



Highlights of [GAO-03-664](#), a report to the Honorable Tom Harkin, U.S. Senate

Why GAO Did This Study

From 1990 through 2001, the Department of Defense delivered over \$138 billion in services and defense articles—including classified and controlled parts—to foreign governments through its foreign military sales programs. Classified spare parts are restricted for national security reasons, while controlled parts contain technology that the military does not want to release. GAO was asked to review the Air Force's internal controls aimed at preventing countries from requisitioning and receiving classified or controlled spare parts that they are ineligible to receive.

What GAO Recommends

To improve internal controls, GAO recommends modifying the Security Assistance Management Information System so that it validates country requisitions based on the requisitioned item's national stock number, establishing policies for recovering classified or controlled parts that are shipped erroneously, establishing policies for validating modifications made to the system, periodically testing the system's logic, and establishing a policy to document decisions to override the system.

The department fully concurred with four recommendations and partially with our recommendation to periodically test the system's logic, citing a program being implemented that will test system modifications. However, we do not believe this program will address system logic flaws.

www.gao.gov/cgi-bin/getrpt?GAO-03-664.

To view the full report, including the scope and methodology, click on the link above. For more information, contact William M. Solis, (202) 512-8365, solisw@gao.gov.

FOREIGN MILITARY SALES

Improved Air Force Controls Could Prevent Unauthorized Shipments of Classified and Controlled Spare Parts to Foreign Countries

What GAO Found

The Air Force's internal controls for its foreign military sales program using blanket orders are not adequate, placing classified and controlled spare parts at risk of being shipped to countries not authorized to receive them.

- The Air Force's system has erroneously approved foreign country requisitions for classified and controlled spare parts based on incorrect federal supply classes. The system approves items for shipment based in part on an item's federal supply class—not the item's entire national stock number, which is a combination of the supply class number and a part number unique to the item. GAO found that because the system was not properly programmed and countries used unrestricted supply class numbers, the system erroneously approved 35 of 123 selected requisitions reviewed. For example, one country ordered a controlled outline sequencer used on various aircraft by using a supply class that was unrestricted, but incorrect for the part it requisitioned. Because supply class 1680 was not restricted and the system did not verify that 1680 was the correct supply class for national item identification number 010539320, the system approved the requisition. Had the system validated the entire 13-digit national stock number, it would have found that the number was incorrect and would not have approved the requisition. In addition, the Air Force has no written policies or procedures in place for recovering items that have been shipped in error.
- The Air Force has not validated modifications to the Security Assistance Management Information System that restrict parts available to foreign countries and has not tested the system since 1998 to ensure that it is working properly. Because modifications were not validated, the Air Force did not detect improperly made modifications to the system, and foreign countries were able to requisition and obtain controlled spare parts that, at the time, the Air Force was trying to restrict. GAO identified 18 instances in which countries requisitioned and received a controlled part for which they were not eligible because programmers had entered the restrictions in the wrong area of the system. Although Air Force officials subsequently told us that the part was improperly restricted, this example nevertheless demonstrates the need to validate system changes.
- Air Force command country managers did not always document reasons for overriding the recommendations of the system or the foreign military sales case manager. For 19 of the 123 requisitions GAO reviewed, command country managers overrode the system recommendations and shipped classified and controlled spare parts without documenting the reasons for overriding the system. For example, a command country manager overrode the system and shipped four classified target-detecting devices without documenting the reasons for overriding the system.