

# GAO Highlights

Highlights of [GAO-19-287](#), a report to congressional committees

## Why GAO Did This Study

Since 1996, the Army has transferred more than 700,000 surplus rifles and handguns to CMP. The National Defense Authorization Act (NDAA) for Fiscal Year 1996 authorized CMP to sell certain types of surplus Army firearms to U.S. citizens, including M1 .30 caliber rifles. CMP reimburses the Army for the costs to prepare and transport surplus firearms to CMP.

The NDAA for Fiscal Year 2018 required the Army during fiscal years 2018 and 2019 to transfer to CMP surplus M1911 .45 caliber handguns, including not fewer than 8,000 in fiscal year 2018 and not more than 10,000 in any fiscal year, and included a provision for GAO to conduct a review of certain matters related to CMP. Among other things, GAO examined (1) the Army and CMP's procedures to address requirements governing the transfer and sale of firearms and (2) CMP's primary sources of revenue, costs and profits, and estimated future revenue associated with the sale of surplus firearms.

GAO reviewed applicable federal statutes and agreements between the Army and CMP; analyzed firearms transfer data, and CMP's Internal Revenue Service filings and internal financial documents; and visited both CMP's northern headquarters in Port Clinton, Ohio and its southern headquarters in Anniston, Alabama.

View [GAO-19-287](#). For more information, contact Diana Maurer, 202-512-9627, [maurerd@gao.gov](mailto:maurerd@gao.gov)

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## CIVILIAN MARKSMANSHIP PROGRAM

### Information on the Sale of Surplus Army Firearms

## What GAO Found

The Civilian Marksmanship Program (CMP) is a federally chartered, nonprofit corporation that, among other things, instructs U.S. citizens in marksmanship; promotes practice and safety in the use of firearms; and sells surplus Army firearms (see figure), ammunition, repair parts, and other supplies. CMP is required to give priority to activities that benefit firearms safety, training, and competition for youth and that reach as many youth participants as possible. CMP also charges fees for individuals to participate in some of its programs.

The Army and CMP have established procedures to address federal requirements for the transfer and sale of surplus firearms. Both organizations established procedures to carry out the transfer of surplus Army firearms as identified in a 2016 Memorandum of Understanding (MOU) and a 2018 Memorandum of Agreement, both between the Army and CMP. To address requirements for selling surplus firearms, CMP uses a combination of procedures, including an application requiring prospective customers to provide proof of citizenship and age, among other things, and a check against the National Instant Criminal Background Check System. Per the MOU, the Army's Tank-automotive and Armaments Command oversees the Army's costs and reimbursements from CMP for certain costs associated with storing, transporting, and administering the transfer of surplus firearms.

#### Surplus M1 .30 Caliber Rifle and M1911 .45 Caliber Handguns



M1 rifle



M1911 handguns

Source: GAO. | GAO-19-287

The primary source of CMP's revenues from fiscal years 2008 through 2017 was from the sale of surplus rifles, which, according to CMP's internal financial documents, generated \$196.8 million in revenue. CMP also sold commercial ammunition and memorabilia, which, according to the same documents, generated \$76.4 million in revenue. Further, according to its Internal Revenue Service filings for this time frame, CMP reported earning \$49.8 million in interest and dividends from its investment account. CMP began selling surplus M1911 handguns in November 2018 and had just begun generating revenue from these sales at the time of GAO's review. The profit that CMP realized from the sales of surplus rifles could not be determined because CMP's methodology to calculate expenses did not account for all of CMP's costs associated with the sale of these rifles. GAO estimates future sales of CMP's surplus handgun and rifles currently available for sale could generate as much as \$104.9 million, or enough to fund CMP's operations for several years. Further, as of September 30, 2017, CMP reported having cash of \$3.6 million, and an investment account valued at \$188.6 million. This could also allow CMP to continue operations for several years.