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Distribution



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
SUITE 500, WASHINGTON BOULEVARD BUILDING
234 STATE STREET
DETROIT, MICHIGAN 48226

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13 APR 1978

Major General C. M. McKeen, Jr.
Commanding General
U. S. Army Tank-Automotive Command (TACOM)
Warren, Michigan 48090

Dear General McKeen:

We are currently surveying the Department of Defense (DOD) and General Services Administration (GSA) systems for buying and distributing automobile tires. The Tank Automotive Command (TACOM) is responsible for administering the DOD system.

During our survey at TACOM we noted that a high percentage of shipments were being made by the Sacramento Army Depot, a prime storage area for automotive tires, to military installations outside the geographic area normally served by the Sacramento Depot. To test the rationale behind these shipments, we selected requisitions representing 9 different locations outside of Sacramento's normal geographic area.

For each example, we reviewed the inventory records for all three prime depots for tire storage, (Sacramento, New Cumberland and Red River). In 4 to 9 examples the requisitioned items were in stock and available in depots closer to requisitioning unit. In each case, the shipments should have been made from these depots instead of incurring additional transportation cost from Sacramento to the east coast.

Our review showed the depot search matrix code for each of the 4 shipping points were erroneous. Each activity address was coded to have Sacramento as the Prime depot (matrix code 03) despite the receiving unit being located in:

- McGuire Air Force Base, New Jersey;
- Myrtle Beach Air Force Base, South Carolina;
- Eglin Air Force Auxiliary Field 9, Florida; and
- Aviano Air Base, Italy.

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Further, review of other search matrix codes showed that 18 other activity addresses also had erroneous codes.

We discussed this matter on January 28 with the Chief of the Distribution and Transportation Division, Materiel Directorate. A subsequent review by TACOM personnel has identified several thousand such codes for non-Army activities which may be erroneous.

As of March 30, TACOM personnel had reviewed 759 addresses and found 227 or 30 percent to be in error.

We believe this problem effects not only the distribution of tires, but all automotive parts. Further, it appears this problem has existed for sometime, possibly since the conversion to the current three depot system, unnecessarily causing many costly shipments of automotive parts over the past 2 years. We recommend that TACOM take action to correct the erroneous depot search matrix code and reduce unnecessary shipments by depots outside their normal distribution area.

We would appreciate being advised of the actions taken by TACOM as a result of this letter and the estimated impact of the erroneous code on TACOM transportation costs.

Sincerely yours,

W. C. Herrmann, Jr.

Walter C. Herrmann, Jr.
Regional Manager