

GAO Highlights

Highlights of [GAO-16-44](#), a report to congressional committees

Why GAO Did This Study

Each year the military services identify thousands of items of personal property—including military equipment and materiel—that they need to dispose of because it is obsolete, not repairable, or excess to their requirements. For fiscal year 2014, DOD reported that excess and surplus property with a total original acquisition value of approximately \$3.18 billion in nominal dollars was reutilized, transferred, or donated. DOD reported total revenues of almost \$128 million from items sold in fiscal year 2014.

Congress included provisions in reports accompanying legislation for GAO to review DOD's current process for disposing of excess personal property. This report (1) describes the process for disposing of DOD's excess personal property in the U.S.; (2) assesses how DOD's priorities in its disposal process affect the distribution of excess property; and (3) assesses the extent to which DOD has encountered challenges in its capacity to manage excess personal property to be processed. GAO reviewed guidance; obtained the most recently available calendar year (2013-2014) data on property obtained by law enforcement agencies, wait times, and backlogs; and interviewed cognizant officials.

What GAO Recommends

GAO recommends that DOD further reassess its disposal process to determine whether additional changes are needed in the priorities of recipients within the process and revise its guidance reflecting those priorities, accordingly, to better fulfill the disposal program's objectives. DOD concurred with the recommendation.

View [GAO-16-44](#). For more information, contact Brian J. Lepore at (202) 512-4523 or leporeb@gao.gov, or Seto J. Bagdoyan at (202) 512-6722 or bagdoyans@gao.gov.

January 2016

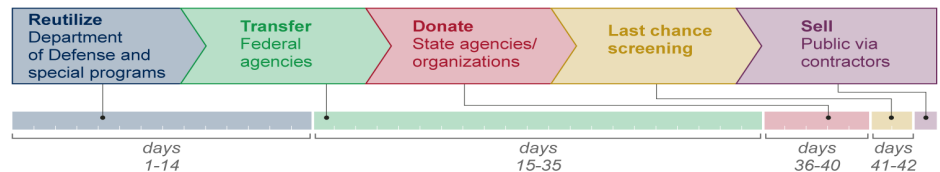
EXCESS PERSONAL PROPERTY

DOD Should Further Reassess the Priorities of Its Disposal Process

What GAO Found

Disposing of Department of Defense (DOD) property that is excess to a military service's needs is a multi-stage process, executed by the Defense Logistics Agency (DLA). The 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 (see figure). First, usable property may be reutilized within DOD or provided to special programs (such as the program that provides excess DOD property to federal, state, and local law enforcement agencies) identified in statutes or by DOD. If not reutilized, this property may be transferred to federal civilian agencies, after which it becomes surplus and may be donated to other parties, such as state governments. Remaining property may be sold to the general public, if appropriate and safe, or rendered useless for its original military purpose (demilitarized) and sold as scrap or destroyed.

Overview of DOD's Disposal Process



Source: GAO analysis of Defense Logistics Agency (DLA) data. | GAO-16-44

The priorities outlined in DOD's disposal process guidance place special program recipients in the first stage of the process (reutilization) versus the later stages (transfer or donation), giving some non-federal entities priority for excess property over some federal civilian agencies that may have similar needs. For instance, in calendar years 2013-2014, the special program for law enforcement agencies mentioned above provided 150 of those agencies with 285 pieces of earth-moving and excavating equipment, while at least 9 federal agencies also purchased equipment in this category for their mission needs. GAO could not definitively conclude that any specific item provided to state or local law enforcement agencies would have filled the need any federal agencies met using appropriated funds for new procurement, but the possibility exists. In October 2015, DOD revised its process so that DOD components will obtain its excess property before special programs. Still, special programs could obtain such property before most federal civilian agencies and non-federal entities. DOD is not planning to further assess its priorities to see if additional changes may be needed in the priorities of property recipients. Thus, the risk remains that federal agencies could spend federal funds to procure property that they might have been able to obtain through the DOD disposal process.

DLA Disposition Services faces challenges processing excess property that has been turned in for disposal. DLA has established goals for processing times and modified some of its practices for processing this property, but some military customers still face long waits to turn in property and thus may incur costs for moving, storing, and maintaining property they no longer need. DLA officials said they plan to study this issue to identify and make needed improvements.