

G A O  
Accountability · Integrity · Reliability

# Highlights

Highlights of [GAO-07-1039T](#), a testimony before the Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

According to the Air Force, the Kaiserslautern Military Community Center (KMCC), an over 800,000 square-foot facility, is currently the Department of Defense's largest single-facility project under construction. It is intended to provide lodging, dining, shopping, and entertainment for thousands of U.S. military and civilian personnel and their families in the Kaiserslautern, Germany, area. Initial costs for the KMCC were estimated at about \$150 million, with funding coming from a variety of appropriated and nonappropriated fund sources. The construction for the project, which began in late 2003, was originally scheduled to be completed in early 2006.

This testimony discusses GAO findings to date related to the KMCC. The testimony describes (1) current problems facing the KMCC, (2) causes for identified problems, and (3) the effect of problems identified and their implications for future projects in Germany.

To address our objectives, we interviewed officials from the U.S. Air Force, Army and Air Force Exchange Service, U.S. Army Corps of Engineers, and German government. We also conducted a site visit and reviewed relevant KMCC documents. We plan to continue our work and make recommendations to the Air Force as appropriate.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1039T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1039T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gregory Kutz at (202) 512-7455 or [kutzg@gao.gov](mailto:kutzg@gao.gov) or Terrell Dorn at (202)-512-6923 or [dornmt@gao.gov](mailto:dornmt@gao.gov).

## MILITARY CONSTRUCTION

### Observations on Mismanagement of the Kaiserslautern Military Community Center

#### What GAO Found

The KMCC project has encountered cost, schedule, and performance problems. Currently neither Landesbetrieb Liegenschafts- und baubetreuung's office in Kaiserslautern (LBB-Kaiserslautern), the German government construction agency in charge of the project, nor the Air Force have a reliable estimated completion date or final cost for the project.

Problems facing KMCC include construction flaws, vandalism of property, repeated work stoppages and slowdowns by contractors, and ongoing criminal investigations. Because of financial problems facing the project, the number of workers on-site has dwindled from several hundred to less than 50, which will likely further delay completion of the project. In addition, the KMCC's multimillion dollar "green" roof is experiencing water leaks, and will likely require the Air Force to spend millions of dollars for its replacement. Below is a picture of damage caused to the building interior from the roof leak.



Source: USAFE.

The KMCC faced a high level of risk from its inception, which was not effectively mitigated by the Air Force. Increased risks included an overseas project controlled by LBB-Kaiserslautern with financial risks borne by the Air Force and its funding partners. Unfortunately, LBB-Kaiserslautern did not effectively manage the design and construction of the project. Rather than increase controls to mitigate project risks, the Air Force provided minimal oversight and in some cases circumvented controls to expedite the invoice payment process in an attempt to complete the project.

Because this project is funded primarily with nonappropriated funds, the likely substantial cost increases in the project will be borne by military servicemembers, civilians and their families. Further, absent better Air Force controls, future projects may experience the same types of heightened risks associated with KMCC.