



MARCH 2, 2016

FIREARMS LOST: GSA'S ADMINISTRATION OF THE SURPLUS FIREARM DONATION PROGRAM

UNITED STATES HOUSE OF REPRESENTATIVES, COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM, SUBCOMMITTEE ON GOVERNMENT OPERATIONS

ONE HUNDRED FOURTEENTH CONGRESS, SECOND SESSION

HEARING CONTENTS:

Carol Ochoa

Inspector General, U.S. General Services Administration

[\[View pdf\]](#)

William Sisk

Acting Assistant Commissioner, Office of General Supplies and Services, U.S. General
Services Administration

[\[View pdf\]](#)

Steve Ekin

President, National Association of State Agencies for Surplus Property

[\[View pdf\]](#)

AVAILABLE WEBCAST(S)*:

[\[Watch Full Hearing\]](#)

COMPILED FROM:

- <https://oversight.house.gov/hearing/firearms-lost-gsas-administration-of-the-surplus-firearm-donation-program/>

** Please note: Any external links included in this compilation were functional at its creation but are not maintained thereafter.*



Statement of the Honorable Carol Fortine Ochoa
Inspector General, General Services Administration

Firearms Lost: GSA's Administration of the Surplus
Firearm Donation Program

Hearing before the
Subcommittee on Government Operations
Committee on Oversight and Government Reform
United States House of Representatives

March 2, 2016

Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittee: Thank you for inviting me here today. I appreciate the opportunity to testify about the Office of Inspector General's (OIG) evaluation of the General Services Administration's (GSA) Surplus Firearm Donation Program. The OIG found that GSA's database records of firearm donations were incomplete and inaccurate, and that inventory controls were not sufficient to monitor firearms donated to state and local law enforcement agencies.

Background

Federal agencies are required to report to GSA when they have excess property, including firearms, available for transfer to other federal agencies. Excess property that is not needed by other federal agencies then becomes available for use by state and local agencies. Donations of federal firearms to eligible state and local law enforcement agencies are for exclusive use by that agency and only for law enforcement purposes.

Since 1999, GSA's surplus firearms donation program has coordinated the donation of surplus firearms from federal agencies to state and local law enforcement agencies, working with State Agency for Surplus Property (SASP) representatives. To request surplus firearms, a state and local law enforcement agency must first submit a donation request to SASP officials. SASP officials then initiate the donation transfer process using GSA's web-based property transfer system (GSAXcess), and submit the donation requests to GSA for approval. Once GSA approves the request, the donating federal agency transfers the firearms directly to the state or local law enforcement agency.

Certain terms and conditions apply to firearms which are donated to state and local law enforcement agencies, because the title to the firearms remains with the federal government: law enforcement agencies must use the firearms solely for authorized law enforcement purposes; may not sell or trade the firearms; must report annual inventory to the SASP; and must immediately report lost or stolen weapons. Once law enforcement agencies no longer have

use for their donated firearms, they must notify GSA through their SASP. GSA can then give permission for the destruction or transfer of the firearms.

The OIG Evaluation

The OIG started an evaluation of GSA's surplus firearm donation program in October 2014. This evaluation sought to determine whether firearm donations were made in compliance with federal regulations and GSA guidance, whether they were adequately monitored and reported, and to what extent donated firearms were missing or stolen.

OIG Findings

The OIG found that GSA's database records of firearms donations were incomplete and inaccurate, and that inventory controls were not sufficient to monitor firearms donated to state and local law enforcement agencies.

- Information in GSAXcess used to record the initial transfer was incomplete, often missing critical data such as the names and addresses of the state/local law enforcement agencies receiving the donated firearms.
- Other GSAXcess information was entered incompletely or placed in the wrong data fields, including the serial number, make, and model of the donated firearms.
- GSAXcess was not designed to record activity after the initial donation of the firearms, such as information about reports of missing or stolen weapons. The program officer for GSA kept paper records of the initial donations, and used spreadsheets to manually track subsequent activity. These records, however, could not be sorted or searched electronically, contained inaccuracies, and were disorganized.
- GSA has not provided states with uniform guidance for annual inventories procedures. Inventory controls were weak with quality varying from state to state.

- There has been a general lack of oversight from GSA. Issues of data reliability have affected inventory results and caused donated firearms to be overlooked in the inventory process, increasing risk of theft or unauthorized use.

OIG Recommendations

The OIG's recommendations focused on improving data management and inventory controls. We recommended that GSA:

- implement a data management system to facilitate program reporting and oversight;
- implement a program-wide inventory review process;
- periodically provide SASPs with complete and accurate inventories of donated firearms for their reconciliation with law enforcement-reported inventories; and
- implement standardized procedures for conducting and reporting inventories of donated firearms.

Thank you for the opportunity to testify and for the Subcommittee's support of Inspectors General. I ask that my testimony and the OIG's report be made part of the record.

Carol Fortine Ochoa, GSA Inspector General - Biography

The U.S. Senate confirmed Carol Fortine Ochoa as the Inspector General of the U.S. General Services Administration on July 29, 2015. As Inspector General, Ms. Ochoa leads a nationwide workforce of more than 300 auditors, special agents, inspectors, attorneys, and other staff whose mission is to detect and deter waste, fraud, abuse, and misconduct and to promote economy and efficiency in GSA operations.

Ms. Ochoa's prior career experience includes over 25 years' service as a federal prosecutor and manager in the U.S. Department of Justice (DOJ). Most recently, she served as the Assistant Inspector General of the Oversight and Review Division in DOJ's Office of the Inspector General, where she oversaw complex, sensitive, and broad-ranging investigations of Department of Justice operations and personnel.

From 1989 to 2002, she served as an Assistant United States Attorney in the U.S. Attorney's Office for the District of Columbia. During her tenure in that office, she prosecuted more than 40 cases before federal and local juries and specialized in federal public corruption and fraud matters.

Ms. Ochoa received numerous awards during her career with DOJ, including the Attorney General's Award for Distinguished Service in 2007 and 2009.

Before joining the DOJ, Ms. Ochoa was an associate at Covington & Burling. She also served as an associate counsel for Independent Counsel James C. McKay and clerked for Chief Judge Charles Clark of the United States Court of Appeals for the Fifth Circuit.

Ms. Ochoa received her Juris Doctor, summa cum laude, from the George Washington University Law Center in Washington, D.C., and her Bachelor of Arts, magna cum laude, from Miami University in Oxford, Ohio.

**STATEMENT OF
WILLIAM SISK
ACTING ASSISTANT COMMISSIONER
OFFICE OF GENERAL SUPPLIES AND SERVICES
FEDERAL ACQUISITION SERVICE
U.S. GENERAL SERVICES ADMINISTRATION
BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
U.S. HOUSE OF REPRESENTATIVES
SURPLUS FIREARM DONATION PROGRAM
MARCH 2, 2016**

Good afternoon, Chairman Meadows, Ranking Member Connolly and members of the Subcommittee. Thank you for the opportunity to participate in today's hearing. My name is Bill Sisk, and I am the Acting Assistant Commissioner for the Office of General Supplies and Services in the Federal Acquisition Service (FAS) at the U.S. General Services Administration (GSA). GSA takes its responsibility for the surplus firearms donation program seriously and has implemented a number of changes to the program in response to GSA's Office of the Inspector General's (OIG) June 12, 2015 report on this program.

Background

FAS provides acquisition and logistics services to Federal agencies for the disposal of personal property. The Federal Surplus Personal Property Donation Program within FAS manages the donation of surplus firearms for the Federal government. In Fiscal Year 2015, GSA transferred 27,087 line items to State Agencies for Surplus Property for donation and of those, 73 were firearms donated to Law Enforcement Agencies.

Surplus Firearms

The Federal Surplus Personal Property Donation Program makes property that is surplus to the needs of the Federal government available to state and local public agencies, eligible non-profit organizations, and veterans service organizations. Firearms were added as a commodity eligible for donation in 1999, after Congressional concerns were raised about Federal firearms being destroyed when they were no longer needed by the Federal Government. GSA, in partnership with the National Association of State Agencies for Surplus Property and the Department of Justice, established rules enabling donation of firearms to Law Enforcement Agencies through the Federal Surplus Personal Property Donation Program¹. The goal of the surplus firearm donation program is to enable Law Enforcement Agencies to acquire firearms at little or no cost in support of their mission.

¹ Firearms Donation Program is in the Federal Management Regulation, at 41 CFR 102-40.175.

The Donation Program is operated through a State Agency for Surplus Property (SASP), established in each state, territory, and the District of Columbia. Thirty SASPs have elected to participate in the donation of firearms, representing twenty-nine states and one territory.²

Surplus Firearms Donation Process When a Federal agency has property it no longer needs, it is declared excess and is reported to GSA through GSAXcess® to be screened for possible transfer to other Federal agencies with a need for such property. If no other agencies request the excess property, it is declared surplus and is made available for subsequent donation to eligible state and local public agencies and certain nonprofit health and educational activities as authorized by Congress.

When a Law Enforcement Agency identifies a firearm need, they work with their respective SASP, which screens available property in GSAXcess and submits requests for property for donation within the state. Per the Federal Management Regulation, eligible Law Enforcement Agencies may only receive handguns, shotguns, and individual light automatic weapons, all less than .50 caliber, rifles and shoulder fired grenade launchers. As of May 12, 2015, grenade launchers are no longer eligible for donation.³ Regulations limit donations to only those eligible law enforcement entities whose primary function is the enforcement of applicable Federal, state, and/or local laws, and whose full-time compensated law enforcement officers have powers to apprehend and arrest. In addition, there is a perpetual restriction on all donated firearms which begins the day the donee takes possession of the firearms. The Law Enforcement Agency receives conditional title to the firearms with the Federal Government retaining restrictions on the donated firearms.

GSA reviews and approves all requests by SASPs for donated firearms, which includes a Letter of Intent from the applicant. Once the Letter of Intent is approved, GSA allocates the requested firearm to the SASP. Before a transfer can be completed, the SASP and the Law Enforcement Agency must sign a Firearms Conditional Transfer Document (CTD) which outlines the fifteen conditions and restrictions associated with the donation.

The SASPs determine Law Enforcement Agency eligibility to participate in the Firearms Donation Program and enforce compliance with the terms and conditions imposed on the donated firearms such as the annual inventory requirement and notification to GSA if a firearm is missing. The SASP is also responsible for ensuring the firearms are in the possession of the donee and being used solely for law enforcement activities by compensated full time law enforcement officers.

² Alabama, Arkansas, California, Colorado, Florida, Georgia, Indiana, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, North Dakota, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Texas, Tennessee, Utah, Washington, West Virginia, and Wyoming.

³ https://www.whitehouse.gov/sites/default/files/docs/le_equipment_wg_final_report_final.pdf

The Law Enforcement Agency is responsible for ensuring that Federal firearms donated are used in strict accordance with the rules and regulations outlined in the CTD. They are also responsible for providing annual inventories to the SASP and must immediately notify the SASP when a firearm is missing.

When a SASP becomes aware of a missing firearm, they are required per the CTD to immediately notify GSA. This is documented as a compliance case and GSA's OIG is forwarded a copy of the documentation. The OIG reviews GSA's Report of Compliance Activity and determines if an investigation by the OIG office is necessary. If the determination is that an investigation is warranted, the OIG proceeds with their established policy. If an investigation is not warranted, the OIG returns documentation to GSA for administrative action. Upon notification of a loss, GSA holds any pending requests from the Law Enforcement Agency until the situation is resolved. Resolution may include the requirement that the Law Enforcement Agency reimburse GSA the fair market value of the missing firearm.

OIG Surplus Firearms Report

On June 12, 2015, GSA's OIG published a report, "Limited Evaluation of GSA Surplus Firearm Donation Program: Inadequate Controls May Leave Firearms Vulnerable to Theft, Loss, and Unauthorized Use" in response to a request by a GSA Administrator, for the OIG to review the Firearms Donation program. The report highlighted the need for GSA to strengthen data management and inventory controls. The OIG had four recommendations to strengthen the Firearms Donation Program:

Recommendation 1: GSA should implement a data management system, or improve GSAXcess, to facilitate program maintenance, reporting, and oversight.

Recommendation 2: GSA should implement a comprehensive inventory review process.

Recommendation 3: GSA should periodically provide to SASPs complete and accurate inventories of donated firearms for their reconciliation to Law Enforcement Agency- reported inventories.

Recommendation 4: GSA should implement standardized procedures for conducting and reporting inventories of donated firearms.

GSA agreed with the OIG's findings and submitted a Corrective Action Plan with 12 action steps to the OIG on August 3, 2015. To date, GSA is working toward completion of 5 remaining open action steps pertaining to the recommendations. All action steps are planned to be completed by May 30, 2016.

More specifically GSA has taken the following actions: GSA has created new data fields in GSAXcess® to collect more complete information on the recipients of the donated firearms and GSA is in the process of populating those new fields with data collected in the FY 16 inventory verification completed by the Law Enforcement Agencies and SASPs. In addition, to strengthen data management controls, GSA has issued a Standard Operating Procedure outlining procedures for requesting and processing donations, inventory and compliance, disposal and destruction, and internal controls. GSA also issued guidance to the SASPs on how to conduct inventories to help assist Law Enforcement Agencies with their obligation to account for all

donated firearms. GSA encouraged Law Enforcement Agencies to use Voluntary Consensus Standards and other applicable standards to the maximum extent possible while adhering to state and local laws and regulations governing the asset management and inventory practices applicable to them.

Additionally, GSA is a member of the Federal Support for Local Law Enforcement Equipment Acquisition Working Group, which addresses ways for the Federal Government to standardize and harmonize programs that provide equipment and support to Law Enforcement Agencies. The Working Group released recommendations in a report in May 2015⁴. In line with the Working Group's recommendations, GSA has ceased donations of any items on the "prohibited list," which includes grenade launchers. GSA also issued policy guidance on the Working Group Recommendations for Requests and Donations of Controlled and Prohibited Equipment to its Regional Offices and SASPs on September 22, 2015.

Over the more than fifteen years since donations of firearms began, 488 firearms have been reported as "missing". Upon investigation/review of these reported "missing" firearms, a large percentage (66 percent) of the firearms were found to not be missing, as they had been sold or traded by the Law Enforcement Agency, which is not in compliance with GSA requirements. In most instances, where the firearm is not under Federal government restrictions, the disposal of the firearm, in and of itself, is not inappropriate, such as trade in to a firearms manufacturer or sale to a licensed dealer.

Next Steps

Due to the difficulties with tracking the firearms and ensuring that Law Enforcement Agencies know which firearms have the Federal government restrictions, GSA is re-evaluating its role in the Firearms Donation Program. GSA is strongly considering limiting the program to handguns and eliminating Perpetual Restrictions --- meaning that the full title will transfer to the Law Enforcement Agency after the initial statutory requirement to use the firearm for 12 months has passed. Elimination of perpetual restrictions would require GSA to modify the current Federal Management Regulation language on the donation of firearms, removing the requirement for perpetual restrictions.

GSA looks forward to keeping the committee updated regarding our progress and we welcome the Committee's and the OIG's oversight of this important program. Thank you again for this opportunity to speak to all of you. I am happy to answer any questions you may have.

⁴ https://www.whitehouse.gov/sites/default/files/docs/le_equipment_wg_final_report_final.pdf

TESTIMONY FOR STEVE EKIN; RE: GSA WEAPONS PROGRAM

WEDNESDAY, MARCH 2, 2016

RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC

Chairman Meadows, Ranking Member Connolly and Honored Members of the Committee. I am Steve Ekin, the Director of the Georgia State Agency for Surplus Property, for the Georgia Department of Administrative Services (DOAS). I have been employed there since 2002. In my position, I am responsible for both the Georgia Federal Surplus Personal Property Program (FSPP) and the Georgia State Surplus Program (SSP). As manager of the FSPP, I manage the GSA Weapons Program for the state.

I will be testifying in my capacity as the current President of the National Association of State Agencies for Surplus Property (NASASP). NASASP is a 501 (c) (6) organization, whose members are comprised of the 56 State Agencies for Surplus Property (SASPs). The SASPs partners with and are essentially the states' agents for the US General Services Administration (GSA) which oversees the FSPP.

The FSPP is a highly scrutinized Federal programs. We are routinely reviewed and audited by the Federal government, our own State governments and state legislatures. We conduct annual inventories on all Federal property and we must provide accountability, adequate security, approval of qualified recipients and compliance to all terms and restrictions based on Federal Management Regulations. We do this on a daily basis. Any discrepancies must be reported to the local authorities, GSA and if advised by GSA, the US Department of Justice and our State's Attorney General's Office. The SASPs and NASASP take these responsibilities very seriously.

Since 1999, the SASPs have acquired and redistributed to qualified law enforcement agencies (LEAs), thousands of weapons through the GSA Weapons Program. At least 29 SASPs acquired the weapons which consisted primarily of handguns of different types, rifles, also of different types and to a lesser degree shotguns, sub-machine guns and grenade launchers. Approximately 831 different law enforcement agencies acquired these weapons for their various law enforcement uses.

These agencies represent state, county and local governments across the country, along with some colleges and universities. Many of these agencies are small and rural in nature. In these types of agencies, many times each officer is responsible for buying their own weapons. The result is that a number of different kinds of ammunition must then be purchased as well for both practice and intended use. This is very costly to a small LEA. By using the GSA Weapons Program, the SASPs are able to help the LEAs acquire similar weapons and therefore purchase the same types of ammunition. Conversely, many of our urban departments need large

quantities of firearms which are just as financially restrictive. Either way, the program allows tremendous savings for our cash-strapped communities.

Over the years that the SASPs have participated in the GSA Weapons Program, we have found GSA to be instructional, informative, communicative and conscientious about the Program. In the beginning, there was a great deal of instruction and education. That continued on a routine basis throughout the years. GSA would often come to our National meetings to give updates, review procedures and answer our questions. They would also provide training along with their eligibility and compliance training classes, held routinely throughout the years, on the Weapons Program. They would correspond with individual SASPs when requested and sometimes when not to “checkup” and see how things were going. Their personnel seemed professional and well-trained in their dealings with the SASPs.

During the short time we have had to prepare for this hearing, we have been able to poll seven of the top states using the GSA Weapons Program. Those states include Georgia, Texas, Oklahoma, Missouri, California, South Carolina and Pennsylvania. All of the states agree on the benefits of the Program to the LEAs, but they all voiced the same concern, namely, the record keeping of GSA. Each state underwent inventory checks with GSA and discrepancies were indicated. In many cases the number and types of weapons did not match between the SASP and GSA. In some cases the recipient did not match. After investigation, many of the discrepancies were resolved without incident or criminal evidence. Most cases came down to the recipient not understanding the rules or inadvertently not following them. GSA has always been very good to work with to remedy the situation first instead of just assigning blame, especially where the possibility exists that the recipient is not at fault. For example, sometimes weapons were properly destroyed and recorded and reported to GSA, but their inventory still showed those weapons on the SASP inventory.

NASASP and the SASP stand ready to assist Congress, GSA, and the Federal government to make changes in the Weapons Program and improvements. My officers and I would be glad to provide any follow up needed from our States and Association. We would also be happy to answer any further questions in this very important matter.

Thank you.

Steve Ekin Biography

Steve Ekin serves as the Director of the Surplus Property Division. Prior to joining DOAS, Mr. Ekin was the Director of Operations for an international import company where he was responsible for daily operations and logistics of a high volume distribution/manufacture facility. Mr. Ekin earned a Bachelor of Science in Business Management from the University of Phoenix and is a Certified Professional Property Administrator from the National Property Management Association. He currently services as the President of the National Association State Agencies for Surplus Property (NASASP) and is active in the Investment Recovery Association. He is retired from the US Coast Guard