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INSPECTOR GENERAL

U.S. Department of Defense

April 17, 2014



(U) Improvements Needed in the Stocking of Air Force Basic Expeditionary Airfield Resources Support and Repair Spare Kits in Guam

Classified By: Amy Mathews, Program Director
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INTEGRITY ★ EFFICIENCY ★ ACCOUNTABILITY ★ EXCELLENCE

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(U) Results in Brief

(U) Improvements Needed in the Stocking of Air Force Basic Expeditionary Airfield Resources Support and Repair Spare Kits in Guam

April 17, 2014

(U) What We Did

(U) Our objective was to determine whether the Air Force efficiently and effectively stocked and properly maintained Basic Expeditionary Airfield Resources (BEAR) support and repair spare kits in the U.S. Pacific Command (PACOM) area of responsibility. This report focuses on BEAR support and repair spare kits stored and maintained at Andersen Air Force Base, Guam.

(U) What We Found

(S)



(U) These conditions occurred because the PACAF/A4 and the Air Combat Command BEAR Global Management Office have not reconciled BEAR authorizations with PACOM Operation Plan requirements since 2008. As a result, Air Combat Command BEAR Global Management Office and PACAF/A4 could have missed redistribution opportunities to fulfill world-wide BEAR shortages and prevent unnecessary new purchases. Additionally, PACAF's mission execution may be affected if assets are not placed in the best locations.

(U) The 36th Logistics Readiness Squadron at Andersen Air Force Base properly maintained BEAR support and repair spare kits but did not perform inventories in accordance with requirements. During the course of our audit, the 36th Logistics Readiness Squadron and Air Combat Command took action to improve the inventory process.

(U) What We Recommend

(U) We recommend that the Commander, Air Combat Command coordinate with PACAF to reconcile PACOM Operation Plan requirements with BEAR authorizations and conduct a cost benefit analysis.

(U) We also recommend that the Commander, PACAF

- (U) Perform a reconciliation of BEAR kit PACOM Operation Plan requirements with on-hand kits.
- (U) Notify the Air Combat Command (BEAR Global Management Office) of any excess kits available for redistribution.
- (U) Review and analyze the storage locations of BEAR assets.

(U) Management Comments

(U) The Commander, Air Combat Command, provided comments to the draft report well after the due date and too late to be included in the final report. The Commander, PACAF, did not provide comments on the report by the date of publication. We request that the commanders provide comments on the final report. Please see the Recommendations Table on the next page.

(U) Recommendations Table

Management	Recommendations Requiring Comment
Commander, Air Combat Command	A.1.a and A.1.b
Commander, Pacific Air Forces	A.2.a, A.2.b, and A.2.c

*Provide management comments by May 16, 2014.

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INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

April 17, 2014

(U) MEMORANDUM FOR COMMANDER, U.S. PACIFIC COMMAND
COMMANDER, U.S. PACIFIC AIR FORCES
COMMANDER, AIR COMBAT COMMAND
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)

(U) SUBJECT: Improvements Needed in the Stocking of Air Force Basic Expeditionary
Airfield Resources Support and Repair Spare Kits in Guam
(Report No. DODIG-2014-062)

(U) We are providing this final report for review and comment. Pacific Air Forces effectively stocked 296 Basic Expeditionary Airfield Resources support and repair spare kits valued at about \$5.9 million but exceeded current U.S. Pacific Command Operation Plan-required stock levels by 146 kits, valued at about \$4 million. This occurred because the Air Combat Command Basic Expeditionary Airfield Resources Global Management Office and the Pacific Air Forces/A4 had not reconciled kit authorizations with Operation Plan Requirements since 2008.

(U) DoD Directive 7650.3 requires that recommendations be resolved promptly. Please provide comments that state whether you agree or disagree with the findings and recommendations. If you agree with our recommendations, describe what actions you have taken or plan to take to accomplish the recommendations and include the completion dates of your actions. If you disagree with the recommendations or any part of them, please give specific reasons why you disagree and propose alternative action if that is appropriate. You should also comment on the internal control weaknesses discussed in the report.

(U) Please send a PDF file containing your comments to [REDACTED]@dodig.smil.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature.

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(U) We should receive your comments by May 16, 2014. Comments provided on the final report must be marked and portion-marked, as appropriate, in accordance with DoD Manual 5200.01. If you consider any matters to be exempt from public release, you should mark them clearly for Inspector General consideration.

(U) We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-██████ (DSN 664-██████).



Daniel R. Blair
Deputy Inspector General
for Auditing

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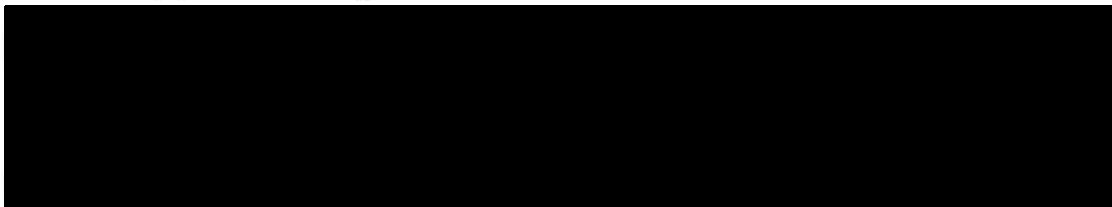
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(U) Introduction

(U) Objective

(U) Our objective was to determine whether the Air Force effectively and efficiently stocked and properly maintained Basic Expeditionary Airfield Resources (BEAR) support and repair spare kits in the U.S. Pacific Command (PACOM) area of responsibility. This report focuses on BEAR support and repair spare kits stored and maintained at Andersen Air Force Base (AFB), Guam. We decided to focus on Andersen AFB because it is the single largest location of BEAR support and repair spare kits in the Pacific theater. We may review the remaining locations in future audits.

(U) Background

~~(S)~~ [REDACTED]

(U) Air Force war reserve materiel includes BEAR, which provide vital equipment and supplies necessary to establish and support combat forces at expeditionary sites with limited infrastructure and support facilities providing global basing capability. BEAR includes shelters for personnel and aircraft; food service facilities and equipment; hygiene facilities; power and water production and distribution equipment; heating, air conditioning, and refrigeration equipment; runway lighting; vehicles and vehicle maintenance equipment; civil engineering equipment; and corresponding repair spare parts. When combined, these systems and equipment make up the infrastructure needed to establish an air base in a deployed environment.

(U) BEAR are grouped into unit type code (UTC) sets or packages to provide agile combat support. According to PACAF officials, UTC packages include primary end items, support kits, and repair spare kits. The contents and quantity of support and repair spare kits vary between UTC packages.

(U) According to the War Readiness Materiel Capability-Based Requirements Process Manual, BEAR kit requirements and authorizations may change when OPLANs are updated. PACOM updates their OPLAN strategy and corresponding requirements at least every 2 years. Since PACAF identifies its BEAR kit requirements based on updated OPLANs, when OPLANs change, the required UTC capabilities change and may no longer be needed. When UTC capabilities change, the respective BEAR kits that support those UTC packages will also change. The PACAF/A4 planners submit their updated BEAR kit requirements to the Air Force Air Combat Command (ACC) BEAR Global Management Office (GMO) to develop authorizations via the allowance standard.¹

(U) Air Force Handbook 10-222, Volume 2, "Bare Base Assets," February 6, 2012, designates ACC as the BEAR Global Manager. As the BEAR Global Manager, ACC is responsible for managing the BEAR authorizations. ACC prepares BEAR UTC package authorizations in Allowance Standard 159 and the specific BEAR kit authorizations that are published in the "Mobility Readiness Spares Package Authorization Document." The ACC BEAR GMO is the office within ACC responsible for the management of BEAR.

(U) PACAF stocks approximately 1,500 BEAR kits, valued at about \$30.6 million, in the PACOM area of responsibility. PACAF stocks more BEAR kits at Andersen AFB, Guam than any other single location. According to August 2013 inventory records, 442 BEAR support and repair spare kits, valued at about \$9.9 million, were stocked at Andersen AFB. The PACAF/A4 is the directorate within PACAF responsible for the management of BEAR.

(U) The 36th Logistics Readiness Squadron (LRS) is located at Andersen AFB and manages PACAF war reserve materiel including BEAR. 36th LRS has two primary contractors that manage the BEAR program. VSE Corporation is the BEAR maintenance contractor that stores, manages, maintains, and deploys BEAR assets. The other contractor is DZSP21 (referred to as Base Supply) and is the contractor responsible for updating inventory records.

¹ (U) An allowance standard authorizes items of equipment and supplies required for initial setup and operation of a function.

(U) Review of Internal Controls on the BEAR Program

(U) DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses in the Air Force's BEAR program. Specifically, ACC BEAR GMO and PACAF/A4 had not reconciled authorizations with requirements for the BEAR program since 2008. We will provide a copy of the report to the senior official responsible for internal controls in the Air Force.

(U) Finding A

(U) Kits Were Sufficient to Meet Mission Needs, But Inefficiencies Were Identified

~~(S)~~ [REDACTED]
[REDACTED]:

- (U) could not provide adequate justification for 146 kits, valued at about \$4 million, that exceeded current PACOM OPLAN-required stock levels; and
- ~~(S)~~ [REDACTED]
[REDACTED]
[REDACTED]

(U) These conditions occurred primarily because PACAF/A4 and ACC BEAR GMO had not reconciled BEAR authorizations with PACOM OPLAN requirements since 2008, even though the plans were updated in 2011 and 2013. As a result, ACC BEAR GMO and PACAF/A4 could have missed redistribution opportunities to fulfill world-wide BEAR shortages and prevent unnecessary new purchases. Additionally, PACAF's mission execution may be affected if assets are not placed in the best locations.

(U) Requirements and Authorization Process

(U) In accordance with the War Readiness Materiel Capability-Based Requirements Process Manual, as of August 2011, and based on discussions with PACAF/A4 and ACC BEAR GMO officials, the ideal BEAR requirements and authorizations process follows these steps:

1. (U) PACOM updates its OPLAN strategy every 2 years.
2. (U) PACAF reviews the OPLAN and provides PACOM its requirements to satisfy the OPLAN missions.
3. (U) The Air Force holds a Theater Working Group (including PACAF, ACC, and others) that evaluates and analyzes strategy including PACOM OPLANS, ISP documents, Integrated Security Campaign documents, and other Secretary of

(U) Defense Strategy documents. The Theater Working Group validates BEAR requirements and authorizations needed to meet these strategies.

4. (U) ACC, taking into consideration PACAF storage capabilities, prepares BEAR UTC package authorizations published in Allowance Standard 159 and the BEAR kit authorizations published in the "Mobility Readiness Spares Package Authorization Document," (referred to as the Blue Book).
5. (U) PACAF can then obtain and store BEAR kit items, not to exceed their authorization, depending on the availability of funding.

(U) Based on this process, unless differences can be explained by Theater Working Group discussions or other detailed planning documents, the OPLAN requirements should match the authorizations.

(U) Pacific Air Forces Effectively Stocked Kits to Meet U.S. Pacific Command Operation Plan Requirements

(S) [REDACTED]

(S) [REDACTED]

²(S) [REDACTED]

(U) Pacific Air Forces Stocked Kits Exceeding U.S. Pacific Command Operation Plan Requirements

(U) PACAF exceeded current PACOM OPLAN–required stock levels by 146 kits³ valued at about \$4 million. Table 1 shows the 146 BEAR kits⁴ stocked that exceeded OPLAN requirements.

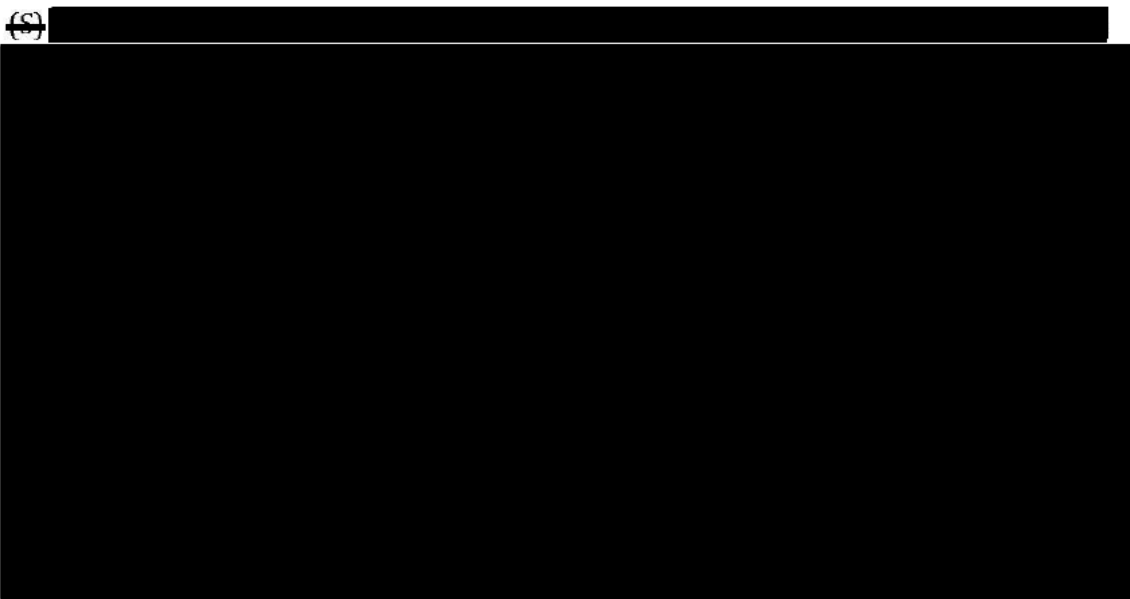
(U) Table 1. Stocked BEAR Kits in Excess of OPLAN Requirements

Descriptions of Unsupported BEAR Kits	ACC Breakdown	PACAF Breakdown
Integrated Security Posture Requirements	126	120
Incomplete OPLAN Requirements	20	17
Excess	0	9
Total	146	146

(U) The table shows the majority of these kits were needed to support additional mission requirements. However, PACAF/A4 and ACC BEAR GMO could not provide adequate supporting documentation. The following sections discuss the ISP requirements, incomplete OPLAN requirements, and identified excess.

(U) Unsupported ISP Requirements

(S) [REDACTED]



³ (U) See Table 4 in Appendix B for the detailed “BEAR Kit Excess” of 146 kits.

⁴ (U) The ACC and PACAF explanations were in UTC packages, but we converted the numbers to kits.

~~(S)~~ [REDACTED]

(U) Incomplete OPLAN Requirements

~~(S)~~ [REDACTED]

(U) Insufficient Review of Excess Kits

(U) The PACAF/A4 Chief of the War Reserve Materiel Office indicated that approximately nine BEAR kits were not related to either ISP or PACOM OPLAN requirements. For example, he stated that three of the six Civil Engineer Power Production kits stocked were excess. However, other than the actual OPLAN requirements, PACAF did not have any type of working group or review documentation to support that these stocked kits were not needed. ACC BEAR GMO did not identify any BEAR kits, including Civil Engineer Power Production kits, as excess. The variations between PACAF/A4 and ACC BEAR GMO's responses indicate the need for a joint review of BEAR kit requirements.

(U) Inefficiently Located Assets

~~(S)~~ [REDACTED]

(S) [REDACTED]
[REDACTED]
[REDACTED]

(U) Assets and Authorizations Were Not Reconciled With U.S. Pacific Command Operation Plans

(U) PACAF stocked BEAR kits that exceeded current PACOM OPLAN-required stock levels because neither ACC BEAR GMO nor PACAF/A4 officials had reconciled the BEAR authorizations with OPLAN requirements since 2008. Air Force Instruction 25-101, "War Reserve Materiel Program Guidance and Procedures," January 6, 2011, requires annual reviews of the authorizations; ACC BEAR GMO personnel stated they performed the reviews, but their reviews were limited to ensuring BEAR assets included sufficient items to support their capability and not whether the BEAR assets were actually required. They further stated that the methodology for reconciling authorizations with the OPLAN requirements is very complex; therefore, the Air Force had formed Theater Working Groups in the past to conduct the reviews. According to ACC BEAR GMO and PACAF/A4 officials, a Theater Working Group had not conducted a review since 2009 due to funding and sequestration constraints. Conducting the Theater Working Group reviews allows ACC and PACAF to ensure that they have equipment needed to accomplish their mission requirements and identify any excess equipment in a timely manner. *ACC BEAR GMO and PACAF/A4 officials agreed that Theater Working Groups are essential to ensure that OPLAN and long-term strategic plan requirements are accurate. Additionally, ACC BEAR GMO and PACAF/A4 should reconcile these requirements periodically with kit authorizations and on-hand quantities. If their review identifies excess on-hand kits, ACC BEAR GMO should conduct a cost-benefit analysis to determine whether redistribution of kit assets is feasible. (Recommendations A.1.a through A.2.b) To address the inefficiencies related to the asset location, PACAF should analyze whether PACOM OPLAN requirements need further refinement regarding prepositioning locations. (Recommendation A.2.c)*

(U) Excess Kits Require Review and Possible Redistribution

(U) Due to the absence of periodic Theater Working Group reviews, ACC BEAR GMO and PACAF/A4 did not thoroughly reconcile and validate PACAF's BEAR requirements and

(U) authorizations or conduct a redistribution analysis. As a result, PACAF has 146 kits stocked at Andersen AFB that exceed PACOM OPLAN requirements and need review and possible redistribution. Without this review, ACC BEAR GMO and PACAF/A4 could miss redistribution opportunities to fulfill world-wide BEAR shortages and prevent unnecessary new purchases. Additionally, although PACAF/A4 stated they can still complete their PACOM mission requirements, the execution may be affected if assets are not placed in the best locations.

(U) Recommendations

(U) Recommendation A.1

(U) We recommend that the Commander, Air Combat Command:

- a. (U) Perform and document a reconciliation of U.S. Pacific Command Operation Plan and strategic plan requirements with authorizations, at least every 2 years or as updated, in coordination with Pacific Air Forces.
- b. (U) Conduct and document a cost-benefit analysis of redistributing excess kits identified by Pacific Air Forces to fulfill Basic Expeditionary Airfield Resources shortages elsewhere at least every 2 years or as needed.

(U) Recommendation A.2

(U) We recommend that the Commander, Pacific Air Forces:

- a. (U) Perform and document a validation of Basic Expeditionary Airfield Resources requirements with on-hand inventories, including the 146 kits we identified, within 120 days of the date of this report.
- b. (U) Identify and notify the Air Combat Command of excess Basic Expeditionary Airfield Resources available for redistribution within 120 days of the date of this report and then at least annually.
- c. (U) Review and analyze the storage locations of Basic Expeditionary Airfield Resources assets to ensure they are in the most efficient location to support U.S. Pacific Command Operation Plan requirements.

(U) Management Comments Required

(U) The Commander, Air Combat Command, provided comments to the draft report well after the due date and too late to be included in the final report. The Commander, PACAF, did not provide comments on the report by the date of publication. We request that the commanders provide comments on the final report by May 16, 2014.

(U) Finding B

(U) Kits Maintained Properly, But Improved Inventory Procedures Required

(U) 36th LRS maintained BEAR support and repair spare kits properly at Andersen AFB in Guam; however, 36th LRS did not perform inventories efficiently or in accordance with Air Force inventory requirements. These conditions occurred because 36th LRS did not provide sufficient oversight. Specifically, 36th LRS did not effectively coordinate inventories of BEAR kits and were unaware that sampling inventories was prohibited. Further, Air Force policy provided conflicting guidance on the timing of inventories. As a result, Base Supply and the BEAR maintenance contractor performed duplicative inventories that wasted valuable time and resources. During the course of the audit, 36th LRS agreed to coordinate with Base Supply and the maintenance contractor to synchronize their inventories and perform 100-percent annual inventories as required.

(U) Inventory Properly Maintained, Marked, Packaged, and Stored

(U) 36th LRS and the maintenance contractor properly maintained, marked, packaged, and stored BEAR support and repair spare kits. The requirements for maintaining, marking, packaging, and storing BEAR kit items are outlined in three DoD and Air Force instructions and manuals.⁵ A detailed review of 88 statistically-sampled BEAR kits at Andersen AFB showed that all 10,674 items valued at \$3.8 million were in good condition and had remaining shelf life. Additionally, all items were properly marked, packaged, and stored at the facility at Andersen AFB in accordance with DoD and Air Force requirements.

(U) Inventory Management Needs Improvement

(U) Under management of 36th LRS, Base Supply and the maintenance contractor inefficiently performed inventories. As the primary contractor, Base Supply is

⁵ (U) The guidance included DoD Regulation 4140.1-R, "DoD Supply Chain Materiel Management Regulation," May 23, 2003; DoD 4140.27-M "Shelf Life Management Manual," May 5, 2003; and Air Force Instruction 25-101 "War Reserve Materiel Program Guidance and Procedures," January 6, 2011.

(U) responsible for inventory records. According to Base Supply, to fulfill this responsibility, they conducted inventories every 2 years. Additionally, the maintenance contractor performed annual inventories to meet its contract requirements. Because both were conducting inventories of the same items, it would have been more efficient to coordinate these inventories. However, Base Supply did not coordinate its inventory schedule with the maintenance contractor's inventory schedule. As a result, duplicative inventories were conducted. For example, a chaplain kit was inventoried by Base Supply in February 2013 and then again by the maintenance contractor in August 2013. These inventories required time and manpower that could have been put to better use. Additionally, Base Supply did not comply with inventory requirements. Air Force Manual 23-110, Volume 2, Part 2, Chapter 10, "Physical Asset Management," states sampling⁶ is no longer authorized and requires complete annual inventories. Base Supply conducted sampling inventories every 2 years and did not always record the results of the maintenance contractor's 100-percent annual inventories. Specifically, official inventory records indicated that Base Supply did not inventory 7,459 of 72,903 items on hand, valued at \$1,058,726, within the past year.

(U) Additionally, there were 351 items or 4.56 percent inventory discrepancies in the BEAR support and repair spare kit population at Andersen AFB. Further, the absolute value of the misstated items is \$126,236. A nonstatistical sample of 10 kits located in the warehouse, essentially a floor-to-book review, showed that they were accurately recorded on the official inventory records. For a detailed explanation on the sampling methodology and statistical projections, see Appendix A. During and after our site visit, 36th LRS corrected all deficiencies identified at Andersen AFB by updating the inventory records to reflect what was actually on-hand.

(U) Improved Inventory Management Oversight Needed

(U) BEAR support and repair spare kit inventories were not performed efficiently or in accordance with requirements because 36th LRS did not provide sufficient oversight. Specifically, 36th LRS did not ensure the contractors coordinated their BEAR kit inventories or that they followed appropriate inventory guidance. In addition, Air Force policy provided conflicting guidance on the timing of inventories. Air Force Manual 23-110 Volume 2, Part 2, Chapter 10, "Physical Asset Management," states that 36th LRS is responsible for storing and maintaining assets, including the 100-percent

⁶ (U) Sampling consists of verifying a portion rather than the entire inventory.

(U) annual inventory. 36th LRS and Base Supply personnel stated that they were not aware sampling was no longer authorized in Air Force Guidance, and they followed the 2-year requirement in part 2, chapter 26 of Air Force Manual 23-110 instead of the annual requirement in chapter 10 of that same manual. As a result, Base Supply thought they fulfilled requirements by performing a 10-percent inventory every 2 years.

(U) Inefficiencies With the Inventory Process

(U) Although BEAR support and repair spare kits were properly maintained, marked, packaged, and stored, inefficient inventory processes and outdated records could adversely affect mission readiness. For example, outdated inventory records could reduce confidence in inventory accuracy and hinder decision making, leading to unidentified shortages. In addition, duplicative inventories increased the amount of time the maintenance contractor spent on inventory duties because Base Supply relied on them to locate, unpackage, repackage, and put away the kits for its inventory. This wasted valuable time and resources that could have been spent on mission readiness activities.

(U) Management Actions Taken to Improve the Inventory Process

(U) As a result of our audit, 36th LRS began to coordinate with Base Supply and the maintenance contractor to synchronize their inventories and, on October 29, 2013, provided the inventory schedule for FY14 showing the coordinated inventories. In addition, on June 20, 2013, PACAF instructed 36th LRS to perform annual inventories, and Base Supply agreed to conduct 100-percent annual inventories on BEAR assets moving forward. An ACC representative stated that the annual inventory requirement in Air Force Manual 23-110, part 2, chapter 10 overrides the guidance in chapter 26. To avoid further confusion, ACC submitted a proposed change on February 21, 2013, to Headquarters Air Force to correct the conflicting guidance. As a result of these corrective actions, there are no recommendations for this finding.

(U) Appendix A

(U) Scope and Methodology

(U) We conducted this performance audit from March 2013 through February 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(U) We reviewed PACAF BEAR support and repair spare kit requirements, authorizations, and inventory records pertaining to Andersen AFB, Guam. Additionally, we selected a statistical sample of BEAR kits located at Andersen AFB, Guam and tested the accuracy of the inventory records and visually inspected the BEAR kits.

(U) To determine requirements, we interviewed ACC BEAR GMO and PACAF/A4 officials to identify the processes in place for developing and validating BEAR OPLAN and long-term strategic plan requirements. Additionally, we reviewed 2013 PACOM OPLAN Time-Phased Force Deployment Data requirements and the Air Force War Readiness Materiel Global Strategy, October 7, 2009. ACC BEAR GMO and PACAF/A4 could not provide the detailed Air Force ISP from 2009 that they had used to identify long-term strategic plan requirements; therefore, we did not review it.

(U) To determine authorizations, we interviewed ACC BEAR GMO and PACAF/A4 officials to identify the processes in place for developing and validating BEAR authorizations. Additionally, we reviewed Air Force Allowance Standard 159 "Worldwide BEAR in BEAR Order of Battle (BOB) Configuration," August 18, 2008, and Mobility Readiness Spares Packages/In-Place Readiness Spares Package Authorization Document, Volume II, "Non-Airborne," April 11, 2013. To determine whether authorizations were appropriate, we compared authorizations with OPLAN requirements.

(U) To determine inventory procedures, we interviewed 36th LRS, VSE Corporation (BEAR maintenance contractor), and DZSP 21 LLC (Andersen Base Supply) officials to identify the processes in place for maintaining BEAR kits and recording transactions.

(U) Additionally, we reviewed Enterprise Solution–Supply inventory records of BEAR support and repair spare kits. To determine whether BEAR kit quantities were appropriate, we compared August 2013 Enterprise Solution inventory records with OPLAN requirements and Air Force authorizations. The August 2013 inventory records consisted of 442 BEAR support and repair spare kits, valued at \$9.9 million, and included less BEAR support and repair spare kits than previous months because PACAF had redistributed excess BEAR kits through August 2013.

(U) To determine the inventory sample, we used the Enterprise Solution–Supply universe of BEAR support and repair spare kits at Andersen AFB, which consisted of 530 kits, valued as \$10 million, as of May 2013.* We selected a statistical sample of 90 kits, valued at \$3.8 million. However, two of these kits were redistributed prior to our site visit. As a result, our statistical sample for testing was 88 kits, consisting of 10,674 items valued at \$3.8 million. When sample kits consisted of 16 or more national stock numbers (NSN), we selected a second stage sample of at least 15 NSNs. As a result, our sample included 45 kits in their entirety, a sample of NSNs for 10 kits, and a limited review of 33 kits. The limited review conducted consisted of opening the containers, checking the packing lists contained with the sample identified, and determining if the packaged kit looked similar to a previously inventoried kit where we counted every item. We did not count every item during the limited review.

(U) To test the accuracy of the inventory records, we compared the inventory records of our 88 sample BEAR support and repair spare kits with actual on-hand quantities. Because our sample included items that were stocked separately from the kits according to NSN, such as hazardous material, we also compared the inventory records of these NSNs with their actual on-hand quantities. The additional items tested included 5,003 items from 98 NSNs. Additionally, we selected a nonstatistical sample of 10 BEAR support and repair spare kits at Andersen AFB and conducted a floor-to-book test to determine whether the kits were included in the inventory records.

(U) To test whether BEAR support and repair spare kits were properly maintained, we visually inspected our sample of 88 BEAR support and repair spare kits. Specifically, we reviewed whether BEAR support and repair spare kits and items were in good condition; properly marked, packaged, and stored; and, if applicable, had adequate shelf

* (U) The June 2013 inventory records, current at the time of our site visit to Andersen AFB, included legacy BEAR support and repair spares kits that were subsequently redistributed. As a result, June 2013 inventory records included 528 kits and August 2013 inventory records included 442 kits.

(U) life remaining. Additionally, we reviewed whether BEAR support and repair spare kits were regularly inventoried according to Air Force instructions and manuals. The charts below depict the statistical sampling design and projections used for Finding B of the report.

(U) Table 2. Statistical Sampling Design

Strata	Bounds ¹	Population		Sample			
		PSU ²	Value (in millions)	PSU ²	SSU ²	SSU ²	Value (in millions)
1	≥\$104,568	15	\$2.58	15	15	15	\$2.58
2	>\$16,260, ≤\$104,568	105	4.95	25	775	419	0.88
3	≤\$16,260	408	2.49	48	521	394	0.30
Total		528	\$10.02	88	1,311	828	\$3.76

• differences due to rounding

¹ (U) The bounds for strata 1, 2, 3 represent approximately the upper 25 percent, middle 50 percent, and lower 25 percent of PSU total dollars respectively.

² (U) PSU = Primary Sample Units (Kits); SSU = Secondary Sample Units (Items within Kits)

(U) Table 3. Statistical Projections

Attributes ¹	Lower Bound	Point Estimate	Upper Bound
Number of Errors	212	351	491
Error Rate	2.75%	4.56%	6.37%
Variables ²			
Absolute Value of \$ Error		126,236	256,340

¹ (U) Using a 90-percent confidence level.

² (U) Since the lower bound is negative, we are reporting the upper bound. The upper bound is at the 95-percent confidence level.

(U) Use of Computer-Processed Data

(U) We used computer-processed data to perform this audit. To identify OPLAN requirements, we obtained OPLAN Time-Phased Force and Deployment Data that were developed using the Joint Planning and Execution System. The OPLAN data are Microsoft Excel spreadsheets that show the estimated deployment activity needed to

(U) execute the contingency missions. To identify BEAR authorizations, we obtained Allowance Standard 159 from the Air Force Equipment Management System and the Mobility Readiness Spares Package Authorization Document. We determined data reliability of the OPLAN requirements and allowance standard authorizations by comparing them with each other and obtaining explanations of discrepancies from ACC BEAR GMO and PACAF/A4. We also performed data testing on the OPLAN requirements and authorization documents by looking for duplicate records and testing for missing values, among other procedures performed. The data reliability issues we identified are discussed in Finding A. We believe the computer-processed data we used were sufficient to support Finding A.

(U) To identify on-hand BEAR support and repair spare kit inventory, we obtained the R-34 inventory report that was downloaded from Enterprise Solution-Supply. The R-34 inventory report is a Microsoft Excel spreadsheet that shows the on-hand inventory. We determined data reliability of Enterprise Solution-Supply by comparing inventory records with on-hand inventory for 88 sample BEAR support and repair spare kits. The data reliability issues we identified are discussed in Finding B. We believe the computer-processed data we used were sufficient to support Finding B.

(U) To identify authorized NSN and quantities in BEAR support and repair spare kits, we obtained Consumable Readiness Spare Parts Utilization and Management System data displayed in a Microsoft Excel spreadsheet. It shows the authorized items in specific BEAR support and repair spare kits. To identify item shelf life, we downloaded data by NSN from the Federal Logistics Information System Web Search. The system provides information about supply items through an on-line interface connected to the Federal Logistics Information System data. We determined data reliability of Consumable Readiness Spare Parts Utilization and Management System by comparing it with R-34 data and we determined the data reliability of Federal Logistics Information System Web Search by comparing data we found with what was viewed on-site. We did not find errors that would preclude the use of computer-processed data to meet audit objectives or that would change the findings and recommendations in the report.

(U) Use of Technical Assistance

(U) The DoD OIG Quantitative Methods Division performed a statistical sampling for use by the audit team in conducting on-site reviews of items at Andersen AFB. Additionally, they performed a projection on the overall impact of inventory inaccuracies for Guam, as a whole, based on the audit team's findings.

(U) Prior Coverage

(U) During the last 5 years, the Air Force Audit Agency issued seven reports discussing Air Force BEAR. Air Force Audit Agency reports can be accessed from .mil domains over the Internet at <https://afkm.wpafb.af.mil/ASPs/CoP/OpenCoP.asp?Filter=OO-AD-01-41> by those with Common Access Cards.

(U) Air Force

(U) F2012-0003-FD3000, "Worldwide War Reserve Materiel," October 25, 2011

(U) F2010-0002-FD3000, "Pacific Air Forces War Reserve Materiel," October 26, 2009

(U) F2010-0001-FBP000, "War Reserve Materiel Headquarters Pacific Air Forces Hickam Air Force Base (AFB) Hawaii," October 15, 2009

(U) F2009-0063-FBP000, "Pacific Air Force War Reserve Materiel 7th Air Force Collocated Operating Base KwangJu Korea," September 9, 2009

(U) F2009-0062-FBP000, "Pacific Air Force War Reserve Materiel 7th Air Force Collocated Operating Base Daegu Korea," September 9, 2009

(U) F2009-0061-FBP000, "Pacific Air Force War Reserve Materiel 7th Air Force Collocated Operating Base Kimhae Korea," September 9, 2009

(U) F2009-0046-FBP000, "War Reserve Materiel 36th Wing Andersen AFB Guam," August 4, 2009

(U) Acronyms and Abbreviations

ACC	Air Combat Command
AFB	Air Force Base
BEAR	Basic Expeditionary Airfield Resources
ISP	Integrated Security Posture
GMO	Global Management Office
LRS	Logistics Readiness Squadron
NSN	National Stock Number
OPLAN	Operation Plan
PACAF	Pacific Air Forces
PACOM	U.S. Pacific Command
UTC	Unit Type Code

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