

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

HEARING BEFORE THE SUBCOMMITTEE ON GOVERNMENT OPERATIONS OF THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES ONE HUNDRED FOURTEENTH CONGRESS SECOND SESSION

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FIREARMS LOST: GSA'S ADMINISTRATION OF THE SURPLUS FIREARM DONATION PRO- GRAM

Wednesday, March 2, 2016

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT OPERATIONS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittee met, pursuant to call, at 2:04 p.m., in Room 2154, Rayburn House Office Building, Hon. Mark Meadows [chairman of the subcommittee] presiding.

Present: Representatives Meadows, Jordan, Walberg, Massie, Carter, Chaffetz, Connolly, Maloney, Norton, and Clay.

Mr. MEADOWS. The Subcommittee on Government Operations will come to order. Without objection, the chair is authorized to declare a recess at any time.

Since 1999, the GSA has provided over 9,800 firearms to State and local law enforcement agencies through its surplus firearm donation program. And this program has helped to ensure that our law enforcement agencies have the necessary tools to protect and serve the American people. However, today's hearing is about a disconcerting finding by the GSA inspector generals that the firearms program is being poorly administered.

The IG found a program besieged by mismanagement, poor inventory, accounting procedures, and reliance on outdated and ineffective data management tools. The results of these problems are a system that the IG found to be placing firearms, such as grenade launchers, Uzis, M16s in a situation that is ripe for theft and loss. Allowing extremely dangerous firearms to be managed so carelessly is deplorable. The government needs to get its house in order.

The GSA is managing the firearms donations program using a haphazard system consisting of a digitally ancient Web platform, disorganized and practically unusable paper files, and spreadsheets riddled with incorrect and missing information.

When the IG began its evaluation of the surplus firearms donation program, the record-keeping system was so poor, in fact, that the IG could not even fully finish its review. The IG found that this program, which must track thousands of dangerous weapons throughout the country, was being administered using this paper file system and the paper files that the GSA officials described as the backbone, according to them, of the program. These paper files were, for practical purposes, incapable of being used to keep track of the firearms. The IG was told by the sole individual—one indi-

vidual—managing and tracking the program that it would take days to search the files for a single item. To compensate, the administrator of the program resorted to creating a spreadsheet to track nearly 10,000 firearms spread across 831 different law enforcement agencies, yet these spreadsheets were really in no better shape than the paper files. The spreadsheets contained information that contradicted the paper files and the digital records. The spreadsheets were missing information critical to knowing the location and use of the firearms.

The only other way that firearms were able to be located was through a Web platform that had not been updated since 1999. Let me repeat that these firearms were being managed using a program that is now over 16 years old.

All told, the menagerie of half-accurate, unsearchable, pre-new-millennial software, paper, and spreadsheets created a system where the firearms were practically impossible to accurately be tracked. This atrocious quality of the program's records resulted in the IG being unable to even verify the GSA's reported number of missing firearms.

The current program manager's sole individual overseeing this program identified the need to create a better tracking system early on and communicated that need, yet, despite the fact that the GSA knew about the deficiencies, the agency appears to have only begun to address the deficiencies in light of the IG's report. This poor system contributed to hundreds of firearms going missing. Between 2001 and 2016, 485 firearms went missing. Of these, only 25 firearms were ever found. That's right, 25 of 485, which is just unbelievable.

Among those firearms that went missing were a set of 130 handguns, 5 Uzi submachine guns, and a pair of, get this, grenade launchers. In each of these instances, the firearms were sold to private gun shops, which is not allowed under the program, and appears to have never been recovered.

In fact, the GSA IG discovered yesterday that two of the missing grenade launchers were now located in Florida and Colorado and available for sale to the general public. In some cases, the firearms would go missing for as long as a decade—yes, 10 years—before anyone realized that the firearms were not where they were supposed to be. It is beyond unacceptable that these firearms were lost, let alone the fact that they were not recovered and, in some cases, were missing for years before anyone knew about it.

But pure luck, it appears that—but for pure luck, it appears that none of the missing firearms ended up in criminals' hands, so we can be thankful for that. Regardless, one shudders to think what might have happened if those missing Uzis or the grenade launchers ended up in the hands of an individual that was bent on using them for nefarious purposes.

The IG found that the GSA had weak and inconsistent, to quote them, "weak and inconsistent inventory controls." So the GSA has a responsibility to maintain and track these firearms inventory checks. However, the GSA only apparently determined the need to require validated annual inventory reports in 2014, roughly 14 years into the program's existence. Based on this, it seems the GSA considered an accurate inventory to be an afterthought.

Even with recent annual inventory requirements, the practices used by GSA were feeble. The SASPs were provided with only limited training on how to acquire the firearms and conduct inventory review, leaving them on their own to create an inventory process and procedure, resulting in inconsistent procedures across States.

We, obviously, are having this hearing today, and in spite of all of this, what I would ask that each of you do is try to address your remarks—the results of these flaws still remaining is that the firearms may still be subject to the same threat of loss, theft, or improper sale.

So I appreciate all of our witnesses coming here today, and I'm optimistic that, through our conversations today, we will be able to help safeguard against these firearms being used improperly.

I'll now recognize the ranking member of the Subcommittee on Government Operations, Mr. Connolly, for his opening remarks.

Mr. CONNOLLY. I thank the chair.

I've got to say to the chair, listening to this long list of problems, you know, the question comes to mind, well, what could go wrong with that? Unfortunately, the answer is pretty ugly.

This hearing is a very important hearing on the loss of missing firearms that have been donated to State and local law enforcement agencies through the GSA surplus firearm donation program. The numbers are very disturbing, as you point out, Mr. Chairman: 486 missing firearms since 1999; 308 of them traded to firearms dealers without required GSA approval. In 2002, the New Ellenton, South Carolina, Police Department traded five Uzi submachine guns it had received through the program to a gun shop for new equipment. In 2012, the Cayce Police Department in South Carolina sold two grenade launchers it had received through the program to a firearms dealer in Tennessee. GSA then lost track of the weapons.

We agree on the fact that the missing weapons from this program are a problem, but it's no ordinary problem. Can anybody tell us why the Cayce, South Carolina, Police Department, which polices a city of less than 13,000, needed two military-style grenade launchers in the first place or why any civilian would need to own a grenade launcher for hunting or self-defense?

This begs the question, why do our gun control policies allow for the purchase of a weapon designed for maximum destruction? The flaws in our lax gun control policies are highlighted in the unbridled buying and selling of these dangerous weapons by just about anybody.

In the fall of 2014, Federal programs that outfit State and local law enforcement agencies with weapons, military-style vehicles and riot gear received heightened scrutiny when we saw disturbing images of highly armed police officers during the protest in Ferguson, Missouri. The GSA firearms donation program is much smaller than some of those other programs. It can serve a valid purpose: donating law enforcement equipment to police departments that need it in order to outfit officers with basic supplies. It's not a program we need to end, but it's clearly one that needs reform, as you point out, Mr. Chairman, in terms of inventory accountability and technology.

I commend the President for taking executive action last year to scale back the type of military equipment and heavy weaponry that are donated to local law enforcement agencies. The executive order establishes standard procedures for all law enforcement acquisition programs and seeks to ensure local law enforcement agencies are trained in the proper use of controlled equipment. The President established a working group that reached out to stakeholders, including law enforcement and civil liberties groups, in an effort to strike the right balance between policing and civil rights.

The inspector general, Ms. Ochoa, also made recommendations to improve data management and the inventory process following these firearms. Incredibly, the IG found that, in some cases, records for this program were kept in paper form. That's unbelievable considering the magnitude of the program and the potential consequences of weapons getting into the wrong hands.

And this brings us back to a recurring theme on this committee and our subcommittee, particularly, Mr. Chairman, and that is the inadequacies of our IT investments in the Federal Government and what could go wrong with that.

Without question, tighter controls and additional reforms are desirable. For example, yesterday, committee staff asked the IG: Oh, by the way, whatever became of those missing grenade launchers? And we learned, just yesterday, that they are currently for sale by gun dealers in Colorado and Florida, as the chairman indicated.

There appear to be no consequences to the law enforcement agencies that violate the program. It's my understanding the Cayce Police Department only had to pay GSA fair market value for the weapons as a restitution. That's the full extent of the correction for violating the terms of the weapons transfer.

There's no provision I'm aware of to recover Federal weapons that have been put into general commerce by local police departments in violation of the terms of their contracts with GSA, to say nothing of the potential threat to public safety.

I want to know today whether the GSA or GSA IG intends to, in fact, recover those grenade launchers. Some of my colleagues, I know, will disagree on whether or not the general public should be able to purchase grenade launchers. Even if you do disagree with me on that, surely, you would agree that the sale of such weapons and hundreds of others we donated to local police departments at least must be accounted for.

Ms. Ochoa, as inspector general, you are charged with rooting out waste, fraud, and abuse. This seems to be in one of those categories. I thank you for the work you have already done to highlight the issues in this program. I'm curious to hear from all of you today what happens from here, and I look forward to working with my colleagues on the other side of the aisle to try to find common ground to tighten up our program that certainly started out with good intentions and has gone awry.

Thank you, Mr. Chairman.

Mr. MEADOWS. I thank the gentleman.

I will hold the record open for 5 legislative days for any members who would like to submit a written statement.

We will now recognize our panel of witnesses. I'm pleased to welcome the Honorable Carol Ochoa, inspector general of the U.S.

General Services Administration. I'd like to also thank you for not only your involvement but your flexibility in so many ways to work with this committee in a humble way, being as flexible as possible. It is so refreshing, and I just wanted to take this opportunity to thank you personally for that.

Mr. William Sisk, acting Assistant Commissioner of the Office of General Supplies and Services of the U.S. General Services Administration. And Mr. Steve—is it Ekin?

Mr. EKIN. Ekin.

Mr. MEADOWS. Ekin, president of the National Association of State Agencies for Surplus Property.

Welcome to you all, and pursuant to committee rules, all witnesses will be sworn in before they testify. So, if you will, please, rise and raise your right hand.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth?

Thank you. Please be seated.

Let the record reflect that all witnesses answered in the affirmative.

In order to allow time for discussion, I would ask that you please limit your oral testimony to 5 minutes, but your entire written statement will be made part of the record.

Ms. Ochoa, you are now recognized for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF THE HONORABLE CAROL OCHOA

Ms. OCHOA. Thank you, Chairman Meadows, Ranking Member Connolly, and members of the subcommittee. I appreciate the invitation to testify here today. Thank you for asking for testimony regarding the inspector general's evaluation of the GSA surplus firearm donation program.

As you know, the OIG found in that evaluation that GSA's records of firearms donations were incomplete and inaccurate and that inventory controls are not sufficient to monitor firearms donated to State and local law enforcement agents. As 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 becomes available as surplus property for State and local law enforcement use. Donations of Federal firearms to eligible State and local law enforcement agencies are for exclusive use by those agencies and only for law enforcement purposes.

Since 1999, GSA's surplus firearms donation program has coordinated the donation of surplus firearms, working with State Agency for Surplus Property representatives. To request surplus firearms, a State or local law enforcement agency must first submit a donation request to State officials. State officials then initiate the donation transfer process using GSA's Web-based property transfer system called GSAXcess and submit the donation request 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 those agencies. The law enforcement agencies must use the firearms solely for authorized law enforcement purposes. They may not sell or trade the firearms. They must report annual inventories to the State agencies, and they must immediately report lost or stolen weapons. Once the law enforcement agencies no longer have use for their donated firearms, they must notify GSA through the State agency, and GSA can then give permission to reassign the firearm to another agency, or the firearm must be destroyed.

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

We were unable to complete all of the objectives of this evaluation because we found that GSA's 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.

And just as examples, we found that information in GSAXcess used to record the initial transfer of the firearms was incomplete, often missing such basic information as the names and addresses of the law enforcement agency to whom the firearms were donated. Other information was entered incompletely or placed in the wrong data fields, including information such as the serial number, make, and model of the donated firearms. The database wasn't designed to record any transfers after the initial donation, such as information about a transfer of the firearms to another agency, reports of missing or stolen weapons, or destruction of weapons. The program officer for GSA sought to keep paper records of the transfers and used spreadsheets to manually track the subsequent activity. Those records, however, could not be sorted or searched electronically. They contained inaccuracies, and they were incomplete.

We also found that inventory controls were incomplete. States did them inconsistently. GSA provided no uniform guidance, and in general, there's been a lack of oversight from GSA on the inventory process. As a result, donated firearms have been overlooked in the inventory process, increasing the risk of theft or unauthorized use.

As a result of our review, we made several recommendations to GSA centered around improving data management, both electronically and also improving the inventory process, providing guidance to the States, implementing an inventory-wide review process, and implementing standardized procedures for conducting and reporting inventories.

Again, I 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.

Mr. MEADOWS. Without objection.

[Prepared statement of Ms. Ochoa follows:]



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.

Mr. MEADOWS. Mr. Sisk, you are recognized for 5 minutes.

STATEMENT OF WILLIAM SISK

Mr. SISK. 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'm the acting Assistant Commissioner for the Office of General Supplies and Services in the Federal Acquisition Service at the General Services Administration.

GSA takes its responsibility for the surplus firearms donation program seriously and has implemented a number of changes to the program in response to the GSA inspector general's June 2015 report. GSA's Federal surplus personal property donation program makes the 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.

The surplus firearms donation program enables law enforcement agencies to acquire firearms at little or no cost to support their mission. I'd like to thank GSA's inspector general for looking into this program at the request of the GSA Administrator and providing recommendations to assist in improving the program. GSA is working to complete the remaining actions to implement all four recommendations by the spring.

In response to the recommendation to implement a data management system to facilitate program maintenance, report, and oversight, 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 and the fiscal year 2016 inventory verification completed by the law enforcement agencies and State Agencies for Surplus Property. Regarding the recommendation about implementing a comprehensive inventory process, GSA has issued a standard operating procedure for requesting and processing donations, inventory and compliance, disposal and destruction, and internal controls.

For the recommendation about implementing standardized procedures for conducting and reporting donated firearms inventories, GSA has issued guidance to the State Agencies for Surplus Property on how to conduct inventories to help assist law enforcement agencies with their obligation to account for all donated firearms.

GSA also encourages 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. The remaining recommendation about providing inventory data to State Agencies for Surplus Property to facilitate reconciling inventory data from the GSA law enforcement agency information is on track to be completed in the spring.

Additionally, GSA is a member of the Federal Support for Law Enforcement Equipment Working Group, which addresses ways for the Federal Government to streamline programs that provide equipment and support to law enforcement agencies. The working group released recommendations in a report in May 2015. In line with the working group's recommendations, GSA has ceased donations of any items on the prohibited list, which includes grenade

launchers. Per the working group's recommendations, our request and donations of controlled and prohibited equipment, GSA also issued policy guidance to regional offices and State Agencies for Surplus Property last fall. Since the firearms donation program began 15 years ago, 488 firearms have been reported as missing. Upon review of these firearms reported missing, 66 percent were, in fact, not missing but had been sold or traded by a law enforcement agency in violation of the terms of the conditional transfer required to be in compliance with receiving firearms through the surplus firearms donation program. In most instances, where the firearm is not under Federal Government restrictions, the sale or trade-in to a firearms manufacturer or licensed dealer is not inappropriate.

Due to the difficulties with tracking these firearms and ensuring that law enforcement agencies know which firearms have Federal Government restrictions, GSA is reevaluating its role in the firearms donation program. GSA is 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 have passed. Elimination of perpetual restrictions will 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'm happy to answer any questions you might have.

[Prepared statement of Mr. Sisk follows:]

**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

Mr. MEADOWS. Thank you, Mr. Sisk.
Mr. Ekin, you are recognized for 5 minutes.

STATEMENT OF STEVE EKIN

Mr. EKIN. Chairman Meadows, Ranking Member Connolly, and honored members, my name is Steve Ekin. I'm the director of the Georgia State Agency for Surplus Property, and in that position, I manage the Federal surplus property program for Georgia as well as the State surplus property program for Georgia.

Today, I'll be testifying in my capacity as the current president of the National Association of State Agencies for Surplus Property.

NASASP is a 501 organization whose members are comprised of the 56 State Agencies for Surplus Property; that's the 50 States and territories. And we, essentially, are GSA's agents to the State for surplus property.

The Federal surplus property program is a highly scrutinized Federal program. We routinely review and are audited by not only the Federal Government through GSA but our own State governments and State legislatures. We conduct annual inventories of all of our assets, not just firearms, as well as ensuring adequate security and approval of qualified recipients and compliance to all terms and conditions based on the Federal management regulations. We do this on a daily basis. Discrepancies that we do find must be reported to either local authorities, GSA, and, if advised, to the U.S. Department of Justice and our State's attorneys general offices. So SASP and NASASP take these responsibilities very seriously.

I think it's important to point out—we have talked about the weapons and the amount that have been put out to the local community—it's important to point out that, except the grenade launchers, all of the weapons that we receive at the State level are weapons that can be acquired by the law enforcement agencies in the open market. They are not specifically military weapons.

These law enforcement agencies represent both State, county, and local governments across our counties, including colleges and universities. Some of the folks that get our weapons are small rural departments that require—need these weapons, because it's the only weapons that are available to them to buy in a cost-effective manner. And, conversely, large departments would not be able to acquire large volumes of weapons that we can supply due to cost prohibits.

Over the years the SASP has participated in the GSA program, we found GSA to be instructional and informative and communicative and conscientious. In the beginning, there was a great deal of instruction and education. That continued on a routine basis for years. GSA continues to participate in our annual meetings and provide training to the SASPs. We correspond with individuals SASPs, not just to check up and see how things are going, but in official capacity to make sure that we're complying with all the regulations.

During the short time that we've had to prepare for this hearing, we pulled seven of our top States that were using this program. All of them agreed to the benefits of the program and have voiced the same concerns about the recordkeeping.

Each State has undergone inventory checks with GSA, and the discrepancies that were indicated have been corrected. Things like the numbers and types of weapons not matching between what the SASP received and what GSA still do occur.

NASASP and the State Agencies for Surplus Property stand ready to assist Congress, GSA, and the Federal Government to make changes to the weapons program and improve the program across the board. We'd be happy to meet and provide any other information for this very important matter. Thank you.

[Prepared statement of Mr. Ekin follows:]

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

Mr. MEADOWS. Thank each of you for your testimony.

The chair will recognize himself for 5 minutes for a series of questions.

Mr. Ekin, I find it interesting that you say you go through an annual Federal audit?

Mr. EKIN. For weapons, yes, sir. We're required to.

Mr. MEADOWS. So what do they audit it to? If we don't have a good list, I mean——

Mr. EKIN. And this is where we completely agree with the inspector general's findings and GSA recommendations. We get that spreadsheet that is either incomplete or where we have transferred a weapon several times——

Mr. MEADOWS. So you go through an annual Federal audit that's meaningless?

Mr. EKIN. For weapons. I don't consider them meaningless, sir, because at the end of my audit, I know exactly where my 416 weapons are that I'm responsible for.

Mr. MEADOWS. Well, assuming—so what you're saying is you keep good track of the ones you're receiving?

Mr. EKIN. Yes, sir.

Mr. MEADOWS. Then what's the purpose of a Federal audit?

Mr. EKIN. We send the same spreadsheet with the information back to GSA, and——

Mr. MEADOWS. I just want to caution you: don't—listen, I know all my sheriffs by first name. I know my chiefs by first name. I love law enforcement. I've got them on speed dial. I understand that the task of which you are here in your association, but let's not take that issue and go overboard with regards to justifying what is, obviously, a problem.

Mr. EKIN. Yes, sir.

Mr. MEADOWS. Okay?

And so, Mr. Sisk, can you explain to the committee how it took 10 years to find five Uzi submachine guns that were missing?

Mr. SISK. I don't know, Mr. Chairman, that I could explain why that took 10 years. I do know we share your concerns with our ability to keep track of an accurate inventory. I think that's part of the reason the agency asked the inspector general to come in and review the program. They've made some recommendations on how we can improve our ability to——

Mr. MEADOWS. So why did you do that? I mean, I heard that in your original testimony.

Mr. SISK. Yes, sir.

Mr. MEADOWS. I guess I'm a little troubled by that, because according to the information we have, is this person that's in charge of this program knew that there was a problem, needed additional resources, probably had a notebook of stuff. So if it were just a management problem, why would you ask the IG to come in?

Mr. SISK. I don't know that I can speak for the former Administrator that asked for the review. I do think——

Mr. MEADOWS. Are you sure that they asked?

Mr. SISK. The information that I received, sir, is that is what——

Mr. MEADOWS. Ms. Ochoa, did they ask you to come in?

Ms. OCHOA. This also predates my tenure with GSA, but I am told the same thing, that Administrator Tangherlini did make a request.

Mr. MEADOWS. Okay. All right. So, as we look at that, it took 10 years. So I'm curious. Ms. Ochoa, when did you do your report?

Ms. OCHOA. Our report was issued in June of 2015.

Mr. MEADOWS. Okay. Mr. Sisk, when were the Uzis found?

Mr. SISK. I'm not sure.

Mr. MEADOWS. 2012.

Mr. SISK. Okay, sir.

Mr. MEADOWS. So we had five Uzis that were missing for 10 years. We found them, and we waited 3 years to have the IG come in and look at it? Do you not see a problem with that?

Mr. SISK. I can absolutely see your concern, sir. I think, at the time, when the firearms were reported as missing, that we took the steps that were in our program at the time to report those as missing to the Office of Inspector General and then took administrative action on those—

Mr. MEADOWS. All right. So you, in your testimony, Mr. Sisk, you talk about a new procedure that you put in place. When did you communicate that new procedure?

Mr. SISK. I believe it was this past fall, sir.

Mr. MEADOWS. All right. When—I think you made—so as we look at that, I guess the IG's report came out in July, was it, of 2015? June or July?

Ms. OCHOA. June.

Mr. MEADOWS. Of 2015.

Now, this is not a complicated problem, I wouldn't think, you know, in the big scheme of things. Why would it take so long to start making real changes to this? Is it the fact that the ranking member and I are holding a hearing today that you started getting to work on it? Mr. Sisk.

Mr. SISK. Well, clearly, after we received the IG's report, sir, in June, we began working on the recommendations. There is definitely much more visibility on the program than there was previously. But we began work on the program then. We've made some of the changes with GSAXcess that are going to give us the ability to track this inventory much more closely than we could previously.

Mr. MEADOWS. All right. So explain to—I guess—so everybody understands—I guess there's a new procedure that you're recommending, that we got notice of 2 days ago? Is that correct? On the 29th.

Mr. SISK. It was issued prior to that, sir. I would have to go back and check my records. And I'd certainly be glad to get back to you, sir, with the date it was issued.

Mr. MEADOWS. So why are you deciding to change the program? Because that's not necessarily what the IG recommended. I mean, so, as you start to look at it, what problems with the IG's report do you see that you don't agree with? Do you agree with everything?

Mr. SISK. We agreed with the IG's recommendations, yes, sir.

Mr. MEADOWS. All right. So, with that, you're saying that you're making good progress?

Mr. SISK. Yes, sir, we believe we are.

Mr. MEADOWS. Okay. Is it surprising to you that, in preparation for this hearing, the committee staff and your staff, I guess, found these grenade launchers for sale?

Mr. SISK. I was aware, sir, that the grenade launchers had been sold in 2012. I just received, actually, just the beginning of this hearing, that they had been found, yes, sir.

Mr. MEADOWS. So that was a shock to you, a surprise to you?

Mr. SISK. Not a shock, no, sir. But I was not previously aware that they had been found.

Mr. MEADOWS. Well, I mean, I guess if you have an inventory of submachine guns and grenade launchers that goes missing, I would leave no stone unturned to try to find it. I guess the ranking member and I are sitting here trying to scratch our heads: Why would it take a congressional hearing before we find out where those are if it's really a priority?

Mr. SISK. Sure. Sure. As I said—

Mr. MEADOWS. Do you see why a reasonable person would think that the GSA is not treating it as a priority?

Mr. SISK. Yes, sir, I can.

Mr. MEADOWS. All right. I'm out of time.

I'll go ahead and recognize the ranking member for a very generous 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman.

And, Mr. Sisk, I'm going to ask you to pull this up close, because we can't always hear you. Thank you.

Let me start with how this works, because—first of all, how long have we had this program?

Mr. SISK. I believe 1999 is when—

Mr. CONNOLLY. 1999. So what's the inception of it? So somebody sits around the office saying: You know, we've got these extra grenade launchers.

First of all, where do you get the weapons from? GSA isn't an armory?

Mr. SISK. No, sir. For the GSA program, it comes from Federal law enforcement civilians.

Mr. CONNOLLY. Okay, civilian agents?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. And somebody had some grenade launchers, just to pick an example?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. Okay. So you get them. Do you have a choice? Can you say, "We don't want those"?

Mr. SISK. I don't know that we have a choice, sir. They never actually physically come into our custody?

Mr. CONNOLLY. So it's a paper responsibility?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. They are located somewhere?

Mr. SISK. Yes, sir. They would be with the Federal law enforcement agency. We would process the transfer through the State agency.

Mr. CONNOLLY. But that means you've got a tracking system so you know where they are in order to transfer them to somebody?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. Okay. So somebody has grenade launchers in the Federal civilian sector, and you get them—I mean, not physically, but your responsibility. Now what happens? Do you sit around saying, “Well, I wonder who could use a grenade launcher; what do you think?” Is that what happens?

Mr. SISK. No, sir.

Mr. CONNOLLY. What happens? What’s the analysis that gets us from, “we’re in possession of this”—not physically—“and we need to divest ourselves of it” and hopefully deploy it somewhere where it could do some good?

Mr. SISK. Sure. The Federal property is reported to us through our GSAXcess program. The local State law enforcement agencies would work with their State Agency for Surplus Property to identify the need and identify the Federal material that was available for——

Mr. CONNOLLY. I’m sorry. I can’t hear you.

Mr. SISK. I’m sorry, sir.

Mr. MEADOWS. Maybe pull the box a little bit closer to you. Yeah, there we go.

Mr. SISK. Okay.

Mr. CONNOLLY. Go ahead.

Mr. SISK. Yes, sir. Federal agencies would identify the process—I’m sorry, the material or firearms in this case that were excess to their needs. And after a screening process through other Federal agencies, if no other Federal agency needs the firearms, it would become available for donation through the State Agencies for Surplus Property. So the State and local law enforcement agencies would work with their State Agency for Surplus Property to identify those needs.

Mr. CONNOLLY. So Mr. Ekin in Georgia would say: Hey, they’ve got some grenade launchers; we could use those. Is that what happens? They’d bid on them, or they put in an application?

Mr. SISK. Yes, sir. There’s no charge for—the material from us is donated, so it’s not a bidding process.

Mr. CONNOLLY. Well, but what if Georgia wants—you only got two. Georgia wants them, and—I don’t know—Michigan wants them.

Mr. SISK. Yes, sir. It would be GSA’s responsibility to allocate that material through one of the State agencies.

Mr. CONNOLLY. Based on what criteria?

Mr. SISK. Based on some general criteria of what the needs are of the State and local agencies. They try to have somewhat even distribution, if we have competition——

Mr. CONNOLLY. Okay. That brings us to the two grenade launchers.

Mr. SISK. Sure.

Mr. CONNOLLY. So, in that process that you just described, someone decided that a place called Cayce, South Carolina, with 13,000 population, needed two grenade launchers? Is that correct?

Mr. SISK. I believe that need would have been identified by the local law enforcement agency working with their State Agency for Surplus Property that identified that those launchers were available through the Federal surplus program, yes, sir.

Mr. CONNOLLY. Well, but you pass no qualitative judgment on that? So South Carolina says Cayce needs them; Cayce needs them, unquestioned; let's get rid of them, get them off our books?

Mr. SISK. I believe it's up to the State Agency for Surplus Property to identify that the local law enforcement agency—

Mr. CONNOLLY. So you absolve yourself of all responsibility as an agency in terms of justification?

Mr. SISK. No, sir. Our role is definitely tracking the material, and we've, obviously, had some shortcomings there—

Mr. CONNOLLY. I'm not talking about tracking. We're not there yet.

Mr. SISK. Yes, sir. Right.

Mr. CONNOLLY. I'm talking about justification a priori.

I represent a jurisdiction—well, I was chairman of a jurisdiction of 1.1 million people. I can't imagine my police department putting in for grenade launchers, but maybe they did. But a town of 13,000, did anyone kind of raise the eyebrows a little bit going, "I wonder what Cayce, South Carolina, is going to do with two grenade launchers"?

Mr. SISK. I don't know, sir, if anybody did at the time. I can tell you that those items are now on the prohibited list, and we have ceased—

Mr. CONNOLLY. Got it. I understand. I'm trying to understand the problem.

Mr. SISK. Sure.

Mr. CONNOLLY. So, subsequently, apparently, Cayce sold these two grenade launchers? Is that correct?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. Is it your understanding that the purpose of this program, inter alia, is a revenue source for localities, a way of raising money; let's sell dangerous weapons and raise some money?

Mr. SISK. No, sir, that is not the purpose of the program.

Mr. CONNOLLY. So when Cayce sold two grenade launchers, it was in violation of their contract? Is that not correct?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. They signed a contract.

Mr. SISK. They can sign—they signed a conditional transfer document, yes, sir.

Mr. CONNOLLY. With you?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. And they signed that document?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. And, clearly, they violated it. Was it a willful violation? Did you even look into that?

Mr. SISK. I don't know that I could speak to that, sir, whether it was willful or what their intent was.

Mr. CONNOLLY. Well, I think one of the purposes of our hearing here is to try to understand what happened. I mean, I only was half jocular when I said: You've got to ask yourself the question, what could go wrong?

Now, Ms. Norton and I represent urban-suburban areas of the United States, and it is a very important question to us, what can go wrong? In my community yesterday, we buried a young police officer. She was 90 minutes on the job, first day. She was gunned

down by a man who had access to lots of weapons, who also had killed his wife just before in a domestic violence dispute. That isn't a grenade launcher, but it is a reminder. Certainly, in congested areas like Ms. Norton and I represent, we want to be real careful over what gets into whose hands.

And I got to tell you, this question of accountability in this program—while it's not a huge program and it's dwarfed by the number of arms in America—but it is troubling to think that somebody could so easily divest themselves of grenade launchers. And, again, what could go wrong with that?

I yield back, Mr. Chairman.

Mr. MEADOWS. Thank you.

And I think I join all of colleagues on the dais here for the condolences of losing one of your constituents, and certainly one of Prince Williams' finest.

And so, with that, I'll recognize the vice chair of the subcommittee, the gentleman from Michigan, Mr. Walberg, for 5 minutes.

Mr. WALBERG. Thank you, Mr. Chairman.

I associate myself with your remarks and that of a Representative who had to do a tough thing yesterday to attend that funeral.

Mr. Sisk, how many program administrators have there been in the life of the surplus firearm donation program?

Mr. SISK. If you're speaking to the individual that directly runs the program, sir? I'm just trying to make sure I'm clear on the "administrator."

Mr. WALBERG. Yes.

Mr. SISK. I believe there's been two over the life of the program.

Mr. WALBERG. That's my figure as well.

Mr. SISK. Okay.

Mr. WALBERG. Ms. Ochoa and Mr. Sisk, you can answer as well, did any program administrator ever identify the need for a new system during the person's time with GSA?

Ms. OCHOA. We were told that she did, yes.

Mr. WALBERG. That's accurate? Your understanding as well, Mr. Sisk?

Mr. SISK. I've been told the same thing, sir. She did not identify that need to me personally, but I've been told that that is accurate, yes, sir.

Mr. WALBERG. Mr. Sisk, there have been about 9,800 firearms donated through the GSA program. Is that correct?

Mr. SISK. 9,800, yes, sir.

Mr. WALBERG. You have one person, as I understand it, assigned to manage this program of nearly 10,000 firearms. That's correct, right?

Mr. SISK. Yes, sir.

Mr. WALBERG. GSA is making a number of changes to the program in response to the IG report. Do you plan to have more than one person assigned to managing the program going forward?

Mr. SISK. That is currently not in our plans, sir. We're hoping with the new IT technology that's available to us and the improved inventory capabilities that we are going to have that—

Mr. WALBERG. One person would still be able to handle that?

Mr. SISK. If it is not, sir, we are always willing to look to add more to improve the program going forward, yes, sir.

Mr. WALBERG. Your report took issue with the GSA only having one individual responsible, Ms. Ochoa, your report, for this entire program. Can you elaborate on why this practice is problematic?

Ms. OCHOA. Well, the issue that we saw was the information being essentially stovepiped with one person for a nationwide program, one person who was trying to keep track of it manually, which proved to be nearly impossible.

Mr. WALBERG. Do you think this new system that they are working toward would take care of that; one person will be able to care? Or would you still say, "We think you need to expand the numbers"?

Ms. OCHOA. It's hard to say. We haven't yet evaluated the corrective action that the agency is undertaking. They told us that they won't complete it until end of May, beginning of June, and we'll take a very close look then at whether the steps actually achieve the spirit of the recommendations.

Mr. WALBERG. Mr. Sisk, did GSA speak with or consult any of the program administration's—administrators at DOD regarding the practices used in administering its 1033 program?

Mr. SISK. Yes, sir. Our staff has been in contact with the folks at the Defense Logistics Agency.

Mr. WALBERG. To what end?

Mr. SISK. Well, for example, some of the new changes that we have made in the GSAXcess program, we're trying to model that interface to be similar to what DOD is doing, because they are two separate programs to administer by the State Agency for Surplus Property.

Mr. WALBERG. No intent to look toward transferring the program to DOD?

Mr. SISK. We did have that conversation with DLA. I believe, because we operate under different authorities, they found that to be problematic.

Mr. WALBERG. Did you consult with any of the SASPs who participate in both programs to adapt best practices in redesigning the administration of your surplus firearm donation program?

Mr. SISK. We do have continuing ongoing conversations with the State Agencies for Surplus Property. I'm not aware of any myself, sir, specifically directed to—

Mr. WALBERG. But you didn't consult with any SASPs about this?

Mr. SISK. I didn't personally, sir. I would have to go back and check to see if we did that and get back to the committee.

Mr. WALBERG. I think that would be important to do, to see what their record has been, what their experience has been, especially in finding a way to make sure that the loss of firearms, the loss of contact with the firearms, the loss of understanding where they're at seems to be important to find out if there's any better way of doing it.

So we trust that the new system you're putting in place, the plans forward will ultimately meet the approval of OIG but, more importantly, that we will gain control again.

Mr. CONNOLLY. Would my friend yield just for a quick followup to his—

Mr. WALBERG. Yes, I would.

Mr. CONNOLLY. I thank my friend.

DOD has a separate parallel program?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. Is it also following the reforms you have made, the limitations you have put on, what can be transferred?

Mr. SISK. No, sir. Those are just some of the options that we are exploring strictly within the General Services Administration, and they are just options that we are considering going forward.

Mr. CONNOLLY. So grenade launchers might be transferred by DOD's program?

Mr. SISK. I don't believe so, sir, as part of the working group. I believe that's part of prohibited materials for everybody.

Mr. CONNOLLY. Okay. We're going to want to know more about that.

Mr. SISK. Yes, sir.

Mr. WALBERG. I yield back.

Mr. MEADOWS. I thank the gentleman from Michigan, the vice chair of the subcommittee.

The chair now recognizes the gentlewoman from the District of Columbia, Ms. Norton, for 5 minutes.

Ms. NORTON. Thank you very much, Mr. Chairman. I certainly appreciate this hearing.

I want to offer my condolences to Mr. Connolly and the family of the slain police officer, who, apparently, served us doubly, served us in the armed services as well.

Mr. CONNOLLY. I thank my friend.

And if you could hold the time, we also very much appreciate Chief Lanier, who represented the District at the service.

Ms. NORTON. With all of the concern about police abuse that we see, particularly among young people, I do want to be clear that police lives really matter, particularly to those of us who see police go into the toughest neighborhoods; we thought well-armed, by the way—that my own city has very tough gun laws. I'm always concerned that guns get away from people, because any guns in the District of Columbia must come from outside. They can't be generated or almost surely are not generated here.

So keeping track of this program and making sure I understand this program is important to me.

I understand that 60 percent of the firearms have been traded to dealers without the approval of GSA? Is that the case? And if so, how could that occur?

Mr. SISK. Yes, ma'am. Roughly 66 percent of the firearms that were in care and custody of the local law enforcement agencies were either found to have been sold or traded in violation of our agreement with them.

Ms. NORTON. Traded to the firearms dealers?

Mr. SISK. Yes, ma'am, that's my understanding.

Ms. NORTON. So what was the rule?

Mr. SISK. The rule was that they could not do that without GSA's consent.

Ms. NORTON. What did you think was going to happen to these weapons?

Mr. SISK. Again, weapons were in the care and custody of local law enforcement where they were identified in excess to the Federal Government's need, and the agreement with them was that they would not dispose of them without GSA's agreement.

Ms. NORTON. But if they were in the control of law enforcement—

Mr. SISK. Yes, ma'am.

Ms. NORTON. —officials and the mission of the program was to outfit law enforcement officials with the weapons necessary to perform their own duties, can it be any wonder that they would trade away or try to get out of their own department's grenade launchers, for example, or weapons of the kind that local police departments don't use? One wonders, what were they doing with them in the first place? Did you have any option, other than to dispose of them to law enforcement, who, of course, would have no legitimate use for grenade launchers and the like?

Mr. SISK. Sure. Again, many of these firearms can, in many cases, be what is not controlled material. After the working group that has been established, we had prohibited equipment, controlled equipment, and then noncontrolled equipment, which would be the handguns and perhaps the shotguns that would generally be assigned to patrol officers.

Ms. NORTON. I still don't understand, then, if you have submarine guns—

Mr. SISK. Yes, ma'am.

Ms. NORTON. —and grenade launchers—and they are not used or should not be used by law enforcement—what should GSA do about those weapons in particular?

Mr. SISK. Those weapons in particular, if they are in the custody of Federal law enforcement, the rules have changed now, that some of that, the grenade launchers specifically—

Ms. NORTON. But those are weapons—in other words, you could sell anything, or you could dispose of anything to law enforcement without making some—without taking efforts to see whether or not they were legitimately usable by local law enforcement. That just wasn't part of what you were supposed to do?

Mr. SISK. Yes, ma'am. Again, after the working group has gotten together, those grenade launchers are now prohibited equipment.

Ms. NORTON. What are you going to do with them?

Mr. SISK. I believe the process would be for the Federal agency that has those—in this case, I believe those came from the FBI Academy at Quantico—that that material would have to go up for destruction.

Ms. NORTON. I just thought that would be self-evident, but forgive me if those were not already included in your rules.

I believe that the DOD, of course, has bigger—

Mr. SISK. Yes, ma'am.

Ms. NORTON. —weapons, can recall those weapons. Is that right?

Mr. SISK. Yes, ma'am.

Ms. NORTON. Where you had to sell them?

Mr. SISK. That's my understanding of their process, that they can recall those weapons. Again, be that's a DOD program.

Ms. NORTON. Do you have any problem with that? I mean, is the reason they can't recall them is they do not pass title to them?

Mr. SISK. We're still trying to get some specific guidance on that particular issue from legal counsel. The material that we deal with the firearms are in the care and custody of local law enforcement. Our responsibility is to maintain an accurate inventory of those firearms, and clearly, we've had some issues there that we are working on with the GSA IG to get that fixed. If the actual legal transfers is a subject that we are still trying to seek additional guidance from legal counsel, and we'll be glad to do that and get back to you.

Ms. NORTON. It seems to me you would minimally need that.

Finally, let me just ask you this, do you really think you are the appropriate agency for this mission?

Mr. SISK. We're the agency that has the legal authority—

Ms. NORTON. Now, again, what is it about your expertise that makes you the appropriate agency for the transfer of weapons to police departments?

Mr. MEADOWS. Yeah, the gentlewoman's time has expired, but you can answer the question.

Mr. SISK. Yes, sir. Our expertise primarily is in donated excess personal property. Firearms, specifically, we don't really have a level of expertise in firearms themselves.

Ms. NORTON. Mr. Chairman, may I suggest that that's part of the problem: the GSA was given a mission outside of its own legitimate expertise.

And I thank you, Mr. Chairman.

Mr. MEADOWS. I thank the gentlewoman.

The chair recognizes the gentleman from Georgia, Mr. Carter, for 5 minutes.

Mr. CARTER. Thank you, Mr. Chairman.

And thank all of you for being here. We appreciate your presence today.

Mr. Sisk, how many employees run the GSA surplus firearms donation program?

Mr. SISK. It's currently one employee, sir.

Mr. CARTER. I beg your pardon?

Mr. SISK. Currently, one employee, sir.

Mr. CARTER. We have an agency in the Federal Government, and just one person that runs that program?

Mr. SISK. For this particular program, yes, sir.

Mr. CARTER. Wow.

Mr. SISK. It's part of a larger program, but we—

Mr. CARTER. I understand. I understand.

Ms. Ochoa, it's my understanding that the program records are kept in a paper file system. In fact, this system has been referred to as the backbone of the program. Is that correct? Is it kept in a paper file?

Ms. OCHOA. The program administrator seeks to track all of the firearms through paper records, yes. That's correct.

Mr. CARTER. How would you describe the accessibility of this paper filing system?

Ms. OCHOA. It's not particularly accessible, as you can imagine. She keeps boxes of records. She told us that in order to trace one

particular firearm, it could take days. When we tried to compare her records to the spreadsheet—she was keeping to try to centralize in paper the whereabouts of the weapons—we found a lot of inconsistencies. She also inherited some records from her predecessor, so it's not a very accessible system.

Mr. CARTER. Wow. In fact, in June of 2015, the IG's office reported—the report by the IG indicated that during their evaluation, they were unable to assess critical information, and this prevented the IG from completing all of the evaluation objectives that they had set forth. So, obviously, we've got some problems there.

Mr. Sisk, how many firearms has the program lost in the past 15 years?

Mr. SISK. Since the program's inception, our records indicate that 488 total have been reported missing.

Mr. CARTER. 488?

Mr. SISK. Yes, sir.

Mr. CARTER. Have been missing. How many have been recovered?

Mr. SISK. I don't know that any of them specifically have been recovered. We do have a breakdown of how many were sold and traded: 30 of them actually—320 were either sold and traded; 30 were actually found after they were initially reported missing; 29 were either lost or stolen; 6 were destroyed; and 1, the police department actually had closed at one point. So—

Mr. CARTER. Seriously?

Mr. SISK. Yes, sir.

Mr. CARTER. 488?

Mr. SISK. Yes, sir.

Mr. CARTER. And you said 30 had been accounted for, and 29 had been lost, and 6 had been destroyed?

Mr. SISK. The primary principal part of that 320 were sold and/or traded improperly in violation of the conditional terms.

Mr. CARTER. So how many are unaccountable—are unaccounted for? How many are unaccounted for?

Mr. SISK. We have, so far, 102 that we don't have information on, you know, what actually eventually happened to them, that they were reported missing or stolen, and there was not a resolution of that.

Mr. CARTER. Okay. Well, let me ask you something, how many does the surplus firearm donation program currently have?

Mr. SISK. Well, there are 9,836 that are currently in the program.

Mr. CARTER. 9,000 and some odd, is that what you said?

Mr. SISK. Yes, sir.

Mr. CARTER. How many of them—how many of these have been distributed to law enforcement agencies?

Mr. SISK. They all have been, sir. We don't—we never actually have them in our custody.

Mr. CARTER. Okay. But, I mean, they are in the custody right now of the law enforcement agencies?

Mr. SISK. Yes, sir, State and local law enforcement agencies. All 488—

Mr. CARTER. All you have is the recordkeeping, right?

Mr. SISK. Yes, sir.

RPTR MAAR
EDTR SECKMAN
[3:02 p.m.]

Mr. CARTER. You know, Mr. Chairman, this is my problem here. This is my concern. I mean, here we have a Federal agency, a program that is totally dedicated to registering and controlling firearms, yet they don't even know how many they have. They don't know where they are. They don't know who has them. In some cases, they don't know what they are, and, yet, we have an administration that's trying to impede on our Second Amendment rights. It is true. It is true. I mean, here we have an agency that can't even account for it. Every responsible firearm owner knows where their guns are. They know what they have. They know where they are. And, yet, we have the government here who has no idea. This is appalling, Mr. Chairman, appalling. I mean, seriously. I just cannot believe this.

It's happening in—and, listen, I'm from the South. And let me tell you: we take our firearms seriously in the South. I mean, I can tell you right now how many I've got. I can tell you where they're at. And I can tell you exactly where they're at. And I know where they're at. This is—Mr. Chairman, I apologize, but I'm appalled at this. I'm just, I'm just taken aback by this.

Mr. Chairman, I will yield.

Mr. MEADOWS. The chair recognizes the gentleman from Georgia's appalling demeanor.

We'll recognize the gentleman from Missouri, Mr. Clay, for 5 minutes.

Mr. CLAY. Let's hope that I'm not as appalled, Mr. Chairman, with these answers.

You know, many of us were horrified—I know I was—in August of 2014 in Ferguson, Missouri, when officers looked like they were going to war and not serving and protecting their community. President Obama issued Executive Order 13688 on January 16, 2015. The President recognized the need for these programs to assist law enforcement officers' critical mission of keeping the American people safe. The executive order also recognized the need for law enforcement officers to be trained in proper use of the equipment and training on the protection of civil liberties.

The executive order established a working group to identify agency actions that can improve these programs. One of the recommendations was to prohibit certain items for transfer, such as grenade launchers and firearms that were 50 caliber or higher. We know that, prior to this, the GSA program facilitated donations of grenade launchers.

Mr. Sisk, were there other weapons that were donated through this program that are now on the prohibited items list?

Mr. SISK. Not that I'm aware of, sir. I believe the only thing GSA had that was now on the prohibited list was the grenade launchers.

Mr. CLAY. Okay. And then the Department of Defense has begun recalling some of the weapons that are now on the prohibited items list. And is GSA recalling those weapons? You are?

Mr. SISK. No, sir. We're working with our legal counsel. We're asking for voluntary return of those items. Our legal counsel is giv-

ing us some additional guidance on whether or not we have the authority to recall those grenade launchers.

Mr. CLAY. Well, it is an executive order. You all don't follow the executive order?

Mr. SISK. Yes, sir. We absolutely follow the executive order. And we've issued guidance that we're no longer going to facilitate the donation of items that are on the prohibited list. The issue comes into play where we have a conditional transfer document that was in place for the 22 grenade launchers that we still know exist with local law enforcement agencies, if they've not violated the conditions of that agreement, if we can force them to return those grenade launchers.

Mr. CLAY. Okay. One of the requirements for transferring control equipment, such as specialized firearms that are not service-issued weapons, is that law enforcement officers have training on proper use of the equipment. Mr. Sisk, what is GSA doing to ensure that officers are trained to use weapons that are now on the controlled equipment list?

Mr. SISK. For items that are on the controlled equipment list, the law enforcement agencies that we donate to would have to absolutely comply with that additional training requirement, yes, sir.

Mr. CLAY. And how do you confirm that?

Mr. SISK. I believe we work through the State agencies for surplus property to make sure that was done.

Mr. CLAY. Okay. The working group also recommends sanctions for violations of controlled equipment programs. Will this apply to existing controlled equipment that is already in the hands of law enforcement?

Mr. SISK. I don't know, sir, that that would apply to equipment that's already out there, that would be the grenade launchers in our case. I would have to get back to the committee on that question.

Mr. CLAY. So tell me why local law enforcement would need grenade launchers.

Mr. SISK. Again, I don't know that I can speak, sir, exactly to what the need was for that equipment at the time that it was donated. We do know that it's there. We've still got track of 22 of the items. And we no longer will facilitate the donation for prohibited items.

Mr. CLAY. Okay. Mr. Ekin, can you maybe respond to why local law enforcement would need grenade launchers?

Mr. EKIN. I'm not a law enforcement expert. But when we have the agencies send us a letter of intent, where they explain how many officers they have that are post certified, what the equipment is going to be used for, they explained to us grenade launchers would be used for gas dispersal, not explosive incendiary things. So we do require that. And the head law enforcement officer, whether it be a chief, sheriff, whoever it is, signs those documents, and that's what we submit to GSA for them to make the allocation determination.

Mr. CLAY. And are you aware that, that local law enforcement is receiving the proper training to operate these weapons? Or do you know anything about that?

Mr. EKIN. Only that they're certifying that they have the appropriate training, sir.

Mr. CLAY. It sounds pretty loose, Mr. Chairman.
I yield back.

Mr. MEADOWS. I thank the gentleman from Missouri.

I'm going to go ahead and recognize myself for a series of additional questions, because I want to follow up. You know, the gentleman from Georgia was, obviously, indicating that he finds it very difficult, as I think the ranking member and I both do, that we can somehow have 9,800 weapons that come from different agencies. And I think, to be clear, it comes from—it may come from the FBI, the Department of Homeland Security, Social Security, whomever has it, it is deemed surplus, is that correct, and then you just track it?

Mr. SISK. Yes, sir.

Mr. MEADOWS. So let me follow up on maybe the less than articulate way that I asked the question earlier that I think maybe we got off—I asked a question that you answered. But I don't know that I was very clear. So let me go back to that. In terms of the perpetual restrictions in your testimony, when did that come about, the loosening of the perpetual restrictions?

Mr. SISK. Yes, sir. We're exploring different options right now. For noncontrolled equipment, things like handguns that a patrol officer would normally carry, the intent of the program is if the Federal agency has excess material that the local law enforcement could use, then we would transfer that property to their use.

Mr. MEADOWS. So that, essentially, would do away with an inventory list?

Mr. SISK. It would be a clean transfer of title to the local law enforcement agencies.

Mr. MEADOWS. So did you make that recommendation on the 29 of February? Because that's when we found out about it.

Ms. Ochoa, when did you find out about it?

Ms. OCHOA. I learned about it when I read Mr. Sisk's testimony for the hearing.

Mr. MEADOWS. So has this been in the works since last fall? Or is this just an idea that popped up before this hearing?

Mr. SISK. It's an idea that the agency is exploring internally. Nothing has been finalized. No decisions have been made. But if it is for noncontrolled equipment—for example, 9mm pistols—that State and local law enforcement has and manages all the time—

Mr. MEADOWS. So, essentially, it was put as part of your testimony to say: We're going to try to figure out a way to do this by getting rid of an inventory list that we can't control because we can't actually track the weapons. Is that accurate?

Mr. SISK. The inventory was that is currently in place, sir, we're doing everything we can to follow the IG's recommendations to make sure—

Mr. MEADOWS. Your recommendation on the 29th, so let me be specific here, your recommendation on the 29th, why did you make that recommendation on that day? What was the genesis or the causal effect of coming up with that recommendation to get rid of the perpetual restriction?

Mr. SISK. One of the things that we are considering is looking at removing the perpetual restrictions for noncontrolled equipment, specifically for handguns, that would be going forward. If it's actually better for local law enforcement that those handguns that would be transferred to them would be under all the rules and regulations—

Mr. MEADOWS. So you're doing this because it will benefit local law enforcement? Is that what you're saying? Is that your testimony?

Mr. SISK. We're trying to do what makes sense to follow—

Mr. MEADOWS. I'm trying to figure out why, 2 days before a hearing, we get a recommendation on an IG's report that was issued back in the summer of last year and that, 2 days before a hearing, we get this new idea that shows up with my staff, who have been working on this—let me tell you, the work that comes here is not mine; it's the staff's. As you well know, they're doing a yeoman's job. And, yet, when they have a briefing a day or so before this hearing, there's this new idea of getting rid of the perpetual restriction. So was that thought out? Or was it just put in the testimony to make it sound like you got a plan?

Mr. SISK. Sir, it is one of the recommendations that we're exploring. It's not—

Mr. MEADOWS. When did you start exploring that recommendation?

Mr. SISK. The conversations probably began around that several weeks ago.

Mr. MEADOWS. All right. That's helpful. Because counsel has not weighed in on that, right? I guess here's the interesting thing, is since you don't own the firearms—you're taking the list—how do you make the determination that you can give it to a local law enforcement agency after 12 months? It's not yours to give. It's surplus property that you're managing, but it actually belongs to the FBI or DHS or whomever. Doesn't it?

Mr. SISK. Yes, sir.

Mr. MEADOWS. Has counsel weighed in on that, that says you have the ability, from a statute standpoint, to do that?

Mr. SISK. Legal counsel reviewed my testimony. The 12-month requirement, I believe, is a statutory requirement. And I believe it's also so that we're not just donating things to—

Mr. MEADOWS. It may be a statute. But it would be a statute for the FBI to do it or the DHS, not necessarily—I don't know that that statute—does it transfer? Did counsel say it transfers to GSA?

Mr. SISK. I'm sorry, sir, the title of the equipment?

Mr. MEADOWS. Your ability to convey title to the State of Georgia, do you have that ability, from a statute standpoint, right now?

Mr. SISK. Yes, sir. We donate material that's, right, that's—

Mr. MEADOWS. So you're following me, so you have that ability is what your counsel has told you?

Mr. SISK. Yes, sir.

Mr. MEADOWS. So, in the last 2 weeks, you've made that determination, that that's how you're going to get rid of this inventory list?

Mr. SISK. One of the options we explored, sir, is if for noncontrolled equipment, if it should be transferred like any other kind

of property that we transfer to State agencies for surplus property that don't have the perpetual requirement for inventory——

Mr. MEADOWS. Listen, you may have two different ideological points of view up here as it relates to our local law enforcement. But I guess we are of one mind when it comes to tracking it. Here's the problem: You've got a tracking problem. You've got an accountability problem. And instead of changing your accountability and tracking, you're changing the program to say: Well, let's give it away; that way we don't have to track it.

Are you following? It just doesn't make sense. Does it? Does it make sense to you?

Mr. SISK. I understand what you're saying, sir. The intent——

Mr. MEADOWS. Does it make sense to you?

Mr. SISK. The intent of exploring that option was to look to see if——

Mr. MEADOWS. All right. So let me—and I understand—so let me go interrupt myself. And I'll ask, so if that's the case and you're going to convey ownership to, let's say, Mr. Ekin and the State of Georgia, what would preclude him from saying, "I want 130 of those Glocks"; they keep them for 12 months, and they sell them; and he says, "I want 130 more Glocks"? So it becomes a funding stream. If you get rid of the perpetual restriction, it becomes a funding stream where they don't have to reimburse the Federal Government. I can tell you: it would be a business that I would get in immediately if you did that. Do you see the problem there?

Mr. SISK. Yes, sir. But we are transferring this material through the State Agency for Surplus Property to State and local law enforcement.

Mr. MEADOWS. Right. But what I'm saying: it becomes a de facto grant to that State agency. Would it not?

Mr. SISK. I——

Mr. MEADOWS. Am I missing something?

Mr. SISK. Sure. In the same sense that any other material that we donate through the State Agency for Surplus Property, yes, sir.

Mr. MEADOWS. All right. Let me tell you: Georgia and South Carolina may get a lot. North Carolina, I saw on the thing, I get zero. So I'm——

Mr. EKIN. But they may have property——

Mr. CONNOLLY. Can I interrupt one second—Mr. Ekin, I'm sorry—on this issue you're bringing up? I asked you specifically in my questioning, Mr. Sisk, was this a revenue-generating program, or was this an enhancement of capability program? And you said it was not a revenue-enhancement program. And now where the chairman just took us, actually, that is the practical effect of what you're contemplating doing, which is lifting the perpetual restriction, because then, they—all you're doing is transferring your surplus program and making it a revenue-generating program for local law enforcement, not an enhancement program. And what I worry about is then it could get into the wrong hands. And we already know that happened with grenade launchers. So I'm not reassured by your answer at all. And it seems to contradict your earlier answer as to, with respect to Cayce.

Mr. SISK. And I'm sorry, sir. And I appreciate the opportunity to clarify that. There would still be a requirement that the equipment

would be kept and used for 12 months. That requirement would not go away.

Mr. CONNOLLY. Well—

Mr. SISK. In a sense, sir, the entire program that we run, the donation program through the State Agency for Surplus Property, where we transfer excess property or surplus property from the Federal Government to the State and local agencies, in a sense, sir, we are providing equipment.

Mr. CONNOLLY. Mr. Ekin, I interpreted you, and I'm sorry.

Mr. MEADOWS. Mr. Ekin, you wanted to jump in there because you were disagreeing with an analysis. And it's fine.

Mr. EKIN. I just wanted to put in that there are those restrictions already. And the State agencies for surplus property, as well as the donees, by the regulations, can't do that for exactly that reason. All the property that we receive at the State level has to either be donated within 12 months, or when we turn it back in or sell it, it's with GSA. GSA does get proceeds of that. So those—it doesn't happen that those items just—we just hold onto stuff for a year and then turn it into profit. Just like our donees have to use it.

Mr. MEADOWS. Which I understand that's the way it is today. But I guess what I'm saying is, does that change under this new scenario? If you get fee title to it in 12 months, does that change that? Or would they still have to compensate? Would they still have to compensate the FBI, let's say? Would the State of Georgia still have to compensate, if they kept it for 12 months and on the 13th month they sold it, would they have to compensate the FBI?

Mr. SISK. No, sir. I don't believe they would.

Mr. EKIN. Under the current regulations, we would be compensating GSA. GSA conducts the sale.

Mr. MEADOWS. No, I understand that. That is what I'm saying. He's talking a new—here's my concern, Mr. Sisk. This is not a complicated problem. This is not rocket science. I mean, I can tell you I can go buy an off-the-shelf program today that would track this and be able to sort it. In fact, if you need some help with that, I can probably get you four or five vendors that would fall all over themselves to do it very cheaply, where Ms. Ochoa doesn't have to come back and check on it, because it would actually be sortable, and we could track it. Then it becomes an ideological problem on whether we supply it to the State of Georgia or whomever. But what it sounds like is you're about to change a program because you won't fix the reporting. Am I wrong there?

Mr. SISK. Sir, we're fixing the problems, sir, there with the inventory process. We absolutely agree with you that the process was not—it had shortcomings, and we're fixing that. We are exploring different options on how to improve the process going forward. None of these decisions are final. We are—

Mr. MEADOWS. But they were in your testimony.

Mr. SISK. Yes, sir, they were. So we're going to continue to work with our Office of Inspector General. We're going to work with our Office of Government-wide Policy just to explore different options. And we would certainly welcome the committee's input as well.

Mr. MEADOWS. The ranking member has been very gracious. I'll—

Mr. CONNOLLY. Not at all. I completely agree with you, where you're headed, Mr. Chairman.

Is it correct, Mr. Sisk, that in all of 2015, a total of 57 firearms were donated?

Mr. SISK. I believe it was 73, sir.

Mr. CONNOLLY. Seventy-three?

Mr. SISK. Yes, sir.

Mr. CONNOLLY. Even so, given all the grief, wouldn't it have been easier to destroy them? I mean, you can't argue that it makes an appreciably significant impact on local governments with the number 73.

Mr. SISK. I understand that, sir.

Mr. CONNOLLY. And given all of the headaches and a bad IG report and congressional hearings—and now we're going to consider legislation about whether you're even the right agency to be disposing of these—why not just destroy them?

Mr. SISK. I certainly understand that, sir. I think the intent of the program was where the Federal Government had excess firearms that could help local law enforcement, that that was the purpose of the program, was to get that equipment to local law enforcement.

Mr. CONNOLLY. But you would concede it's gone awry?

Mr. SISK. Yes, sir. We definitely have issues with our inventory process, yes, sir, that we're addressing.

Mr. CONNOLLY. But even on the receiving end, I know it's not necessarily indicative of the whole program, but the example of the two grenade launchers is instructive. It goes to a small town in South Carolina. And there's no one with a straight face at the State level who could have said: I think they need grenade launchers there in Cayce. And, of course, they didn't because Cayce promptly sold them illegally.

Mr. MEADOWS. That was a good South Carolina accent by the way.

Mr. CONNOLLY. I'm from Virginia, as you know. And they didn't need them, apparently. They sold them for revenue in violation of the contract, but they did. And so that is also troubling. There's no substantive analysis or set of vigorous criteria to guide this program. And that—when it's tainted at the very beginning of the program, no wonder we got problems at the end of the program. And I could understand if we're talking about, you know, 73,000 or 730,000 weapons or firearms; we got to get our arms around this. But the number is so small; it makes you wonder whether it's worth the grief. And that's something that, seems to me, the Federal Government ought to consider. Thank you, Mr. Chairman.

Mr. MEADOWS. I want to thank each one of you. And let me be clear, Mr. Sisk. I understand that this is an inherited problem for both you and your boss. And so I would say that the commitment to get it in the heat of which you've had to respond to questions today, we understand that you're not the causal effect of this.

But let me also share, the OIG has done great work in identifying this. I still have questions of whether they were asked to come in or they came in. And that's a moot point because people have moved on. But let me be clear in that what we don't want to do is to ignore the work that the IG and their committed staff has

done. And so we're going to stay on top of this. The American people don't understand it. I don't understand how something so simple can't be done. We can put a man on the Moon, and, yet, we can't track firearms going to State agencies.

At the same time, I don't want it to be, Mr. Ekin, be viewed as anything—I understand, I've gotten rural law enforcement officers that have participated, you know, sometimes getting pistols that, truly, they wouldn't be able to afford in their local budget. I get that. But where I do come with this, Mr. Sisk, is, is that the time is now to fix it. And what I don't want—what I would ask you and if I could get your commitment that you, within the next 120 days, will have not only a plan in place but more than just a visionary statement in an opening remark, that we have, within 120 days, where we're tracking this, where at least the problem stops in 120 days, and that you've implemented all of the IG's recommendations. So I have your commitment that you will do that?

Mr. SISK. Yes, sir.

Mr. MEADOWS. Okay.

With that, I want to thank all the witnesses for your time today on this important topic. And if there is no further business, without objection, the subcommittee stands adjourned.

[Whereupon, at 3:25 p.m., the subcommittee was adjourned.]

