



July 2017

DOD EXCESS PROPERTY

Enhanced Controls Needed for Access to Excess Controlled Property

GAO Highlights

Highlights of [GAO-17-532](#), a report to congressional committees

Why GAO Did This Study

Since 1991, DOD has reported transferring more than \$6 billion worth of its excess controlled and non-controlled personal property to more than 8,600 federal, state, and local law enforcement agencies through the LESO program, which is managed by DLA. According to DOD, about 4 to 7 percent of the total excess property transferred is controlled property, which typically involves sensitive equipment and items that cannot be released to the public.

The National Defense Authorization Act of 2016 included a provision that GAO conduct an assessment of DOD's excess property program. This report addresses the extent to which (1) DLA has taken actions to enhance processes, including internal controls, related to its transfers of excess controlled property; and (2) DLA has addressed the statutory requirement to maintain a public Internet site that provides transparency about controlled property transfers and about the recipients of such property. GAO reviewed DOD policies and procedures, interviewed cognizant officials, and conducted independent testing of LESO's application and DLA's transfer process.

What GAO Recommends

GAO is making four recommendations to DLA, including strengthening internal controls over the approval and transfer of DOD excess controlled property to law enforcement agencies, and conducting a fraud risk assessment to institute comprehensive fraud prevention and mitigation measures. DOD concurred with all four recommendations and highlighted actions to address each one.

View [GAO-17-532](#). For more information, contact Zina Merritt at (202) 512-5257, merrittz@gao.gov or Wayne McElrath at (202) 512-2905, mcelrath@gao.gov.

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What GAO Found

The Defense Logistics Agency (DLA) has taken some actions and is planning additional actions to address identified weaknesses in its excess controlled property program. However, internal control deficiencies exist for, among other things, ensuring that only eligible applicants are approved to participate in the Law Enforcement Support Office (LESO) program and receive transfers of excess controlled property. DLA is establishing memorandums of understanding with participating federal agencies intended to, among other things, establish general terms and conditions for participation, revise its program application to require additional prospective participant information, and plans to provide additional online training for participating agencies that is expected to begin in late 2017. However, GAO created a fictitious federal agency to conduct independent testing of the LESO program's internal controls and DLA's transfer of controlled property to law enforcement agencies.

Through the testing, GAO gained access to the LESO program and obtained over 100 controlled items with an estimated value of \$1.2 million, including night-vision goggles, simulated rifles, and simulated pipe bombs, which could be potentially lethal items if modified with commercially available items (see photos). GAO's testing identified that DLA has deficiencies in the processes for verification and approval of federal law enforcement agency applications and in the transfer of controlled property, such as DLA personnel not routinely requesting and verifying identification of individuals picking up controlled property or verifying the quantity of approved items prior to transfer. Further, GAO found that DLA has not conducted a fraud risk assessment on the LESO program, including the application process. Without strengthening DLA and LESO program internal controls over the approval and transfer of controlled property to law enforcement agencies, such as reviewing and revising policy or procedures for verifying and approving federal agency applications and enrollment, DLA lacks reasonable assurance that it has the ability to prevent, detect, and respond to potential fraud and minimize associated security risks.

Examples of Controlled Property Items Obtained



Night-vision goggle

Simulated M-16A2 rifle

Pipe Bomb Trainer

Source: GAO photos of DOD excess controlled property items obtained. | GAO-17-532

DLA maintains a public Internet site to address statutory requirements to provide information on all property transfers to law enforcement agencies. DLA's public Internet site shows all transferred property, and, as of April 2017, in response to GAO's findings, has included a definition of controlled property to distinguish for the general public what items are considered controlled.

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Abbreviations

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| DLA | Defense Logistics Agency |
| DOD | Department of Defense |
| FEPMIS | Federal Excess Property Management Information System |
| HMMWV | High Mobility Multipurpose Wheeled Vehicles |
| LESO | Law Enforcement Support Office |
| MOA | Memorandum of Agreement |
| MOU | Memorandum of Understanding |
| MRAP | Mine Resistant Ambush Protected |
| NDAA | National Defense Authorization Act |

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July 18, 2017

Congressional Committees

The Law Enforcement Support Office (LESO) program, also known as the 1033 program in reference to the section of the law authorizing it, allows for the transfer of personal property to federal and state agencies,¹ including small arms and ammunition, determined to be in excess of the needs of the Department of Defense (DOD) and suitable for use by the agencies in law enforcement activities.² Since 1991, DOD has reported transferring more than \$6 billion worth of its excess controlled and non-controlled personal property to more than 8,600 federal, state, and local law enforcement agencies.³ According to DOD, approximately 4 to 7 percent of the total excess property items transferred to law enforcement agencies is controlled; the remaining percentage of excess property is non-controlled.⁴ Controlled items are typically sensitive in nature, cannot be released to the general public, and require specific actions to ensure

¹DOD defines personal property as all DOD property except real property, records of the federal government, and certain naval vessels (battleships, cruisers, aircraft carriers, destroyers, and submarines). DOD excess property is not required for the needs and the discharge of the responsibilities of any DOD activity. DOD defines property disposition as the process of reusing, recycling, converting, redistributing, transferring, donating, selling, demilitarizing, treating, destroying, or other ultimate disposition of personal property.

²Authority for the 1033 program is currently classified at 10 U.S.C. §2576a. Henceforth in this report we refer to this program as the LESO program. The Defense Logistics Agency's (DLA) Disposition Services executes the disposal of DOD's personal property through all authorized processes including sale, donation, transfer and reutilization to all potential recipients, including law enforcement agencies participating in the LESO program. The LESO program is 1 of 12 special programs that grant priority to non-DOD entities for receiving DOD's excess personal property during the reutilization phase of the disposal process. During reutilization, which takes place during the first 14 days of the disposal screening cycle, DOD components and special program participants may screen and request excess personal property. If their request is approved, special program participants will be issued the property at the end of the 14-day stage.

³In fiscal year 1989, DOD was initially authorized to "make available" any equipment to federal, state, or local civilian officials for law enforcement purposes, including drug interdiction, without charge. Subsequent authorizations have specified that excess property be made available for law enforcement purposes. According to DOD, acquisition costs shown are the cost of a single item that the department paid, and do not represent the value of the equipment today.

⁴According to DOD, this percentage reflects 12-month snapshot analyses conducted mid-2014 and early 2016, in which they analyzed the quantity transferred based on prior 12-month increments.

proper disposal.⁵ Examples of controlled items available through the LESO program include night-vision goggles, thermal imaging equipment, specialized printers, and explosive ordnance detonation robots, as well as certain high-visibility items, such as small arms, High Mobility Multipurpose Wheeled Vehicles (HMMWVs), Mine-Resistant Ambush Protected Vehicles (MRAPs), and aircraft. Non-controlled property includes items without military attributes, such as certain medical supplies, office furniture, and tents.

Over the past 15 years, we have examined DOD's excess property reutilization program and reported deficiencies, including unauthorized parties obtaining excess controlled property and internal control breakdowns with regard to security of sensitive excess military equipment.⁶ We have made 24 recommendations aimed at enhancing internal controls over DOD's disposal and accountability of its excess property and improving the overall economy and efficiency of DLA's reutilization program, including better coordination regarding data reliability and strengthening management oversight, accountability, and physical inventory control. The department has implemented 22 of the 24 recommendations.⁷ Likewise, the DOD Office of Inspector General has reported on internal control deficiencies, such as the distribution of excess property to law enforcement agencies without the accountability necessary to ensure that the released property had the proper

⁵In 2015, the federal Law Enforcement Equipment Working Group identified categories of controlled property that has significant utility for law enforcement operations. Categories included are those that could be seen as militaristic in nature; require special licenses to operate; or have an intimidating effect on the general public due to size or inappropriate use.

⁶Internal control is a process used by management to help an entity achieve its objectives. See GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

⁷See the related GAO products list at the end of this report. In 2016, we recommended DOD reassess the disposal process to determine whether additional changes are needed in recipient priority, including changes to the categories and quantities of property special programs may obtain. However, DOD has not yet implemented this recommendation. In 2002, we recommended the Civil Air Patrol-Air Force review its eligibility for and accurately track its excess property; however, GAO determined this recommendation to no longer be valid due to time or circumstance.

authorization. The Inspector General has made a number of recommendations, which the department has implemented.⁸

Section 1051(f) of the National Defense Authorization Act (NDAA) for fiscal year 2016 included a provision for us to conduct an assessment of DOD's excess property program, which is managed by the Defense Logistics Agency (DLA). This report addresses the extent to which (1) DLA has taken actions to enhance processes, including internal controls, related to its transfers of excess controlled property; and (2) DLA has addressed the statutory requirement to maintain a public Internet site that provides transparency about controlled property transfers and about the recipients of such property. In appendix I, we also include survey and case study information on how federal, state, and local law enforcement agencies reported using and benefiting from excess controlled property transferred to them through the LESO program in accordance with the purposes of the program, including enhancement of counterdrug, counterterrorism, and border-security activities.⁹

For objective 1, we reviewed DOD, DLA, and LESO program policy and guidance on LESO program processes for transferring controlled property, including conditions of transfer, monitoring, training, accountability, and disposal of controlled property obtained through the LESO program.¹⁰ We tested the department's internal controls and control activities related to LESO program enrollment and application. Specifically, our investigators posed as a fictitious federal law enforcement agency and, using publicly available resources, created a

⁸DOD, DLA Office of the Inspector General, *Audit of Law Enforcement Support Office Program Oversight*, DLA OIG FY14-02 (Nov. 21, 2013); DLA Office of the Inspector General, *Follow-up Audit of the Law Enforcement Support Office*, DAO-12-26 (Apr. 4, 2013); DLA Accountability Office, *Audit of Law Enforcement Support Office, Defense Reutilization and Marketing Service*, DAO-09-01 (Mar. 1, 2010); and Office of the Inspector General, *Logistics: Law Enforcement Support Office Excess Property Program*, D-2003-101 (June 13, 2003).

⁹While DOD's LESO program transfers excess property to tribal agencies, we did not include these in the scope of this engagement because the 2016 NDAA included a provision that we focus on federal and state agencies. Also, the manner in which law enforcement agencies used controlled property items was self-reported, and we have made no assessment of their reported use.

¹⁰See DOD Manual 4160.28, vol. 2, *Defense Demilitarization: Demilitarization Coding* (Mar. 9, 2017); DLA Instruction 4140.01, *Law Enforcement Support Office* (Dec. 22, 2016); DLA, *DLA Disposition Services Law Enforcement Support Office Standard Operating Procedures* (Nov. 12, 2013); and memorandums of agreement between DLA and participating states.

website describing the agency's activities. We completed the LESO program application, submitted it to LESO officials, and corresponded by email with LESO program staff to respond to their follow-up questions. We also compared DLA and LESO practices to those identified in GAO's *A Framework for Managing Fraud Risks in Federal Programs* (hereafter cited as the Fraud Risk Framework).¹¹ Issued in July 2015, GAO's Fraud Risk Framework is a comprehensive set of leading practices that serves as a guide for program managers to use when developing efforts to combat fraud in a strategic, risk-based manner. Additionally, we conducted a survey of 15 participating federal law enforcement agencies as well as 53 state coordinators who had controlled property transferred to their offices through the LESO program during calendar years 2013, 2014, and 2015 to gain an understanding of their use of the LESO program.¹² We selected these calendar years because they were the last three complete years prior to our audit work. For federal law enforcement agencies, we selected major recipients of LESO controlled property, which were all the agencies within the top four federal departments whose law enforcement components had received controlled property from the LESO program during calendar years 2013, 2014, and 2015.¹³ For state coordinators, we included all state coordinators from states and U.S. territories. The overall response rate for the survey of federal law enforcement agencies was 87 percent (13 of 15), and the overall response rate for the survey of state coordinators was 94 percent (50 of 53). Further, we conducted non-generalizable case studies of five states: Arizona, Georgia, Maryland, Michigan, and Texas. We selected these states based on quantity, type, and initial acquisition value of controlled

¹¹GAO, *A Framework for Managing Fraud Risks in Federal Programs*, [GAO-15-593SP](#) (Washington D.C.: July 28, 2015). The Fraud Risk Framework has the following components: commit to combating fraud, assess fraud risk, design and implement a strategy for mitigating risk, and evaluate outcomes. We selected leading practices from the component of assess fraud risk because the use of these practices could be objectively verified.

¹²State coordinators are Governor-appointed positions to manage LESO program responsibilities in their respective state or U.S. territory. As of September 2016, all states, with the exception of Hawaii, have a state coordinator, and the following territories have state coordinators: Guam, Northern Marianas Islands, Puerto Rico, and U.S. Virgin Islands. For purposes of this report, when we reference state coordinators, we are referring to state coordinators from states and U.S. territories.

¹³These departments were the Department of Justice, Department of Homeland Security, Department of the Interior, and the U.S. Department of Agriculture. They collectively accounted for approximately 99 percent of both the total initial acquisition value and the quantity of excess controlled property distributed to federal law enforcement agencies during calendar years 2013, 2014, and 2015.

property received through the LESO program as well as geographic dispersion. For each case study we interviewed officials from selected federal, state, and local law enforcement agencies to gain an understanding of how property is transferred to them, including how they screen for, obtain, and dispose of DOD excess controlled property.¹⁴ We interviewed officials from DLA Disposition Services, who have oversight over the LESO program, as well as officials from LESO headquarters who manage the program, to gain an understanding of LESO program policies and processes for transferring its excess controlled property to law enforcement agencies.

For objective 2, we reviewed the statutory requirement, interviewed officials from LESO headquarters to obtain updates on the implementation status of the Internet site, and analyzed the capabilities of the Internet site, including the fields it contained and the searches that can be performed using it. We compared the information in and capabilities of the Internet site with the statutory requirements to provide publicly available information in a transparent manner about controlled property transferred and the recipients of such property. We also interviewed officials from LESO headquarters to obtain updates on the status of DLA's implementation. Appendix II describes our objectives, scope, and methodology in greater detail.

We conducted this performance audit from January 2016 to July 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted our related investigative work in accordance with investigative standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.

¹⁴For the purposes of this report, we included university law enforcement agencies in the category of local law enforcement agencies.

Background

Overview of the LESO Program

Pursuant to a series of laws passed since 1989, DOD is authorized to undertake actions intended to enhance the effectiveness of domestic law enforcement agencies through direct or material support.¹⁵ DLA Disposition Services administers the LESO program, managing the transfer of DOD's excess controlled and non-controlled property to federal, state, local, and tribal law enforcement agencies.¹⁶ According to DLA policy, to participate in the program, a law enforcement agency must be a federal, state, or local government agency whose primary function is the enforcement of applicable federal, state, and local laws and whose sworn compensated law enforcement officers have powers of arrest and apprehension. According to LESO program data, as of August 2016, there were over 8,600 federal, state, and local law enforcement agencies participating in the program. Of these, approximately 96 percent were state and local law enforcement agencies and approximately 4 percent were federal law enforcement agencies. LESO program data also shows that during calendar years 2013 through 2015, approximately two-thirds of DOD excess controlled property items had been transferred to state and local agencies, and one-third had been transferred to federal agencies, as shown in Table 1.

¹⁵Appendix III provides additional details on the laws authorizing the transfer of excess personal property to law enforcement agencies.

¹⁶The recipient agency is responsible for any incurred shipping or transportation costs.

Table 1: Reported Department of Defense (DOD) Excess Controlled Property Transferred to Law Enforcement Agencies, by Quantity and Initial Acquisition Value, 2013 through 2015

| Law enforcement agencies | Total, by quantity | Total, by initial acquisition value^a |
|--|---------------------------|--|
| Federal law enforcement agencies | 131,354 | \$159,167,549 |
| State and local law enforcement agencies | 257,216 | \$913,253,063 |
| Total^b | 388,570 | \$1,072,420,613 |

Source: GAO analysis of Law Enforcement Support Office (LESO) assigned inventory data for 2013 through 2015, as of August 2016. | GAO-17-532

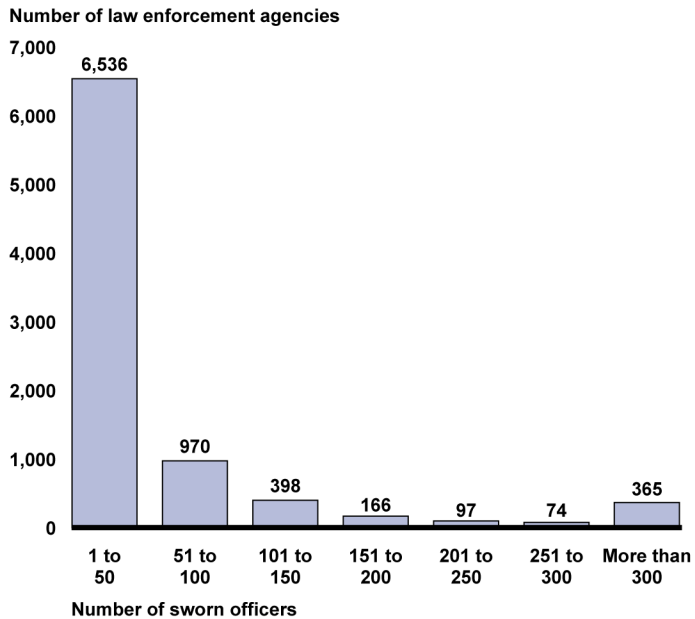
Note: Dates are in calendar years.

^a According to the Defense Logistics Agency, initial acquisition value is the cost of a single item that DOD paid at the time of its last purchase and does not represent the value of the equipment today.

^b In addition to the above, as of October 1, 2015, certain non-controlled excess property is now considered controlled. For October, November, and December of 2015, this property totaled 44 items with an initial acquisition value of approximately \$2.2 million. These items were mainly trucks (e.g., cargo, dump, utility).

The data also showed that as of August 2016 the majority of the law enforcement agencies (76 percent) participating in the program have 50 or fewer full-time sworn officers, as shown in figure 1, and that approximately 30 percent of state and local law enforcement agencies active in the program had 10 or fewer sworn officers.

Figure 1: Reported Size of Law Enforcement Agencies Participating in the Law Enforcement Support Office Program, by Number of Sworn Officers, as of August 2016



Source: GAO analysis of Department of Defense data. | GAO-17-532

LESO Program Processes

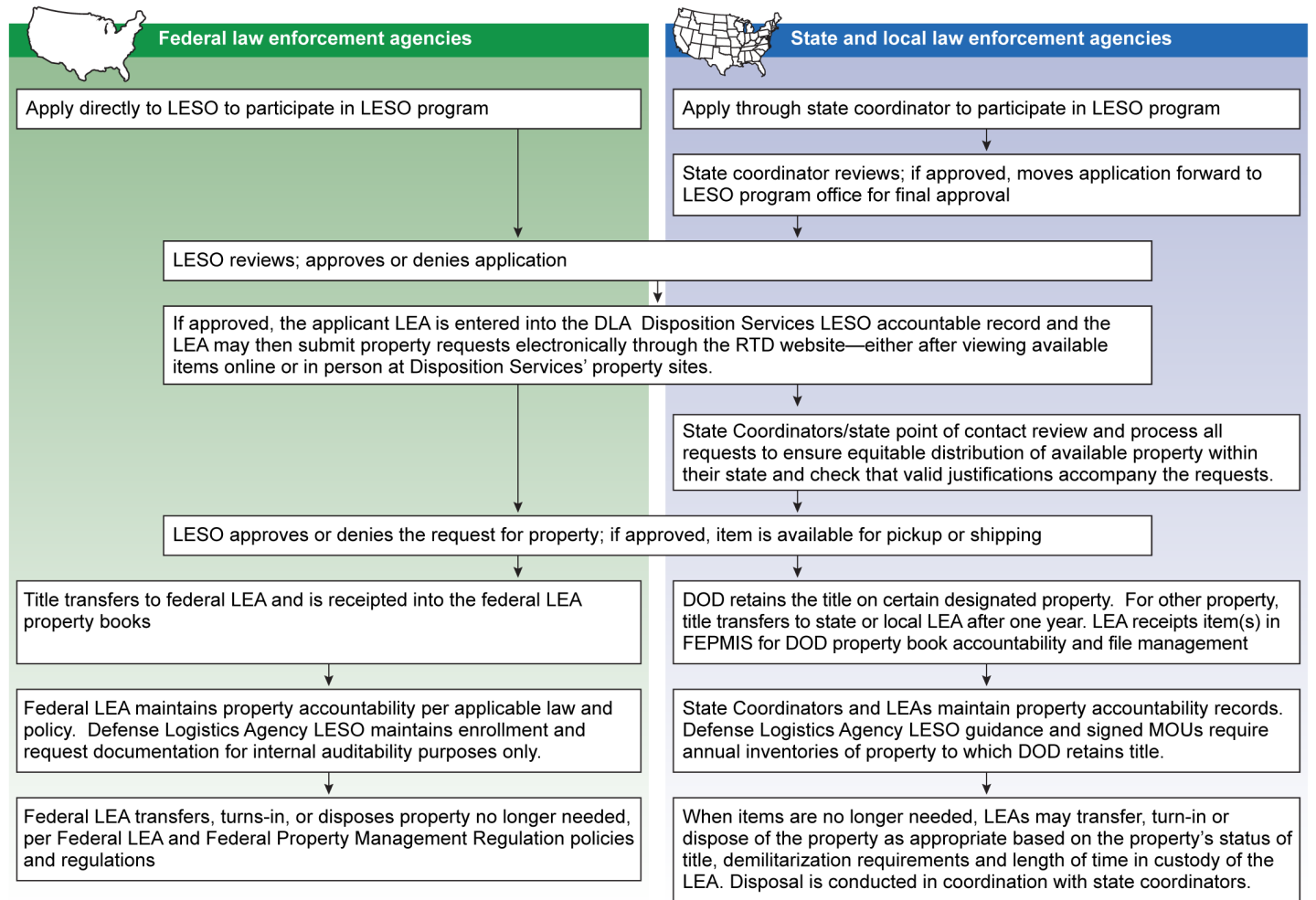
State and local law enforcement agencies work first through their Governor-appointed state coordinator to obtain excess property through the LESO program from DLA.¹⁷ As specified by DLA policy, state coordinators must sign a memorandum of agreement (MOA) with DLA, which outlines, for example, general terms and conditions for state coordinators and state and local law enforcement agencies to provide accountability and oversight of the LESO program. Further, LESO program guidance requires state coordinators to develop a State Plan of Operation outlining how the program will be managed in their state, and each participating state or local law enforcement agency must sign the plan, attesting to the terms and conditions of the program. According to LESO officials, unlike state and local agencies, federal law enforcement agencies work directly with the LESO program office. As of December 2016, the LESO program office finalized a memorandum of

¹⁷According to LESO program documentation, state coordinators reserve the right to place additional rules, beyond DLA Disposition Services' LESO requirements, on law enforcement agencies within their state regarding LESO program requests for property.

understanding (MOU) that it plans to sign with participating federal agencies. According to the MOU, it will establish DLA's authority as the owner of the program and, among other things, establish general terms and conditions.¹⁸ Figure 2 provides additional details on LESO program stages and processes for federal and state and local law enforcement agencies.

¹⁸When any DOD property, both controlled and non-controlled, is transferred to other federal agencies through the LESO program, the receiving agency takes ownership of the property and DOD removes the item from its property list.

Figure 2: LESO Program Stages and Processes for Federal and State and Local Law Enforcement Agencies



DOD Department of Defense
 FEPMIS Federal Excess Property Management Information System
 LEA Law enforcement agency
 LESO Law Enforcement Support Office
 RTD Reutilization, transfer, and donation

Source: GAO analysis of LESO program documentation. | GAO-17-532

Law enforcement agencies submit property requests electronically—after viewing available items online or in person while at a Disposition Services’ site. According to LESO officials, they manually review all property requests forwarded from state coordinators for state and local law enforcement agencies, as well as requests submitted directly from federal agencies, for final approval or denial. LESO officials told us they look for detailed justifications, including who will use the property and

how, when reviewing requests for approval. For certain items, such as aircraft, vehicles, and weapons, law enforcement agencies are required to answer additional questions and provide additional documentation, such as their training plan(s) and how the items will be secured. According to LESO officials, they follow statutory direction in U.S. Code title 10 which authorizes preference be given to property requests indicating that the use of the property will be for counterdrug, counterterrorism, and border-security activities. LESO officials also stated that a request for excess property may be denied for a variety of reasons, including if the request was not detailed enough or if the law enforcement agency has met its allowed allocation for certain property. For example, according to program documentation, for small arms, only one type is allocated for each qualified full-time or part-time officer; for HMMWVs, only one vehicle is allocated for every three officers; and for MRAPs, only one vehicle is allocated per law enforcement agency.¹⁹ However, according to LESO officials, most denials are because a requested item has already been awarded.

DLA Disposition Service Sites

When DOD declares items as excess to its needs, the property is turned into a DLA Disposition Services site and can be made available for transfer to DOD components and other eligible recipients, including approved LESO participants.²⁰ According to program documentation, when an application to participate in the LESO program is approved, an Authorization Letter for Property Screening is generated and forwarded to the state coordinator or federal agency. If the approved participant is a state law enforcement agency, the state coordinator will provide the participant with the letter of authorization. The letter of authorization that includes, for example, the full name of the law enforcement agency, DOD activity address code, telephone number, address, and digital signatures, must be on the centralized file maintained by DLA prior to the arrival of the person picking up the property and be dated less than one year from

¹⁹According to program procedures, LESO reserves the right to determine and/or adjust allocation limits, and generally no more than one of any item per officer will be allocated; however, quantity exceptions may be granted on a case-by-case basis by LESO.

²⁰The transfer process includes a 42-day period during which potential recipients may screen, request, and obtain excess property at the stages in which they are eligible to do so. The priorities outlined in the DOD disposal process guidance place DOD components and 12 DOD special program recipients in the first stage of the process (reutilization) versus the later stages (transfer or donation). See GAO prior work on DOD's disposal process and special programs: [GAO-16-44](#).

the current date.²¹ The screening authorization lists individuals eligible to search, view and request property on behalf of their participating law enforcement agency, including physical on-site screening. The DLA Disposition Services' site uses the information on this letter to contact an agency, if needed, to coordinate the direct pickup of property. Direct pickup for allocated property may be made by an individual with a valid identification and the appropriate DOD authorization form that is signed by the authorized individual listed in the screener letter.

Federal Interagency Law Enforcement Equipment Working Group

The President issued Executive Order 13688, *Federal Support for Local Law Enforcement Equipment Acquisition*, January 16, 2015, to better coordinate federal support for the acquisition of certain federal equipment by state, local and tribal law enforcement agencies. The Executive Order also established a Federal Interagency Law Enforcement Equipment Working Group (hereafter the Working Group). In May 2015, the Working Group issued a report that included a list of prohibited equipment not eligible for acquisition by law enforcement agencies and a list of controlled equipment identified by category of equipment that may be acquired by law enforcement agencies after submitting additional information such as a detailed justification for each requested item of controlled equipment.²² Further, the Working Group developed 13 programmatic and policy recommendations to improve federal equipment acquisition programs, including that the members of the Working Group form a permanent Federal Interagency Law Enforcement Equipment Working Group, calling for this permanent working group to meet regularly to support oversight and policy development functions for controlled equipment programs.

²¹DOD activity address code is a six-character, alpha-numeric code that uniquely identifies a unit, activity, or organization.

²²Law Enforcement Equipment Working Group, *Recommendations Pursuant to Executive Order 13688, Federal Support for Local Law Enforcement Equipment Acquisition* (May 2015).

DLA Has Taken Some Actions to Address Weaknesses in Its Excess Controlled Property Program, but Deficiencies Exist in Processes for Verifying and Approving Applications and Property Transfer

DLA has taken some actions and plans additional actions to address identified weaknesses in its excess controlled property program. DLA has revised its policy and procedures, is developing additional training, and is establishing MOUs for the LESO program with participating federal law enforcement agencies. However, DLA confirmed, and our independent testing of the LESO program's internal controls identified, deficiencies in the processes for the verification and approval of federal law enforcement applications and the transfer of controlled property.

DLA Has Taken Actions and Is Planning Additional Actions to Address Identified Weaknesses in Its Transfer Process

Revisions to Policy and Procedures, Compliance Reviews, and LESO Program Application

DLA has taken some steps to address identified weaknesses in its processes for transferring and monitoring its excess controlled property through revisions to its policy and procedures on the management, oversight, and accountability of the LESO program. Such revisions were made, in part, because of recommendations made by the DOD and DLA Offices of Inspector General. The DOD and DLA Offices of Inspector General conducted four audits of the LESO program between 2003 and 2013 that identified more than a dozen recommendations, such as to: develop and implement written standard operating procedures that include, for example, criteria for approval and disapproval of law enforcement agency property requests; strengthen policy and procedures on disbaring law enforcement agencies and state coordinators that do not comply with LESO program conditions; improve oversight and accountability of property; use the automated processing system for requisitioning, approving, and issuing items; and further develop procedures for the issuance, transfer, turn-in and disposal of LESO

property.²³ We found the department had taken the following actions to enhance its transfer process through revisions to policy and procedures:

- transitioned full management responsibility of the LESO Program to DLA Disposition Services in 2009;
- developed LESO Program Standard Operating Procedures in 2012 and updated them in 2013;
- transitioned to a new data system, Federal Excess Property Management Information System in 2013 after identifying that the old system was not capable of post-issue tracking;²⁴
- revised the DLA instruction that provides policy, responsibility, and procedures for DLA's management responsibilities of the LESO program in 2014 and 2016;²⁵ and
- revised LESO program processes in 2016 to incorporate recommendations made by the Federal Interagency Law Enforcement Equipment Working Group, such as defining executive order-controlled property or prohibiting schools K-12 from participating in the program.

Additionally, according to LESO officials, they conduct Program Compliance Reviews every two years for all states and territories with state and local law enforcement agencies enrolled in the LESO program. LESO officials, in consultation with the state coordinator, select a sample of state and local law enforcement agencies for site visits to physically

²³DOD, DLA Office of the Inspector General, *Audit of Law Enforcement Support Office Program Oversight*, DLA OIG-FY14-02 (Nov. 21, 2013); DLA Office of the Inspector General, *Follow-up Audit of the Law Enforcement Support Office*, DAO-12-26 (Apr. 4, 2013); DLA Accountability Office, *Audit of Law Enforcement Support Office, Defense Reutilization and Marketing Service*, DAO-09-01 (Mar. 1, 2010); Office of the Inspector General, *Logistics: Law Enforcement Support Office Excess Property Program*, D-2003-101 (June 13, 2003).

²⁴This new system, managed by the Forest Service, allows state and local law enforcement agencies to complete their annual inventories and certification and manage their own property book.

²⁵DLA Instruction 8160.01, *Law Enforcement Support Office* (July 21, 2014), and DLA Instruction 4140.11 (Dec. 22, 2016).

Agencies Reported the Need for More Training on LESO Program Policies and Procedures, and DLA Has Taken Action to Develop Additional Training

verify all controlled property in their possession, by serial number.²⁶ We observed the LESO Program Compliance Review at numerous locations in one state. Moreover, in 2017, LESO program officials revised their program application to create two applications—one for federal law enforcement agencies and the other for state and local law enforcement agencies.²⁷ The application for federal agencies requires additional information from prospective federal applicants, such as certification that their agency meets the LESO definition of a government law enforcement agency and attesting that the agency that they represent is a legitimate law enforcement agency. Likewise, the application for state and local agencies was also revised to include a similar certification of eligibility and attestation.

During our review, officials at participating law enforcement agencies—federal, state, and local—reported the need for more training on LESO program policies and procedures, and DLA is in the process of developing this additional training through an online training tool. Our analysis of the responses to our surveys and case study interviews with federal, state, and local law enforcement agencies showed that (1) not all participating agency officials had received training on all aspects of the LESO program, including its policies and procedures; and that (2) officials wanted more training to better understand, for example, LESO program processes, such as the turn-in or transfer of controlled property.

Our analysis of the responses to our survey of select federal law enforcement agencies showed that training had not been regularly provided. For example, 10 of the 13 respondents to the federal survey stated that either they did not receive training from LESO or they did not know if their agency had received any training from LESO regarding the LESO program. LESO officials told us that they have not regularly provided training to federal law enforcement agencies in the past, with training mainly provided to the state coordinators participating in the LESO program. Survey results of federal law enforcement agencies also

²⁶According to LESO program procedures, for example, at a minimum, 20 percent of all LESO program weapons within a state will be reviewed. Of the agencies selected for review, the DLA LESO Program Compliance Review team is to physically inventory 100 percent of LESO program weapons. LESO officials do not conduct Program Compliance Reviews with federal law enforcement agencies because the title of the property transfers over to the receiving federal agency.

²⁷See Appendix VI and VII for the revised LESO program application, as of March 2017, for federal and state and local law enforcement agencies.

showed that officials generally stated that training on the LESO program would be beneficial. For example, 9 of the 13 respondents to the federal survey stated that refresher training provided by LESO would be beneficial to their agency. Table 2 shows the types of refresher training that most federal law enforcement agencies in our survey stated would be beneficial to their agency.

Table 2: Types of Refresher Training That Federal Law Enforcement Agencies Stated Would Be Beneficial

In your view, would refresher training provided by the Law Enforcement Support Office (LESO) program be beneficial to your agency? If yes, please indicate the training topics that would be beneficial to your agency.

| | Yes | No | Don't know |
|---|-----|----|------------|
| Federal agency roles and responsibilities | 9 | 2 | 2 |
| Use or maintenance of Department of Defense LESO controlled property | 9 | 2 | 2 |
| Transfer or turn-in process of Department of Defense LESO controlled property | 9 | 2 | 2 |
| LESO program do's and don'ts | 9 | 2 | 2 |
| Submitting applications to the LESO program | 8 | 2 | 2 |
| Storage and security of Department of Defense LESO controlled property | 8 | 2 | 2 |
| Searching and requisitioning property | 8 | 2 | 2 |
| Programmatic changes to the LESO program | 8 | 2 | 2 |

Source: GAO survey of federal law enforcement agencies that were the major recipients of controlled property through the LESO program. | GAO-17-532

N=13

Note: Rows may not total 13 because some respondents did not provide an answer to any or all parts of this question. Major recipients refers to federal law enforcement agencies that collectively received about 99 percent of both the total initial acquisition value and the quantity of controlled property distributed from the LESO program during calendar years 2013, 2014, and 2015.

Furthermore, officials we interviewed from state and local law enforcement agencies reported different experiences about the availability and accessibility of training on policies and procedures of the LESO program from their state coordinators and stated that they would benefit from additional training on policies and procedures, such as on returning property to DLA. For example, an official from one law enforcement agency we interviewed told us that it took 8 months to receive training from his state coordinator upon joining the program.

Our analysis of the results from our survey of state coordinators showed that nearly three-fourths of the state coordinators reported that they do not provide mandatory training on LESO program policies and procedures to state and local law enforcement agencies within their state. We also found that state coordinators varied in the types of training they provided on LESO program policies and procedures. For example, our analysis

found that 40 percent (18 of 45) of responding state coordinators reported that they do not provide in-person refresher or annual training and 15 percent (7 of 46 responding to the question) reported that they do not provide training aids or reference aids (i.e., PowerPoint format). The majority of state coordinators (94 percent) reported they would find additional LESO training modules helpful. Table 3 shows our analysis of the survey responses on the topics state coordinators indicated that additional training would be useful. See Appendix IV for additional details on the results regarding training from our survey.

Table 3: Number of State Coordinators GAO Surveyed Who Would Find Additional Training on Selected Topics Useful or Not Useful

How useful or not useful would the following types of training be to you and your staff?

| | Useful ^a | Somewhat useful | Not useful |
|---|---------------------|-----------------|------------|
| Executive Order 13688, including recommendations | 39 | 4 | 7 |
| Roles and responsibilities of state coordinator | 36 | 8 | 6 |
| Internal State 5% Program Compliance Review | 35 | 10 | 5 |
| Transfer or turn-in process of controlled property | 35 | 7 | 6 |
| Reviewing applications to the Law Enforcement Support Office (LESO) program | 32 | 8 | 9 |

Source: GAO survey of LESO program state coordinators regarding the LESO program. | GAO-17-532

N=50

Note: Rows may not total 50 because some respondents did not provide an answer to any or all parts of this question.

^a In our survey, respondents had the option to select one of the following: Very Useful, Moderately Useful, Somewhat Useful and Not Useful. Very Useful and Moderately Useful responses were combined under the Useful column.

LESO provides some training aids on program policies and procedures on their program website for federal, state and local agencies. LESO also provides training to state coordinators at an annual training seminar, and then, according to program guidance, state coordinators are to train state and local law enforcement agencies in their states.²⁸ However, over the course of our review, DLA officials stated that they recognize the need to enhance aspects of training and are in the process of developing an

²⁸Title 10, section 280 of the U.S. Code, *Enhancement of Cooperation with Civilian Law Enforcement Officials*, requires DOD to conduct an annual briefing of law enforcement personnel of each state (including law enforcement personnel of the political subdivision of each state) regarding information, training, technical support, and equipment and facilities available to civilian law enforcement personnel from the DOD.

online training tool, which is expected to be established in late 2017.²⁹ Specifically, LESO program officials stated that they are enhancing training by working to establish an online training tool that will assist in providing specific information and training modules on LESO program policies and procedures to federal law enforcement agencies and that state coordinators can provide to state and local law enforcement agencies in their states. Some training modules have been completed and published on LESO's website, such as a quick-start guide. Other training modules that are planned include, for example, a guide for returning controlled property for proper disposal, among other program policies and procedures. We acknowledge that DLA to date has taken action on the issue by recognizing the need for additional training, assigning a lead, and developing a quick start tool. However, it is too early to evaluate whether the actions taken and the developed and planned training will address the issues our survey and case studies identified.

DLA Is Establishing MOUs with Federal Law Enforcement Agencies

DLA is establishing MOUs with federal law enforcement agencies. Until 2016, DLA lacked a mechanism to establish the general terms and conditions of the participating federal law enforcement agencies, such as restrictions on further transfer or sale of controlled property. According to DLA and LESO officials, LESO officials had discussed taking steps to develop a MOU in past years for federal law enforcement agencies, similar to those of state and local agencies. DLA expedited and completed the development of a MOU in December 2016, in part, because federal law enforcement agencies began contacting the LESO program office regarding gaining visibility over items transferred to their respective agencies including subordinate agencies and their field offices and had questions regarding who was authorized to screen and request property for their agency. These inquiries were in part a result of our effort to confirm which federal agencies, including their subordinate agencies, had received excess controlled property, and some of them did not know that their subordinate agencies had obtained excess controlled property through the LESO program. In our survey of 15 federal law enforcement agencies, completed in October 2016, we found federal law enforcement officials were unaware of the extent to which their agency requests and

²⁹According to DLA officials, this online training tool will be available to participating law enforcement agencies on the LESO website.

receives DOD-controlled property through the program.³⁰ For example, 5 of the 13 federal survey respondents reported they either did not internally track or did not know if their agency internally tracked DOD-controlled property obtained by their field offices through the LESO program.

As of April 2017, DLA and LESO officials had sent the MOU to all participating federal law enforcement agencies and 7 had been signed.³¹ LESO program officials told us they have assigned a LESO official to lead the federal agency aspect of the LESO program, including assisting DLA Disposition Services in finalizing the MOUs and establishing designated points of contact at all participating federal agencies' headquarters. For example, according to LESO officials, LESO is working with designated points of contact at the federal agencies to establish a more centralized approval process to increase federal agencies' visibility over property requests submitted by federal agency field offices, prior to the requests being approved by LESO officials. DLA officials estimated that MOUs will be established with all participating federal agencies by mid-2017. Given that the MOUs have either been recently established or are in the process of being finalized with some federal agencies, it is too early to evaluate the effect of the MOUs in improving the management of the LESO Program. See Appendix V for additional details on the results of the survey of federal law enforcement agencies.

³⁰The overall response rate for the survey of federal law enforcement agencies was 87 percent (or 13 of 15). Appendix II describes our objectives, scope, and methodology in greater detail.

³¹According to DLA officials, as of April 2017, there were 25 participating federal law enforcement agencies.

DLA Has Deficiencies in Its Processes for Verifying and Approving Applications and Transferring Property and Has Not Conducted a Risk Assessment

DLA Has Deficiencies in Its Processes for Verifying and Approving Federal Agency Applications

Our independent testing of the LESO program's internal controls identified deficiencies in the processes for verification and approval of federal law enforcement agency applications. Specifically, our investigators, posed as authorized federal law enforcement agency officials of a fictitious agency, applied and were granted access to the LESO program in early 2017. In late 2016, we emailed our completed application to the LESO program office.³² Our application contained fictitious information including agency name, number of employees, point of contact, and physical location. We also created mail and e-mail addresses, and a website for our fictitious law enforcement agency using publicly available resources. All correspondence, including follow-up questions regarding our application, was conducted by email with LESO officials. For example, after reviewing our initial application, LESO officials informed us that we needed to revise specific information on the application and resubmit it, indicating that when we did so we would be approved to participate in the program. In early 2017, we resubmitted our application and soon thereafter we were notified that our fictitious law enforcement agency was approved to participate in the LESO program. LESO officials also emailed us to request confirmation of our agency's authorizing statute; in response, our investigators provided fictitious authorizing provisions presented as a provision in the U.S. Code. At no point during the application process did LESO officials verbally contact officials at the agency we created—either the main point of contact listed on the application or the designated point of contact at a headquarters' level—to verify the legitimacy of our application or to discuss establishing a MOU with our agency.

³²See Appendix VIII for an example of the LESO program application, as of 2016, at the time of our application.

According to DLA policy, DLA is responsible for ensuring the successful implementation of the LESO program and for issuing program policy, procedures, and guidance in agency instructions and manuals.³³ However, DLA's internal controls for verifying and approving federal agency applications and enrollment in the LESO program were not adequate to prevent the approval of a fraudulent application to obtain excess controlled property. LESO's reliance on electronic communications without actual verification does not allow it to properly vet for potentially fraudulent activity. For example, DLA did not require supervisory approval for all federal agency applications, or require confirmation of the application with designated points of contact at the headquarters of participating federal agencies. Additionally, at the time we submitted our application, DLA officials did not visit the location of the applying federal law enforcement agency to help verify the legitimacy of the application. However, after our briefing of DLA officials in March 2017 on the results of our investigative work, DLA officials stated they took immediate action, and in April 2017 have visited 13 participating federal law enforcement agencies. Further, DLA has not reviewed and revised the policy or procedures for verifying and approving federal agency applications and enrollment in the LESO program. Without reviewing and revising the internal controls in policy or procedures for verifying and approving federal agency applications and enrollment in the LESO program, DLA and LESO management will lack reasonable assurance of the legitimacy of applicants before transferring valuable, and in some cases potentially lethal, controlled property.

DLA Did Not Routinely Request and Verify Identification of Individuals Picking Up Controlled Property or Verify the Quantity of Approved Items Transferred

Our independent testing of DLA's internal controls also identified deficiencies in the transfer of controlled property, such as DLA personnel not routinely requesting and verifying identification of individuals picking up controlled property or verifying the quantity of approved items prior to transfer. Our investigators, after being approved to participate in the LESO program, obtained access to the department's online systems to view and request controlled property. We subsequently submitted requests to obtain controlled property, including non-lethal items and potentially-lethal items if modified with commercially available items. In less than a week after submitting the requests, our fictitious agency was approved for the transfer of over 100 controlled property items with a total estimated value of about \$1.2 million. The estimated value of each item ranged from \$277 to over \$600,000, including items such as night-vision

³³DLA Instruction 4140.01 (Dec. 22, 2016).

goggles, reflex (also known as reflector) sights, infrared illuminators, simulated pipe bombs, and simulated rifles. Our investigator scheduled appointments, visited three Disposition Service sites, and obtained the controlled property items, as shown in Figure 3.

Figure 3: LESO Program Excess Controlled Property Items Approved for Transfer and Obtained by GAO Investigators



Sight: reflex (or reflector) type

Sight is a reflex sight that uses a red aiming reference. It is designed for “two eyes open”. It is used for operational or training purposes to allow the viewer to see an image with an aiming point and the field view at the same time.



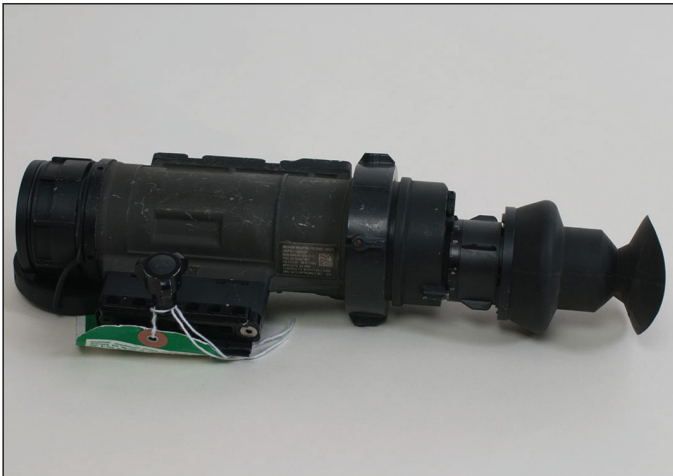
Night-vision goggle

The night-vision goggle is a hand held, head mounted or helmet mounted night-vision system.



Sight: holographic type

The holographic sight uses laser-driven holographic technology. It is designed for “two eyes open”. It is used for operational or training purposes to allow the viewer to see peripherally.



Sight: thermal type

The thermal sight is an infrared weapon aimer, pointer, and illuminator. It is designed to provide target marking and illumination for night vision devices users.



Simulated M16A2 rifle

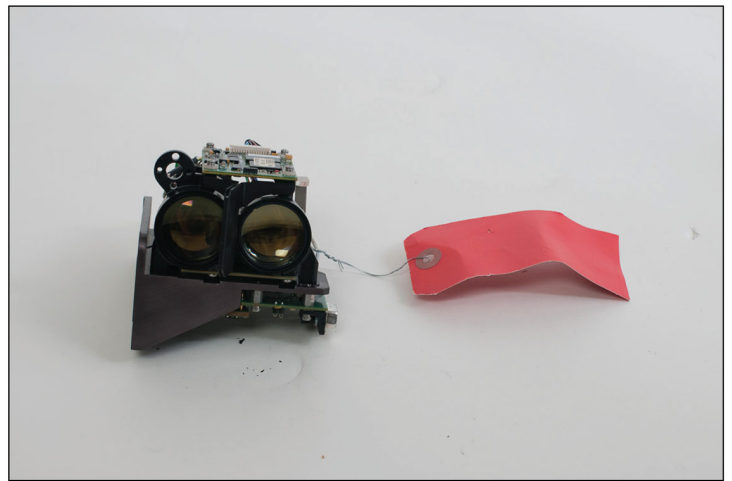
The simulated M16A2 rifle is used for training purposes.

Source: GAO. | GAO-17-532



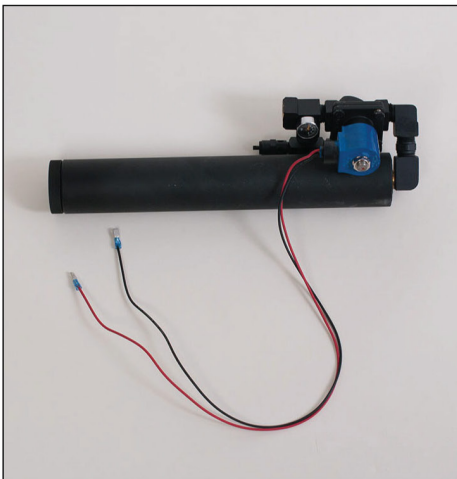
Receiver: infrared type

The infrared receiver is hardware that sends information from an infrared remote control to another device by receiving and decoding signals.



Range finder: laser type

The range finder laser is designed to be mounted on a weapon to provide for greater accuracy in target marking.



Pipe Bomb Trainer

The pipe bomb trainer is a training device used to simulate a pipe bomb, concealed explosives, or other improvised explosive device.



Sight: bore, optical

The optical sight bore is used for operation or training purposes to increase accuracy in target marking in all lighting situations.



Illuminator: infrared type

The infrared illuminator provides for covert target acquisition in low light or complete darkness when used with night-vision devices. A focus knob is used to vary the infrared illumination beam spread from flood to spot, based on the range and size of the area to be illuminated.

Source: GAO. | GAO-17-532

Using fictitious identification and law enforcement credentials, along with the LESO-approved documentation, our investigator was able to pass security checks and enter the Disposition Service warehouse sites. Personnel at two of the three sites did not request or check for valid identification of our investigator picking up the property. According to DLA

guidance, direct pickup of allocated property may be made by an individual with a valid identification and the appropriate DOD authorization form that is signed by the authorized individual listed in the letter.³⁴

DLA has not ensured compliance that on-site officials routinely request and verify valid identification of the individual(s) authorized to pick up allocated property from the LESO program, as required by the guidance. However, DLA officials acknowledged they could take additional steps to ensure compliance with the requirements in the handbook. If DLA does not ensure that Disposition Services on-site officials routinely request and verify valid identification, then DLA will lack reasonable assurance that controlled property is transferred to authorized individuals.

Furthermore, although we were approved to receive over 100 items and the transfer documentation reflects this amount, we were provided more items than we were approved for. The discrepancy involved one type of item—infrared illuminators. We requested 48 infrared illuminators but on-site officials at one Disposition Services site provided us with 51 infrared illuminators in 52 pouches, of which one pouch was empty. Additionally, we found that one Disposition Services site had a checklist as a part of their transfer documentation for their personnel to complete. The checklist required manual completion of a number of items, including quantity, date, and who fulfilled the order. The other two Disposition Services sites, including the site that transferred the wrong quantity, did not include this checklist with the transfer documentation we received. DLA guidance states that accountability records be maintained in auditable condition to allow property to be traced from receipt to final disposition.³⁵ Also, the *Standards for Internal Control in the Federal Government* state that management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities.³⁶ Additionally, DLA has guidance that describes procedures for managing and handling, among other things, sensitive, and pilferable controlled inventory items but does not specifically

³⁴DLA Disposition Services Customer Handbook 2016.

³⁵DOD Manual 4160.01, Volume 1, *Defense Materiel Disposition: Disposal Guidance and Procedures* (October 22, 2015).

³⁶[GAO-14-704G](#).

DLA Has Not Assessed Its
Fraud Risks or Identified
Internal Control Deficiencies to
Prevent Fraud

address all items that are transferred to law enforcement agencies.³⁷ Without guidance that specifically requires DLA Disposition Services' on-site officials to verify the type and quantity of approved items against the actual items being transferred prior to removal from the sites, then DLA will lack reasonable assurance that the approved items transferred are appropriately reflected in their inventory records.

While DLA has taken some steps, mostly in early 2017, to address identified deficiencies in the LESO program, DLA lacks a comprehensive framework for instituting fraud prevention and mitigation measures. During the course of our review, DLA revised the LESO program applications by requiring applicants to sign an attestation that the agency that they represent is a legitimate law enforcement agency. Further, DLA officials stated they are more carefully reviewing the legitimacy of some information on the application such as email addresses and physically visiting federal agencies that enter into MOUs with the LESO program. However, as previously discussed, we identified internal controls weakness in the policy or procedures for verifying and approving federal agency applications and enrollment as well as weakness throughout the process from approval to the actual transfer of the items to the agencies, which indicates that DLA has not examined potential risks for all stages of the process.

Standards for Internal Control in the Federal Government note that management should remediate identified internal control deficiencies on a timely basis, assess fraud risk by considering the potential for fraud when identifying, analyzing, and responding to risks, and analyze and respond to identified fraud risks so that they are effectively mitigated.³⁸

Additionally, according to GAO's Fraud Risk Framework, effective fraud risk managers collect and analyze data on identified fraud schemes, use these lessons learned to improve fraud risk management activities, and plan and conduct fraud risk assessments that are tailored to their programs.³⁹ The framework states there is no universally accepted

³⁷DOD Manual 4140.01, Volume 11, *DOD Supply Chain Materiel Management Procedures: Inventory Accountability and Special Management and Handling* (March 8, 2017).

³⁸[GAO-14-704G](#).

³⁹[GAO-15-593SP](#). The Fraud Risk Framework has the following components: commit to combating fraud, assess fraud risk, design and implement a strategy for mitigating risk, and evaluate outcomes. We selected leading practices from the component of assess fraud risk because the use of these practices could be objectively verified.

approach for conducting fraud risk assessments since circumstances among programs vary. However, per leading practices, assessing fraud risks generally involves five actions: (1) identifying inherent fraud risks affecting the program, (2) assessing the likelihood and effect of those fraud risks, (3) determining fraud risk tolerance, (4) examining the suitability of existing fraud controls and prioritizing residual fraud risks, and (5) documenting the program's fraud risk profile. In conducting the fraud risk assessment, the framework identifies that managers should develop and document an antifraud strategy which describes, among other things, existing fraud control activities as well as any new control activities a program may adopt to address residual fraud risks. The DLA Office of Inspector General has an investigation ongoing, but DLA Office of Inspector General officials told us that a number of internal control weaknesses were identified and several recommendations were made to DLA that if implemented could help to mitigate future potential fraud risks. As such, DLA has begun to examine some risk associated with the LESO program. During our March 2017 meeting with DLA officials, they acknowledged that they have not conducted a fraud risk assessment on the LESO program, to include the application process, and as such, has not designed or implemented a strategy with specific control activities to mitigate risks to the program. Conducting such an assessment could have program-wide improvements, including strengthening the controls to verify the legitimacy of state and local law enforcement agencies. If DLA conducted a fraud risk assessment on the LESO program, to include the application process, and designed and implemented a strategy with specific internal control activities to mitigate assessed fraud risks, DLA would be more effective in preventing, detecting, and responding to potential fraud and security risks.

DLA Maintains a Public Internet Site with Data on Property Transfers, Including Information on Excess Controlled Property

The National Defense Authorization Act for Fiscal Year 2016 included a provision for DOD to create and maintain a publicly available Internet site that provides information on the controlled property transferred and the recipients of such property.⁴⁰ DOD was required to include all publicly accessible unclassified information pertaining to the request, transfer, denial, and repossession of controlled property, among other items, on the website.

DLA maintains information on the controlled and non-controlled items on the LESO program homepage and has links to Excel documents about its property transfers.⁴¹ The property transfer lists, which date back to 1991, are updated quarterly according to LESO officials, and include information about the transfer of all excess property transferred to federal, state, and local law enforcement agencies.⁴² In September 2016, in response to the statutory requirement, LESO officials added the following information to their LESO program homepage, and plan to include this information on the LESO program homepage for future property transfers:

- Pending transfer requests for property reclassified as controlled property by the Law Enforcement Equipment Working Group, pursuant to Executive Order 13688;
- Shipments (transfers), including non-controlled and controlled property, including justification language submitted by the law enforcement agencies; and
- Cancellations, including reasons for denial, broken out by three categories: state coordinator, LESO headquarters, or system denial.⁴³

⁴⁰Pub. L. No. 114-92, div. A, title 10, § 1051(a) (Nov. 25, 2015).

⁴¹During our initial searches for the information, it was not on the LESO homepage. It was included on the DLA Electronic Freedom of Information Act webpage; however, in 2016 LESO officials recognized the need to have it more readily accessible and moved the information to the DLA LESO homepage.

⁴²These data, displayed by states and U.S. territories, provide information on the transfer, including the name of the federal, state, or local law enforcement agencies that have received the property, and details such as item type, quantity, initial acquisition value, and shipment date.

⁴³A system denial can occur when a law enforcement agency submits a request for excess property items that have already been awarded to another law enforcement agency, and are no longer available.

During the course of our audit work, we determined that the information on DLA's Internet site did not distinguish between controlled versus non-controlled items. Specifically, DLA's information on its Internet site did not distinguish for the general public which items were considered controlled versus non-controlled property because the information was not displayed in a transparent format that is clearly understandable by the general public. DLA provided the demilitarization codes, which are used to identify controlled and non-controlled items, but the general public would need to have an understanding of demilitarization codes to identify which items were controlled based on those codes.⁴⁴ Furthermore, as of March 2017, DLA's Internet site did not provide a definition to explain that property with demilitarization code B, for example, is considered controlled whereas property with demilitarization code A is considered non-controlled.⁴⁵ However, after we briefed DLA officials in April 2017 on the results of our audit, DLA officials took immediate action and added a definition of controlled property to their Internet site to distinguish for the general public what items are considered controlled.

Conclusions

DLA transfers excess controlled property to thousands of federal, state, and local law enforcement agencies that request approval to participate in the LESO program. DLA has taken some actions and plans additional actions to address identified weaknesses in its excess controlled property program, including changes in program policy and providing training. However, our investigators tested the LESO program's internal controls by creating a fictitious agency allowing us to gain access to the program and to obtain over 100 controlled property items valued at about \$1.2 million. DLA's internal controls were not adequate to prevent the approval

⁴⁴DOD uses demilitarization (DEMIL) codes to identify controlled property. Demilitarization is the act of eliminating the functional capabilities and inherent military design features from DOD personal property. Methods and degree range from removal and destruction of critical features to total destruction by cutting, crushing, shredding, melting, burning, etc. DEMIL is required to prevent property from being used for its originally intended purpose and to prevent the release of inherent design information that could be used against the United States. DEMIL applies to DOD personal property in both serviceable and unserviceable condition. See DOD Manual 4160.28, Volume 2, *Defense Demilitarization: Demilitarization Coding*, (Mar. 9, 2017). DOD personal property with a DEMIL code of B, C, D, E, F, G, and Q is considered controlled property. Also, property, regardless of demilitarization code, that was specifically identified in Executive Order 13688 is considered controlled property. See DLA Instruction 4140.11 (Dec. 22, 2016).

⁴⁵The LESO program considers demilitarization A as controlled for one year after transfer for state and local law enforcement agencies after which it is then considered non-controlled property.

of a fraudulent application and DLA has not reviewed and revised the policy or procedures for verifying and approving federal agency applications and enrollment in the LESO program. Without reviewing and revising the internal controls in policy or procedures for verifying and approving federal agency applications and enrollment in the LESO program, DLA and LESO management will lack reasonable assurance of the legitimacy of applicants before transferring valuable, and in some cases potentially lethal, controlled property.

Moreover, our investigative work found DLA has not ensured compliance that officials at DLA Disposition Services' sites routinely request and verify valid identification of the individual(s) authorized to pick up allocated property from the LESO program. Without improving internal controls, DLA will lack reasonable assurance that its Disposition Services on-site officials are transferring controlled property to authorized individuals. Controlled items in the wrong hands—items such as simulated rifles and pipe bomb trainers—could result in criminal activities, including terrorism or illegal sale or transfer of items. Additionally, we found that on-site officials did not verify the quantity of approved items prior to transfer. If DLA does not issue guidance that requires DLA Disposition Services on-site officials to verify the type and quantity of approved items against the actual items being transferred prior to removal from the sites, then DLA will lack reasonable assurance that the approved items transferred are appropriately reflected in their inventory records. Correct accounting, according to DLA guidance, for all excess property by DLA Disposition Services' sites is critical as non-compliance can result in property being misappropriated with potentially severe consequences. Finally, we found that DLA lacks a comprehensive framework for instituting fraud prevention and mitigation measures that would allow it to examine potential risks for all stages of the process from application to transfer of excess controlled property to legitimate law enforcement agencies. If DLA conducted a fraud risk assessment for all stages of the process, DLA would be more effective in preventing, detecting, and responding to potential fraud and security risks.

Recommendations for Executive Action

We are making four recommendations to enhance the department's transfer of its excess controlled property.

To strengthen LESO program internal controls for the application and enrollment of federal agencies, we recommend the Under Secretary of Defense for Acquisition, Technology and Logistics direct the Director of DLA to review and revise policy or procedures for verifying and approving

federal agency applications and enrollment. For example, such steps could include LESO supervisory approval for all federal agency applications; confirmation of the application with designated points of contact at the headquarters of participating federal agencies; or visiting the location of the applying federal law enforcement agency.

To help ensure controlled property is picked up by authorized individuals, we recommend that the Under Secretary of Defense for Acquisition, Technology and Logistics direct the Director of DLA to ensure compliance that on-site officials responsible for the transfer of items at Disposition Services' sites request and verify valid identification of the individual(s) authorized to pick up allocated property from the LESO program.

To help ensure the accurate quantity of approved items is transferred, we recommend that the Under Secretary of Defense for Acquisition, Technology and Logistics direct the Director of DLA to issue guidance that requires DLA Disposition Services on-site officials to verify the type and quantity of approved items against the actual items being transferred prior to removal from the sites.

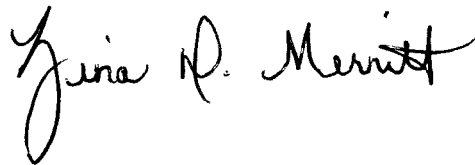
To strengthen LESO program internal controls, we recommend that the Undersecretary of Defense for Acquisition, Technology, and Logistics direct the Director of DLA to conduct a fraud risk assessment to design and implement a strategy with specific internal control activities to mitigate assessed fraud risks for all stages relating to LESO's transfer of excess controlled property to law enforcement agencies, consistent with leading practices provided in GAO's Fraud Risk Framework.

Agency Comments

We provided a draft of this report to the Department of Defense (DOD) for review and comment, and written comments are reproduced in Appendix IX. DOD concurred with all four recommendations and highlighted the actions it was taking to address each recommendation. Regarding the first recommendation, DOD stated DLA had reviewed and revised the procedures for verifying and approving federal agency applications and now requires federal agency headquarters to assign a point of contact and sign a memorandum of understanding (MOU). In addition, DOD noted DLA is updating policy to reflect the revised procedural changes. In regards to the second and third recommendations, while DLA has policies requiring on-site officials to request and verify identification from all customers and to verify the type and quantity of approved items being transferred prior to removal from sites, DOD stated DLA will conduct additional training on the processes to all DLA Disposition Services Field sites by October 1, 2017. Regarding our fourth recommendation, DOD noted DLA will conduct a fraud risk assessment and implement a strategy to mitigate assessed fraud risks by April 1, 2018.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense; the Director, Defense Logistics Agency; the Secretaries of the Army, the Navy, and the Air Force; and the Commandant of the Marine Corps. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact Zina Merritt at (202) 512-5257 or merrittz@gao.gov or Wayne McElrath at (202) 512-2905 or mcelrathw@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made key contributions to this report are listed in appendix X.



Zina Merritt
Director
Defense Capabilities and Management



Wayne McElrath
Director
Forensic Audits and Investigative Service

List of Congressional Committees

The Honorable John McCain
Chairman

The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mac Thornberry
Chairman

The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Appendix I: Law Enforcement Agencies Reported Various Uses and Benefits from the Transfer of the Department of Defense's (DOD) Excess Controlled Property

Federal, state, and local law enforcement agencies reported various uses and benefits from the receipt of DOD's excess controlled property through the Law Enforcement Support Office (LESO) program.

Reported Uses of DOD Excess Controlled Property for Law Enforcement Activities

Federal law enforcement agencies and state coordinators in our survey—as well as officials we interviewed from federal, state, and local law enforcement agencies—reported various uses of DOD excess controlled property for law enforcement activities.¹ The reported uses included enhancing counterdrug, counterterrorism, and border-security activities. Also, law enforcement agencies reported using DOD's excess controlled property for other law enforcement activities, such as search and rescue, natural disaster response, surveillance, reaching barricaded suspects, police training, and the serving of warrants. For example, the Bureau of Indian Affairs reported they have used vehicles to support its Office of Justice Services' drug unit during marijuana eradication and border operations by providing transport to agents over inhospitable terrain in mountainous and desert environments. Also, Texas law enforcement officials reported that the San Marcos and Hays County police departments used their issued Mine Resistant Ambush Protected (MRAP) vehicles to rescue more than 600 stranded people from floodwaters in October 2015. In another example, the Los Angeles County Sheriff's Department reported that it used a robot to remove a rifle from an attempted murder suspect who had barricaded himself. Table 4 includes additional examples reported to us on the use of excess controlled property.

¹Surveys with federal law enforcement agencies and state coordinators were conducted in September and October 2016. Interviews with federal, state, and local law enforcement agencies were conducted between April 2016 and August 2016. See appendix II for more information on our selection of federal law enforcement agencies and interviews.

**Appendix I: Law Enforcement Agencies
Reported Various Uses and Benefits from the
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Table 4: Examples of Reported Uses of the Department of Defense Excess Controlled Property in the Law Enforcement Support Office Program (by Type of Law Enforcement Activity)

| Law enforcement activity | Reported example of use |
|---------------------------------|---|
| Counterdrug | <ul style="list-style-type: none"> • Helicopters were used daily to patrol drug use. • Vehicles were used as undercover vehicles to monitor drug houses and activities and to make controlled buys. • High Mobility Multipurpose Wheeled Vehicles were used to patrol and enforce in rugged areas that are not accessible by two-wheel drive vehicles. • Mine Resistant Ambush Protected vehicles were used to conduct numerous drug raids in the rural countryside; sometimes several in a single day. • Weapons were used to protect citizens and officers while conducting court approved drug search warrants. • Night-vision equipment was used to maintain surveillance of drug activities in low light conditions. • All-terrain vehicles and other small vehicles allowed a police department to patrol off-road, wooded areas where known drug trafficking activities have taken place for many years. • Tactical gear was used during drug raids, search and seizure. • Optics, night vision, and thermal imaging were used during investigations and surveillance of marijuana cultivation on public lands. |
| Counterterrorism | <ul style="list-style-type: none"> • Helicopter was flown on several Homeland Security and counterterrorism missions each year, such as every 9/11 anniversary or times of increased security concerns, and on coastline patrols and Metro-North Railroad patrols. • Helicopter was used for 9/11 coastline patrols. • Mine Resistant Ambush Protected vehicles were ready for deployment and on standby status for such high-profile events as the Super Bowl and other dignitary protection details, such as visits by the President and Vice President of the United States and by presidential candidates. • Boat was used to provide better water patrols of a dam from a homeland-security standpoint. |
| Border security | <ul style="list-style-type: none"> • Night-vision equipment was used on border crossing locations to detect violators (northern and southern borders). • High Mobility Multipurpose Wheeled Vehicles were used to patrol the border for illegal activity at the border. • Mine Resistant Ambush Protected vehicles were used to patrol the border for illegal activity at the border. • Fixed, aerial, and mobile capabilities were used to enhance border surveillance and detection capabilities on the southwest border in key areas. |
| Search and rescue | <ul style="list-style-type: none"> • Aircraft provided law enforcement agencies the ability to conduct searches of vast areas for search and rescue. • Helicopters were used for searching for missing persons. • Mine Resistant Ambush Protected vehicles, High Mobility Multipurpose Wheeled Vehicles, and cargo carriers were used to respond to flooding and blizzard situations. • Watercraft were used for search/rescue on several occasions. |

**Appendix I: Law Enforcement Agencies
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| | |
|---|--|
| Active shooter or hostage situation | <ul style="list-style-type: none"> • Mine Resistant Ambush Protected vehicles were used in examples involving an active shooter and another armed person threatening violence with a weapon. • Armored vehicles were used to safely rescue citizens and officers from active shooter situations. • Armored vehicles were used to respond to active shooter situations and on high-risk warrant situations. The armored vehicles received fire and protected the officers inside. • A Mine Resistant Ambush Protected vehicle was used when a gunman barricaded himself. Once the vehicle arrived, the gunman surrendered without incident. |
| Building search or examination of suspicious packages | <ul style="list-style-type: none"> • Robots were used to enter areas that might not be safe for officers. For example, robots were sent in to investigate bombs or in environments that are risky due to the presence of drugs, hazardous materials, or violent individuals. • Robots were used to search buildings to eliminate the risk of sending in officers to conduct dangerous searches. |
| Tracking fugitives | <ul style="list-style-type: none"> • Helicopters were used for tracking fugitives. • Periscopes were used as a safer way to clear an attic. A periscope aided in the protection of officers instead of sending a person into an attic where an armed suspect could have been hiding. |
| Serving warrants | <ul style="list-style-type: none"> • Tactical vehicles and gear were used for the safety of officers serving high-risk warrants, especially when served at nighttime. |
| Protection of officers and public | <ul style="list-style-type: none"> • Radio communications equipment helped meet the primary mission of the agency in serving the public. • Enhanced sights on weapons during various types of tactical activities increased the capabilities and safety of the officers. • Aircraft provided a force multiplier during critical missions where officer safety was at risk. |
| Natural disasters | <ul style="list-style-type: none"> • High Mobility Multipurpose Wheeled Vehicles and tactical vehicles were used during hurricanes and snowstorms to patrol when the streets were not passable and flooded. • High Mobility Multipurpose Wheeled Vehicles were used to rescue homeowners trapped at their flooded residences. • High Mobility Multipurpose Wheeled Vehicles were used after tornado to get around when the patrol cars kept getting flat tires. • Helicopters were used to fight fires. |

Source: GAO survey and case study data. | GAO-17-532

**Reported Benefits from
Receiving Excess
Controlled Property
through the LESO
Program**

Federal, state, and local law enforcement agencies and state coordinators also reported various benefits from receiving DOD excess controlled property through the LESO program. The benefits were reported in survey results and identified through our case studies. Table 5 provides examples of the reported benefits.

**Appendix I: Law Enforcement Agencies
Reported Various Uses and Benefits from the
Transfer of the Department of Defense's (DOD)
Excess Controlled Property**

Table 5: Examples of Benefits That Law Enforcement Agencies Reported from the Receipt of Department of Defense Excess Controlled Property

Reported example of benefit by:

Federal law enforcement agency survey respondents

- The Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice reported that the Law Enforcement Support Office (LESO) program allowed them to obtain specialized gear and equipment in a cost-effective manner that tremendously enhanced and aided their readiness to carry out their mission. Further, in a time of budget constraints, the officials stated that the LESO program allowed them to obtain critical items.
- The Drug Enforcement Administration, U.S. Department of Justice reported that the LESO program is a key source of supply without committing additional government funds.
- The Bureau of Indian Affairs, U.S. Department of the Interior reported that the LESO program saved their agency hundreds of thousands of dollars over the last three years because they had the ability to acquire equipment at no cost.
- The U.S. Forest Service, United States Department of Agriculture reported that much of this equipment would not be affordable to most law enforcement agencies and that this equipment has made them more efficient, saved money, greatly increased their operational capabilities, and made their officers safer.

Federal law enforcement case study respondents

- The U.S. Marshals Service, U.S. Department of Justice, Atlanta office, reported they were creating a Special Response Team in 2014, and considered cost-savings measures and how to acquire items to aid their mission instead of buying items out of their budget. Officials at U.S. Marshals Service Atlanta stated that the LESO program allowed them to obtain equipment, such as High Mobility Multipurpose Wheeled Vehicles, that were beneficial to their district and mission, and helped save money and acquire better technology.
- Officials from the Federal Bureau of Investigation, U.S. Department of Justice, Detroit office, reported that overall, the LESO program operates as a budgetary enhancement, as they cannot afford the majority of the equipment they are authorized to use. For instance, they said it would cost \$35,000 to outfit the entire team with infrared lasers; however, their budget for this type of item is only \$12,000.

State coordinator survey respondents

- More than 85 percent of state coordinators reported that controlled property received through the LESO program enhanced law enforcement activities in their state.
- More than one-third reported that law enforcement agencies within their state could not afford purchasing their own equipment or would purchase their own equipment piecemeal over a long period.

State and local law enforcement case study respondents

- A local law enforcement official from Michigan reported that the program allowed smaller departments to get items that they would not normally be able to acquire and as a result, his department saved \$5,000 to \$10,000.
- A local law enforcement official in Maryland reported that his sheriff's department saved over \$200,000 through the LESO Program.
- A local law enforcement official in Texas reported that 96 percent of the department budget goes to salaries and that the LESO program helped the department acquire items that it would otherwise not be able to afford; the official estimated that the program saved the department \$2 million to \$3 million.
- University law enforcement officials reported the threat of active shooters on campuses, and reported that the equipment they received from the LESO program aids their ability to respond to such threats.

Source: GAO survey and case study data. | GAO-17-532

Appendix II: Objectives, Scope, and Methodology

This report addresses the extent to which the Defense Logistics Agency (DLA) has: (1) taken actions to enhance processes, including internal controls, relating to its transfers of excess controlled property; and (2) addressed the statutory requirement to maintain a public Internet site that provides transparency about controlled property transfers and about the recipients of such property. We also include survey and case study information collected between April 2016 and October 2016 on how federal, state, and local law enforcement agencies reported using and benefiting from excess controlled property transferred to them through DLA's Law Enforcement Support Office (LESO) program in accordance with the purposes of the program, including enhancement of counterdrug, counterterrorism, and border-security activities in appendix I. For the report, we relied on the Department of Defense (DOD) definition of controlled property as outlined in DLA and LESO program policy and guidance.¹ We also confirmed the definition with LESO program officials.²

For objective one, we reviewed DLA and LESO program policy and guidance on LESO program processes for transferring controlled property, including DLA instructions, LESO program standard operating procedures, and memorandums of agreement between LESO and participating states, which set forth the terms and conditions of transfer, monitoring, training, accountability, and disposal of controlled property obtained through the LESO program.³ In addition, we reviewed Executive Order 13688, *Federal Support for Local Law Enforcement Equipment Acquisition* (Jan. 16, 2015) and interviewed members from the permanent Federal Interagency Law Enforcement Equipment Working Group

¹See DOD Manual 4160.28, Volume 2, *Defense Demilitarization: Demilitarization Coding* (Mar. 9, 2017); Defense Logistics Agency Instruction (DLAI) 4140.11, *Department of Defense 1033 Program* (Dec. 22, 2016).

²DOD has a process for identifying excess controlled property that can be transferred to law enforcement agencies using demilitarization codes. According to DOD, controlled property includes (1) DOD-controlled property that has a demilitarization code of B, C, D, E, F, G, or Q, under Department of Defense Manual 4160.21-M, *Defense Material Disposition Manual*, or any successor document; and (2) Executive Order-controlled property, regardless of demilitarization code, that was specifically identified in a May 2015 report issued by the Federal Interagency Law Enforcement Equipment Working Group, which was created pursuant to Executive Order 13688. The Executive Order definition includes some commodities, such as certain vehicles and riot control equipment, which DOD had not initially considered controlled property, but now treats as such.

³See DLAI 4140.11 (Dec. 22, 2016); DLA Disposition Services Law Enforcement Support Office Standard Operating Procedures (Nov. 12, 2013); and Memorandums of Agreement between LESO and participating states.

regarding additional federal requirements for participating law enforcement agencies to obtain specific types of controlled property. We compared the additional federal requirements in the Executive Order to DLA policy, guidance, and processes to gain an understanding of how DLA has incorporated and implemented such requirements.

We also reviewed DOD policy, including DLA Instruction 4140.11, *Department of Defense 1033 Program* (December 22, 2016), and prior issuances, to gain an understanding of policy, responsibility, and procedures regarding the administration, management, oversight and implementation of the department's LESO program.⁴ We reviewed the LESO program standard operating procedures, which outline legislative, policy, and procedural guidance; program eligibility criteria; requisitioning procedures; property accountability; property transfers and the return process; program compliance reviews; annual inventories; and training; as well as guidance specific to aircraft, watercraft, tactical vehicles, and weapons.⁵ Further, we reviewed the memorandums of agreement, between LESO and participating LESO state coordinators, which outlines the general terms and conditions that each participating state agree to regarding the management, oversight, and implementation of the LESO program to participating law enforcement agencies within the state.⁶ We analyzed DLA Electronic Freedom of Information Act Library data from calendar years 2013, 2014, and 2015 to gain an understanding of the controlled property that was transferred to federal, state, and local law enforcement agencies.⁷

Additionally, we requested and analyzed data from DLA's automated information system on controlled property transferred to federal, state,

⁴DLA Instruction 8160.01, *Law Enforcement Support Office (LESO)* (July 21, 2014).

⁵DLA Disposition Services Law Enforcement Support Office Standard Operating Procedures (Nov. 12, 2013).

⁶State coordinators are governor-appointed positions to manage LESO program responsibilities in their respective state or U.S. territory. As of September 2016, all states, with the exception of Hawaii, have a state coordinator, and the following territories have state coordinators: Guam, Northern Marianas Islands, Puerto Rico, and U.S. Virgin Islands.

⁷Prior to 2013, the previous system was not capable of post-issue tracking.

and local law enforcement agencies.⁸ To assess the data, we interviewed relevant DLA and other agency officials who have direct knowledge of the LESO program about the steps taken to ensure the quality and accuracy of data. We determined that the data were sufficiently reliable for the purposes of our methodology as well as for background and context purposes.⁹

We tested the department's internal controls and control activities related to LESO program enrollment and application after identifying a case of an unauthorized or ineligible agency gaining access to the LESO program and being awarded controlled property early in our review.¹⁰ Our investigators posed as a federal law enforcement agency and, using publicly available resources, created a fictitious website describing that agency's activities. We completed the application paperwork, submitted it to LESO officials, and corresponded by email to answer follow-up questions. We provided a fictitious statute as a means to legitimize our agency, were approved to participate in the program, and given access to the LESO program systems. We reviewed available controlled property and submitted requests for a variety of items located at four Disposition Service sites. After our requests for controlled property were approved, we corresponded with officials at the Disposition Service sites to arrange for pickup of the property. Our investigators visited three eastern U.S. Disposition Service sites, presented the appropriate paperwork, and obtained possession of the controlled property items.

We also compared DLA and LESO practices to those identified in GAO's *A Framework for Managing Fraud Risks in Federal Programs* (hereafter cited as the Fraud Risk Framework).¹¹ The Fraud Risk Framework has

⁸This data included additional detail than the publicly available DLA Electronic Freedom of Information Act Library data, such as the number of officers per agency, suspensions, and terminations, among others. Also, while DOD's LESO program transfers excess property to tribal agencies, we did not include these in the scope of this engagement because the National Defense Authorization Act included a provision that we focus on federal and state agencies.

⁹FEPMIS is an automated information system that keeps track of LESO inventory received by law enforcement agencies. The system is also used by law enforcement agencies to recertify their annual inventory of controlled property.

¹⁰At that time, the department was aware of this case and it was under investigation by the Defense Criminal Investigative Services and the DLA Office of Inspector General.

¹¹GAO, *A Framework for Managing Fraud Risks in Federal Programs*, [GAO-15-593SP](#) (Washington D.C.: July 28, 2015).

the following components: commit to combating fraud, assess fraud risk, design and implement a strategy for mitigating risk, and evaluate outcomes. We selected leading practices from the component of assess fraud risk because the use of these practices could be objectively verified. Issued in July 2015, GAO's Fraud Risk Framework is a comprehensive set of leading practices that serves as a guide for program managers to use when developing efforts to combat fraud in a strategic, risk-based manner. The framework describes leading practices for (1) establishing an organizational structure and culture that are conducive to fraud risk management; (2) assessing the likelihood and effect of fraud risks; (3) developing, documenting, and communicating an antifraud strategy, focusing on preventive control activities; and (4) collecting and analyzing data from reporting mechanisms and instances of detected fraud for real-time monitoring of fraud trends, and use the results of monitoring, evaluations, and investigations to improve fraud prevention, detection, and response.

Additionally, we conducted two surveys—one with federal law enforcement agencies that were major recipients of LESO controlled property and the other with state coordinators. First, for federal law enforcement agencies, we selected the top four federal departments whose law enforcement agencies had received controlled property from the LESO program during calendar years 2013, 2014, and 2015. These departments were the U.S. Department of Justice, U.S. Department of Homeland Security, U.S. Department of the Interior, and the United States Department of Agriculture. This accounted for approximately 99 percent of both the total initial acquisition value and the quantity of controlled property distributed to federal law enforcement agencies from calendar years 2013 through 2015.¹² To gain an understanding of how federal law enforcement agency headquarters manage and oversee the LESO program, we developed and distributed a survey to the responsible officials at the headquarter level of all 15 law enforcement agencies within the four selected departments that received DOD-controlled property from calendar years 2013 through 2015. The selected agencies were:

¹²The following agencies/departments were not included in the scope (each of these had one law enforcement agency requesting items) (9 departments/agencies) National Institutes of Health, U.S. Department of Veterans Affairs, United States Postal Service, United States Probation Office, U.S. Department of Housing and Urban Development, Central Intelligence Agency, U.S. Department of Transportation, Naval Criminal Investigative Service, U.S. Department of the Treasury.

- Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice;
- Drug Enforcement Administration, U.S. Department of Justice;
- Federal Bureau of Investigation, U.S. Department of Justice;
- Federal Bureau of Prisons, U.S. Department of Justice;
- Federal Protective Service, U.S. Department of Homeland Security;
- Transportation Security Administration, U.S. Department of Homeland Security
- Bureau of Indian Affairs, U.S. Department of the Interior
- Bureau of Land Management, U.S. Department of the Interior
- U.S. Customs and Border Protection, U.S. Department of Homeland Security;
- U.S. Fish and Wildlife Service, U.S. Department of the Interior
- U.S. Forest Service, United States Department of Agriculture
- U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security;
- U.S. Marshals Service, U.S. Department of Justice;
- U.S. National Park Service, U.S. Department of the Interior; and
- U.S. Secret Service, U.S. Department of Homeland Security.

The survey asked about the excess control property program's accountability, policy and guidance, and the requests and justifications made for excess property.

We worked with a survey specialist, a communications analyst, and subject matter experts from LESO to develop this survey. To ensure that the questions were clear, comprehensible and technically correct, we conducted one expert review of our draft survey with LESO officials, and one pre-test of our draft survey with federal headquarters staff from the Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Justice.¹³ During the pre-test, which was conducted in person, we read the instructions and each survey question aloud and asked the Bureau of

¹³As the pre-test and expert review we conducted generally indicated that our questions were clear and comprehensible, and as the universe for this survey was only 15 agencies, we determined that we had taken reasonable and sufficient steps to ensure the reliability of the survey instrument.

Alcohol, Tobacco, Firearms and Explosives officials to tell us how they interpreted the question. We then discussed the instructions and questions with officials to identify any problems and potential solutions by determining whether (1) the instructions and questions were clear and unambiguous, (2) the terms we used were accurate, (3) the survey was unbiased, (4) the survey did not place an undue burden on the officials completing it. We noted any potential problems and modified the survey based on feedback from the expert reviewers and pre-tests, as appropriate. We sent an email to selected federal agency headquarters beginning on September 1, 2016, notifying them about the topics of our survey and when we expected to send the survey. We sent the self-administered Microsoft Word form and a cover email to 15 federal agency headquarters on September 6, 2016, and asked them to complete the survey and email it back to us within 2 weeks. We closed the survey on October 31, 2016. We received 13 completed responses for an overall response rate of 87 percent.

To gain an understanding of how state coordinators manage the LESO program within their state, we developed and distributed a survey to the 53 state coordinators participating in the program, including the 49 states and the territories of Guam, Northern Marianas Islands, Puerto Rico, and the U.S. Virgin Islands that participate in the program.¹⁴ For example, our survey questions were focused on basic background information, LESO policies and training, process and accountability of the property received, and ways in which controlled property was used by law enforcement agencies. We worked with a survey specialist and a communications analyst to develop the survey. To ensure that the questions were clear, comprehensible and technically correct, we conducted four pre-tests of our draft survey with state coordinators and state points-of-contacts from four states.¹⁵ During the pre-tests conducted by teleconference, we read the instructions and each survey question aloud and asked the state coordinators and state points of contact to tell us how they interpreted the question. We then discussed the instructions and questions with officials to identify any problems and potential solutions by determining whether (1) the instructions and questions were clear and unambiguous, (2) the terms we used were accurate, (3) the survey was unbiased, (4) the

¹⁴Hawaii is not a participant in the LESO Program.

¹⁵Many state coordinators delegate their responsibilities to the state point-of-contact(s). The state point-of-contact(s) are assistants who handle much of the LESO program workload within their state.

survey did not place an undue burden on the officials completing it. We noted any potential problems and modified the survey as appropriate. We sent the self-administered Microsoft Word form and a cover email to the state coordinators on September 20, 2016, and asked them or their designated state points of contact to complete the survey and email it back to us within 2 weeks. We closed the survey on October 31, 2016. We received 50 completed responses for an overall response rate of 94 percent.

The practical difficulties of conducting any survey may introduce errors, commonly referred to as non-sampling errors. For example, differences in how a particular question is interpreted, the sources of information available to respondents, how the responses were processed and analyzed, or the types of people who do not respond can influence the accuracy of the survey results. We took steps in the development of the survey, the data collection, and the data analysis to minimize these non-sampling errors and help ensure the accuracy of the answers that were obtained. For example, a survey specialist designed the survey, in collaboration with our staff who have subject matter expertise. Then, as noted earlier, the draft surveys were pre-tested to ensure that questions were relevant, clearly stated, and easy to comprehend, and in the case of the federal agency survey we conducted an expert review. Data were manually extracted from the Microsoft Word form into an Excel spreadsheet and that data entry accuracy was verified. We examined the survey results and performed analyses to identify inconsistencies and other indications of error, and addressed such issues as necessary. Quantitative data analyses and a review of open-ended responses were conducted by our staff who have subject matter expertise. Results of select survey questions can be found in Appendix I, IV and V.

Further, we conducted non-generalizable case studies of five states: Arizona, Georgia, Maryland, Michigan, and Texas. We selected these states based on quantity, type, and initial acquisition value of controlled property received during calendar years 2013, 2014, and 2015 as well as geographic dispersion. We selected these calendar years because they were the last three complete years prior to our audit work. First, for each state, we met and interviewed the state coordinator and when applicable, each state's point of contact(s), to discuss roles and responsibilities in managing and overseeing the LESO program within each state. Second, we selected at least one federal, state, local, and university law enforcement agency within each case study state. To help ensure that we obtained the input of a broad range of law enforcement agencies, we selected specific agencies for our case study based on the size, type, and

location of the agency, how much controlled property was received by quantity and initial acquisition value, as well as specific types of controlled property during calendar years 2013, 2014, and 2015. Selected law enforcement agencies accounted for large and small percentages as well as different types of controlled property received within each state. For example, we selected law enforcement agencies that received weapons, tactical vehicles, and aircraft, as well as night-vision equipment and other miscellaneous items. We met with law enforcement officials from the selected federal, state, local, and university law enforcement agencies to discuss the LESO program and to gain an understanding of the transfer process, including how they screen for, obtain, and dispose of DOD excess controlled property.

Further, we reviewed LESO's program policy to gain an understanding of how LESO ensures accountability of controlled property through an annual inventory and certification process and to gain an understanding of the program compliance review process in which LESO officials visit select law enforcement agencies within each state to verify all controlled property. We accompanied a LESO performance compliance review team as its members conducted their review in the annual program compliance review in Georgia. We attended the LESO-led in-brief and out-brief with the Georgia state coordinator and his team, as well as accompanied them to seven law enforcement agencies in Georgia to physically verify the serial numbers of controlled property. Additionally, we also analyzed survey responses, as previously discussed, from federal law enforcement agencies and state coordinators regarding DLA's processes for transferring controlled property and training on LESO program policies and processes. We interviewed officials from DLA Disposition Services, who have authority over the LESO program, as well as officials from LESO headquarters who manage the program, to gain an understanding of LESO program policies and processes for transferring its excess controlled property to law enforcement agencies, including past and planned program enhancements. We also interviewed these officials to gain an understanding of how law enforcement agencies are trained on LESO program policies and procedures. We also met with officials from select law enforcement agencies, as previously discussed, to gain an understanding of LESO program processes, including how they screen for, obtain, and dispose of DLA excess controlled property, enhancements made to the program, and how they are trained on LESO program policies and processes. We selected these law enforcement agencies based on a number of factors, including range of quantity of items, total acquisition value, and item type. We reviewed training materials provided by LESO and attended the 15th annual training

seminar provided to state coordinators. Finally, we visited two Disposition Service sites in the United States to observe their processes for disposing of excess property received from the military services.¹⁶ We selected the two Disposition Service sites based on geographic location and personnel availability.

For objective two, we reviewed the statute requiring DOD to develop and maintain an Internet site that provides information on the controlled property transferred to gain an understanding of the statutory requirements regarding the contents of the website, such as to include all publicly accessible unclassified information pertaining to the request, transfer, denial, and repossession of controlled property, among other items.¹⁷ Additionally, we analyzed the capabilities of the DLA website, including the fields it contained and the searches that can be performed using it. We compared the information in and capabilities of the website with the statutory requirements to provide publicly available information on controlled property transferred and the recipients of such property in a transparent manner. We also interviewed officials from LESO headquarters to obtain updates on the status of DOD's implementation of the Internet site.

Also, appendix I of this report includes survey and case study information collected between April 2016 and October 2016 on how federal, state, and local law enforcement agencies reported using and benefiting from excess controlled property transferred to them through DLA's LESO program in accordance with the purposes of the program, including enhancement of counterdrug, counterterrorism, and border-security activities. Additionally, we analyzed survey responses pertaining to the reported use of controlled property. For each case study, we interviewed law enforcement officials from federal, state, and local law enforcement agencies to discuss the transfer process and how controlled property transferred to them through the LESO program is used by their law enforcement agencies, including whether it had enhanced their counterdrug, counterterrorism, and/or border-security operations.¹⁸ The

¹⁶Tucson, Arizona, and Fort Meade, Maryland.

¹⁷10 U.S.C. § 2576a.

¹⁸For the purposes of this report, we included university law enforcement agencies in the category of local law enforcement agencies. Also, while DOD's LESO program transfers excess property to tribal agencies, we did not include these in the scope of this engagement because the NDAA included a provision that we focus on federal and state agencies.

manner in which law enforcement agencies used controlled property items was self-reported, and we have made no assessment of the agencies' reported use.

Table 6 lists the offices that we visited or contacted during our review.

Table 6: Offices Visited or Contacted During Our Review

| | |
|---|---|
| Department of Defense | <ul style="list-style-type: none"> • Defense Logistics Agency (DLA) Law Enforcement Support Office, Battle Creek, Michigan • DLA Disposition Services–Ft. Meade, Maryland • DLA Disposition Services–Tucson, Arizona • DLA Inspector General |
| Federal offices | <ul style="list-style-type: none"> • Department of Defense/Defense Logistics Agency • United States Department of Agriculture • U.S. Department of Justice • U.S. Department of Homeland Security • U.S. Department of Interior • Federal Interagency Law Enforcement Equipment Permanent Working Group |
| Federal agency field offices | <ul style="list-style-type: none"> • Federal Bureau of Investigation, U.S. Department of Justice–Detroit, Michigan • Marshals Service, U.S. Department of Justice–Atlanta, Georgia • Immigration and Customs Enforcement/Homeland Security Investigations, U.S. Department of Homeland Security–Phoenix, Arizona • Immigration and Customs Enforcement/Office of Firearms and Tactical Programs, U.S. Department of Homeland Security–Maryland • Customs and Border Protection/Logistics Support Center, U.S. Department of Homeland Security–El Paso, Texas • Drug Enforcement Administration, U.S. Department of Justice–Houston, Texas • Forest Service, United States Department of Agriculture–Lufkin, Texas • National Park Service, Department of Interior –Kennesaw Mountain, Georgia |
| State coordinators | <ul style="list-style-type: none"> • Arizona state coordinator • Georgia state coordinator • Maryland state coordinator • Michigan state coordinator • Texas state coordinator |
| <i>State and local law enforcement agencies</i> | |
| Arizona | <ul style="list-style-type: none"> • Apache Junction Police Department • Arizona Game and Fish Department • Arizona Western College Police Department |
| Georgia | <ul style="list-style-type: none"> • Carroll County Sheriff Department • Doraville Police Department • Georgia Department of Revenue • Central GA Tech College Police Department |

Appendix II: Objectives, Scope, and Methodology

| | |
|----------|--|
| Maryland | <ul style="list-style-type: none">• Bowie Police Department• Queen Anne's County Sheriff Department• Maryland Department of Natural Resources• University of Maryland, College Park Police Department |
| Michigan | <ul style="list-style-type: none">• Delta County Sheriff Department• Oakland County Sheriff Department• Michigan State Police Field Supply Aviation• Michigan State University Police |
| Texas | <ul style="list-style-type: none">• Austin Police Department• Round Rock Police Department• Texas Department of Public Safety SWAT/Rangers• University of Texas System Police Department |

Source: GAO. | GAO-17-532

We conducted this performance audit from January 2016 to July 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted our related investigative work in accordance with investigative standards prescribed by the Council of the Inspectors General on Integrity and Efficiency.

Appendix III: Legislative Actions and Key Dates in the History of the Law Enforcement Support Office (LESO) Program

Since 1989, the Department of Defense (DOD) has been authorized to undertake actions intended to enhance the effectiveness of domestic law enforcement agencies through direct or material support. Table 7 includes legislative actions and key dates in the history of the LESO program.

Appendix III: Legislative Actions and Key Dates in the History of the Law Enforcement Support Office (LESO) Program

Table 7: Key Dates in the History of the Law Enforcement Support Office Program

| Fiscal year | Actions |
|--------------------|---|
| 1989 | The National Defense Authorization Act (NDAA), Fiscal Year 1989, enhanced Department of Defense's (DOD) general authority to support civilian law enforcement agencies to include the provision of specific military support for drug interdiction activities. ^a Both the Coast Guard and National Guard were authorized to specifically assist civilian law enforcement agencies in counterdrug activities, while DOD equipment and military facilities, including supplies, spare parts, base or research facilities, were made available to any federal, state or local law enforcement official for law enforcement purposes. |
| 1990-1991 | The NDAA for Fiscal Years 1990 and 1991 authorized DOD to transfer personal property, including small arms and ammunition, to federal and state agencies so long as the property was excess to DOD's needs, suitable for use in counterdrug activities, drawn from DOD's existing stocks and transferred without expense of DOD funds appropriated for procurement of defense equipment. ^b |
| 1997 | The NDAA for Fiscal Year 1997 replaced the property donation program established in fiscal year 1990 and 1991 NDAA and established a new program, known as the "1033 Program" in reference to the enabling statute. ^c Under this program, the transfer or sale of DOD's personal property to law enforcement agencies is authorized, with preference given to those law enforcement agencies engaged in counterdrug and counterterrorism activities. Similar to the previous transfer program, transferred property had to be excess to DOD's needs, suitable for use in counterdrug and counterterrorism activities, drawn from DOD's existing stocks and transferred without expense of DOD funds appropriated for procurement of defense equipment. However, it was also required that all costs incurred subsequent to the property transfer must be borne or reimbursed to DOD by the recipient. The current 1033 program is classified at 10 U.S.C. § 2576a. |
| 2015 | The President issued Executive Order No. 13688, Federal Support for Local Law Enforcement Equipment Acquisition (Jan. 16, 2015) to better coordinate federal support for the acquisition of certain federal equipment, including controlled personal property, by state, local and tribal law enforcement agencies. The Executive Order also established a Federal Interagency Law Enforcement Equipment Working Group. In May 2015, the Working Group issued a report that included a list of prohibited equipment not eligible for acquisition by law enforcement agencies and a list of controlled equipment identified by category that may be acquired after submitting additional information such as a detailed justification for each requested item of controlled equipment. Further, the Working Group developed 13 programmatic and policy recommendations to improve federal equipment acquisition programs. |
| 2016 | LESO put the Working Group recommendations into effect, as of October 1, 2015, and revised its policy to include the executive order-controlled property, regardless of demilitarization code, specifically identified in the Working Group's report. The NDAA for Fiscal Year 2016 further amended the 1033 Program to prioritize personal property transfers to law enforcement agencies engaging in border security, as well as counternarcotics and counterterrorism activities. ^d The fiscal year 2016 NDAA imposed new conditions for transfers of DOD's personal property and controlled property. Under the new provisions, recipients must annually certify that they have adopted and made publicly available protocols for the appropriate use, supervision and evaluation of received controlled property. Further, recipients must annually certify that relevant personnel are trained each year on the maintenance, sustainment and appropriate use of received controlled property. Finally, DOD was required to create and maintain a publicly accessible website that provides information on controlled property transferred under the 1033 Program. |

Source: GAO analysis of statute. | GAO-17-532

^a National Defense Authorization Act, Fiscal Year 1989, Pub. L. No. 100-456, title XI, § 1104(a) (Sept. 9, 1988).

^b Pub. L. No. 101-189, div. A, title XII, § 1208 (Nov. 28, 1989).

^c Pub. L. No. 104-201, div. A, title X, subtitle C, § 1033 (Sept. 23, 1996).

^d Pub. L. No. 114-92, div. A, title 10, subtitle E, § 1051 (Nov. 25, 2015).

Appendix IV: Select Survey and Case Study Results Regarding Training on Law Enforcement Support Office (LESO) Program Policies and Procedures

Survey results from select federal law enforcement agencies and LESO program state coordinators as well as interviews with law enforcement agencies in our case studies, between April 2016 and October 2016, identified that not all participating agency personnel have received training on all aspects of the LESO program, including its policies.¹ In our survey of select federal law enforcement agencies, training had not been regularly provided to participating federal law enforcement agencies. For example, 3 of the 13 respondents to the federal survey reported that their agency had received training from LESO; the remaining 10 respondents to the federal survey stated that either they did not receive training from LESO or they did not know if their agency had received any training from LESO regarding the LESO program. LESO officials told us that they have not regularly provided training to federal law enforcement agencies in the past, with training mainly provided to the state coordinators participating in the LESO program. Survey results of federal law enforcement agencies also showed that officials generally stated that training on the LESO program would be beneficial. For example, 9 of the 13 respondents to the federal survey stated that refresher training provided by LESO would be beneficial to their agency. In addition, officials from federal agencies' field offices in our case studies generally stated that training provided by LESO would be beneficial to them in participating in the LESO program and that they wanted more training to better understand, for example, LESO program processes, such as the turn-in or transfer of controlled property. Officials from federal field offices in our case studies also generally stated that they were mostly self-taught on the LESO program.

According to LESO officials, LESO funds and provides an annual training seminar that includes training on LESO policies and procedures for state coordinators.² LESO officials stated that as a part of this annual training they direct state coordinators to train participating law enforcement agencies, and state coordinators have discretion to establish their own

¹The overall response rate for the survey of federal law enforcement agencies was 87 percent (13 of 15), and the overall response rate for the survey of state coordinators was 94 percent (50 of 53). We conducted case studies with law enforcement agencies in five states—Arizona, Georgia, Maryland, Michigan, and Texas. Appendix II describes our objectives, scope, and methodology in greater detail.

²Section 280 of U.S. Code Title 10, *Enhancement of Cooperation with Civilian Law Enforcement Officials*, requires DOD to conduct an annual briefing of law enforcement personnel of each state (including law enforcement personnel of the political subdivision of each state) regarding information, training, technical support, and equipment and facilities available to civilian law enforcement personnel from the DOD.

**Appendix IV: Select Survey and Case Study
Results Regarding Training on Law
Enforcement Support Office (LESO) Program
Policies and Procedures**

training. However, our survey results showed that nearly three-fourths of the state coordinators reported that they do not provide mandatory training on LESO program policies and procedures to law enforcement agencies. Also, we found that state coordinators varied in the types of training they provided on LESO program policies and procedures to law enforcement agencies in their state, as shown in table 8. For example, our survey found that 40 percent (18 of 45) of responding state coordinators reported that they do not provide in-person refresher or annual training and 15 percent (7 of 46 responding to the question) reported that they do not provide training aids or reference aids (i.e., PowerPoint format).

Table 8: Manner in Which Training is Provided to Law Enforcement Agencies by State Coordinators

If your office provides any training, in what manner do you provide it to law enforcement agencies in your state?

| | Yes | No |
|--|-----|----|
| On-the-spot training (e.g. when a question arises) | 49 | 0 |
| In-person training (as needed) | 43 | 2 |
| Training/reference aids (e.g. PowerPoints) | 39 | 7 |
| In-person training (upon joining the Law Enforcement Support Office program) | 31 | 14 |
| In-person training (refresher or annually) | 27 | 18 |
| Other | 12 | 9 |

Source: GAO survey of Law Enforcement Support Office program state coordinators regarding the Law Enforcement Support Office program. | GAO-17-532

N=50

Note: Rows may not total 50 because some respondents did not provide an answer to any or all parts of this question.

**Appendix IV: Select Survey and Case Study
Results Regarding Training on Law
Enforcement Support Office (LESO) Program
Policies and Procedures**

The majority of state coordinators reported they found LESO training “helpful”, as shown in table 9.

Table 9: Number of State Coordinators GAO Surveyed Who Found Training Received from the Law Enforcement Support Office (LESO) to Be Helpful or Unhelpful

Overall, how helpful or unhelpful do you find the training (e.g., in-person, dial-in, online) your office received from LESO for each of the following topics?

| | Helpful | Unhelpful ^a | Do Not Know |
|--|---------|------------------------|-------------|
| Reviewing applications to the LESO program | 49 | 0 | 0 |
| Transfer or turn-in process of controlled property | 47 | 2 | 0 |
| Roles and responsibilities of state coordinator | 47 | 1 | 0 |
| Executive Order 13688, including recommendations | 44 | 4 | 0 |
| Internal State 5% Program Compliance Review | 44 | 1 | 0 |

Source: GAO survey of LESO program state coordinators regarding LESO program. | GAO-17-532

N=50

Note: Rows may not total 50 because some respondents did not provide an answer to any or all parts of this question.

^a In our survey, respondents had the option to select one of the following: Very Helpful, Somewhat Helpful, Somewhat Unhelpful, Very Unhelpful or Do Not Know. Very Helpful and Somewhat Helpful responses were combined under Helpful column. Somewhat Unhelpful and Very Unhelpful responses were combined under Unhelpful column.

However, the majority of state coordinators also reported they would find LESO training modules helpful, as shown in table 10.

Table 10: Number of State Coordinators GAO Surveyed Who Would Find Development of Law Enforcement Support Office (LESO) Training Modules (e.g., webinars) Helpful or Not Helpful

In your opinion, how helpful would it be for the LESO program office to develop and provide training modules (e.g., webinars) for your use in providing training to law enforcement agencies in your state? (Please check one box below.)

| | Helpful ^a | Not Helpful | Do Not Know | Not Applicable |
|-----------------------|----------------------|-------------|-------------|----------------|
| LESO Training Modules | 45 | 2 | 1 | 0 |

Source: GAO survey of LESO program state coordinators regarding the LESO program. | GAO-17-532

N=50

Note: Rows may not total 50 because some respondents did not provide an answer to any or all parts of this question.

^a In our survey, respondents had the option to select one of the following: Very Helpful, Helpful, Somewhat Helpful, Not Helpful, Do Not Know, or Not Applicable. Very Helpful, Helpful, and Somewhat Helpful responses were combined under Helpful column.

Moreover, officials from state and local law enforcement agencies in our case studies reported different experiences about the availability and accessibility of training on policies and procedures of the LESO program from their state coordinators and stated that they would benefit from additional training on policies and procedures, such as on returning property to DLA. For example, an official from one law enforcement agency in our case study told us that it took 8 months to receive training from his state coordinator upon joining the program. In another example, an official stated that he received little formal training from his state coordinator or from LESO officials; rather, he was trained by his predecessor when he was assigned to manage the LESO program for his law enforcement agency. In contrast, for example, an official from another law enforcement agency stated that he attended mandatory training with his state coordinator upon joining the LESO program to learn how to set up an account and screen for items and that his state coordinator is responsive when questions arise.

As noted in this report, DOD is enhancing its processes for the transfer of excess property by developing additional training for participating law enforcement agencies on LESO program policies and procedures by establishing an online training tool. According to DLA officials, the online training tool will assist in providing specific information and training modules on LESO program policies and procedures to federal law enforcement agencies, and state coordinators can provide the training to law enforcement agencies in their states. DLA officials estimated the training tool would be completed in mid-2017.

Appendix V: Select Survey Questions from Federal Law Enforcement Agency Respondents on Their Use of the Law Enforcement Support Office (LESO) Program

In our survey of 15 federal law enforcement agencies, completed in October 2016, we found that the majority (11 of 13) stated that their agency either had no memorandum of understanding (MOU) or did not know if their agency had a MOU with the Department of Defense (DOD) regarding the LESO program.¹ Also, the majority (11 of 13) reported that the LESO program office had not provided, or they did not know if the LESO program office had provided, any policy or guidance to their agency on program roles and responsibilities regarding the LESO program, as shown in Table 11. Moreover, the majority (7 of 13) reported that their agency did not have any standard operating procedures, or standard practices outlined in policy or guidance that apply to DOD LESO-controlled property, as shown in Table 11.

Table 11: Policy or Guidance Provided to Participating Federal Agencies GAO Surveyed on the Law Enforcement Support Office (LESO) Program

| | Yes | No | Don't know |
|--|-----|----|------------|
| Has the LESO program office provided any policy or guidance to your agency on program roles and responsibilities regarding the LESO program? | 2 | 6 | 5 |
| Does your agency have any standard operating procedures, or standard practices outlined in policy or guidance, that apply to Department of Defense LESO controlled property? | 5 | 7 | 1 |

Source: GAO survey of federal law enforcement agencies that were the major recipients of controlled property through the LESO program. | GAO-17-532

N=13

Note: Major recipients refers to federal law enforcement agencies that collectively received about 99 percent of both the total initial acquisition value and the quantity of controlled property distributed from the LESO program during calendar years 2013, 2014, and 2015.

The majority of the federal survey respondents stated that their agency had not provided any policy or guidance, or training, on topics related to the LESO program to their field locations that use the program. Table 12 shows the federal survey respondents and whether or not their agency provided policy or guidance, or training was provided on the listed topics.

¹The overall response rate for the survey of federal law enforcement agencies was 87 percent (or 13 of 15). Appendix II describes our objectives, scope, and methodology in greater detail.

**Appendix V: Select Survey Questions from
Federal Law Enforcement Agency
Respondents on Their Use of the Law
Enforcement Support Office (LESO) Program**

Table 12: Policies, Guidance, or Training on the Law Enforcement Support Office (LESO) Program Provided by GAO Surveyed Participating Federal Law Enforcement Agencies to Their Field Locations That Use the LESO Program

Has your agency provided any policies, guidance, or training to its LESO program users in field locations regarding any of the following topics:

| | Policy or guidance | | Training | |
|---|--------------------|----|----------|----|
| | Yes | No | Yes | No |
| Storage and security of Department of Defense LESO controlled property | 1 | 12 | 0 | 12 |
| Use or maintenance of Department of Defense LESO controlled property | 2 | 11 | 1 | 11 |
| Applying to LESO Program | 3 | 10 | 1 | 11 |
| Transfer or turn-in process of Department of Defense LESO controlled property | 4 | 9 | 1 | 11 |

Source: GAO survey of federal law enforcement agencies that were the major recipients of controlled property through the LESO program. | GAO-17-532

N=13

Note: Rows may not total 13 because some respondents did not provide an answer to any or all parts of this question. Major recipients refers to federal law enforcement agencies that collectively received about 99 percent of both the total initial acquisition value and the quantity of controlled property distributed from the LESO program during calendar years 2013, 2014, and 2015.

Additionally, tables 13, 14, and 15 provide survey results regarding federal law enforcement agency interactions with LESO, whether their agency had a process for requesting and obtaining controlled property, and their familiarity with the LESO program's processes for transferring controlled items.

Table 13: GAO Surveyed Federal Agencies' Interactions with the Law Enforcement Support Office

| | Centralized | Decentralized | Both | Other | Don't know |
|--|-------------|---------------|------|-------|------------|
| Which of the following best describes how your agency interacts with the Law Enforcement Support Office Program? | 3 | 6 | 3 | 1 | - |
| How does your agency approve property requests? | 3 | 5 | - | 4 | 1 |

Source: GAO survey of federal law enforcement agencies that were the major recipients of controlled property through the LESO program. | GAO-17-532

N=13

Note: Major recipients refers to federal law enforcement agencies that collectively received about 99 percent of both the total initial acquisition value and the quantity of controlled property distributed from the LESO program during calendar years 2013, 2014, and 2015.

**Appendix V: Select Survey Questions from
Federal Law Enforcement Agency
Respondents on Their Use of the Law
Enforcement Support Office (LESO) Program**

Table 14: GAO Surveyed Federal Agencies' Processes for Requesting Controlled Property

| | Yes | No | Don't know |
|---|-----|----|------------|
| Does your agency have a process for requesting and obtaining excess Department of Defense-controlled property through the Law Enforcement Support Office program? | 5 | 6 | 2 |

Source: GAO survey of federal law enforcement agencies that were the major recipients of controlled property through the LESO program. | GAO-17-532

N=13

Note: Major recipients refers to federal law enforcement agencies that collectively received about 99 percent of both the total initial acquisition value and the quantity of controlled property distributed from the LESO program during calendar years 2013, 2014, and 2015.

Table 15: GAO Surveyed Federal Agencies' Familiarity with the Law Enforcement Support Office Program's Process for Transferring Controlled Property

| | Yes | No | Don't know |
|---|-----|----|------------|
| Are you familiar with the Law Enforcement Support Office program's process for transferring Department of Defense-controlled property items received by your agency under the Law Enforcement Support Office Program? | 7 | 6 | 0 |

Source: GAO survey of federal law enforcement agencies that were the major recipients of controlled property through the LESO program. | GAO-17-532

N=13


Note: Major recipients refers to federal law enforcement agencies that collectively received about 99 percent of both the total initial acquisition value and the quantity of controlled property distributed from the LESO program during calendar years 2013, 2014, and 2015.

Appendix VI: Law Enforcement Support Office (LESO) Program Federal Law Enforcement Application, Revised as of March 2017

Figure 4 shows the application form on LESO's website for federal law enforcement agencies.

Appendix VI: Law Enforcement Support Office (LESO) Program Federal Law Enforcement Application, Revised as of March 2017

Figure 4: Law Enforcement Support Office (LESO) Program's Application for Federal Law Enforcement Agencies to Complete for Participation, Revised as of March 2017



DEFENSE LOGISTICS AGENCY
DISPOSITION SERVICES
74 WASHINGTON AVENUE NORTH
BATTLE CREEK, MICHIGAN 49037-3092

Law Enforcement Support Office (LESO)
Federal Application for Participation / Authorized Screeners Letter

CLEAR FORM

SECTION 1:

Agency Name: Agency DODAAC (if known):

Mailing Address (No P.O. Boxes): City:

State: Zip: Identify Parent Department, ie: DOJ/DOI/DHS, etc:

Agency must have at least 1 full-time officer to participate in the program. Indicate the number of compensated officers with arrest and apprehension authority for the field activity only; not the whole Federal Agency.

Full-time: Part-time:

RTD Screener - An individual (s) authorized to search and requisition items that may become available to this agency via the Reutilization Transfer and Donation (RTD) Web. Individuals identified below may request access to act as an authorized "RTD Screener" on behalf of this Law Enforcement Agency. *Note: At least one RTD Screener is required.*

| | First Name | Last Name | Email Address | Phone Number |
|------------------|----------------------|----------------------|----------------------|----------------------|
| RTD Screener #1: | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| RTD Screener #2: | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| RTD Screener #3: | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| RTD Screener #4: | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| RTD Screener #5: | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

SECTION 2:

RESERVED FOR HEAD OF LOCAL FEDERAL AGENCY USE ONLY

Law Enforcement Agency/Activity - The LESO Program defines this as a Governmental agency, to include a division of the Federal Agency, whose primary function is the enforcement of applicable Federal, State and Local laws and whose compensated Law Enforcement officers have the powers of arrest and apprehension.

I certify that my agency meets the definition of a "Law Enforcement Agency/Activity" as described above. I certify that all information contained in this application is valid and accurate. I understand that I must provide LESO an application to update my agency participant information if the following information changes: 1. Head of Local Federal Agency changes, 2. Agency physical address changes, or 3. RTD Screener additions/deletions. **Note: Provide new or updated applications to LESO at LESO@DLA.MIL**

By signing this application, I certify under penalty of perjury that the foregoing is true and correct.
Making a false statement may result in judicial actions or prosecution under 18 USC § 1001.

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| TITLE | PRINTED NAME | SIGNATURE | DATE |

SECTION 3:

RESERVED FOR FEDERAL HQ COORDINATOR OR DESIGNEE USE ONLY
(i.e. Property Book Officer, etc.)

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| TITLE | PRINTED NAME | SIGNATURE | DATE |

SECTION 4:

RESERVED FOR LESO USE ONLY

NOTICE FOR DLA DISPOSITION SERVICES PERSONNEL: Regulatory guidance outlining Screener Identification and Authorization must be accomplished in accordance with DOD 4160.21-M, Volume 3, Enclosure 5, Section 3 (k). In accordance with the aforementioned reference, the LESO Program authorizes the individuals identified in Section 1 of this form to screen excess property at your facilities as authorized participants in the LESO Program. This authorized screener letter supersedes all previously issued screener letters for this Law Enforcement Agency/Activity and is valid only on or after the date signed by authorized LESO signatory. Only two individuals authorized to screen per visit; however, additional personnel may assist receiving material previously screened and approved for transfer.

This agency is authorized to screen items via the LESO Program under authorized Agency DODAAC:

Screener letter is valid one year from this date:

LESO Authorized Signatory: LESO Authorized Printed Name:

LESO Notes:

(Application Version: March 13, 2017)


Source: Defense Logistics Agency Law Enforcement Support Office. | GAO-17-532

Appendix VII: Law Enforcement Support Office (LESO) Program's State and Local Law Enforcement Application, Revised as of March 2017

Figure 5 shows the application on LESO's website for state and local law enforcement agencies.

Appendix VII: Law Enforcement Support Office (LESO) Program's State and Local Law Enforcement Application, Revised as of March 2017

Figure 5: Law Enforcement Support Office (LESO) Program's Application for State and Local Law Enforcement Agencies to Complete for Participation, Revised as of March 2017



DEFENSE LOGISTICS AGENCY
DISPOSITION SERVICES
74 WASHINGTON AVENUE NORTH
BATTLE CREEK, MICHIGAN 49037-3092

Law Enforcement Support Office (LESO)
Application for Participation / Authorized Screeners Letter

(This form is for State Law Enforcement Agencies only)

* Indicates Mandatory Fields

SECTION 1:

*Agency Name: Agency DODAAC (if known):

*Agency Physical Address: *City:

*State: *Zip Code: Email: *Phone #: Fax #:

Agency **MUST** have at least 1 full-time officer to participate in the program. Indicate the number of compensated officers with arrest and apprehension authority: Full-time: Part-time:

RTD Screener - RTD Screeners must be employed by the aforementioned LEA. Individuals identified below may request access to act as an authorized "RTD Screener" on behalf of this Law Enforcement Agency. Agency **MUST** have at least 1 RTD Screener.

| | | | |
|----|------------------------|---------------|-----------------------------------|
| #1 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |
| #2 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |
| #3 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |
| #4 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |
| #5 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |
| #6 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |
| #7 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |
| #8 | *Official Title / Rank | *First Name | *Last Name |
| | *Email | *Phone Number | POC (Aircraft/Small Arms/Vehicle) |

Page 1 of 2 (Application Version: March 17, 2017)

Source: Defense Logistics Agency Law Enforcement Support Office. | GAO-17-532

Appendix VII: Law Enforcement Support Office (LESO) Program's State and Local Law Enforcement Application, Revised as of March 2017

SECTION 2:

RESERVED FOR LAW ENFORCEMENT AGENCY USE ONLY

Law Enforcement Agency/Activity - The LESO Program defines this as a Governmental agency whose primary function is the enforcement of applicable Federal, State and Local laws and whose compensated Law Enforcement officers have the powers of arrest and apprehension.

I certify that my agency meets the definition of a "Law Enforcement Agency/Activity" as described above. I certify that all information contained in this application is valid and accurate. I understand that I must provide my State Coordinator an application to update my agency participant information if the following information changes: 1. Chief Law Enforcement Official (CLEO) changes, 2. Agency physical address changes or 3. RTD Screener additions/deletions.

- I am signing this document as the CLEO of this law enforcement agency.
- *(Check only one): In my official position or as Acting/Interim, I am authorized to sign documents on behalf of the CLEO for this agency.
 If checked, please provide current department policy or Memorandum that provides such signature authority to the individual holding that official position.

By signing this application, I certify under penalty of perjury that the foregoing is true and correct. Making a false statement may result in judicial actions or prosecution under 18 USC § 1001.

| | | |
|----------------------|-----------------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| *TITLE | *PRINTED NAME: FIRST & LAST | *SIGNATURE |
| <input type="text"/> | | <input type="text"/> |
| *EMAIL | | *DATE |

SECTION 3:

RESERVED FOR STATE COORDINATORS OFFICE USE ONLY

| | | |
|----------------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| *PRINTED NAME FIRST & LAST | *SIGNATURE | *DATE |

SECTION 4:

RESERVED FOR LESO USE ONLY

NOTICE FOR DLA DISPOSITION SERVICES PERSONNEL: Regulatory guidance outlining Screener Identification and Authorization must be accomplished in accordance with DOD 4160.21-M, Volume 3, Enclosure 5, Section 3 (k). In accordance with the aforementioned reference, the LESO Program authorizes the individuals identified in Section 1 of this form to screen excess property at your facilities as authorized participants in the LESO Program. This authorized screener letter supersedes all previously issued screener letters for this Law Enforcement Agency/Activity and is valid only on or after the date signed by authorized LESO signatory. Only two individuals authorized to screen per visit; however, additional personnel may assist receiving material previously screened and approved for transfer.

This agency is authorized to screen items via the LESO Program under authorized Agency DODAAC:

*LESO Authorized Signatory: *Screener letter is valid one year from this date:
*SIGNATURE

LESO Notes:

Appendix VIII: Law Enforcement Support Office (LESO) Program's Law Enforcement Application, as of 2016

Figure 6 shows the 2016 version of the application on LESO's website for law enforcement agencies.

Figure 6: Law Enforcement Support Office (LESO) Program's Application for Law Enforcement Agencies to Complete for Participation, as of November 2016

New
 Update

LAW ENFORCEMENT AGENCY (LEA) APPLICATION FOR PARTICIPATION

*****This application must be updated and resubmitted within 30 days of any changes*****

Federal State Tribal Federal Agencies only: (Parent Affiliate i.e. DOJ): _____

2YTXXX DODAAC (Update Only): _____

AGENCY: _____

PHYSICAL ADDRESS (No P.O. Box): _____

CITY: _____ STATE: _____ ZIP: _____

*****AGENCY MUST HAVE AT LEAST 1 FULL-TIME OFFICER TO PARTICIPATE IN THE PROGRAM***
INDICATE THE NUMBER OF COMPENSATED OFFICERS WITH ARREST AND APPREHENSION AUTHORITY**

FULL-TIME: _____ PART-TIME: _____

SCREENER POC(s): INCLUDE EMAIL ADDRESS AND DIRECT CONTACT PHONE NUMBER IF AVAILABLE
***MAIN POC: Is the Primary POC for requests and property pickup**

| | NAME: LAST, FIRST | EMAIL | PHONE # |
|--------------------|-------------------|-------|---------|
| *SCREENER/MAIN POC | | | |
| SCREENER/POC #2 | | | |
| SCREENER/POC #3 | | | |
| SCREENER/POC #4 | | | |
| WEAPON/POC | | | |
| AIRCRAFT/POC | | | |
| VEHICLE/POC | | | |

NOTICE: LAW ENFORCEMENT ACTIVITIES ARE DEFINED AS: GOVERNMENTAL AGENCIES WHOSE PRIMARY FUNCTION IS THE ENFORCEMENT OF APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND WHOSE COMPENSATED LAW ENFORCEMENT OFFICERS HAVE THE POWERS OF ARREST AND APPREHENSION.

Upon acceptance into the Program, I understand that I have 30 days to familiarize myself with the State Plan of Operation and all Program guidance that is provided by the State Coordinator and that by signing, I certify that all information contained above is valid and accurate (N/A for Federal Agencies).

By signing this I/we certify under penalty of perjury that the foregoing is true and correct. Making a false statement may result in judicial actions or prosecution under 18 USC § 1001.

CHIEF LAW ENFORCEMENT OFFICIAL/:
HEAD OF LOCAL AGENCY

PRINTED NAME

SIGNATURE

DATE: _____

STATE COORDINATOR/SPOC:
(NOT REQUIRED FOR FEDERAL AGENCIES)

PRINTED NAME

SIGNATURE

DATE: _____

LESO Team Lead Approval

AP Version: 2/5/16

Source: Defense Logistics Agency Disposition Services LESO program website. | GAO-17-532

Appendix IX: Comments from the Department of Defense



LOGISTICS AND
MATERIEL READINESS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

JUL 10 2017

Ms. Zina Merritt
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Merritt:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-17-532, "DOD EXCESS PROPERTY: Enhanced Controls Needed for Access to Controlled Excess Property" dated June 9, 2017 (GAO Code 100578). Detailed comments on the report recommendations are enclosed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kristin K. French".

Kristin K. French
Acting Assistant Secretary of Defense
Logistics and Materiel Readiness

Enclosure:
As stated

GAO DRAFT REPORT DATED JUNE 9, 2017
GAO-17-532 (GAO CODE 100578)

“DOD EXCESS PROPERTY: ENHANCED CONTROLS NEEDED FOR ACCESS TO
CONTROLLED EXCESS PROPERTY”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION

RECOMMENDATION 1: To strengthen LESO program internal controls for the application and enrollment of federal agencies, GAO recommends the Under Secretary of Defense for Acquisition, Technology and Logistics direct the Director, DLA to review and revise policy or procedures for verifying and approving federal agency applications and enrollment. For example, such steps could include LESO supervisory approval for all federal agency applications; confirmation of the application with designated points of contact at the headquarters of participating federal agencies; or physically visiting the location of the applying federal law enforcement agency.

DoD RESPONSE: Concur. This recommendation has already been implemented. DLA has reviewed and revised the procedures for verifying and approving federal agency applications for enrollment. All federal law enforcement agencies now require approval of any requests from the headquarters of the agency. Once approved by the federal law enforcement agency's headquarters point of contact, DLA LESO supervisory personnel will review the application for approval of enrollment.

DLA now requires participating federal agency headquarters' to assign a point of contact (POC) and to sign a memorandum of understanding (MOU) acknowledging participation and accountability requirements for excess DoD property. These federal agency POC's or their designees will approve all applications for enrollment and all requests for equipment. The MOU was established in January, 2017 and was sent to federal agencies between February and April, 2017. Currently 11 of the 30 enrolled agencies have signed an MOU. DLA is conducting site visits with the federal agency headquarters POC's for the federal agencies enrolled in the 1033 Program. As of the date of this report, DLA has visited and validated 17 federal law enforcement agencies.

Additionally, DLA is updating policy to reflect the revised procedural changes regarding federal law enforcement agency applications.

RECOMMENDATION 2: To help ensure controlled property is picked-up by authorized individuals, GAO recommends that the Under Secretary of Defense for Acquisition, Technology and Logistics direct the Director, DLA to ensure compliance that on-site officials responsible for the transfer of items at Disposition Services' sites request and verify valid identification of the individual(s) authorized to pick-up allocated property from the LESO program.

DoD RESPONSE: Concur. DLA currently has policy requiring on-site officials to request and verify identification from all customers, LESO customers included, that are authorized to pick-up property. DLA will conduct additional training regarding requesting and validating identification of customers picking up allocated property to all DLA Disposition Services Field Sites by October 1, 2017. Additionally, DLA will ensure compliance during DLA's ongoing and regular inspection of field sites through Operational Effectiveness Reviews.

RECOMMENDATION 3: To help ensure the accurate quantity of approved items are transferred, GAO recommends that the Under Secretary of Defense for Acquisition, Technology and Logistics direct the Director, DLA to issue guidance that requires DLA Disposition Services on-site officials to verify the type and quantity of approved items against the actual items being transferred prior to removal from the sites.

DoD RESPONSE: Concur. DLA currently has policy requiring on-site officials to verify the type and quantity of approved items being transferred prior to removal from sites. DLA will conduct additional training on the process to all DLA Disposition Services Field Sites by October 1, 2017.

RECOMMENDATION 4: To strengthen LESO program internal controls, GAO recommends the Undersecretary of Defense for Acquisition, Technology, and Logistics direct the Director, DLA to conduct a fraud risk assessment to design and implement a strategy with specific internal control activities to mitigate assessed fraud risks for all stages relating to LESO's transfer of controlled excess property to law enforcement agencies, consistent with leading practices provided in GAO's Fraud Risk Framework.

DoD RESPONSE: Concur. DLA will conduct a fraud risk assessment and implement a strategy with specific internal control activities to mitigate assessed fraud risks for all stages relating to DLA's transfer of controlled excess property to law enforcement agencies, consistent with leading practices provided in GAO's Fraud Risk Framework. The estimated completion date for this recommendation is April 1, 2018.

Appendix X: GAO Contacts and Staff Acknowledgments

GAO Contacts

Zina D. Merritt, (202) 512-5257 or merrittz@gao.gov

Wayne A. McElrath, (202) 512-2905 or mcelrathw@gao.gov

Staff Acknowledgments

In addition to the contacts named above, Marilyn Wasleski, Gary Bianchi, and Helena Wong (Assistant Directors), Laura Czohara (Analyst-in-Charge), Martin de Alteriis, Robert Graves, Pamela Harris, Jason Kelly, Amie Lesser, Barbara Lewis, Felicia Lopez, Maria McMullen, George Ogilvie, Richard Powelson, Ray Rodriguez, Martin Wilson, and Samuel Woo made key contributions to this report.

Related GAO Products

GAO, Excess Personal Property: DOD Should Reassess the Priorities of Its Disposal Process. [GAO-16-44](#). Washington, D.C.: January 29, 2016.

DOD Excess Property: Control Breakdowns Present Significant Security Risk and Continuing Waste and Inefficiency. [GAO-06-943](#). Washington, D.C.: July 25, 2006.

DOD Excess Property: Control Breakdowns Present Significant Security Risk and Continuing Waste and Inefficiency. [GAO-06-981T](#). Washington, D.C.: July 25, 2006.

DOD Excess Property: Management Control Breakdowns Result in Substantial Waste and Inefficiency. [GAO-05-729T](#). Washington, D.C.: June 7, 2005.

DOD Excess Property: Management Control Breakdowns Result in Substantial Waste and Inefficiency. [GAO-05-277](#). Washington, D.C.: May 13, 2005.

Defense Inventory: Control Weaknesses Leave Restricted and Hazardous Excess Property Vulnerable to Improper Use, Loss, and Theft. [GAO-02-75](#). Washington, D.C.: January 25, 2002.

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