, individual commercial firms often do not require

security for shipments to non-Defense customers. The Department of Transportation appears to be the logical agency to issue these mandatory regulations, but Transportation officials have expressed some doubt on whether they have the legal authority.

Nevertheless, the Department of Transportation has issued advisory standards for cargo security under the authority of Executive Order 11836, dated January 27, 1975. The standards deal with seal accountability procedures, high value commodity storage, internal accountability procedures, cargo-loss-reporting systems, and high value or sensitive cargo transit procedures. For example, the high value commodity storage standard addresses the security of enclosures for temporary storage of cargo. The high value or sensitive cargo transit procedures include the physical security of truck trailers and other containers and the security while shipments are in terminals. The Department also has issued mandatory regulations for the safe transportation of hazardous material, including explosives, under the authority of 49 U.S.C. 1804.

The Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms also is a possibility for issuing mandatory regulations on intransit security. Under 18 U.S.C. 842(j) it regulates the instorage security of explosive materials. The Bureau's legal counsel made a study and determined that the authority applies only to storage and not to transportation of items.

The Bureau has published mandatory regulations that manufacturers, importers, dealers, and users are to follow in storing explosive materials. The regulations set criteria for inspection, location, and construction of storage facilities; give maximum quantities to be stored in one facility; tell how material is to be placed; and list housekeeping requirements.

### CHAPTER 3

#### MILITARY SHIPMENTS RECEIVE

#### INCONSISTENT INTRANSIT SECURITY

The level of security accorded like sensitive items often differs among the military services because their policies and procedures differ. The Army frequently ships its sensitive items using more strict security requirements than the other services. This results in greater protection measures and, consequently, added costs to the Government.

We reviewed 430 shipments of arms, ammunition, and explosives to determine the extent and impact of inconsistent intransit security practices. The shipments generally were made during the first half of calendar year 1977. They involved 113 line items that had been shipped by 2 or more services. Listings obtained from the services indicated there had been 15,000 shipments of these items during this period.

Seventy-five of the 430 shipments were provided inconsistent security.

	<u>Shipments selected</u>	<u>Intransit security</u>	
		<u>Inconsistent</u>	<u>Consistent</u>
Ammunition and explosives	333	73	257
Arms	<u>97</u>	<u>2</u>	<u>95</u>
Total	<u>430</u>	<u>75</u>	<u>352</u>

The inconsistencies among services generally were a result of the Army's requirement for dual driver protective service on truckload shipments and overpacking of individual shipments up to a minimum of 200 pounds. The following examples compare the procedures used by the Army with those of the other services for shipping specific items.

On April 14, 1977, the Army shipped a truckload of ammunition from Umatilla Army Depot Activity, Oregon, to Fort Irwin, California. The shipment contained demolition charges, a category II-sensitive item under Army Regulation 190-49. On June 16, 1977, the Navy also shipped a truckload of ammunition from the Naval Weapons Station, Earle, New Jersey, to the Naval Ordnance Station, Indian Head, Maryland. The Navy shipment contained the same type of demolition charge as the Army shipment. The Army shipment was transported with dual



driver protective service at a charge of \$152.70 plus signature security service at a charge of \$20. The Navy shipment received only signature security service at a cost of \$20.

On April 12, 1977, the Army shipped a truckload of explosives from Letterkenny Army Depot, Pennsylvania, to Camp Pickett, Virginia. This shipment contained 81-mm. mortar shells, a category II item. The Army shipment received dual driver protective service at a cost of \$80 and signature security service at a cost of \$20. On April 18, 1977, the Navy shipped a truckload of explosives from the Naval Weapons Station, Concord, California, to the Marine Corps Base, Camp Pendleton, California. The Navy shipment also contained 81-mm. mortar shells but received only signature security service at no additional charge. The above Navy shipments did not receive dual driver protective service because the Navy's regulations do not require that truckload shipments containing category II ammunition be given this protection.

On April 8, 1977, the Army shipped detonator cord from Sierra Army Depot, California, to Fort Irwin, California. The 15-pound item was overpacked 185 pounds to weigh 200 pounds, as required by the Army. On January 25, 1977, the Army shipped 26 pounds of detonator cord for the Air Force from Umatilla Army Depot Activity, Oregon, to Edwards Air Force Base, California. On February 2, 1977, the Navy shipped 73 pounds of detonator cord from Naval Weapons Station, Concord, California, to Naval Weapons Station, Seal Beach, California. Neither the Air Force nor the Navy shipments were overpacked. Sierra Army Depot could not provide overpack costs; however, the Handling and Transportation Task Group of the Joint Conventional Ammunition Program Coordinating Group reported these costs ranged from \$40 to \$95 per overpack unit.

Nonnuclear missiles also received inconsistent security treatment. The Army regulation classifies nonnuclear shoulder-fired missiles in ready-to-fire configuration (Hamlet, Redeye, Stinger, Dragon, TOW and LAW missiles) as category I items, which require armed guard security when transported. Whereas the Air Force has adopted the Army's regulation for shipping missiles, the Navy has continued, until recently, to ship these same missiles using only signature security service. The following example illustrates the different types of security provided.

On July 15, 1977, the Army shipped LAW missiles from the Anniston Army Depot, Alabama, to the Lone Star Army

Ammunition Plant, Texas. The shipment received armed guard protection at an estimated charge of \$113 and had the exclusive use of the vehicle. On April 20, 1977, the Marine Corps shipped two truckloads of LAW missiles from the Naval Weapons Station, Concord, California, to the Lone Star Army Ammunition Plant. This shipment only received signature security service. The Lone Star Plant brought this matter to the Concord Station's attention and was told that because this missile was a Navy stock fund item funded by the Marine Corps and shipped under Navy regulations, the Army requirement for security did not apply.

We followed up on Marine Corps shipments during the latter half of calendar year 1977 and found that signature security service had continued to be used. For example, two Marine Corps shipments of LAW missiles from the Crane Army Ammunition Activity, Indiana, on October 21 and November 21, 1977, to Quantico, Virginia, and Fort Campbell, Kentucky, respectively, received signature security service.

The Navy subsequently took interim action to require greater security of missile shipments, including those of the Marine Corps. On December 13, 1977, the Navy notified its activities that nonnuclear shoulder-fired missiles were to be exempted from the Navy's minimum security standards and that shipping procedures would be provided in the very near future. In the interim shippers were to contact the Naval Sea Systems Command by telephone for the applicable intransit security.

Navy officials told us that they were advising shippers to use armed guard security when shipping nonnuclear missiles. On December 22, 1977, a followup message advised shippers to use signature security service for the majority of sensitive item shipments until the DOD physical security manual is implemented.

## CHAPTER 4

### NON-DEFENSE SHIPMENTS OFTEN RECEIVE

#### LITTLE OR NO PROTECTION

Manufacturers, distributors, and other vendors ship large quantities of arms, ammunition, and explosives to non-Defense customers using either their own trucks or common carriers. In contrast to DOD, the shipments often are made without security measures. There is an absence of Federal or State regulations requiring that shippers protect shipments from theft or loss while in transit.

We visited or contacted 8 arms and ammunition manufacturers and 23 explosives manufacturers and distributors to determine security methods used to transport sensitive items. The firms included most of the larger ones. The results, summarized below, show that only 8 of the 31 firms required security on non-Defense shipments.

	<u>Firms contacted</u>	<u>Security on non-Defense shipments</u>	
		<u>Not provided</u>	<u>Provided</u>
Arms and ammunition	8	4	4
Explosives	<u>23</u>	<u>19</u>	<u>4</u>
Total	<u>31</u>	<u>23</u>	<u>8</u>

The lack of security requirements is more prevalent among firms dealing in explosives than those dealing in small arms and ammunition. Some explosives manufacturers stated they used constant surveillance or dual drivers for lengthy trips when shipping to non-Defense customers but the reason was safety, not security.

Those arms and ammunition manufacturers that have in-transit security procedures generally use different techniques than DOD to protect shipments. For example, one manufacturer alters the name of the recipient and nomenclature listed on the bill of lading so there is no reference to arms. Others refuse to ship through certain large metropolitan areas prone to theft. Several manufacturers are opposed to signature security service, commonly used by DOD, because of the attention it draws to shipment contents.

Several of the firms sell arms, ammunition, or explosives to both Defense and non-Defense customers. The following illustrates the differences in procedures used.

On November 23, 1976, an explosives manufacturer shipped propellant explosives weighing 14 pounds to the Lake City Army Ammunition Plant, Missouri. Because firms are required to follow military regulations when shipping to DOD customers, the item was protected against theft or loss by signature security service and exclusive use in a locked and sealed dromedary. On March 1, 1977, the same type of propellant explosive, weighing 3 pounds, was shipped by this manufacturer to the Lake City Plant. It was overpacked to weigh 205 pounds and provided with signature security service. The explosives were shipped in a nonexclusive dromedary because they were overpacked, an alternative procedure under the Army regulation. On June 25, 1977, the same manufacturer shipped 42,400 pounds of explosives to a non-Defense customer using only numbered seals as protection against theft.

On December 19, 1977, an arms manufacturer shipped firearms to the Naval Weapons Support Center, Crane, Indiana. The shipment received dual driver protective service, signature security service, and exclusive use of the vehicle. On January 30, 1978, this same manufacturer shipped firearms to a commercial firm in Glendale, California. The firm shipped the arms in unmarked boxes with specially coded tamper-proof tape. The name of the addressee was altered to eliminate any reference to firearms. However, dual driver protective service and other precautions used in DOD shipments were not provided.

Most of the firms that do not have intransit security procedures are against providing additional protection on shipments. They are of the opinion that, because they have had limited or no experience with hijacking or other loss during transportation of arms, ammunition, and explosives, security procedures are unnecessary. Others stated that since their products were shipped Free on Board origin, intransit security was the customer's responsibility, not theirs.

## CHAPTER 5

### RATIONALE FOR PROVIDING INTRANSIT SECURITY

While being transported, arms, ammunition, and explosives have a high degree of vulnerability to terrorist, dissident, and criminal groups, who have the capability to hijack a truck or rail shipment. Sensitive items are eagerly sought by such groups, who may use them to the detriment of national safety, security, health, and welfare of the public.

The 1975 and 1976 hearings before the Subcommittee on Investigations, House Committee on Armed Services, pointed to serious problems in security of arms, ammunition, and explosives during transportation. DOD subsequently established an Arms, Ammunition, and Explosives Security Committee to look at the whole spectrum of security practices related to DOD's handling, transportation, and storage of arms, ammunition, and explosives. The Committee observed that, even though there had been few large-scale thefts of weapons while in storage or while in transit, this should not be a reason for diminished security.

The Army, the largest shipper of conventional arms, ammunition, and explosives in DOD has been the most active in promoting increased intransit security.

In August 1974 the Army established its own Physical Security Review Board. Concern by the Secretary of the Army over significant weapons losses from National Guard Armories in Kansas and California resulted in the Board conducting a detailed analysis of the Army's program for securing sensitive items. In January 1975 the Board issued its report on the security of arms, ammunition, and explosives, including intransit security. The Board reported that there had been an increased threat against military arms, ammunition, and explosives from individuals and from organized criminal elements and radical groups committed to domestic violence or the violent overthrow of the Government. It concluded that, although losses in transit were small in comparison to other causes, the potential existed for the loss of sensitive items during shipment. Therefore, continuing efforts must be made to seek total protection from losses of arms and ammunition in transit.

A subsequent classified threat analysis further identified and highlighted potential threats and was the basis for Army Regulation 190-49.

Through the issuance of a Department-wide manual, DOD has in effect established a policy for providing a uniform

minimum level of protective security for transporting arms, ammunition, and explosives against the recognized threat of terrorist, dissident, and criminal groups. However, security policies and procedures have not been implemented to provide the same protection for shipments to non-DOD customers.

The Subcommittee on Criminal Laws and Procedures of the Senate Committee on the Judiciary recently reported (Feb. 1978) that criminal use of explosives was a matter for public concern. In recent years the costs have amounted to hundreds of lives lost and many hundreds of millions of dollars worth of damages inflicted. According to the report, evidence recorded during the congressional hearings concluded that, in most cases, the explosives used by terrorists and other criminal elements were either stolen or otherwise acquired for illegal purposes. Terrorists rarely manufacture their own explosives and never manufacture blasting caps. Thefts of the following types of explosives have occurred in the recent past:

- Cases of dynamite.
- Reels of detonating cord.
- Safety fuses.
- Primers.
- Blasting caps.

The commercial transportation of similar types of explosives through the U.S. transportation system is a daily occurrence. The congressional committee concluded that as far as the transportation of explosives in interstate commerce was concerned, security measures designed to prevent the theft or diversion of such materials were virtually nonexistent.

Although most of the incidents involving conventional arms, ammunition, and explosives can probably be attributed to individual actions, attempts by terrorists, dissidents, and criminal groups to steal intransit shipments may become more significant in the future. As installation and storage sites are provided with additional protective devices, militant groups are likely to turn to the more vulnerable intransit shipments as a source of supply.

## CHAPTER 6

### CONCLUSIONS, RECOMMENDATIONS, AGENCY COMMENTS, AND OUR EVALUATIONS

#### CONCLUSIONS

Sensitive arms, ammunition, and explosives continue to be sought by terrorist, dissident, and criminal groups. While being transported they are particularly vulnerable to theft or hijack. Because of this threat, congressional committees, Government agencies, and others have expressed concern as to their safe transport.

Although there are strict regulations governing the storage of certain sensitive items by manufacturers, importers, dealers, and users, there are no mandatory regulations to provide for intransit security. As a result, shipments receive varying degrees of protection.

Shipments to non-Defense customers often are made without security measures. Shipments for DOD receive the most protection, but even this varies among the individual services; the Army provides the highest level of security protection. Statistics on intransit losses of sensitive items show, however, that the Army experiences a greater number of losses even though the level of security is highest.

In view of the varying security arrangements discussed in this report and the inconclusiveness of the security measures used by the Army in minimizing intransit losses, we are not in a position to advocate specific levels of protective security for shipments of sensitive items. We believe, however, that there is a need for uniform intransit security procedures since shipments to non-Defense customers should be considered as vulnerable to theft or loss as shipments for DOD.

Considering the differing procedures now in use, a study is needed to develop uniform standards. A study group with representatives from affected sectors of both Government and industry could explore the various security possibilities and provide the basis for mandatory regulations that apply to the movement of all sensitive items whether being transported for DOD or non-DOD customers.

Both the Department of Transportation and the Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms recognize the need for intransit security. But both agencies question whether they are authorized to issue

mandatory regulations on intransit security, although Transportation has done so for intransit safety and the Bureau has issued regulations on instorage security. We believe that to eliminate any doubt, the Congress should enact legislation giving the Secretary of Transportation specific authority to issue regulations on intransit security. As stated above, the work of the Government-industry study group should provide the basis for these regulations.

Until recently, DOD had not adopted uniform intransit security guidelines for transporting sensitive arms, ammunition, and explosives. This resulted in each service providing varying levels of protection to its shipments. DOD recognized this problem and has developed a manual setting forth uniform standards and criteria for minimum intransit security.

Until the Department of Transportation issues mandatory regulations, it is up to the individual military services to implement the minimum DOD requirements so that there will be a reasonable amount of uniformity in actual practice.

One of the DOD's concerns in establishing its manual was the availability of adequate funding and manpower to implement minimum security standards. DOD has not accumulated data on historical intransit security costs or manpower needs. As a result, DOD has no basis for assessing the impact this policy will have on cost and manpower requirements. Such an assessment is needed as a basis for determining whether the new standards will be commensurate with available funding.

#### RECOMMENDATIONS

Attaining uniform intransit security will require positive actions by the Congress, the Secretary of Transportation, and the Secretary of Defense. We recommend that the Congress enact legislation giving the Secretary of Transportation specific authority to issue mandatory regulations which will provide for uniform intransit security on shipments of sensitive arms, ammunition, and explosives.

We recommend that the Secretary of Transportation:

- Work with the Congress in preparing the legislation needed to obtain this authority.
- Establish a study group made up of members from both Government (including DOD, Transportation, and Treasury) and industry to determine the levels of



security required to protect sensitive arms, ammunition, and explosives during transportation.

--On the basis of the study results, issue mandatory intransit security regulations.

We recommend that in the interim the Secretary of Defense monitor the implementation of its new security manual provisions among DOD activities to insure that uniform minimum standards are followed. We also recommend that the Secretary revise or supplement existing systems to accumulate data on intransit security costs. Cost-benefit analyses then can be used in determining and evaluating the desirability of continuing or modifying security procedures.

#### AGENCY COMMENTS AND OUR EVALUATIONS

The comments of the Departments of Transportation, Defense, and the Treasury are included as appendixes III, IV, and V, respectively.

DOD and Treasury agreed with our recommendations. Transportation stated that it was not able to comment on the recommendations because the Administration position on proposed cargo security legislation had not been determined.

The purpose of the proposed legislation is to provide a comprehensive program to improve security for property being transported in interstate and foreign commerce. Similar legislation has been proposed for several years but has never been enacted.

The bill covers all cargo and does not contain specific provisions for sensitive arms, ammunition, and explosives. Because sensitive items continue to be sought by terrorist, dissident, and criminal groups, they pose unique problems and dangers that do not apply to other cargo. We believe that for this reason Transportation needs to take immediate action in support of our recommendations which are intended to result in uniform intransit security for sensitive items.

DOD stated that there was a need to provide a comprehensive program to improve cargo security and to standardize procedures for shipments moving in interstate and foreign commerce. It concurred in our recommendations and listed a number of actions that various DOD activities were taking to comply with the new manual on physical security and assure uniform intransit security standards within DOD.

Treasury stated that the lack of adequate and uniform intransit security measures made sensitive arms, ammunition, and explosives vulnerable to theft or loss. It agreed that mandatory regulations for intransit security of sensitive items in both the military and commercial areas were highly desirable and expressed the wish that Bureau of Alcohol, Tobacco and Firearms input be considered in the drafting of the regulations. It also urged Bureau participation in a Government-industry group that would study the matter and recommend corrective legislative action.

## CHAPTER 7

### SCOPE OF REVIEW

We compared the intransit security policies, procedures, and practices used by each military service for sensitive arms, ammunition, and explosives. We established that there were no mandatory intransit security regulations governing non-Defense shipments by commercial manufacturers, distributors, or other vendors.

From listings of items furnished by DOD and the services, we determined those items (national stock numbers) used by two or more services. With the assistance of the services' inventory control points, we matched items against shipment records for the first 6 months of calendar year 1977. We then selected 430 matched shipments from these listings for review.

We performed the review at Army and Navy installations engaged in storing and shipping sensitive items for all military activities. We visited 11 installations--5 Army and 6 Navy--to obtain a cross section of sensitive item shipments, as follows:

#### Army:

- Sierra Army Depot, Herlong, California
- Umatilla Army Depot Activity, Hermiston, Oregon
- Red River Army Depot, Texarkana, Texas
- Anniston Army Depot, Anniston, Alabama
- Letterkenny Army Depot, Chambersburg, Pennsylvania

#### Navy:

- Naval Weapons Station, Concord, California
- Naval Supply Center, Oakland, California
- Naval Ordnance Station, Indian Head, Maryland
- Naval Weapons Support Center, Crane, Indiana
- Naval Weapons Station, Earle, New Jersey
- Naval Weapons Station, Yorktown, Virginia

We held discussions with and obtained documentation from cognizant officials with the headquarters of the Departments of Defense, Army, Navy, and Air Force; the Marine Corps; and the Defense Contract Administrative Services. Similar work was performed at the headquarters and eastern and western area offices of DOD's Military Traffic Management Command.

We met with officials of the Department of Transportation and the Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms. Our discussions with these officials primarily concerned differences in intransit security standards for DOD and commercial shipments.

We visited or contacted 31 arms, ammunition, and explosives manufacturers or distributors to determine policies, procedures, and practices for shipment of these items to non-Defense customers. These firms were selected with the assistance of the Bureau of Alcohol, Tobacco and Firearms and the Sporting Arms and Ammunition Manufacturers Association.

GLOSSARY OF TRANSPORTATIONPROTECTIVE MEASURES

The following is a list of common transportation protective measures used by DOD in the application of intransit security for arms, ammunition, and explosives shipments.

- Armed guard service**                      This service provides armed guards to maintain constant and specific surveillance of shipments.
- Constant surveillance service**                      This service provides constant surveillance over a shipment. The transporting conveyance containing the shipment must be attended at all times by a qualified representative of the carrier. A motor vehicle is attended when the person in charge of the vehicle is awake and is not in a sleeper berth or is within 100 feet of the vehicle, provided the vehicle is within his unobstructed field of vision.
- Dromedary**                                      This is a freight box carried on and securely fastened to the chassis of the truck tractor. The dromedary is demountable and can be handled with a forklift truck. It is constructed with a plymetal shield and is equipped with doors on each side which may be locked with seals and padlocks.
- Dual driver protective service**                      This service requires signature security service plus continuous attendance and surveillance of the shipment through use of dual drivers. The vehicle containing the shipment must be attended at all times by one of the drivers. A vehicle is attended when at least one of the

drivers is in the cab of the vehicle, is awake, and is not in a sleeper berth, or is within 10 feet of the vehicle.

**Exclusive use**

This is a conveyance unit or vehicle which is used exclusively for a shipment from origin to destination and which permits locking of the unit and use of seals.

**Greater security**

This is a seal-tracing and inspection rail service for unclassified sensitive cargo that includes military-traffic-expediting service and provides inspection of railcars at major terminals by railroad personnel for evidence of forced entry or tampering with seals or securing devices; name of carrier reporting; time of inspection; and actual arrival and departure time from inspection terminals.

**Locks and wire twists**

Locks are considered delay devices only and not positive bars to entry since all locks can be defeated through expert manipulation or force. A complimentary device to a lock is a wire twist, a U-shaped wire placed in a hasp along with a seal and twisted tightly in place. Another device is a wire cable of a larger diameter with a metal sleeve slipped over it and crimped into place. These wire twists and cables require use of a bolt cutter to remove the devices.

**Military-traffic-expediting service**

This service furnishes an audit trail for specifically identified rail shipments and is required for the shipment of firearms and other sensitive

shipments. This service utilizes electrical communications between members of the Association of American Railroads, is available for either single line or joint line movements, and provides progress reports as required.

**Overpack**

This increases the unit weight of a package by the application or use of extra packaging or dunnaging material. The purpose of the added weight is to deter or hamper the portability of the sensitive items.

**Protective security service**

This service requires signature security service; in addition, the shipment must be under the constant surveillance of a designated employee unless stored in containers or approved areas. The designated carrier employee providing constant surveillance must possess a Government-issued secret clearance and carrier-issued identification. The carrier must be cleared by DOD.

**Report of shipment**

This is an advance notice of shipment furnished by message or telephone immediately upon dispatch of the shipment.

**Seal**

This is a device to indicate whether the integrity of a closed container or door has been compromised. Most seals are serially numbered and tamperproof. Seals must be safeguarded while in storage and accountability maintained.

**Single line haul**

This is the movement of freight to a destination using the same vehicle.

**Signature security service**

This is a service designated to provide continuous responsibility for the custody of shipments in transit. A signature and tally record is required from each person responsible for the proper handling of the shipment at specified stages of its transit from origin to destination. Carriers offering this service must be able to trace a shipment in less than 24 hours.

**Rail surveillance service**

This service is the continuous, unobstructed observation of one or more railcars stopped for more than 1 hour at any point for any reason. Observation is to commence immediately on receipt of a shipment and continue until release to another carrier or to a physically present consignee or his representative. Continuous observation is a vigorous, deliberate pattern of spotting only gross and obvious threats to a shipment.



HISTORY AND DESCRIPTION OF DOD SECURITY GUIDELINES

Prior to 1970 there was no single organization responsible for consolidating DOD efforts to establish physical security policy and responsibility. The physical security of arms, ammunition, and explosives, whether in storage or in transit, was the responsibility of individual DOD components. In November 1970 the Secretary of Defense issued DOD Directive 5100.76, Physical Security Review Board, for the protection of sensitive material, including arms, ammunition, and explosives.

The directive was reissued in October 1974 to outline the authorities, responsibilities, and functions for establishing a uniform security policy for arms, ammunition, and explosives. The Deputy Assistant Secretary of Defense (Security Policy) became responsible for the development of policies, standards, and procedures governing their physical security. The directive instructed the Physical Security Review Board to determine the need for uniform policy, standards, and procedures for the physical security of conventional arms, ammunition, and explosives and take the necessary steps to establish them.

The directive assigned the military services responsibility for taking appropriate physical security measures to protect sensitive items. However, it also enjoined the services to employ practical cost considerations in providing security.

The directive provided broad guidance for use by the services in formulating a uniform policy and procedure for the physical security of conventional arms, ammunition, and explosives. In the absence of specific guidance on uniform intransit security measures, the services interpreted the conflicting goals of providing protection and keeping costs low differently. The result was different levels of security provided for the same or similar items.

In May 1976 the Deputy Secretary of Defense established the DOD Arms, Ammunition, and Explosives Security Committee. Its purpose was to review and evaluate the effectiveness of DOD's security practices and procedures for arms, ammunition, and explosives. In August 1976 the Committee issued its report, with recommendations to:

- Publish a DOD manual redefining the current list of sensitive ordnance items and establishing the minimum physical security standards for the

protection of sensitive arms, ammunition, and explosives throughout the life cycle (including transportation).

- Establish a uniform DOD listing of sensitive ordnance items by sensitivity category and the levels of protection required.

DOD was to assess the funding requirements during preparation of the proposed manual.

In June 1978 DOD published a manual (DOD 5100.76-M) entitled "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives," setting forth the applicable policies, standards, criteria, and procedures governing the physical security of these items, including intransit security. The manual states that the standards and criteria are the minimum required and that additional security provisions may be established by a DOD component when warranted.

The manual is much more specific than implementing DOD Directive 5100.76 and, with regard to intransit security, contains requirements along the lines of the existing Army regulation. Depending on the degree of sensitivity, it spells out the type of minimum security required, such as armed guard service, constant surveillance service, or signature security service. In addition to specifying minimum security requirements, the manual requires the services to develop and maintain uniform risk category codings for each sensitive arm, ammunition, or explosive item.

Until the requirements of the manual are implemented, each military service will continue to be governed by its own existing regulations. As pointed out earlier, each service prescribes differing levels of security.

#### ARMY

In September 1976 Army Regulation 190-49, Physical Security of Arms, Ammunition, and Explosives Intransit, was implemented to provide criteria for assigning security to Army shipments. The requirements of this regulation generally provide greater security than those of the other services.

The Army regulation classifies arms, ammunition, and explosives by sensitivity ranging from categories I through IV. For example, category I items include nonnuclear missile systems (LAW and other missiles) in a ready-to-fire configuration, whereas category IV items include less than truckload shipments of blank .22-caliber ammunition.

The Army regulation also provides matrices which assign the level of security by category and mode of transportation. For example, shoulder-fired weapons and certain ammunition and explosives are classified as category II items. When contained in a commercial truckload shipment, these items are to be given dual driver protective service, signature security service, and exclusive use of a locked and sealed vehicle. The Army also overpacks individual items weighing less than 200 pounds when they are in a less than truckload shipment and a dromedary or reusable container is not available.

### NAVY

The Navy uses Naval Sea Operations Manual 2165, Volume 1, Navy Safety Transportation Handbook for Hazardous Materials, Chapter 7, Security Requirements, to assign intransit security to sensitive items. It provides a basic list of sensitive arms, ammunition, and explosives which require signature security services as the minimum protective measure. The manual does not categorize the items as to sensitivity, as does the Army's regulation, nor does it provide matrices so that shippers can determine the proper level of security to match the mode of shipment, as does the Army regulation.

The Navy manual merely refers the shipper to Naval Supply Instruction 4600.70, Chapter 226, Movement of Classified and Protected Material, which provides definitions of the various security levels but no criteria as to when and how they will be assigned. In December 1977 the Navy reaffirmed to us that it considered signature security service sufficient for the majority of sensitive item shipments, but continued to leave it up to installation transportation officers to use a higher degree of protection as dictated by circumstances.

The Navy manual also serves as guidance for assigning intransit security to Marine Corps sensitive item shipments. Navy installations use the Army regulation when shipping Army items.

### AIR FORCE

The Army stores and ships much of the Air Force's ammunition and explosives. Air Force Manual 75-1, Chapter 12, Safeguarding Shipments, sets forth the criteria to be used for shipping Air Force sensitive items. The Army also uses the manual when shipping Air Force items. This manual, like the Navy's, does not furnish the specific

security measures appropriate to the item sensitivity and mode of transportation.

Recognizing this limitation, in December 1976 the Air Force issued new guidance in the form of messages which provide for the assignment of intransit security on the basis of the class of explosives or ammunition, type of arms, and mode of transportation. Although the Air Force guidance is similar to the Army's, it is not identical. For example, the Air Force does not differentiate between truckload and less than truckload shipments when assigning security or use dual driver protective service when shipping certain ammunition and explosives in a truckload. Also, the Air Force prohibits overpacking because it does not consider it cost effective.



ASSISTANT SECRETARY  
FOR ADMINISTRATION

OFFICE OF THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

October 13, 1978


Mr. Henry Eschwege  
Director  
Community and Economic  
Development Division  
General Accounting Office  
Washington, D. C. 20548

Dear Mr. Eschwege:

Thank you for the opportunity to review the draft GAO report entitled, "Need for Uniform Intransit Security for Sensitive Arms, Ammunition and Explosives," LCD-78-237.

As you may know, legislation has been introduced in the Congress which would authorize the issuance of Federal regulations affecting transportation cargo security; H. R. 1157; the "Cargo Security Act of 1977." The Administration is presently developing its position on this proposed legislation, and the issues raised by H. R. 1157 and by the draft GAO report are closely related. Therefore, until the Administration position on H. R. 1157 is determined, we are not able to comment on the substantive recommendations of the draft GAO report.

Sincerely,

  
Edward W. Scott, Jr.



MANPOWER,  
RESERVE AFFAIRS  
AND LOGISTICS

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

October 4, 1978

Mr. F. J. Shafer  
Director  
Logistics and Communications Division  
United States General Accounting Office  
Washington, D.C. 20545

Dear Mr. Shafer:

This is in reply to your letter to the Secretary of Defense regarding your report dated July 20, 1978, on "Need for Uniform Intransit Security for Sensitive Arms, Ammunition and Explosives," OSD Case #4967.

The Department of Defense (DoD) agrees that there is a need to provide a comprehensive program to improve cargo security and to standardize procedures and requirements for shipments moving in interstate and foreign commerce. In a May 1978 letter to the Director of the Office of Management and Budget, the Department of the Army expressed DoD views on the proposed Department of Transportation Report on H.R. 1157, 95th Congress. The letter noted that security regulations for commercial movements are essential and stated DoD's interest in passage of legislation to provide authority for implementation of an adequate cargo security program.

We concur with your recommendations. Additional comments keyed to specific pages of the draft report are enclosed.

We appreciate having the opportunity to comment on this proposed draft report and hope that our comments will assist in preparation of its final version.

Sincerely,

ROBERT B. PIRIE, JR.  
Principal Deputy Assistant Secretary  
of Defense (MRA&L)

Enclosure  
as stated

Additional Comments on GAO Draft Report  
"Need for Uniform Intransit Security for  
Sensitive Arms, Ammunition and Explosives"

Page 1, third paragraph. The sentence "In January 1976 DoD began reporting intransit losses of sensitive items" is misleading. Since the inception of semiannual reports by the Services to OSD of the losses of sensitive arms, ammunition, and explosives required by the Directive 5100.76, Physical Security Review Board, intransit losses have been included. However, it was not until the report published by DoD for the period January 1 through June 30, 1976, that the intransit losses were so identified.

Page 1, Table of Intransit losses. The table and the narrative that follows may be misleading also. In the reports published by DoD and from which the figures in the table were compiled, all losses are reported even though some of the items are subsequently recovered. This is done to give an accurate picture of what is happening because some problems exist in the system which permits such losses to be recorded even though the problem might be administrative. For example, in the losses of conventional arms attributed to the Army, the DoD report reflects that in March 1976 a shipment of 10 machine guns was lost but was found and delivered in April 1976. On June 23, 1976, it was reported that 20 rifles had been lost from an incoming shipment. These rifles were located on June 28, 1976, at another location on the same installation. Again 49 handguns were reported as lost from an incoming shipment in May 1977. These weapons were subsequently located in June 1977 at another installation to which they had been shipped in error. Therefore, 79 of the 148 weapons reported lost intransit by the Army were accounted for in just these three instances and were caused by administrative errors which did not result in a final loss.

The same applies to the losses of small arms ammunition attributed to the Army. Included in these figures are a loss of 12,000 rounds reported in September 1976 which were located by the freight company in October 1976, and a loss of 50,400 rounds reported lost in November 1976 that was in fact a delay in shipment rather than a loss. These two instances accounted for 62,400 rounds of the 72,322 rounds attributed to the Army as a loss.

The text of the reports furnished to GAO clearly reflected the above facts in respect to both the arms and ammunition and should be included in the GAO report to avoid a distortion albeit unintentional.

GAO note: Page numbers in this appendix refer to the draft report.

Page 1, last Sentence. The last sentence "The Army has the largest losses despite requiring greater security measures than the other Services and arranging only about 40 percent of the shipments." needs clarification and verification. As clarification, it should be noted that as discussed above, those losses attributed to the Army did not result from poor security per se but from errors in administration. None of the losses attributed to the Army to our knowledge resulted from a hijacking.

The statement that the Army arranges only 40 percent of the shipments requires verification from the Army and/or MTMC. It is our impression that as the primary manager of the ammunition program and small arms procurement the Army is responsible for the majority of the arms, ammunition, and explosives being shipped by the DoD at least in quantity of material if not in actual numbers of individual shipments.

Page 5, first paragraph. Recommend - delete the words "to agree on the security risk category of each sensitive arms, ammunition and explosive item." and replace with "through tri-Service coordination and use of the methodology developed in the Joint Conventional Ammunition Program to develop and maintain uniform security risk category codings and to incorporate these codings in their respective automated logistic management systems and the DoD DLSC system." Reason: For completeness and currency.

Page 5, second paragraph. Delete the "\$165 million" in the first sentence and replace with "99.8 million." Delete the "\$162 million" in the third sentence and replace with "\$97.5." Reason: To show the Navy's cost estimate that was submitted in the budget process to comply with DoD-5100.76-M at Navy shore activities, less the cost for electronic intrusion detection systems.

Page 11, last paragraph. Recommend - add the words "Since March 1978 the Navy has required high security locks, seals, handling, and armed guards as set forth in DoD 5100.76-M dated June 1978." Reason: To correctly show the timing and origin of the new requirement published by the Navy.

The following information updates the information in Appendix II of the report. It provides a sequence of actions taken by the Navy.

Pages 31 and 32, all paragraphs which speak to the Navy. Recommend - delete and replace with the following:

"Navy - Department of the Navy policies and regulations for intransit security of sensitive ammunition and explosives are contained in the Naval Sea Systems Command Ordnance Pamphlet (OP) 2165, Volume I.

Security Requirements. Similar policies and regulations for small arms and weapons are set forth in NAVMATINST 8300.1A, Naval Material Command Small Arms and Weapons Management Manual and MCO 8300.1B, Marine Corps Order for Serialized Control of Small Arms Systems.

Navy policies and regulations set forth in the above directives have been overtaken by the publication of uniform DoD policies and regulations in DoD 5100.76-M, DoD Manual for Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives dated June 1978, which apply to shipments by commercial modes, by prime and subcontractors. DoD 5100.76-M also directs that the Services develop uniform coding of



sensitive arms, ammunitions, and explosives by Security Risk Categories I through IV which will govern the varying degrees of security protection that items will receive during life cycles while in storage and intransit, and further, that these codings be integrated in the automated logistics management systems of each service and the DoD Defense Logistic Supply Command (DLSC)."

Navy actions since March 1978 in regard to the foregoing are as follows:

- COMNAVSEA, CNO messages 131929 and 061435 of March 1979 published a change to OP 2165 which directed that shipments of man-portable missiles and rockets in a ready to fire configuration be protected in accordance with the standards specified therein. These standards were those contained in DoD 5100.76-M which was then in the printing stage.

- Completed the automation of the Security Risk Codings of ammunition, and explosives which were developed in tri-Service coordination within the Joint Conventional Ammunition Program and published them in microfiche, distributed them in hard copy to major commands for planning purposes, and furnished Army with tapes.

- Completed the security risk codings of small arms and weapons owned by and in custody of the Department of the Navy in accordance with DoD 5100.76-M and initiated revisions to incorporate them in revisions to NAVMAT Instruction 8300.1A and Marine Corps Order 8300.1B.

- COMNAVSUPSYCOM message 041744 of August 1978 directed the Ships Parts Control Center, Mechanicsburg, PA, to incorporate the Security risk codings of ammunition and explosives into the Navy ammunition integrated management system (CAIMS) and a revision to the Catalog of Navy Ammunition Stock to support Navy implementation of DoD 5100.76-M within 90 days. Also, to suppress SEGMENT H Catalog Management data submission to DLSC until advised the DIDS and the Army system can accept new security risk codes.

- Completed the preparation of OPNAV Instruction 5510.xx, Department of the Navy Manual for Physical Security of Non-Nuclear Arms, Ammunition, and Explosives (AA&E) which sets forth policy, regulations and standards to implement DoD 5100.76-M, including intransit security protection.

- Identified costs, less electronic intrusion detection systems, for the Navy to implement DoD 5100.76-M at its shore facilities, including intransit security, via the budget process.

In addition, the Air Force has developed and forwarded revised air commodity codes to the Defense Logistics Agency for publication in DoD Regulation 4500.32R (Military Standard Transportation and Movement Procedures). These codes should insure uniform identification and handling of sensitive items in the Defense Transportation System (MAC/LOGAIR). Also, the Defense Logistics Agency is developing codes for sensitive material with the level of intransit security required by DoD 5100.76-M for inclusion in the Defense Integrated Data System. With the development and implementation of these codes, uniform intransit security standards for sensitive items would be assured.

Continued the preparation of UNRV...  
 ment of the new manual for Physical Security of Non-Nuclear Arms,  
 Administration and Extension (AAEE) which sets forth policy, regulations  
 and standards to implement DoD 5100.76-M, including intransit security  
 procedures.

Identified costs, less electronic intrusion detection systems,  
 for the new manual, DoD 5100.76-M at the shore facilities.  
 including intransit security, via the budget process.



## THE DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

September 14, 1978

Dear Mr. Lowe:

The Department appreciates the opportunity to comment on the Comptroller General's draft report entitled "Need For Uniform Intransit Security for Sensitive Arms, Ammunition, and Explosives."

We are in agreement with the report finding that lack of adequate and uniform security measures relating to the intransit commerce in arms, ammunition and explosives make these items vulnerable to theft or loss. Since the inception of the Interstate Firearms Theft Project in 1972, and through June 1978, a total of 3,506 voluntary reports of losses or thefts of firearms involving approximately 18,700 weapons have been reported to ATF. We believe this problem will be compounded even further as the ATF Interdiction Program expands in identifying and cutting off sources of crime weapons from licensed sources.

We are likewise in agreement that mandatory regulations relating to intransit security of arms, ammunition and explosives in both the military and commercial areas are highly desirable. ATF currently has no regulations relating to intransit security measures for any of these commodities and doubts that it has authority to do so. We firmly believe that standard security requirements be promulgated for these commodities and that ATF input be considered in the drafting of such requirements.

We agree that a joint Government-industry study group be convened to study this matter and to recommend corrective legislative action. We urge ATF participation in this group.

We believe there is an element relating to commercial carrier firearms losses which has come to our attention through the Interstate Firearms Theft Project which should perhaps be brought to the attention of any task force or study group that is to address the problem of cargo security. In September

of 1977, we conducted an analysis of the Project and found that, to that date 55 criminal cases had been perfected under the project against 99 defendants, 46 of whom were carrier employees. In other words, almost 50 percent of the persons involved in thefts of firearms and ammunition from carriers were employees of the carrier that suffered the loss. Any proposed legislative changes that are to be considered should take this fact into consideration.

We anticipate industry opposition to any such proposed legislative or regulation changes. At various times we have addressed Cargo Security Conferences and strongly urged greater internal security measures by the carriers. However, many of these recommendations have not been adopted.

The report, however, fails to distinguish between the requirements under Federal firearms laws and Federal explosives laws. Federal firearms laws do not govern the storage or safety and security in transportation of firearms and ammunition. On the other hand, Federal explosives laws and regulations regulate the storage of explosive materials. However, explosive materials which are in transit are not subject to the Federal explosives laws and regulations with certain exceptions not pertinent hereto. (18 U.S.C. § 845(a)(1) and 27 C.F.R. § 181.141(a).) Furthermore, it should be noted that small arms ammunition and components thereof are excluded from the coverage of the Federal explosives law. (18 U.S.C. § 845(a)(4).)

Additionally, the report contrasts shipments of "sensitive items" for Department of Defense and non-Department of Defense customers. The transportation or shipment of any firearm or ammunition sold or shipped to, or issued for use of, the United States or any department or agency thereof is exempt from requirements of the Federal firearms laws. (18 U.S.C. § 925(a)(1).) Also, the transportation or shipment of explosive materials for delivery to any agency of the United States is excepted from requirements of the Federal explosives laws. (18 U.S.C. § 845(a)(3).)

Finally, we offer specific comments to matters in the report as follows:

1. Page 6, second paragraph, states:

"Under 18 U.S.C. 842j, (sic) it regulates the instorage security of arms, ammunition, and explosives. The Bureau's legal counsel made a study and determined that the authority only applies (sic) to storage and not to transportation of items."

This statement is incorrect in that firearms are not covered under 18 U.S.C. 842(j) and small arms ammunition are excluded under 18 U.S.C. § 845(a)(4).

2. Page 19, second paragraph, states that although strict regulations govern the storage of certain sensitive items by manufacturers, importers, dealers, and users there are no mandatory regulations to provide for intransit security. (Emphasis added.) Pursuant to comment 1, this statement is incorrect since there are no regulations governing the storage of firearms and small arms ammunition.
3. Page 20, third paragraph, states that both the Department of Transportation and the Department of Treasury's Bureau of Alcohol, Tobacco and Firearms question whether they have authority to issue mandatory regulations on intransit security although they have issued regulations on intransit safety and instorage security. (Underscoring supplied.) ATF has not issued regulations on intransit safety of firearms or explosives.
4. Page 24, second paragraph, states that GAO officials met with officials of the Bureau and discussed differences in intransit security standards for DOD and commercial shipments. It should be noted that DOD shipments are not regulated under Federal firearms and explosives laws.

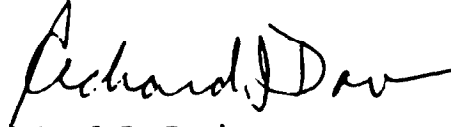
Finally, we should add that recently proposed regulations

GAO note: Page numbers in this appendix refer to the draft report.

which would have required the reporting of firearms transactions and the reporting of thefts would enhance ATF efforts to interdict the illegal flow of stolen firearms through expeditious reporting of thefts, increased tracing capabilities and the identification of major sources of stolen firearms.

Likewise, the resultant trace capabilities of the proposed Explosives Tagging Legislation would greatly enhance law enforcement efforts to identify and trace stolen explosives.

Sincerely,



Richard J. Davis  
Assistant Secretary  
(Enforcement & Operations)

Mr. Victor L. Lowe  
Director, General Government Division  
United States General Accounting Office  
Washington, DC 20548

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