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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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The Honorable Strom Thurmond
United States Senate

Dear Senator Thurmond:

By letter dated August 12, 1975, you referred to our report to you dated December 30, 1974, on the administration of Air Force indicator repair contracts with Pantronics, Inc. You inquired why the report did not respond to the specifics of a deposition submitted to us by Mr. C. G. Clift, a former Government inspector at the Pantronics plant.

We carefully reviewed Mr. Clift's deposition prior to issuance of our report and fully considered all of his information even though it was not specifically discussed in the report. The enclosure with this letter contains an analysis and comments on each of the major points Mr. Clift made in his deposition.

Sincerely yours,

Comptroller General
of the United States

Enclosure

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ENCLOSURE

ANALYSIS OF DEPOSITION
SUBMITTED BY MR. C. G. CLIFT
RELATIVE TO WARNER ROBINS QUALITY AUDITS

BACKGROUND

1 Pantronics, Inc., Charleston, South Carolina, had two
2 successive contracts with Warner Robins Air Logistics Center
- to repair several types of aircraft indicators used for navigation. Beginning in September 1973, Warner Robins conducted the first of three quality audits of indicators repaired by Pantronics. D.O. 273
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Mr. Clift's deposition pertains to these quality audits and to a related teardown inspection of indicators. Mr. Clift submitted his deposition to us in October 1974 following resignation from his position as a Defense Contract Administration Services (DCAS) quality inspection specialist. Mr. Clift had been assigned to the Pantronics plant.

The first quality audit was conducted at Warner Robins during the period September 10 through 14, 1973. Forty indicators were tested and 11 failed. The 11 indicators were retested at the Pantronics plant where 8 failed again.

The second audit was conducted at Warner Robins during the period November 27 through December 20, 1973. In this test 73 indicators were tested; 34 had functional failures. Some of the other indicators failed because of visual workmanship deficiencies.

Beginning on February 26, 1974, Warner Robins began a teardown inspection of the 34 indicators that failed functional tests in the second audit. The first 15 indicators torn down had workmanship deficiencies. Teardown was ended at this point.

The third quality audit was conducted at Warner Robins during the period March and April 1974. Thirty-two of 33 indicators tested failed. In April 1974, 6 of the 32 were retested on Pantronics equipment and all 6 failed. Mr. Clift retested three of these at Pantronics and all failed.

Listed below are summaries of each paragraph as numbered in Mr. Clift's deposition, followed by our analysis.

FIRST, SECOND, AND THIRD PARAGRAPHS

These paragraphs describe Mr. Clift's employment at the time of the quality audits.

GAO comment

None was considered necessary.

FOURTH PARAGRAPH

Mr. Clift stated that he attended two quality audits at Warner Robins and that he witnessed, or was informed of, acts of Government personnel which he believes resulted in the Government's position against Pantronics.

Mr. Clift stated that during the quality audit conducted from November 27 through December 20, 1973, his superior told him not to express opinions on the way the audit was conducted, but rather to set them forth in a trip report.

GAO comment

We do not believe anything was necessarily improper in Mr. Clift's being told to confine his complaints regarding the quality audit to his trip report. Warner Robins was performing the audit and DCAS personnel, including Mr. Clift, apparently attended as observers, not as participants. Warner Robins technical personnel have strongly maintained that their actions were proper and we doubt that allowing Mr. Clift to question Air Force technical actions would have resolved differences of opinion.

FIFTH PARAGRAPH

Mr. Clift stated that during the quality audit which occurred during the period February and March 1974, another DCAS employee, Mr. Zingarelli, was accused by his superior of "having a personal involvement" in the teardown inspection. Mr. Clift said that Mr. Zingarelli was told to discontinue his personal involvement and active participation or face a reprimand admonishing him for his conduct.

GAO comment

We do not believe anything was necessarily improper in Mr. Zingarelli's not being permitted to actively participate in the teardown inspection, since he was present at the inspection as an observer only.

SIXTH PARAGRAPH

Mr. Clift stated that during the quality audits he was prohibited from making telephone calls concerning audit practices and procedures. Mr. Clift believed this restriction occurred because he was thought to be "providing Pantronics with fragmented reports of the proceedings then underway at Warner Robins."

GAO comment

By Mr. Clift's statement, he was believed to be providing Pantronics with fragmented reports of the proceedings then underway at Warner Robins. If Mr. Clift's superiors believed this to be the case, they would seem to be justified in asking him to refrain from making further calls to Charleston even though Mr. Clift maintained that he had done nothing improper.

SEVENTH PARAGRAPH

Mr. Clift stated his belief that had he and Mr. Zingarelli been able to communicate openly and freely with Warner Robins personnel, and had DCAS Atlanta management personnel been completely unbiased and objective, the conclusions and testimony related in Chapter 5 of the GAO draft would have been significantly different.

GAO comment

This is a matter of conjecture. Warner Robins personnel have consistently maintained that their actions were proper and correct in the face of detailed objections by Pantronics on quality and technical matters relating to the validity of the Warner Robins audits. Also, an electrical engineering consultant to GAO has supported the Air Force position on these issues.

EIGHTH PARAGRAPH

Mr. Clift stated his belief that the teardown inspection was a witch-hunt designed to produce some detrimental information to be used in the furtherance of some common design or scheme intended to operate to the detriment of Pantronics. As an example of the improper attitude on the part of Air Force and DCAS officials, he cited an incident where a DCAS official stated the matter would have to be settled to the satisfaction of Warner Robins, and Warner Robins alone.

GAO comment

A teardown and examination of units that have failed testing to aid in the determination of the cause for failure appears to be a reasonable practice. We believe that the application of the technique in this case was proper. As to the DCAS official's comment, Warner Robins was the customer and it would not necessarily follow that satisfying Warner Robins meant that Pantronics was treated improperly.

NINTH PARAGRAPH

Mr. Clift ...at the Air Force used a test technique for the ID250 indicator that conflicted with the applicable Air Force technical order and that the technique resulted in the erroneous rejection of all ID250 indicators on hand at Warner Robins. Mr. Clift also stated that the improper Air Force technique would cause a given indicator to yield different test results if tested on two different occasions.

GAO comment

The matter of Warner Robins test procedures was discussed in our report. (See pp. 26-34.) On two occasions Pantronics objections to certain Warner Robins test procedures, technical orders and test equipment were evaluated by Warner Robins. Warner Robins disagreed with Pantronics objections except on one point. Based on our review of Warner Robins written analysis of Pantronics objections, we believe they received fair consideration.

On the most recent of the two occasions and at our request, Pantronics cited its objections in a letter to us dated April 8, 1974. In addition to obtaining Warner Robins comments on the matters contained in this letter, we provided the letter together with Warner Robins test data and related documents on test equipment and test procedures to an independent electrical engineer.

The consultant concluded that the technical issues raised by Pantronics would not have influenced the accuracy or validity of the Warner Robins audit.

Although Mr. Clift did not describe exactly which Air Force procedure he believed incorrect, we believe he has reference to a matter that was included in Pantronics letter to us of April 8, 1974.

The test procedure prescribed by the applicable Air Force technical order for the ID250 indicator requires that a comparison be made between the readings on the faces of two dials. One is located on the tester and is called a transmitter dial and the other, located on the indicator itself, is called an indicator dial.

The test procedure states that the transmitter dial reading is to be set to a specified value and that the indicator dial reading is then to be checked to see if it agrees with the transmitter dial.

Warner Robins reversed this sequence in their testing of ID250 indicators during their quality audit. This matter was among those considered by our engineering consultant and he concluded that the reversal of the prescribed test sequence did not affect the validity of Warner Robins quality audit.

TENTH PARAGRAPH

Mr. Clift stated that the test equipment used by Warner Robins in the quality audits had intermittent problems during the entire test. In support of this statement, he mentioned certain problems he noted during the period February 27, 1974, to March 6, 1974. Mr. Clift stated the use of this equipment should have rendered the audit invalid on that basis alone.

GAO comment

The following points should be considered:

1. Although Mr. Clift apparently is stating that all three of the Warner Robins quality audits were invalid, the specific dates he refers to pertained to the second audit and teardown. As indicated previously, there were three Air Force quality audits as well as a teardown inspection of 15 indicators. All three audits and the teardown inspection resulted in findings that Pantronics repaired indicators were deficient.

2. We know of no way to independently confirm that the test equipment was defective or erratic on the specific dates mentioned by Mr. Clift. In this connection, the Air Force's Aerospace Guidance and Meteorology Center checked the calibration of Warner Robins test equipment on April 30, 1974, and found it to be properly calibrated. This

same Air Force organization, which is separate and independent of Warner Robins, checked the Pantronics test equipment on April 23, 1974, and found it was not properly calibrated.

ELEVENTH PARAGRAPH

Mr. Clift stated his belief that the quality audits and teardowns constituted nothing more than a farce and a sham designed to discredit Pantronics.

GAO comment

Based on our investigation we do not share this opinion.