Marine Corps Inventory of Small Arms Was Generally Accurate but Improvements Are Needed for Related Guidance and Training

Report No. D-2011-060
April 22, 2011
Marine Corps Inventory of SMA II Arms Was Generally Accurate but Improvements Are Needed for Related Guidance and Training

**Report Documentation Page**

<table>
<thead>
<tr>
<th>1. REPORT DATE</th>
<th>2. REPORT TYPE</th>
<th>3. DATES COVERED</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 APR 2011</td>
<td></td>
<td>00-00-2011 to 00-00-2011</td>
</tr>
</tbody>
</table>

**4. TITLE AND SUBTITLE**

Marine Corps Inventory of SMA II Arms Was Generally Accurate but Improvements Are Needed for Related Guidance and Training

**6. AUTHOR(S)**

Department of Defense Inspector General, 400 Army Navy Drive, Arlington, VA, 22202-4704

**12. DISTRIBUTION/AVAILABILITY STATEMENT**

Approved for public release; distribution unlimited

**16. SECURITY CLASSIFICATION OF:**

- a. REPORT: unclassified
- b. ABSTRACT: unclassified
- c. THIS PAGE: unclassified

**Standard Form 298 (Rev. 8-98)**

Prepared by ANSI Std Z39-18
Additional Information and Copies
To obtain additional copies of this report, visit the Web site of the Department of Defense Inspector General at http://www.dodig.mil/audit/reports or contact the Secondary Reports Distribution Unit at (703) 604-8937 (DSN 664-8937) or fax (703) 604-8932.

Suggestions for Audits
To suggest or request audits, contact the Office of the Deputy Inspector General for Auditing by phone (703) 604-9142 (DSN 664-9142), by fax (703) 604-8932, or by mail:

ODIG-AUD (ATTN: Audit Suggestions)
Department of Defense Inspector General
400 Army Navy Drive (Room 801)
Arlington, VA 22202-4704

Acronyms and Abbreviations
ATLASS Asset Tracking Logistics and Supply System
CMR Consolidated Memorandum Receipt
DPRI Defense Posture Review Initiative
MCO Marine Corps Order
MEF Marine Expeditionary Force
MEU Marine Expeditionary Unit
MSI Monthly Serialized Inventory
SASSY Supported Activities Supply System
MEMORANDUM FOR COMMANDANT OF THE MARINE CORPS
NAVAL INSPECTOR GENERAL

SUBJECT: Marine Corps Inventory of Small Arms Was Generally Accurate but Improvements Are Needed for Related Guidance and Training
(Report No. D-2011-060)

We are providing this report for your information and use. The 22 III Marine Expeditionary Force activities in Okinawa, Japan, were accountable for 21,581 small arms. The III Marine Expeditionary Force small arms Registry data were generally accurate, but the Marine Corps could improve its small arms accountability process. Improving accountability will decrease vulnerabilities to theft or loss of small arms. We considered management comments on a draft of this report when preparing the final report.

Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, we do not require any additional comments.

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 601-5868 (DSN 329-5868).

Patricia A. Marsh, CPA
Assistant Inspector General
Financial Management and Reporting
Results in Brief: Marine Corps Inventory of Small Arms Was Generally Accurate but Improvements Are Needed for Related Guidance and Training

What We Did
As III Marine Expeditionary Force (MEF) prepares to relocate to Guam from Okinawa, Japan, accountability of equipment, such as small arms, is essential to ensure warfighter readiness. Our overall objective was to determine the accuracy of the Marine Corps Small Arms Registry (Registry) data. Specifically, we reviewed controls over weapons held at 22 III MEF activities relocating as part of the Defense Posture Review Initiative (DPRI).

The 22 III MEF activities in Okinawa, Japan were accountable for 21,581 small arms. We performed three tests to determine the accuracy of the Registry small arms data: record-to-floor testing for 2,534 small arms, floor-to-record testing for 404 small arms, and a reconciliation of the Registry and field-level systems data.

What We Found
The III MEF small arms Registry data were generally accurate, but the Marine Corps could improve its small arms accountability process. During the record-to-floor testing, personnel at the 22 III MEF activities were able to account for the 2,534 small arms we reviewed. However, during floor-to-record testing, six small arms at three activities were on the floor but not assigned to those activities in the Registry. We also identified 1,080 discrepancies between the Registry and the activities’ field-level systems during reconciliation. Inaccurate record maintenance occurred because Marine Corps:

- small arms accountability and security guidance was incomplete and inconsistent, and
- personnel did not receive adequate training to maintain small arms in compliance with accountability requirements.

Improving accountability will decrease vulnerabilities to theft or loss of small arms.

What We Recommend
The Deputy Commandant, Installations and Logistics, should:
- update Marine Corps Order 8300.1C to include additional guidance for small arms accountability, and
- establish a training program for small arms accountability.

The Deputy Commandant, Plans, Policies, and Operations, should:
- update small arms accountability guidance in Marine Corps Order 5530.14A, and
- establish a training program for small arms physical security.

Management Comments and Our Response
The Deputy Commandant for Programs and Resources responded for the Deputy Commandant, Installations and Logistics, and the Deputy Commandant, Plans, Policies, and Operations. The guidance will be updated and training will be provided. The comments are responsive, and we do not require additional comments. Please see the recommendations table on the back of this page.
# Recommendations Table

<table>
<thead>
<tr>
<th>Management</th>
<th>Recommendations Requiring Comment</th>
<th>No Additional Comments Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy Commandant, Installations and Logistics</td>
<td></td>
<td>1.a (1), 1.a (2), and 1.b</td>
</tr>
<tr>
<td>Deputy Commandant, Plans, Policies, and Operations</td>
<td></td>
<td>2.a and 2.b</td>
</tr>
</tbody>
</table>
# Table of Contents

**Introduction** 1

- Audit Objectives 1
- Background on DPRI and Small Arms Accountability 1
- Internal Control Weaknesses in Small Arms Guidance 2

**Finding. Marine Corps Could Improve Its Small Arms Accountability** 4

- Determining the Accuracy of Small Arms Data 4
- Reviewing the Guidance for Completeness, Compliance, and Consistency 6
- Conclusion 8
- Recommendations, Management Comments, and Our Response 9

**Appendices**

- A. Scope and Methodology 11
  - Prior Audit Coverage 12
- B. Statistical Sample 14

**Management Comments**

Marine Corps 15
Introduction

Audit Objectives
Our objective was to determine the accuracy of the Marine Corps Small Arms Registry (Registry) data. Specifically, we reviewed controls over weapons held at 22 III Marine Expeditionary Force (MEF) activities relocating as part of the Defense Posture Review Initiative (DPRI). See Appendix A for a discussion of our scope and methodology and prior coverage related to the objective. See Appendix B for a description of our statistical sampling methodology.

Background on DPRI and Small Arms Accountability
The DPRI established a framework for the future U.S. force structure in Japan to reduce the burden of the U.S. military presence on Japanese communities while maintaining a continuing presence of U.S. forces in the region. According to the “Agreement Between the Government of the United States of America and the Government of Japan Concerning the Implementation of the Relocation of III Marine Expeditionary Force Personnel and Their Dependents from Okinawa to Guam,” February 17, 2009, DoD plans to move approximately 8,000 III MEF personnel and their estimated 9,000 dependents from Okinawa, Japan, to Guam. As III MEF prepares for the relocation, accountability of equipment such as small arms is essential to ensure warfighter readiness.

III Marine Expeditionary Force
The mission of III MEF is to maintain a forward presence in Japan supporting the “Treaty of Mutual Cooperation and Security between Japan and the United States of America,” January 19, 1960, and other alliance relationships in the Asia-Pacific region. III MEF marines and sailors conduct combat operations and humanitarian assistance and disaster relief missions. The majority of III MEF forces are located on Okinawa, Japan.

Small Arms Accountability
The Marine Corps Order (MCO) 8300.1C, “Marine Corps Serialized Control of Small Arms System,” provides guidance on life-cycle serial number control over all Marine Corps small arms. Small arms are defined as handguns; shoulder-fired weapons; light automatic weapons through heavy machine guns, including .50 caliber machine guns; anti-tank missile launchers; mortars (up to and including 81mm); man-portable rocket launchers; grenade launchers; and individually operated weapons that are portable or can be fired without special mounts or firing devices. Small arms require a high degree of protection and control. Accurate small arms data are required to maintain accountability. As of April 2010, the 22 III MEF activities were accountable for 21,581 small arms.

Marine Corps Small Arms Registry
The Registry maintains records by serial number for all small arms within the Marine Corps. When activities report transfers of small arms in a timely and accurate manner, the Registry provides visibility of Marine Corps small arms from the time of receipt until disposal. The
Crane Division, Naval Surface Warfare Center, maintains the Registry, which is independent of the Marine Corps small arms field-level systems.

**Marine Corps Small Arms Field-Level Systems**

The Supported Activities Supply System (SASSY) is the intermediate-level system used to maintain accountability and visibility of inventories and requisitions within III MEF. SASSY relies on the Asset Tracking Logistics and Supply System (ATLASS) for unit-level information. ATLASS is the Marine Corps’ integrated supply, maintenance, and materiel readiness system for supporting asset management. ATLASS maintains accountable records, including the serial numbers of Marine Corps small arms. ATLASS generates the Consolidated Memorandum Receipt (CMR), which is a listing of an activity’s equipment, including small arms. In March 2010, III MEF began implementing the Global Combat Support System–Marine Corps. When fully implemented, the system will provide a shared data environment to replace a number of legacy systems, including SASSY and ATLASS.

**Marine Corps Small Arms Policies**

The Headquarters, Marine Corps, Deputy Commandant, Plans, Policies, and Operations, prescribed in MCO 5530.14A, “Marine Corps Physical Security Program Manual,” June 5, 2009, standards and procedures for protection against loss or theft of arms, ammunition, and explosives at Marine Corps activities. These standards promote attitudes and habits conducive to maintaining good security practices and eliminating existing or potential causes of security breaches and vulnerabilities. The procedures include the performance of physical security surveys and Monthly Serialized Inventories (MSIs).


**Internal Control Weaknesses in Small Arms Guidance**

DoD Instruction 5010.40, “Managers’ Internal Control Program (MICP) Procedures,” July 29, 2010, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses related to noncompliance with small arms accountability guidance. We also identified internal control
weaknesses related to inconsistent and incomplete small arms accountability and security guidance. Implementing all recommendations in this report will improve the internal controls over the administration of the small arms program. We will provide a copy of the report to the senior officials responsible for internal controls within the Marine Corps.
Finding. Marine Corps Could Improve Its Small Arms Accountability

The III MEF small arms Registry data were generally accurate, but the Marine Corps could improve its small arms accountability process. Although personnel at the 22 III MEF activities were able to account for the 2,534 small arms\(^1\) we reviewed during record-to-floor testing, we identified:

- 6 small arms at 3 activities that were on the floor but not recorded in the Registry for those activities, and
- 1,080 discrepancies between the Registry and the III MEF field-level systems.

Inaccurate record maintenance occurred because Marine Corps small arms accountability and security guidance was incomplete and inconsistent. Also, Marine Corps personnel did not receive adequate training to maintain small arms in accordance with accountability requirements. Improving accountability will decrease vulnerabilities to theft or loss of small arms.

Determining the Accuracy of Small Arms Data

We performed three types of testing to determine the accuracy of the Registry small arms data. Specifically, we performed record-to-floor testing to verify the existence of 2,534 small arms across the 22 III MEF activities. Record-to-floor testing is a comparison of the data in the information system to the items on-hand in the activity's armory. We also performed floor-to-record testing for a nonstatistical sample of 404 small arms to determine the completeness of the small arms data. Floor-to-record testing is a comparison of the items in the activity’s armory to the data recorded in the information system. Finally, we performed a reconciliation of the small arms data in the Registry and III MEF field-level systems for each activity. Reconciliation is a comparison of data recorded in one system for a specific activity to data recorded in another system for that same activity.

Verification of Small Arms Existence

During the record-to-floor testing, personnel at the 22 III MEF activities were able to account for the 2,534 small arms we reviewed. We verified the existence of 2,534 small arms by either observing each weapon or reviewing documentation justifying why the weapon was not in the armory. This documentation included shipping and receiving documents, ordnance custody receipts, unit letters of transmittal, signed CMRs for small arms held at other locations, and travel orders that included the specific small arms issued to deployed Marines.

\(^1\) These weapons were a statistical sample of 2,231 small arms plus an additional 303 small arms at one activity. See Appendix B for a discussion of the sampling methodology.
Incomplete Small Arms Data

During the floor-to-record testing at 21 activities,² we verified that 398 small arms were accurately recorded in the Registry. However, we identified 6 small arms at 3 activities that were on the floor but not recorded in the Registry for those activities. Specifically, we identified two weapons at the Marine Aircraft Group 36 armory, three weapons at the Combat Logistics Regiment 3 armory, and one weapon at the 3rd Reconnaissance Battalion armory that were not included in the Registry for those activities. In addition, the five small arms at Marine Aircraft Group 36 and Combat Logistics Regiment 3 armories were also not included in the activities’ field-level system. The data were incomplete because the small arms accountability and security guidance was incomplete. Also, Marine Corps personnel did not receive adequate training to maintain small arms in accordance with accountability requirements. The incomplete data could result in a loss of visibility over the small arms, which would increase their vulnerability to theft or loss during the relocation.

Small Arms Data Discrepancies

The Marine Corps did not maintain accurate records for their small arms at 14 of 22 activities. We identified 1,080 discrepancies between the Registry and the III MEF field-level systems during reconciliation of more than 21,000 small arms. At 10 of the 22 activities, we identified 673 small arms that were recorded in the field-level systems but not assigned to the activity in the Registry. For example, III MEF Headquarters Group received 49 small arms on January 23, 2010. The III MEF Headquarters Group recorded the small arms accurately in the field-level system; however, they did not report the receipt of these small arms to the Registry until April 2010 when we informed them of the discrepancy. Conversely, we identified 407 small arms at 12 of the 22 activities that were assigned to the activity in the Registry but not included in the activity’s field-level system. Inaccurate record maintenance occurred because the small arms accountability and security guidance was inconsistent. In addition, Marine Corps personnel did not receive adequate training to maintain small arms in accordance with accountability requirements. Marine Corps personnel who use inconsistent guidance or do not receive the proper training are more likely to maintain inaccurate small arms records, leading to discrepancies between the systems. These discrepancies may increase the vulnerability of small arms to theft or loss.

² We did not perform floor-to-record testing for Combat Logistics Regiment 35 because III MEF personnel were unable to distinguish which Combat Logistics Regiment 35 units were going to relocate under DPRI. Therefore, at the Combat Logistics Regiment 35, we reviewed the entire universe of 359 small arms during record-to-floor testing to ensure full coverage.
Table 1 summarizes the discrepancies between the field-level systems and the Registry data for the small arms we reviewed at 22 III MEF activities.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Field-Level System Data Not in Registry</th>
<th>Registry Data Not in Field-Level System</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Marine Division</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>3rd Battalion, 12th Marine Regiment</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>3rd Maintenance Battalion</td>
<td>216</td>
<td>5</td>
</tr>
<tr>
<td>3rd Medical Battalion</td>
<td>146</td>
<td>18</td>
</tr>
<tr>
<td>3rd Reconnaissance Battalion</td>
<td>16</td>
<td>0</td>
</tr>
<tr>
<td>3rd Supply Battalion</td>
<td>201</td>
<td>187</td>
</tr>
<tr>
<td>5th Air-Naval Gunfire Liaison Company</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7th Communication Battalion</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>9th Engineer Support Battalion</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>12th Marine Regiment</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Combat Assault Battalion</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>Combat Logistics Regiment 3</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Combat Logistics Regiment 35</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Combat Logistics Regiment 37</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>III MEF Headquarters Group</td>
<td>55</td>
<td>133</td>
</tr>
<tr>
<td>Marine Air Control Squadron 4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marine Air Support Squadron 2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marine Aircraft Group 36</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marine Tactical Air Command Squadron 18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marine Wing Communication Squadron 18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marine Wing Headquarters Squadron 1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marine Wing Support Squadron 172</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>673</strong></td>
<td><strong>407</strong></td>
</tr>
</tbody>
</table>

Reviewing the Guidance for Completeness, Compliance, and Consistency

**Small Arms Accountability and Security Guidance Was Incomplete**

Our floor-to-record testing showed that small arms data in the Registry and field-level systems were incomplete. This occurred because the Marine Corps small arms accountability and security guidance was incomplete.
MCO 5530.14A provides no guidance for maintaining control and visibility of small arms that are stored in an activity’s armory but not included in the activity’s CMR and Registry data. Specifically, MCO 5530.14A does not require MSIs to identify when small arms are on-hand but not listed on the CMR. In addition, MCO 5530.14A does not provide procedures for the control of small arms owned by one activity and being stored in another activity’s armory.

For example, at one activity, we identified two small arms in the armory that were not included in the CMR or Registry data for the activity. Activity personnel stated that these two small arms in the armory were part of an entire rack of small arms belonging to a Marine Expeditionary Unit (MEU).3 However, the activity could not provide documentation that these small arms were approved to be stored in the activity’s armory. In addition, neither the activity nor the MEU performed MSIs to account for these small arms.

If MCO 5530.14A provided procedures to document and account for all small arms maintained in an activity’s armory, the activity could have detected the incomplete small arms data and prevented the loss of visibility over the MEU’s small arms.

**Personnel Did Not Always Comply With Small Arms Guidance**

Marine Corps personnel did not receive adequate training to maintain small arms in compliance with accountability requirements. III MEF officials stated they were aware of issues with record retention of small arms documentation. They stated Marine Corps personnel responsible for small arms accountability may be inexperienced and unfamiliar with all of the responsibilities outlined in small arms accountability guidance.

MCO 8300.1C states that Marine Corps activities possessing small arms are required to report the serial numbers of those small arms to the Registry. Marine Corps activities are also required to notify the Registry daily about small arms transfers. However, we identified instances where supply personnel did not report transfers of small arms, as required. For example, a pistol was shipped to Quantico, Virginia, for disposition on February 17, 2010. However, the activity did not report the shipment to the Registry until we notified the activity of the issue on April 13, 2010.

In addition, Marine Corps Users Manual 4400-124 guidance states that the responsible personnel must ensure that the field-level system records are kept current daily. However, we identified instances where supply personnel did not record transfers of small arms, as required. For example, supply personnel at some activities were not processing small arms transfers as they occurred. The supply personnel thought small arms should not be removed from the field-level system until the small arms were reassigned to another activity within the Registry. Although small arms accountability procedures for recording transactions were in place, the accountability

---

3 A MEU is an activity, consisting of Marines temporarily assigned from their parent activities, with the ability to rapidly organize for combat operations. Marines assigned to a MEU are required to bring small arms from their parent activity.
of small arms could be improved if the personnel accountable for small arms received training on a routine basis.

**Small Arms Guidance Was Inconsistent**

The Marine Corps small arms accountability and security guidance was inconsistent. During reconciliation, we identified incomplete and inaccurate data. Specifically, MCO 8300.1C, MCO 5530.14A, and Marine Corps Bulletin 4440 instruct personnel to use different asset listings and different frequencies for performing serialized inventories of small arms. Table 2 identifies the different asset listings and inconsistencies in the guidance for performing serialized inventories.

<table>
<thead>
<tr>
<th>Guidance</th>
<th>Use CMR*</th>
<th>Use Registry</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCO 8300.1C</td>
<td></td>
<td>X</td>
<td>Cyclic</td>
</tr>
<tr>
<td>MCO 5530.14A</td>
<td>X</td>
<td></td>
<td>Monthly</td>
</tr>
<tr>
<td>Marine Corps Bulletin 4440</td>
<td>X</td>
<td>X</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

*The CMR is a report generated from the field-level systems

Because of the inconsistent guidance, some III MEF activities provided instructions to perform the inventory using only the CMR, while others provided instructions to use only the Registry, and still others provided instructions to use both. As a result, some activities did not detect all discrepancies between the field-level system and the Registry. If the guidance had been consistent and personnel at the activities had provided instructions to perform inventories using both the Registry and CMR, they could have detected the incomplete and inaccurate small arms data. The Deputy Commandant, Installations and Logistics, and Deputy Commandant, Plans, Policies, and Operations, should ensure consistency among MCOs 8300.1C and 5530.14A and Marine Corps Bulletin 4440. In addition, personnel accountable for small arms should be trained on the updated guidance.

**Conclusion**

The Marine Corps small arms accountability and security guidance was incomplete and inconsistent. In addition, Marine Corps personnel did not receive adequate training to maintain small arms in compliance with small arms accountability requirements. These internal control weaknesses increase the risk that incomplete and inaccurate small arms data will go undetected. Accurate data are required to maintain accountability and visibility over small arms. Without proper accountability and visibility over small arms, warfighter readiness could be negatively impacted, and small arms could become vulnerable to security breaches, including theft or loss.
Recommendations, Management Comments, and Our Response

1. We recommend that the Deputy Commandant, Installations and Logistics:

   a. Update Marine Corps Order 8300.1C to include additional guidance for small arms accountability. Specifically, the guidance should include:

      (1) Procedures to account for all small arms in the activity’s armory, Marine Corps Small Arms Registry, and field-level system while conducting Monthly Serialized Inventories.

      (2) Procedures to account for small arms stored in an activity’s armory that are assigned to a different activity.

   Marine Corps Comments
   The Deputy Commandant for Programs and Resources responded for the Deputy Commandant, Installations and Logistics. He agreed and stated that the Marine Corps would incorporate the information into Marine Corps Order 8300.1C, which was scheduled to be published in April 2011. The Deputy Commandant stated that the Marine Corps will provide an interim status report by May 31, 2011, on corrective actions taken.

   b. Establish a training program to ensure that personnel accountable for small arms are routinely trained on small arms accountability guidance.

   Marine Corps Comments
   The Deputy Commandant for Programs and Resources responded for the Deputy Commandant, Installations and Logistics. He agreed and stated that the Marine Corps would establish an appropriate training program by March 31, 2011. The Deputy Commandant stated that the Marine Corps will provide an interim status report by April 30, 2011, on corrective actions taken.

2. We recommend that the Deputy Commandant, Plans, Policies, and Operations:

   a. Update the small arms accountability guidance in Marine Corps Order 5530.14A consistent with Marine Corps Bulletin 4440 and the updates to Marine Corps Order 8300.1C.
**Marine Corps Comments**
The Deputy Commandant for Programs and Resources responded for the Deputy Commandant, Plans, Policies, and Operations. He agreed and stated that the Marine Corps would incorporate the information into Marine Corps Order 8300.1C, which was scheduled to be published in April 2011. He also stated that the small arms accountability guidance in Marine Corps Order 5530.14A would be updated by the 2nd Quarter of FY 2012 to be consistent with Marine Corps Bulletin 4440 and Marine Corps Order 8300.1C. The Deputy Commandant stated that the Marine Corps will provide an interim status report by May 31, 2011, on corrective actions taken.

b. **Establish a training program to ensure that personnel accountable for small arms are routinely trained on small arms physical security guidance.**

**Marine Corps Comments**
The Deputy Commandant for Programs and Resources responded for the Deputy Commandant, Plans, Policies, and Operations. He agreed and stated that the Marine Corps would establish an appropriate training program by March 31, 2011. The Deputy Commandant stated that the Marine Corps will provide an interim status report by April 30, 2011, on corrective actions taken.

**Our Response**
The Deputy Commandant for Programs and Resources comments are responsive, and the actions meet the intent of the recommendations.
Appendix A. Scope and Methodology

We conducted this performance audit from February 2010 through February 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To determine the accuracy of the Registry data as a gauge of the effectiveness of internal controls over small arms held at activities relocating from Okinawa to Guam as part of the DPRI, we reviewed the Marine Corps’ process for safeguarding and accounting for small arms. The Registry included a universe of 21,581 small arms stored at 22 III MEF activities relocating as part of DPRI. We used statistical sampling to determine the accuracy of the small arms Registry data. (See Appendix B for a discussion of the statistical sample.) We used nonstatistical sampling to determine the accuracy of the small arms data in the field-level systems and Registry. To accomplish the audit objective, we did the following.

- We reviewed small arms regulations and interviewed officials from Headquarters, Marine Corps; Crane Division, Naval Surface Warfare Center; and armories and supply offices for the following 22 III MEF activities on Okinawa, Japan, to identify the Marine Corps’ process for accounting for and safeguarding small arms.

  3rd Marine Division                                  Combat Logistics Regiment 35
  3rd Battalion, 12th Marine Regiment                  Combat Logistics Regiment 37
  3rd Maintenance Battalion                           III MEF Headquarters Group
  3rd Medical Battalion                                Marine Air Control Squadron 4
  3rd Reconnaissance Battalion                         Marine Air Support Squadron 2
  3rd Supply Battalion                                 Marine Aircraft Group 36
  5th Air-Naval Gunfire Liaison Company                Marine Tactical Air Command Squadron 18
  7th Communication Battalion                         Marine Wing Communication Squadron 18
  9th Engineer Support Battalion                       Marine Wing Headquarters Squadron 1
  12th Marine Regiment                                Marine Wing Support Squadron 172
  Combat Assault Battalion                            Combat Logistics Regiment 3

- We performed record-to-floor testing of small arms at 22 armories over a sample of 2,534 out of 21,581 small arms to determine the accuracy of the small arms data in the Registry.

- We performed floor-to-record testing of small arms at 21 armories by nonstatistically selecting a sample of 404 small arms to verify the accuracy and completeness of the small arms recorded in the field-level system and the Registry.
• We compared the Registry and field-level system data for the 22 activities to ensure that the data were accurately recorded in both systems. When we identified a discrepancy, we requested documentation to reconcile the data.

• We reviewed the physical security and internal control processes over small arms at the 22 activities located on Okinawa, Japan, to ensure that the small arms were properly safeguarded.

**Delay in Acquiring Data**
On February 26, 2010, we requested audit universe data from Headquarters, Marine Corps, personnel. They did not provide the data until April 7, 2010, which delayed the start of our audit fieldwork by approximately a month.

**Use of Computer-Processed Data**
To perform this audit, we obtained computer-processed data from the Registry for a universe of small arms held at the 22 III MEF activities under review. We determined data reliability by performing record-to-floor testing. Specifically, we either physically observed the small arms or obtained documentation, including shipping and receiving documents, ordnance custody receipts, and unit letters of transmittal, to justify why a small arm was not in the armory. We also reviewed the results of inventories and performed floor-to-record testing on nonstatistically selected items. In addition, we compared the Registry data to reports generated by the ATLASS and Global Combat Support System–Marine Corps field-level systems. Our assessment indicated that the data within the Registry were sufficiently reliable for the purpose of this audit.

**Use of Technical Assistance**
The DoD OIG Quantitative Methods and Analysis Division analysts provided technical assistance throughout the statistical sampling process. In support of record-to-floor testing, the Quantitative Methods and Analysis Division analysts provided a statistical sample of small arms for the 22 III MEF activities. See Appendix B for detailed information about the work performed by the Quantitative Methods and Analysis Division analysts.

**Prior Audit Coverage**
During the last 5 years, the Naval Audit Service has issued five reports discussing small arms accountability. Naval Audit Service reports are not available over the Internet.

**Navy**


Naval Audit Service Report, N2008-0047, “Department of the Navy Small Arms In-Transit Accountability,” August 27, 2008
Appendix B. Statistical Sample

Population
The universe consisted of 21,581 small arms assigned to 22 III MEF activities.

Measures
We used an attribute measure to test for existence, to determine the accuracy of the Registry data, and to determine whether the III MEF activities had adequate controls over the small arms.

Parameters
We used a 95 percent confidence interval.

Sample Plan
We used a stratified attribute sample design for this project, stratifying the population into one stratum for each of the 22 III MEF activities that were to relocate as part of the DPRI. In addition, the Quantitative Methods and Analysis Division analysts stratified the population by the type of small arms at each activity. If there were 15 or more of one type of small arms at an activity, we would randomly select samples of the small arms to test for existence for that particular type of small arm. If there were fewer than 15 of one type of small arms at an activity, we would test for the existence of 100 percent of that type of small arms. After stratifying the population by location and type of small arms, we used the random number generator in Excel to select a random sample of 2,231 small arms to test at the 22 III MEF activities.

For one activity, the III MEF personnel were unable to distinguish which units were going to relocate under DPRI. Therefore, instead of reviewing the sampled 56 small arms for this location, we reviewed the entire universe of 359 small arms to ensure full coverage. This increased our sample size to a total of 2,534 small arms.

Analysis and Interpretation
The Quantitative Methods and Analysis Division analysts did not project the results because the audit team did not find any missing weapons.
From: Commandant of the Marine Corps

Subj: COMMANDANT OF THE MARINE CORPS (CMC) OFFICIAL COMMENTS TO DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL (DODIG) DRAFT REPORT D2010-D000FC-0133.000, "MARINE CORPS INVENTORY OF SMALL ARMS GENERALLY ACCURATE BUT IMPROVEMENTS NEEDED FOR RELATED GUIDANCE AND TRAINING," DATED FEBRUARY 10, 2011

Ref: (a) DODIG memo of February 10, 2011
Encl: (1) CMC Official Responses

1. Official responses required by the reference are provided at the enclosure.

2. Enclosure (1) was coordinated with Headquarters, U.S. Marine Corps, Programs & Resources; Installations & Logistics; Plans, Policies, & Operations; Marine Corps Logistics Command; and Marine Corps Forces Pacific.

3. The Marine Corps will provide DODIG an interim status report on corrective actions taken for recommendations 1.b. and 2.b. by 30 April 2011; and for recommendations 1.a and 2.a. by 31 May 2011.

4. The Marine Corps appreciates the opportunity to respond to the report.

5. If you have any questions about the responses, please contact [Contact Information]

Copy to:
NAVINSGEN (N4)
DMCS
LOGISTICS PLANS, POLICIES AND STRATEGIC MOBILITY DIVISION COMMENTS on
Programs and Resources Department (P&R), Audit and Review Branch, request for
response to recommendations listed in Draft Report No. D20410-D000FC-0133.000

Subj: REQUEST FOR RESPONSE TO THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL
AUDIT DRAFT REPORT D20410-D000FC-0133.000, "MARINE CORPS INVENTORY OF
SMALL ARMS"

Ref: (a) MCO 7510.3R

1. The subject report recommends that the Deputy Commandant, Installations
and Logistics:
   a. Update Marine Corps Order 8300.1C to include additional guidance for
      small arms accountability. Specifically, the guidance should include:
      (1) Procedures to account for all small arms in the activity's
          armory, Marine Corps Small Arms Registry, and field-level system while
          conducting Monthly Serialized Inventories.
      (2) Procedures to account for small arms stored in an activity's
          armory that are assigned to a different activity.
   b. Establish a training program to ensure that personnel accountable
      for small arms are routinely trained on small arms accountability guidance.

CMC response to Recommendation 1.a. Concur. Recommendations have been
incorporated into the revision of MCO 8300.1C, which is currently under
review and pending signature. Estimated date for publication is Apr 2011.

Additionally, the Physical Security Manual (MCO 5530.14A) is under review and
projected to be published during 2nd quarter of FY12.

CMC response to Recommendation 1.b. Concur. Currently, the Field Supply &
Maintenance Analysis Offices (FSMAOs) provide additional, on-site training.
The I&L Department will coordinate with Physical Security Division (PSD), school
house personnel, FSMAO and IG inspection teams, to establish a training
program to ensure that personnel accountable for small arms are routinely
trained on small arms physical security guidance. Course of action will be
provided NLT 31 March 2011.

2. Recommend that the Deputy Commandant, Plans, Policies and Operations:
   a. Update the small arms accountability guidance in Marine Corps Order
      5530.14A consistent with Marine Corps Bulletin 4440 and the updates to Marine
      Corps Order 8300.1C.
   b. Establish a training program to ensure personnel accountable for
      small arms are routinely trained on small arms physical security guidance.

CMC response to Recommendation 2.a. Concur. Recommendations have been
incorporated into the revision of MCO 8300.1C, which is currently under
review and pending signature. Estimated date for publication is Apr 2011.
Subj: REQUEST FOR RESPONSE TO THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL AUDIT DRAFT REPORT D20410-D000FC-0133.000, "MARINE CORPS INVENTORY OF SMALL ARMS"

Additionally, PSD in coordination with LPC will update the small arms accountability guidance in Marine Corps Order 5530.14A in order to be consistent with Marine Corps Bulletin 4440 and the updates to Marine Corps Order 8300.1C. Estimated date of completion is 2nd Quarter of FY12.

CMC response to Recommendation 2.b. Concur. Currently, the Field Supply & Maintenance Analysis Offices (FSMAs) provide additional, on-site training. I&L will coordinate with Physical Security Division (PSD), school house personnel, FSMAs, and IG inspection teams, to establish a training program to ensure that personnel accountable for small arms are routinely trained on small arms physical security guidance. Course of action will be provided NLT 31 March 2011.

2. Point of contact (POC) for Small Arms Accountability is [redacted].

[Signature]

W. SIMMONS

2 ENCL (1)