



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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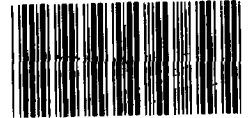
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GENERAL GOVERNMENT
DIVISION

B-206512

APRIL 21, 1982

The Honorable William French Smith
The Attorney General



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Dear Mr. Attorney General:

Subject: Procurement Costs of Ammunition Used For
Practice and Training Can Be Reduced
(GGD-82-40)

This report, originating from our review of restrictive conditions and specifications in Department of Justice solicitations and contracts, concerns the formally advertised, fixed price, small arms ammunition contracts numbered JHJMD-82-C-0006, 0049, 0050, and 0051. The fiscal year 1982 contracts, which allow competition, are for new ammunition with an estimated value of about \$2.8 million. However, if the Department of Justice purchased quality reloaded ammunition for training and practice, about \$115,000 could be saved annually.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this review was to identify restrictive conditions and specifications in large, recurring procurements. We reviewed Department of Justice small arms ammunition contracts for fiscal years 1981 and 1982. Our work was primarily done at the Department of Justice and the Federal Bureau of Investigation (FBI). We discussed the contracts with procurement personnel and firearms and ammunition experts within the FBI. We also interviewed Federal, State, and local law enforcement personnel, officials in private industry involved with the manufacturing of ammunition, and staff at industry associations.

SIGNIFICANT SAVINGS CAN BE REALIZED
IF RELOADED AMMUNITION IS USED

The Department of Justice is currently purchasing only new ammunition. About \$115,000 could be saved each year if quality reloaded ammunition were used for training and practice instead of new ammunition. These savings would be realized without any adverse effect on the training program standards and at the same time Justice would be using safe, reliable, and accurate ammunition.

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Reloaded ammunition is produced on the same machines using the same process and, except for the cartridge case, with the same new components as new ammunition. Loading ammunition is the assembly of these various components--brass case, bullet, primer, and powder. In reloaded ammunition, a used cartridge without defects is remanufactured to original specifications.

On the basis of each bureau's estimated needs, the Justice Management Division, Property Management and Procurement Staff, awards small arms ammunition contracts each fiscal year. The ammunition is for practice, training, and regular service use. Each bureau buys against these contracts to meet its needs. For fiscal year 1982, 4 contracts for ammunition for 22 different cartridges and 48 different loads were awarded to the Federal Cartridge Corporation; the Olin Corporation; Federal Laboratories; and the AAI Corporation.

The Department of Justice's primary training and practice ammunition is the .38 Special, 148 grain wadcutter cartridge which costs \$90.25 per 1,000 new rounds. The net cost to the agency is reduced by the sale of the used cartridge cases which sell for about \$25 per 1,000. The overall cost to the Government is reduced by an additional 11 percent Federal excise tax which is returned to the Treasury by the manufacturers.

Justice estimates that, in fiscal year 1982, 18.2 million rounds of this particular load will be used. This same load can be purchased for about \$50 per 1,000 rounds for reloaded ammunition. The \$50 price includes returning the cartridge cases to the reload manufacturer. On the basis of the estimated quantity Justice plans to use, savings of about \$115,000 could be realized if it purchased reloaded ammunition instead of new ammunition for training and practice. Additional savings could also be realized if reloaded ammunition were used for portions of other cartridges such as 9mm Luger and the .45 A.C.P., which are also used in training and practice.

EXPERTS DISAGREE ON USE OF RELOADED AMMUNITION

Justice and other firearms and ammunition experts disagree on the use of reloaded ammunition. Some experts feel there are potential problems and dangers associated with reloaded ammunition. Others, on the other hand, believe reloaded ammunition is safe to use for practice and training, does not present any more problems than new ammunition, and offers substantial cost savings as well.

Those firearms and ammunition experts as well as Justice officials who do not want to use reloaded ammunition stated that poorly seated primers, improper powder charges, excessive smoke, oversized bullets, and damaged weapons are common problems with

reloaded ammunition. They stated further that production lots containing problem ammunition could not be identified for return to the manufacturers for replacement. They also believe that reloaded ammunition would not meet the Sporting Arms and Ammunition Manufacturers Institute (SAAMI) specifications. These officials were also concerned that reloaded cartridges with cracked cases would cause injuries to shooters.

Other firearms and ammunition experts, however, stated that reloaded ammunition is as good as new ammunition. They believe that poorly seated primers, improper powder charges, excessive smoke, and oversized bullets are just as likely to occur with new ammunition as with reloaded ammunition. The manufacturing process, machines, and components are the same except for the cartridge case. Excessive smoke is caused by the type of powder and bullet lubricant and can be reduced by specifying components in the contract specifications. These experts stated that reloaded ammunition could be identified by production lots and that a remanufactured cartridge would meet all SAAMI specifications. They said that cracked cases are eliminated during the reloading process. They added that even if a case cracks during firing, the shooter would not be injured and the firearm would not be damaged.

FEDERAL, STATE, AND LOCAL
LAW ENFORCEMENT AGENCIES
SUCCESSFULLY USE RELOADS

Many law enforcement agencies have used reloaded ammunition without significant problems. We observed law enforcement agency personnel at the Federal, State, and local levels firing reloaded ammunition for annual qualification purposes and there were no incidences of the above-mentioned problems. These agencies have been using reloaded ammunition for many years without any injury to their officers or damage to their weapons.

We interviewed representatives of 29 Federal, State, and local law enforcement agencies regarding their use of ammunition. These law enforcement agencies train hundreds of people who fire thousands of rounds of ammunition each year, and many of these agencies have successfully used reloaded ammunition for years. Specifically, officials at 20 law enforcement agencies (69 percent) believe reloaded ammunition is suitable for training and practice, is not dangerous, and does not adversely affect the training program. In addition, these officials stated that the reloaded ammunition used in their training programs had not caused weapon damage. The remaining nine agencies do not use reloaded ammunition because they prefer new ammunition.

CONCLUSIONS AND RECOMMENDATION

If the Department of Justice used reloaded ammunition for training and practice, it could save significantly without adversely affecting the training program.

The key to successful use of reloaded ammunition is quality control. If the same standards are required for reloaded ammunition as are required for new ammunition, there is no reason for there to be more problems with reloaded ammunition--such as misfires, jamming, or lead deposits in the barrel--than with new ammunition. As with new ammunition, Justice can specify the type of bullet, powder, and primer to be used in reloaded ammunition. This would insure quality performance without restricting competition or incurring excessive costs.

We believe that Justice's concerns would be alleviated if it used reloaded ammunition for practice and training under range conditions. We recommend that the Department of Justice use reloaded ammunition for a test period at its major training facility in Quantico, Virginia. The Justice Management Division, Procurement Management Staff, should work with the Firearms Technical Staffs in the bureaus to develop specifications for the reloaded ammunition. Proper specifications will allow the procurement of safe, reliable, and accurate reloaded ammunition without restricting competition.

AGENCY COMMENTS AND OUR EVALUATION

The Department of Justice is in general disagreement with this report. Justice law enforcement officials believe that reloaded ammunition is not suitable for practice and training. They question the extent of savings associated with the use of reloaded ammunition when additional costs for tighter specifications; testing requirements; potential injury claims; and collecting, storing, accounting, and shipping empty casings are considered. These officials also stated that firearms manufacturers void warranties on weapons if reloads are used. They also feel that the report ignores the psychological effect the ammunition can have on an agent, causing him to lose confidence in his weapon because of the frequency of misfires.

The additional cost elements that Justice has introduced are unrealistic or unjustified. For example, the price for reloaded ammunition, \$50 per 1,000 rounds, includes the return of spent cases. The major user of ammunition for training in Justice is already collecting, storing, and selling the spent cases; therefore, there would be no additional costs involved if these cases were used for reloaded ammunition. Tighter specifications and additional testing requirements are self-imposed costs which are not justified on the basis of the experiences of those agencies we contacted which use reloaded ammunition. Potential injury claims

are a reality with all firearms but there is no justification for speculating that the dollar amount would be more if an injury resulted from using reloaded ammunition.

With regard to the voiding of warranties, a major manufacturer of weapons commonly used by Justice does not void warranties if reloaded ammunition is used. Moreover, we did not find that any weapons were actually damaged due to the use of reloaded ammunition and we doubt whether this is a significant point.

Justice has never used commercially reloaded ammunition for practice and training. The Federal, State, and local agencies using reloaded ammunition that we contacted are not experiencing problems different from or more frequently than those agencies using new ammunition. Consequently, the use of reloaded ammunition should not affect the degree of confidence one has in his weapon.

In our judgment, Justice's comments fail to take into account that there are reputable manufacturers producing quality reloaded ammunition at significant savings.

On the basis of Justice's comments on our draft report, we have incorporated appropriate changes and modified our proposal.

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Copies of this report are being sent to the Chairmen, House and Senate Committees on the Judiciary, Senate Committee on Governmental Affairs, House Committee on Government Operations, and the House and Senate Committees on Appropriations.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement of actions taken on our recommendations to the Senate Committee on Governmental Affairs and House Committee on Government Operations within 60 days of the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Please convey my thanks to the officials within the bureaus of the Department of Justice who have been most cooperative in providing information and technical assistance on this matter. We would be interested to know of the actions taken in response to our recommendation.

Sincerely yours,



William J. Anderson
Director