



OFFICE OF INSPECTIONS AND FORENSIC AUDITING
OFFICE OF INSPECTOR GENERAL
U.S. General Services Administration

**Limited Evaluation of GSA Surplus Firearm Donation Program:
Inadequate Controls May Leave Firearms Vulnerable to Theft, Loss,
and Unauthorized Use**

Report Number

JE15-004

June 12, 2015

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U.S. General Services Administration
Office of Inspector General

DATE: June 12, 2015

TO: THOMAS A. SHARPE JR
Commissioner
Federal Acquisition Service (O)

Patricia D. Sheehan
FROM: PATRICIA D. SHEEHAN
Director
Office of Inspections and Forensic Auditing (JE)

SUBJECT: Limited Evaluation of GSA Surplus Firearm Donation Program:
Inadequate Controls May Leave Firearms Vulnerable to Theft, Loss, and
Unauthorized Use
Report Number: JE15-004

This report presents the results of our evaluation of GSA's Surplus Firearm Donation Program. Instructions regarding the resolution process can be found in the email that transmitted this report.

Your written comments to the draft report are included in Appendix 3 of this report.

If you have any questions regarding this report, please contact me or any member of the evaluation team at the following:

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On behalf of the evaluation team, I would like to thank you and your staff for your assistance during this review.

Introduction

In October 2014, the General Services Administration (GSA) Office of Inspector General (OIG) began an evaluation of GSA's surplus firearm donation program. In February 2015, GSA informed us that they had initiated efforts to end their administration of the firearm donation program. GSA also drafted standard operating procedures in the event that the program is continued. As the program is at a crossroads, we are issuing this report to bring attention to critical issues and inform agency decision-making. Regardless of the program's outcome, the issues identified in this report may require attention due to the firearm donation program's terms and conditions.

Results In Brief

The firearm donation program's data management controls are inadequate to the needs of the program. Using available program records, the evaluation team was unable to access critical information or to complete all of the evaluation objectives. The program relies on paper records that do not facilitate sorting and compiling information for analysis, and reports generated from the program's web-enabled platform that are out-of-date, inconsistent, and incomplete. These conditions reduce the capacity for agency staff and managers to maintain program records or access the information needed to provide program support and oversight.

Inventory controls were impacted by inadequate data management controls. Inventory records provided by GSA were not complete or accurate, increasing the risk that donated firearms are unmonitored and vulnerable to theft, loss, or unauthorized use. Additionally, inventory procedures were inconsistent and GSA had not provided guidance or oversight to program participants to strengthen the inventory process and ensure donated firearms were properly used and accounted for.

What The OIG Recommends

We recommend that GSA implement a data management system and a comprehensive inventory review process. We also recommend that GSA provide to program participants complete and accurate inventory records and standardized procedures for conducting and reporting inventories. The Federal Acquisition Service Commissioner concurred with our recommendations and identified corrective actions. Management's comments can be found in their entirety in Appendix 3.

The Federal Property and Administrative Services Act of 1949, as amended, requires executive agencies to report to GSA excess property available for transfer to other federal agencies. Property not transferred may then be donated as surplus to state and local public agencies. Revisions to federal property management regulations in July 1999 allowed the donation of surplus firearms to eligible law enforcement agencies (LEAs) whose primary function is the enforcement of applicable federal, state, and/or local laws, and whose compensated law enforcement officers have powers to apprehend and arrest. Excess firearms become available for donation when they are no longer required for the needs of any federal agency. The first GSA surplus firearm donation to a LEA was made in November 1999.

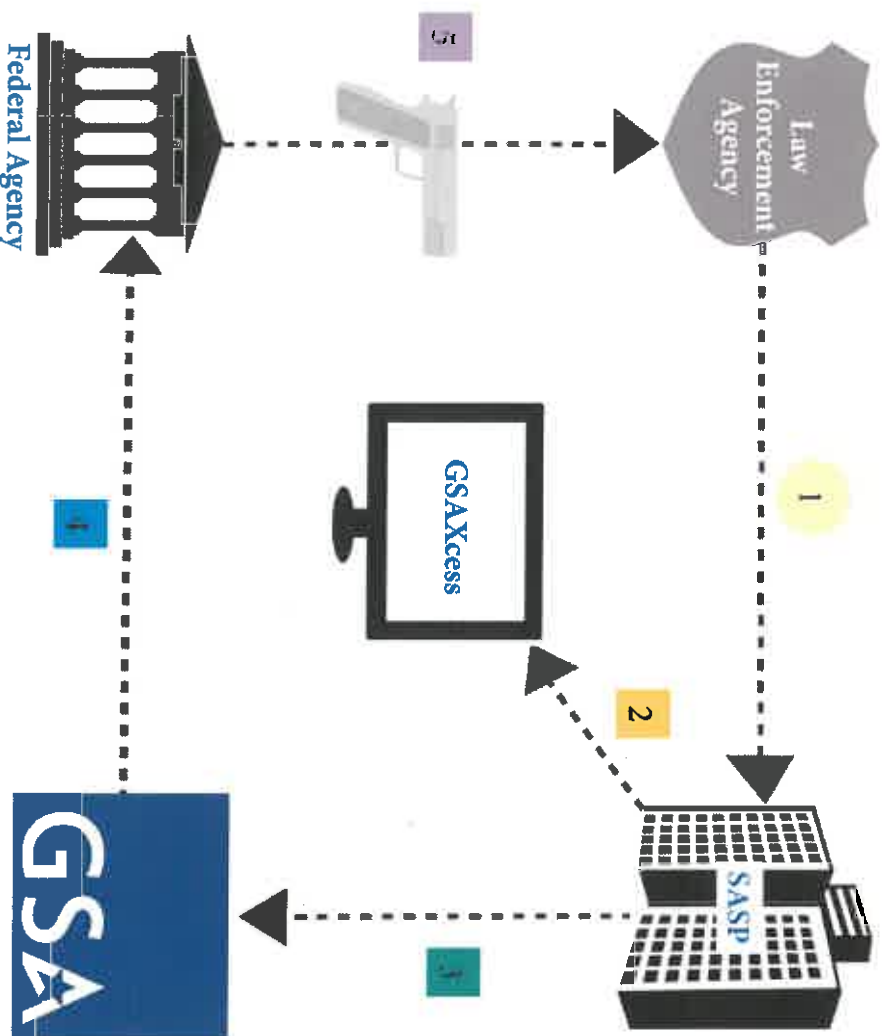
According to a September 2008 census of federal law enforcement officers, conducted by the Bureau of Justice Statistics, federal agencies employed approximately 120,000 full-time law enforcement officers who were authorized to make arrests and carry firearms in the United States. Of the 73 surveyed agencies, the following employed the most full-time personnel with arrest and firearm authority:

- US Customs and Border Protection;
- Federal Bureau of Prisons;
- Federal Bureau of Investigations;
- US Immigration and Customs Enforcement, and;
- US Secret Service.¹

The firearm donation program is coordinated by the GSA national firearms program officer (program officer), who is located in the GSA Regional Property Management Division in Denver, Colorado (Region 8). Firearm donations are processed by designated State Agency for Surplus Property (SASP) representatives, who are authorized to use GSAXcess – GSA's web-enabled platform for reporting and requesting federal property for transfer (see Figure 1). The use of donated firearms is subject to perpetual terms and conditions that preserve GSA's authorities. These terms and conditions are defined in GSA's Conditional Transfer Documents (see Appendix 1).

1. <http://www.bjs.gov/content/pub/pdf/leo08.pdf>

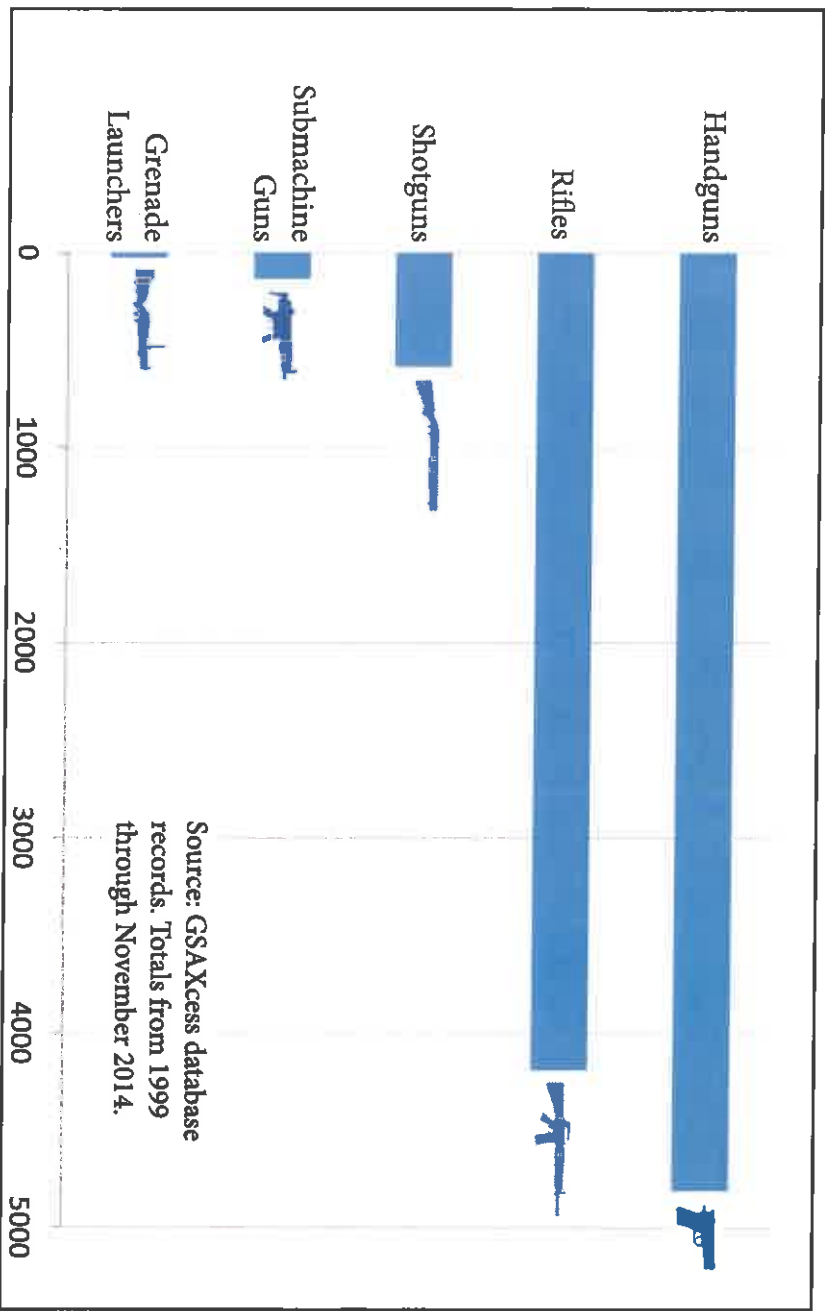
Figure 1: GSA Surplus Firearm Donation Process



- 1 LEA submits donation request to SASP.
- 2 SASP initiates donation transfer process in GSAXcess.
- 3 SASP submits donation request documentation to GSA national firearms program officer.
- 4 GSA national firearms program officer approves request and instructs originating federal agency to coordinate delivery of firearm(s).
- 5 Originating federal agency coordinates delivery of firearm(s) with LEA.

Records provided by GSA showed that, as of November 2014, there were 29 SASPs and 831 LEAs active in the program. Over 9,700 firearms had been donated from federal executive agencies to LEAs since the program's inception (see Appendix 2). The donated firearms included 4,810 handguns, 4,190 rifles, 585 shotguns, 136 submachine guns, and 28 grenade launchers (see Figure 2).²

Figure 2: Firearm Program Donations - Totals by Type



2. The 4,190 rifles included both semi-automatic and automatic rifles. Automatic rifles and submachine guns can fire rounds continuously when the trigger is pulled. Semi-automatic firearms, which include most pistols and shotguns, fire only one round when the trigger is pulled. Only three of the twelve LEAs that received grenade launchers had documented their intended use, which included training and launching non-lethal projectiles such as tear gas. Most of the surplus grenade launchers originated from the FBI/DEA training facility at Quantico, Virginia.

1 GSA data management controls do not support maintenance, reporting, or oversight of the firearm donation program

The firearm donation program is not supported by an effective database and lacks the data management resources needed by agency staff and managers to maintain program records and access critical information. Records of the firearm donation program that were provided for our review were incomplete, inconsistent, and difficult to access. As a result, we were unable to independently verify critical data such as recipient name and address, and the make, model, and serial number of donated firearms; therefore, we could not achieve all evaluation objectives.

The program officer retains paper copies of the program's approval forms and required documentation. These copies are annotated by the program officer when firearms are reassigned, disposed of, or reported missing or stolen. The program officer referred to these paper files as the "backbone of the program." However, the program officer reported it could take several days to search through the paper files to find an item because they cannot be electronically queried, sorted, or compiled.

The program officer stated that the program needs a database that can track and query donated firearm data. In lieu of a database, the program officer maintains spreadsheets to track

the status of donated firearms. However, the spreadsheets are internal documents to the Region 8 office and the program officer acknowledged that they were not designed for reporting or sharing program information with others. The fact that the program resides in one place with one person poses a significant risk of lost institutional knowledge. We found the spreadsheets to be disorganized and inconsistent and could not facilitate sorting and compiling program-wide data for analysis. The spreadsheets were also missing information, and we found discrepancies with documentation filed with the Region 8 office. For example, we found four instances in which supporting documentation provided by LEAs showed different quantities had been destroyed than indicated in the spreadsheet. We were unable to use these spreadsheets to verify GSA's reported totals of firearms that had been destroyed or reported missing, and we could not determine how many firearms had been reassigned.³

The firearm donation program relies on a web-enabled platform, GSAXcess, to record initial transactions but the system was not designed to update that information for subsequent activity. If a firearm was destroyed, for example, or reassigned to another LEA, GSAXcess would not reflect the change. As a result, we were unable to use GSAXcess records to determine the use, status, or current location of donated firearms. We found additional data limitations with records from GSAXcess.⁴ The name and address

3. The spreadsheets indicated that, over the life of the program, 243 firearms had been approved by GSA for destruction and 411 firearms had been reported missing, of which 248 had been (improperly) traded and 14 had subsequently been found. The number of re-assigned firearms was not indicated.

4. Our initial request for program data was provided by records from GSAXcess.

of the LEA was often not included in the records and other important information such as the serial number, make, and model of firearms had been entered incompletely or placed in the wrong data fields. In a random sample of 200 firearm donations, only 63 included the name of the LEA and only 24 had been entered completely and accurately into the correct data field.⁵ Consequently, program-wide data could not be accurately sorted or compiled using the GSAXcess records.

The firearm donation program's draft operating procedures, if implemented, will require the program officer to provide semiannual inventory listings to LEAs, but if these inventory records are extracted from GSAXcess the data will be out-of-date, inconsistent, and incomplete. Further, inventory results could only be reconciled by accessing the paper files, which would place a large burden on the program officer. Establishing an organized, accessible, and shared data management system would resolve these issues and enable agency staff and managers to conduct program maintenance, reporting, and oversight.

2 GSA's inventory controls are inadequate to monitor donated firearms

The terms and conditions of the firearm donation program are perpetual and require that recipients of donated firearms "shall not ever sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of the firearm(s), or remove the firearm(s) permanently for use outside the state" (see Appendix 1). To ensure compliance with these conditions, LEAs are required to conduct an annual firearm inventory and report the results to SASPs.

Weak and inconsistent inventory controls and a general lack of agency oversight have caused some donated firearms to be overlooked during annual inventory procedures, greatly increasing their vulnerability to theft, loss, and unauthorized use.

We surveyed reports of missing firearms and found instances of donated firearms that were not (or were no longer) included in inventory procedures, and had been sold or traded in violation of the program's conditions. One report found that two donated grenade launchers had been improperly sold by a LEA in 2012. Although a record of the donation was found in GSAXcess, the SASP was unable to provide a record of the grenade launchers and did not know they had been donated through the GSA

5. The count of 24 included entries with some empty address fields as long as a complete address had been provided.

program. The quantity of firearms that aren't accounted for when LEAs submit inventories to SASPs can only be determined through a program-wide inventory review, which has not been conducted. The potential for discrepancies is high due to inconsistencies with inventory procedures and a lack of oversight.

GSA has not provided any standardized requirements or guidelines for conducting annual inventories, and the quality of inventory controls varied from state to state. Some SASPs conducted regular on-site inspections, some required time-stamped photographs, and others only requested emailed/mailed/faxed inventories. SASPs reported challenges related to staff training and experience, program size, and internal record keeping practices. Some SASPs also reported difficulties in administering both the GSA program and another program facilitated by the Defense Logistics Agency Disposition Services, often referred to as the LESO or 1033 program.⁶ The LESO program provides similar firearms to LEAs but with different administrative procedures.

In 2013, GSA began extracting statewide inventory records from GSAXcess and sending them to SASPs to assist in the completion of annual inventory requirements. In one instance that we found, the SASP used the GSA-provided GSAXcess

record for verification, but because the record did not identify the LEA, the SASP did not issue an inventory request for 40 rifles – including two automatic rifles. The LEA that received those rifles subsequently traded them in violation of the program's conditions.⁷ This inventory methodology potentially leaves a large quantity of firearms vulnerable to being overlooked and unaccounted for due to the out-of-date, inconsistent, and incomplete information in GSAXcess records.

GSA has not provided controls or oversight to ensure that yearly inventories were conducted and carried out effectively. Prior to 2014, GSA had not collected or reviewed inventory reports. In 2014, GSA started requiring that SASPs validate inventory reports from each LEA and submit a report to the program officer. The firearm donation program draft operating procedures, if implemented, will require GSA inventory reviews and central office oversight, including inventory spot reports. However, these measures do not address state-level inconsistencies with inventory procedures or resolve issues caused by inaccurate records extracted from GSAXcess.

6. LESO refers to the Law Enforcement Support Office. The term 1033 refers to section 1033 of the National Defense Authorization Act for Fiscal Year 1997, which authorized the program.

7. The two automatic rifles could not legally be traded and remained with the LEA.

The firearm donation programs data management controls are inadequate to the needs of the program. Using available program records, we were unable to access critical information or complete all evaluation objectives. Paper program records do not facilitate sorting and compiling information for analysis, and reports generated from GSAXcess are out-of-date, inconsistent, and incomplete. These conditions reduce the capacity for agency staff and managers to maintain program records or access the information needed to provide program support and oversight. An effective data management system could resolve these issues.

Inventory controls were also impacted by data management issues. According to the Government Accountability Office, a lack of reliable inventory information impairs the government's ability to know the quantity, location, condition, and value of assets it owns, and safeguard its assets from physical deterioration, theft, loss, or mismanagement.⁸ Records provided from GSAXcess were inadequate, increasing the risk that donated firearms are unmonitored and vulnerable to theft, loss, or unauthorized use. Additionally, inventory procedures were inconsistent and GSA had not provided guidance or oversight to ensure donated firearms are properly used and accounted for.

Recommendation 1: GSA should implement a data management system, or improve GSAXcess, to facilitate program maintenance, reporting, and oversight.

Recommendation 2: GSA should implement a comprehensive inventory review process.

Recommendation 3: GSA should periodically provide to SASPs complete and accurate inventories of donated firearms for their reconciliation to LEA-reported inventories.

Recommendation 4: GSA should implement standardized procedures for conducting and reporting inventories of donated firearms.

8. GAO Executive Guide, Best Practices in Achieving Consistent, Accurate Physical Counts of Inventory and Related Property (March 2002) <http://www.gao.gov/new.items/d02447g.pdf>

On October 20, 2014, the Office of Inspections and Forensic Auditing initiated an evaluation of the GSA surplus firearm donation program. The evaluation objectives were to determine whether firearm donations complied with federal regulations and GSA operational guidance, whether firearm donations were adequately monitored and reported, and to what extent donated firearms were missing or stolen. Due to the critical limitations with regard to program data accuracy and availability, we were unable to achieve all evaluation objectives. However, we believe that our evaluation provides a reasonable basis for our recommendations.

Our evaluation methodology included the following steps:

Research of:

- statutes and regulations that established the authorities and provisions of the surplus firearm donation program;
- program guidelines and requirements;
- prior GSA OIG audits of agency donation programs, and;
- Government Accountability Office reports related to excess firearms and firearm controls.

Interviews and discussions with the following:

- GSA staff in the Central Office and the Regional Property Management Division in Denver (Region 8);
- representatives of State Agencies for Surplus Property;
- representatives of law enforcement officials who received donated firearms, and;
- GSA OIG Special Agents.

Analysis of:

- donation records extracted from GSAXcess;

- donation approval forms and other required documentation;
- firearm tracking and inventory records provided by GSA, SASPs, and LEAs;
- documentation of missing and stolen firearms submitted by LEAs and SASPs;
- correspondence between GSA and SASPs;
- reviews of SASPs conducted by GSA regional offices, and;
- GSA OIG investigation reports related to missing or stolen donated firearms.

Samples and analysis of:

- all firearm donations made between FY 2012 and FY 2014: 758 donations were made during this period and we randomly sampled 200 donations to analyze the donation program's approval forms and other required documentation;

- firearm donations made in large quantities since the inception of the program: compared and analyzed the firearm tracking and inventory records (from LEAs, SASPs, and GSA) for three LEAs that received firearm donations of 502, 450, and 262 respectively.

Surveys of 32 SASPs:

- three of the surveyed SASPs were not involved in the surplus donation program, and;
- follow-up discussions were conducted with SASP staff as needed.

This evaluation was conducted in accordance with the *Quality Standards for Inspection and Evaluation*, issued by the Council of the Inspectors General on Integrity and Efficiency.

Conditional Transfer Documents

Some property, because of its special or sensitive nature, requires special handling and may require additional terms and conditions in the documentation by which it is distributed. In addition to the State agency distribution document, the donation of such property shall be accomplished by the use of a conditional transfer document that contains the additional terms and conditions applicable to the property.

FIREARM(S) CONDITIONAL TRANSFER DOCUMENT

The United States of America (hereinafter called the General Services Administration (GSA) acting by and through the State of _____, State Agency for Surplus Property (hereinafter called the SASP), pursuant to the powers and authority contained in the Federal Property and Administrative Services Act of 1949, as amended, transfers to _____ whose address is _____ (hereinafter called the Donee) the firearm(s) hereinafter described. The Donee represents that the firearm(s) is/are required in the furtherance of the Donee's program and will be used solely for law enforcement activities and for no other purpose. The firearm(s) is/are delivered for Donee's exclusive use under the conditions and restrictions listed below. The firearm(s) or list of firearm(s) is/are described below or made as an attachment to this document.

MAKE(S) AND MODEL(S)

SERIAL NUMBER(S)

While the firearm(s) being donated are limited to those firearms assigned disposal condition code of 4 or better, this donation is being made on an "as is, where-is" basis without warranty of any kind, and delivery is made at the present location of the firearm(s) regardless of where the firearm(s) may be situated:

SUBJECT, HOWEVER, to the following conditions and restrictions:

1. The Donee agrees that the firearm(s) shall be used, as stated in the letter of intent, which is hereby incorporated by reference, solely for law enforcement activities by the Donee's compensated law

enforcement officers whose primary functions include the powers to apprehend and to arrest while enforcing applicable federal, state and local laws.

2. The Donee shall begin using the firearm(s) within 12 months after all required signatures have been affixed to this document. The Donee's compensated officers must use the firearm(s) only for the purposes stated above in perpetuity. No other use is authorized at any time.

3. If the firearm(s) is/are not placed in use for the purpose stated above by the Donee within 12 months of donation, as evidenced by the date of the last signature of this document, and used thereafter in perpetuity, then within 30 days after: (1) the initial 12 months period has expired without authorized use of the firearm(s) or (2) the date the firearm(s) have ceased to be used for the purpose authorized above, the Donee shall provide notice thereof in writing to the SASP. The Donee shall, as directed by GSA through the SASP, either release the firearm(s) to another Donee or destroy the firearm(s) in a manner such that each complete firearm is rendered completely inoperable and incapable of being made operable for any purpose except for the recovery of its basic material content.

4. The Donee shall comply with all applicable federal, state and local firearms registration and use requirements.
5. The Donee shall immediately report lost, stolen or unaccounted for firearms received pursuant to this conditional transfer document.

6. The Donee shall conduct annual inventories of all donated firearm(s) and report the results to the SASP. The Donee and the SASP shall maintain the inventory results for three years for review by the SASP and/or GSA as appropriate.

7. The Donee shall report to the SASP on the use, condition and location of the firearm(s) and on other pertinent matters, as required from time-to-time, by the SASP and/or GSA.

8. The Donee shall not ever sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of the firearm(s), or remove the firearm(s) permanently for use outside the state.

9. In the event the firearm(s) is/are ever sold, traded, leased, loaned, bailed, encumbered, or otherwise disposed of in violation of the terms of this agreement, the Donee, at the option of GSA, shall be liable to the United States Government for the proceeds of the disposal or the fair market value of the firearm(s) at the time of the unauthorized transaction, as determined by GSA.

10. For donated firearms that are destroyed, the Donee and a representative of the SASP shall state in writing that the firearm(s) were destroyed in accordance with (3) above. The original signed statement must be maintained by the Donee and the SASP for a period of five (5) years.

11. In the event of a breach by the Donee or its successor in function of any of the above conditions and restrictions, interest in and to the firearms(s) shall, at the option of GSA, revert to and become the property of the United States Government, and the Donee or its successor or assigns, shall forfeit all of its or their rights, titles and interests in and to the firearms(s) and may be subject to other penalties, both civil and criminal.

12. The Donee agrees that it has the ability to safely maintain, operate, finance, properly store, and guarantee the security of the firearm(s) being requested.

13. The SASP shall not grant waivers, amendments, releases, or terminate any of the terms and conditions enumerated in this document concerning the use or disposal of the firearm(s), or issue disposal instructions to the Donee for the firearm(s) without the prior written concurrence of GSA or its successor in function, except that GSA does not need to concur in writing for firearm(s) to be destroyed in accordance with (3) above.

14. The Donee agrees to hold harmless and indemnify the Government for any and all costs, judgments, actions, debts, liability

costs and attorney's fees, any other request for monies or any other type of relief arising from or incident to the transfer, donation, use, disposition, or any subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of the firearm(s), whether intentional or accidental.

15. The Donee agrees that this Firearm(s) Conditional Transfer Document was read and that the conditions and restrictions contained herein are fully understood. The Donee also agrees that the Firearm(s) Donation Transfer Guidelines, a copy of which is attached, are made a part of this document, was read and that the restrictions and the eligibility, transfer, documentation, and disposal requirements are fully understood.

IN WITNESS WHEREOF, the donor and donee have duly executed this instrument this _____ day of _____.

United States of America acting by and through the _____ State Agency for Surplus Property

By: _____

Title: _____

DONEE:

By: _____

Title: _____

Institution or Organization: _____

CITY of _____)

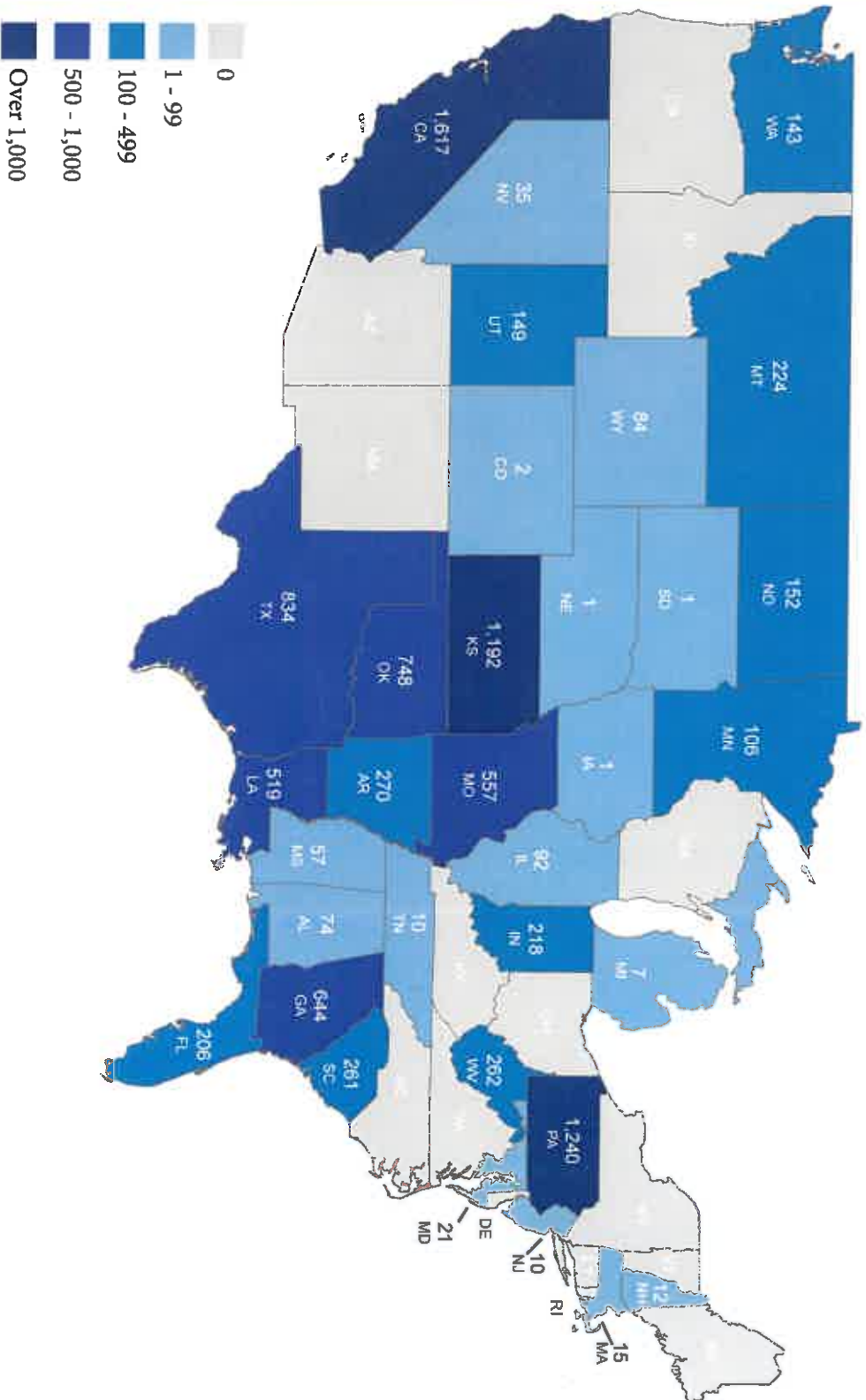
COUNTY of _____)

STATE of _____)

On this _____ day of _____, before me appeared _____, to me

personally known, who, being by me duly sworn, says that she/he is the person who executed the foregoing instrument and that such instrument was executed under duly delegated authority on behalf of

Firearm Program Donations - Totals by State



Source: GSAXcess database records. A total of 9,764 donations were recorded from 1999 through November 2014.

Note: Totals include original donations only and do not reflect changes due to firearms being reassigned, disposed of, or reported missing or stolen.



U.S. FEDERAL ACQUISITION SERVICE

June 5, 2015

MEMORANDUM FOR PATRICIA D. SHEEHAN

Director, Office of Inspections and Forensic Auditing (IE)

FROM:

THOMAS A. SHARPE JR.
Commissioner, Federal Acquisition Service (Q)

SUBJECT:

Draft Report, Evaluation of GSA Surplus Firearm Donation Program: Inadequate controls leave firearms vulnerable to theft, loss, and unauthorized use, Job: JEF14-033-000

The Federal Acquisition Service (FAS) has reviewed the subject report, and we greatly appreciate the opportunity we had to talk with your staff regarding the content of the report and the revisions that your office agreed to make to the final report (per email from Scott Kamens, May 13, 2015). We take our responsibilities under the Firearms Donation Program very seriously and will use this report to strengthen our management controls.

While we recognize that our controls and data management can and should be strengthened, we want to note that the report focused solely on inadequate firearms inventory data management and did not establish that there is heightened vulnerability to theft, loss and unauthorized use as a result.

FAS appreciates the recommendations in the draft report. We have already begun actions to proactively implement the recommendations, including identifying requirements to enhance GSAXcess for long term data management for firearms and drafting guidance for inventory requirements for State Agencies for Surplus Property and law enforcement agencies. The report is also prompting the organization to reevaluate GSA's future role, if any, in the donation of firearms.

If you have any questions regarding these comments, please contact Mr. David Robbins, Director, Office of Personal Property Management, at 703-605-5609 or email, david.robbins@gsa.gov.



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Results In Brief

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