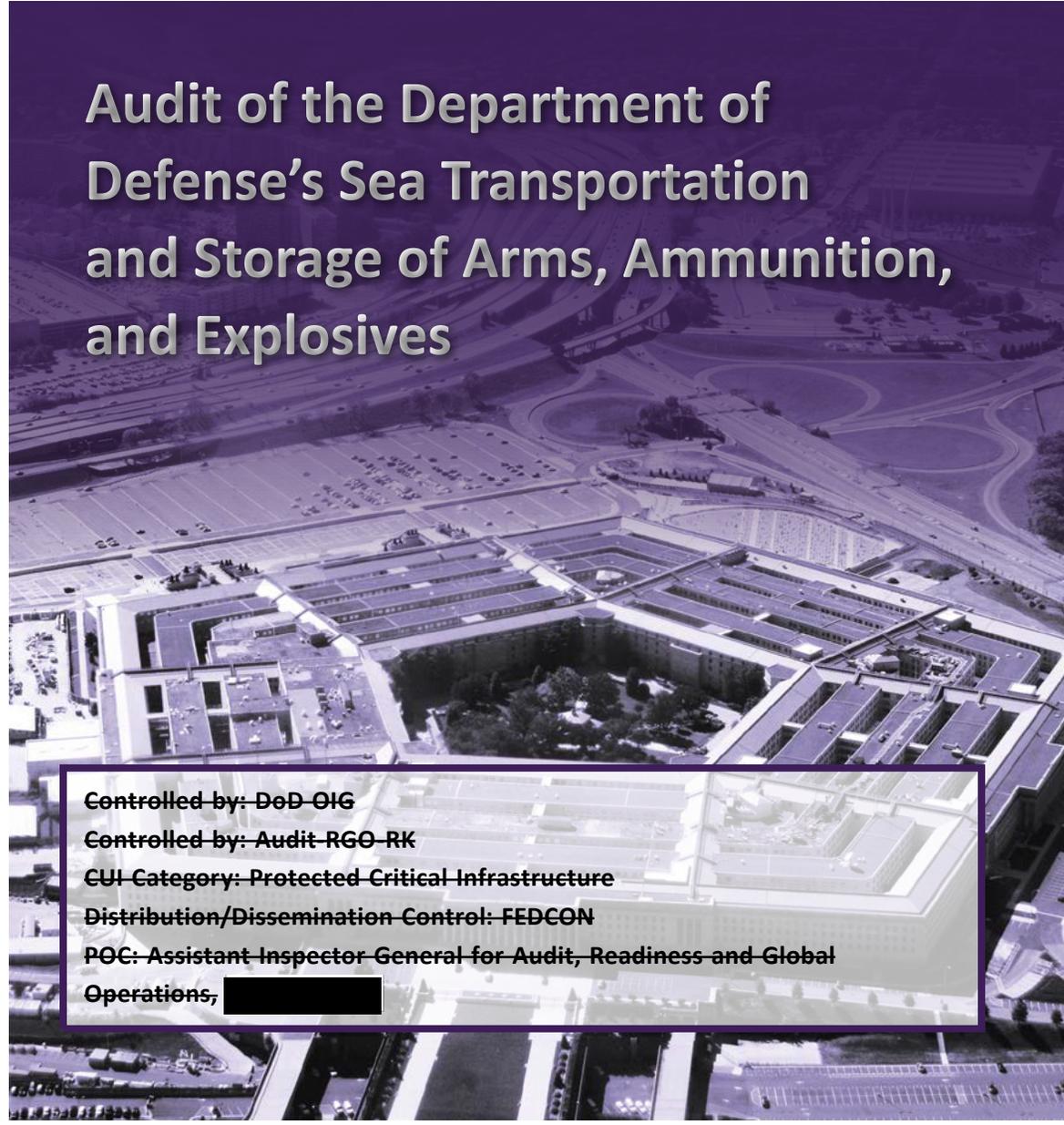


CUI

INSPECTOR GENERAL

U.S. Department of Defense

JUNE 11, 2021



Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives

Controlled by: DoD-OIG

Controlled by: Audit-RGO-RK

CUI Category: Protected Critical Infrastructure

Distribution/Dissemination Control: FEDCON

POC: Assistant Inspector General for Audit, Readiness and Global Operations, [REDACTED]

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

CUI





Results in Brief

Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives

June 11, 2021

Objective

The objective of this audit was to determine whether the DoD transported arms, ammunition, and explosives (AA&E) by sea in accordance with DoD regulations.

Background

The Defense Transportation Regulation (DTR) provides the overall requirements for transportation within the DoD, including the transportation of AA&E by sea.

The regulation requires the DoD to use ships that the Military Sealift Command charters or controls, or privately owned U.S. commercial ships managed by Military Surface Deployment and Distribution Command (SDDC). However, Military Sealift Command and the SDDC may approve use of commercially operated foreign ships if DoD or U.S. commercial ship usage requirements cannot be met.

The Military Services and Joint Munitions Command (JMC) generate AA&E requirements. An SDDC traffic management specialist then selects either a Government-owned ship (that the Military Sealift Command will manage), or a contracted privately owned U.S. commercial ship (that the SDDC will manage) to transport AA&E overseas. The SDDC prepares a Stow Plan detailing the location of the AA&E aboard the ship using the Integrated Computerized Deployment System. When the AA&E arrives at the seaport of embarkation (a port where cargo is loaded onto a ship), SDDC personnel separate the cargo for sea shipment then complete a final Stow Plan for where and how to store cargo onboard the ship.

Background (cont'd)

Once the ship is loaded and at sea, it is monitored by the SDDC command operations center until it is either offloaded at the seaport of debarkation (a port where cargo is unloaded from a ship) by another SDDC brigade or offloaded and stored at sea, such as afloat prepositioned stock.

Finding

DoD officials followed requirements in the DTR for preplanning, loading, inspecting, and unloading AA&E shipments by sea, including maintaining 101 of 105 (96 percent) required documents for the 30 AA&E shipments in our sample. DoD officials could not provide one of the four remaining documents, and the other three were provided but did not contain the correct control number. When asked, SDDC officials did not provide an explanation for the one missing document. The three documents contained incorrect control numbers because the shipper (JMC) included the control number for one of the individual pieces of cargo within the container, but the JMC officials were supposed to use the control number for the overall shipping container. As a result of following DTR requirements for preplanning, loading, inspecting, and unloading AA&E shipments by sea, DoD officials ensured the safe and secure movement of AA&E from the United States to Germany, Qatar, South Korea, and Kuwait.

Recommendations

We recommend that the Commander of U.S. Transportation Command update the DTR to specify which transportation control number should be used on the DD Form 1907, "Signature and Tally Record," for containerized shipments.

We also recommend that the JMC Commander implement a control for depots to follow the DTR requirement to place copies of required forms in waterproof envelopes, and attach envelopes outside and inside the transportation container doors.



Results in Brief

Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives

Management Comments and Our Response

The Chief of Staff responding on behalf of the Commander of U.S. Transportation Command agreed with the recommendation to update the DTR. The Commander stated that by September 1, 2021, U.S. Transportation Command, in coordination with the Military Departments, will update the DTR to specify entering the container transportation control number into block 6 of the DD Form 1907. The Commander's response addressed all of the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation when we verify that U.S. Transportation Command has implemented the actions presented.

For the Army, the Acting Director of Supply Policy in the Office of the Deputy Chief of Staff, G-4; the Executive Deputy to the Commanding General for Army Materiel Command; and the JMC Commander each agreed with the recommendation, stating that the JMC issued a Daily Fragmentary Order on March 12, 2021, to the installations. The Daily Fragmentary Order directed the installations to ensure that controls were in place to certify that shipping papers were provided in accordance with the requirements outlined in the DTR for containerized ammunition shipments. The Acting Director's and the Commander's comments and the Daily Fragmentary Order addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation when the Army provides examples of how the JMC installations implemented the control to place copies of required forms in waterproof envelopes, and attached envelopes outside and inside the transportation container doors as required by the DTR.

Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commander, U.S. Transportation Command		1	
Commander, Joint Munitions Command		2	

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.





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

June 11, 2021

MEMORANDUM FOR COMMANDER, U.S. TRANSPORTATION COMMAND
 AUDITOR GENERAL, DEPARTMENT OF THE NAVY
 AUDITOR GENERAL, DEPARTMENT OF THE ARMY
 AUDITOR GENERAL, DEPARTMENT OF THE AIR FORCE

SUBJECT: Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives (Report No. DODIG-2021-093)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

Responding for the Commander of U.S. Transportation Command, the U.S. Transportation Command Chief of Staff agreed to address Recommendation 1. Responding for the Army, the Acting Director of Supply Policy in the Office of the Deputy Chief of Staff, G-4; the Executive Deputy to the Commanding General for Army Materiel Command; and the Commander of U.S. Army Joint Munitions Command agreed to address Recommendation 2. Therefore, we consider the recommendations resolved and open.

As described in the Recommendations, Management Comments, and Our Response section of this report, we will close the recommendations when you provide us documentation showing that all agreed-upon actions to implement the recommendations are completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

We appreciate the cooperation and assistance received during the audit. If you have any questions, please contact me at [REDACTED]

A handwritten signature in black ink that reads "Richard B. Vasquez".

Richard B. Vasquez
 Assistant Inspector General for Audit
 Readiness and Global Operations

Contents

Introduction

Objective	1
Background	1
What We Reviewed	5
Review of Internal Controls	6

Finding. DoD Officials Complied With DoD Regulations for AA&E Shipments by Sea

The SDDC and MSC Complied With Procedural and Documentation Requirements for Most Sampled AA&E Shipments	7
AA&E Shipments by Sea Appear Safe and Secure	18
Recommendations, Management Comments, and Our Response	19

Appendixes

Appendix A. Scope and Methodology	21
Audit Universe and Scope	21
Site Visits, Interviews, and Documentation We Reviewed	25
Use of Computer-Processed Data	26
Prior Coverage	27
Appendix B. Other Matters of Interest – Query Result Discrepancies	30

Management Comments

U.S. Transportation Command	32
Office of the Deputy Chief of Staff, G-4	34
Army Materiel Command	35
Joint Munitions Command	36

Acronyms and Abbreviations

Introduction

Objective

The objective of this audit was to determine whether the DoD transports arms, ammunition, and explosives (AA&E) by sea in accordance with DoD regulations. See Appendix A for the scope and methodology and prior coverage related to the audit.

Background

Arms, Ammunition, and Explosives

The DoD defines AA&E as the following:

- **Arms.** A weapon that will be or is designed to expel a projectile or flame by the action of an explosive, and the frame or receivers of any such weapon.¹ Examples of arms include automatic weapons such as machine guns, handguns, and grenade launchers.
- **Ammunition.** A device charged with explosives, propellants, and pyrotechnics, initiating composition, riot control agents, chemical herbicides, smoke, and flame for the use in connection with defense or offense, including demolition. Ammunition includes cartridges, projectiles, (including missile rounds, grenades, mines, and pyrotechnics) together with bullets, shot, and necessary primers, propellants, fuses, and detonators individually or having unit of issue, container, or package weight of 100 pounds or less. Excluded from this definition are devices charged with chemical agents and nuclear and biologics material.
- **Explosives.** Any chemical compound, mixture, or device, the primary or common purpose of which is to function by explosion. The term includes, but is not limited to, individual landmines, demolition charges, blocks of explosives, and other explosives weighing 10 pounds or more.²

Joint Munitions Command

Joint Munitions Command (JMC), a major subordinate command of Army Materiel Command, provides the Military Services with ammunition, munitions, and missiles. The JMC manages a network of defense ammunition plants, depots, and facilities in the continental United States that make or store ammunition. The JMC stores ammunition, munitions, and missiles until they are transported to the end

¹ Title 27, Code of Federal Regulations, section 478.11 defines the frame or receiver of a weapon as the part of the weapon that provides housing for the hammer, bolt or breechblock, and firing mechanism.

² DoD Instruction 5100.76, "Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (AA&E)," February 28, 2014, incorporating change 2, effective October 19, 2020.

user at a military installation or an ammunition supply point. Army Sustainment Command, another major subordinate command of the Army Materiel Command, manages the Army's 86 ammunition supply points in the continental United States.

U.S. Transportation Command

U.S. Transportation Command (USTRANSCOM) provides air, land, and sea transportation as the single DoD manager for transportation other than Service-unique or theater-assigned transportation assets. USTRANSCOM provides land and sea transportation through its component commands—Military Surface Deployment and Distribution Command (SDDC), run by the Army, and Military Sealift Command (MSC), run by the Navy.

Military Surface Deployment and Distribution Command

The SDDC is the surface transportation component of USTRANSCOM and is responsible for ground transportation of AA&E. The SDDC processes AA&E shipments through military-operated and managed ocean terminals or through DoD-approved commercial ocean terminals. As the single port manager, the SDDC provides port handling services at designated stateside and overseas ports. The SDDC also owns and operates the two military ocean terminals run by the SDDC's 596th Transportation Brigade, Military Ocean Terminal Concord (MOTCO), California and Military Ocean Terminal Sunny Point (MOTSU), North Carolina. The SDDC primarily loads arms on commercial vessels that belong to ocean carriers that participate in USTRANSCOM's procured Universal Services Contract and ammunition and explosives are primarily transported on MSC chartered vessels.

Military Sealift Command

The MSC is the ocean transportation component of USTRANSCOM, responsible for chartering commercial ships or activating government-owned ships for the sea transportation of AA&E. The MSC primarily uses U.S. commercial ships to meet DoD sealift requirements. The MSC also uses Government-owned ships when suitable privately owned U.S. commercial ships are unavailable. The MSC charters these commercial ships as needed to meet Government requirements. The MSC also provides USTRANSCOM and the SDDC with information on the availability and status of the ships.

Policy and Guidance for Safely Transporting AA&E by Sea

The U.S. Government has shipping requirements for AA&E to ensure the public's safety. The Defense Transportation Regulation (DTR) provides the overall requirements for transportation within the DoD, including the transportation of AA&E. DoD directives, instructions, and manuals and Military Service-level policies also establish requirements for safely transporting and storing AA&E.

The DTR states that USTRANSCOM determines which assets to use to transport sensitive shipments. Sensitive shipments are defined as DoD materiel that requires a high degree of protection and control.³ Such sensitive shipments must be transported using ships under MSC operational control (either through chartered U.S. commercial ships or activated government ships) or through use of space booked by the SDDC on a U.S. commercial ship, in liner service. The MSC Handbook states that the MSC first uses U.S. commercial ships, and uses MSC chartered or controlled vessels only if U.S. commercial ships are unavailable.⁴ The MSC and the SDDC may approve use of commercially operated foreign ships if these requirements cannot be met.

In-Transit Visibility of AA&E by Sea

The Global Air Transportation Execution System is USTRANSCOM's aerial port operations and management information system designed to support automated cargo and passenger processing and the reporting of in-transit visibility data. According to SDDC officials, the Military Ocean Terminals use a subsystem of the Global Air Transportation Execution System to track all ships.

AA&E Sea Transportation Process

The Military Services generate and provide the JMC ammunition and explosives requirements. The Military Services use general transportation processes (not through the JMC) for arms transportation. The USTRANSCOM executes sealift movements through MSC and SDDC and outlines the process for selecting commercial vessels, services, and organic sealift for the carriage of strategic sealift cargo in USTRANSCOM instructions.⁵ The MSC operationally controls chartered and Government-owned ships and the SDDC books contracted privately owned U.S. commercial ships to transport AA&E overseas.⁶ For chartered U.S. commercial vessels or activated government-owned vessels, the SDDC prepares a Stow Plan detailing the location of the AA&E aboard the ship using the Integrated Computerized Deployment System. When the AA&E arrives at the seaport of embarkation (SPOE) (a port where cargo is loaded onto a ship), SDDC personnel separate the cargo for sea shipment then complete the final plan for where and how to store the cargo (Stow Plan). The SDDC then uses contracted

³ The Department of Transportation defines hazardous materials as those materials capable of posing an unreasonable risk to health, safety, and property. The Department of Transportation categorizes ammunition and explosives as hazardous materials.

⁴ MSC Handbook, June 2018.

⁵ USTRANSCOM Instruction 24-7, "Strategic Sealift Vessel Selection and Activation," April 8, 2016. USTRANSCOM Instruction 24-7 was updated to USTRANSCOM Instruction 4500.03, March 29, 2021.

⁶ DTR Part II, Chapter 205, "Transportation Protective Service," October 19, 2020, states that when a Government-owned ship or a contracted privately owned U.S. commercial ship is unavailable, MSC and SDDC may approve use of a commercially-operated foreign flag vessel. DTR Part II, Chapter 205 was updated on February 25, 2021.

personnel (stevedores) to load the ship. Once the ship is loaded and at sea, cargo documentation is maintained by the SDDC command operations center until the cargo is offloaded at the seaport of debarkation (SPOD) (a port where cargo is unloaded from a ship) by another SDDC brigade.

Primary Ammunition and Explosives SPOE Locations

The DoD uses two primary SPOEs to ship ammunition and explosives from ports in the continental United States.

- MOTSU is the key ammunition trans-shipment facility on the Atlantic coast.
- MOTCO is the key ammunition trans-shipment facility on the Pacific coast.

AA&E SPOD Locations

The DoD uses four primary SPODs to receive and unload AA&E shipped from the United States, based on AA&E shipment data from October 1, 2017, through March 31, 2020. These four SPODs come under the operational command of three geographic combatant commands—U.S. European Command, U.S. Indo-Pacific Command, and U.S. Central Command.

(CUI) Table 1. Summary of the Four Primary SPODs That Received AA&E Shipments From October 1, 2017, Through March 31, 2020

(CUI) Port Name	Location	Type of Port	Shipments Received	Supported Service	Supported AOR
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

(CUI) Notes: [REDACTED] is also known as [REDACTED]. The number of shipments are a combination of ammunition and explosives shipments from the JMC’s Munitions Transportation Management System and arms shipments from the Integrated Mission Support for SDDC system.

Source: The DoD OIG.

Legend

- AOR** Area of Responsibility
- USEUCOM** U.S. European Command
- USINDOPACOM** U.S. Indo-Pacific Command
- USCENTCOM** U.S. Central Command

What We Reviewed

(~~CUI~~) We met with officials from USTRANSCOM, the SDDC, the MSC, and the JMC about processes and procedures for transporting AA&E by sea. We obtained and reviewed data from the SDDC and JMC for AA&E shipments by sea that occurred from October 1, 2017, through March 31, 2020. Based on the data provided, we determined that our audit universe consisted of [REDACTED] ammunition and explosives shipments by sea and [REDACTED] arms shipments by sea. See Appendixes A and B for a complete explanation of our scope and methodology and a description of data queries requested and received from the SDDC and the JMC.

(~~CUI~~) From this audit universe, we sampled 20 shipments that shipped from MOTSU and the MOTCO SPOEs destined to the four SPODs that received the greatest amount of AA&E—[REDACTED]
[REDACTED]. We also identified 10 real-time shipments (shipments sent during the audit) that departed MOTSU in [REDACTED]. Of the 10 real-time shipments, 5 shipments arrived in [REDACTED], in [REDACTED], and the other 5 shipments arrived in [REDACTED], in [REDACTED]. For each of these 30 shipments (20 historical and 10 real-time), we obtained and reviewed required shipping documents to determine whether DoD officials prepared and maintained the documents in accordance with the DTR. For the 10 real-time shipments, we also observed officials loading, unloading, opening, and inspecting the shipments to determine whether the officials complied with DTR requirements. Specifically, we observed:

- (~~CUI~~) the loading and inspecting of 10 shipments at MOTSU in [REDACTED]
- (~~CUI~~) the unloading, inspecting, and opening of 5 shipments in [REDACTED]
- (~~CUI~~) the unloading and inspecting of 5 shipments in [REDACTED] and [REDACTED]
- (~~CUI~~) the opening of three shipments in [REDACTED]⁷

In addition, we obtained transportation discrepancy report data for AA&E shipments from October 1, 2017, through March 31, 2020. DoD officials file a transportation discrepancy report when Government-owned material, including AA&E, is damaged, lost, or not shipped in accordance with the DTR.

⁷ (~~CUI~~) We did not observe the opening of two shipments at [REDACTED] of rising coronavirus disease—2019 cases and local travel restrictions.

Review of Internal Controls

DoD Instruction 5010.40 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.⁸

We identified internal control weaknesses related to maintaining supporting documentation for shipments required by the DTR. We will provide a copy of the report to the senior official responsible for internal controls in the Department of the Army, Department of the Navy, and USTRANSCOM.

⁸ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

DoD Officials Complied With DoD Regulations for AA&E Shipments by Sea

DoD officials followed requirements in the DTR for preplanning, loading, inspecting, and unloading AA&E shipments by sea, including maintaining 101 of 105 (96 percent) required documents for the 30 AA&E shipments in our sample. DoD officials could not provide one of the four remaining documents, and the other three were provided but did not contain the correct control number. When asked, SDDC officials did not provide an explanation for the one missing document. The three documents contained incorrect control numbers because the shipper (the JMC) included the control number for one of the individual pieces of cargo within the container, but the JMC officials were supposed to use the control number for the overall shipping container. As a result of following DTR requirements for preplanning, loading, inspecting, and unloading AA&E shipments by sea, DoD officials ensured the safe and secure movement of AA&E from the United States to Germany, Qatar, South Korea, and Kuwait.

The SDDC and MSC Complied With Procedural and Documentation Requirements for Most Sampled AA&E Shipments

DoD officials followed requirements in the DTR for preplanning, loading, inspecting, and unloading AA&E shipments by sea, including maintaining 101 of 105 (96 percent) required documents for the 30 AA&E shipments in our sample. The documentation corresponds to one or more of the four shipping phases—preplanning, loading, inspecting, and unloading. Specifically, the DTR requires the following six forms for sea transportation of AA&E.⁹ Four of the forms tie to individual shipments, and two of the forms tie to the vessel that transported the shipment.

1. “Container Packing Certificate/Vehicle Packing Declaration” (DD Form 2781). The shipper prepares this form, which verifies that packers properly blocked, braced, packaged, segregated, and marked containers loaded with hazardous material. The shipper signs this

⁹ DTR Part II, Chapter 203, “Shipper, Transshipper, and Receiver Requirements and Procedures,” January 28, 2020; DTR Part II, Chapter 204, “Hazardous Material,” October 19, 2020; and DTR Part II, Chapter 205, “Transportation Protective Service,” October 19, 2020. DTR Part II, Chapter 203 was updated on March 8, 2021; Chapter 205 was updated on February 21, 2021.

form at the time of AA&E packing. This form is not required for inert shipments, such as shipments of arms, but is required for shipments of ammunition and explosives.

2. “DoD Multimodal Dangerous Goods Declaration” (DD Form 2890).
The shipper prepares this form, which provides emergency instructions, including 24-hour emergency phone numbers for drivers of Government vehicles transporting hazardous materials on public roads. For containerized shipments, the shipper must place copies of the form in waterproof envelopes and attach them to the inside and outside of the container door. This form is not required for inert shipments, such as shipments of arms, but is required for shipments of ammunition and explosives.
3. “Transportation Control and Movement Document” (DD Form 1384).
The shipper prepares this form before the cargo leaves origin enroute to the SPOE. The form provides SPOEs, SPODs, and transportation personnel with shipment data and advanced notice of shipments.
4. “Signature and Tally Record” (DD Form 1907). The shipper prepares this form, which provides information about the shipper, type of protective service requested by the receiver, and chain of custody. Each person responsible for handling the shipment must sign the chain of custody at specified stages of the shipment’s transit from origin to the SPOE. This form is not required for shipments that travel from the origin to the SPOE by rail.
5. Dangerous Cargo Manifest. The SDDC prepares this document after the unit completes loading to accurately annotate container stowage locations on a ship carrying dangerous goods.
6. Stow Plan. The SDDC prepares this document, which is a graphic representation of the cargo on board by tonnage, location, and SPOD. The Stow Plan shows the stevedores where to load the cargo onto the ship. After loading the ship, SDDC officials produce a final written Stow Plan detailing the actual location of the AA&E aboard the ship.

The SDDC or JMC provided DD Forms 2781, 2890, 1384; the Dangerous Cargo Manifests; and the Stow Plans for all shipments in our sample that required these documents. With one exception, the SDDC provided all DD Forms 1907 for shipments in our sample. Table 2 summarizes which of the shipment-specific forms the DTR required for the 30 shipments in our sample.

~~(CUI)~~ Table 2. Summary of Required Forms for Each Shipment in Our Sample

(CUI)	Shipment Transportation Control Number	Shipper	DD Form 2781 Required ¹	DD Form 2890 Required ¹	DD Form 1907 Required	DD Form 1384 Required
1	[REDACTED]	Army National Guard	No	No	Yes	Yes
2	[REDACTED]	Army National Guard	No	No	Yes	Yes
3	[REDACTED]	Army National Guard	No	No	Yes	Yes
4	[REDACTED]	Army National Guard	No	No	No ²	Yes
5	[REDACTED]	Army National Guard	No	No	No ²	Yes
6	[REDACTED]	JMC	Yes	Yes	Yes	Yes
7	[REDACTED]	JMC	No	No	No ²	Yes
8	[REDACTED]	JMC	Yes	Yes	Yes	Yes
9	[REDACTED]	JMC	Yes	Yes	Yes	Yes
10	[REDACTED]	JMC	Yes	Yes	No ²	Yes
11	[REDACTED]	JMC	Yes	Yes	Yes	Yes
12	[REDACTED]	JMC	Yes	Yes	Yes	Yes
13	[REDACTED]	JMC	Yes	Yes	Yes	Yes
14	[REDACTED]	JMC	Yes	Yes	Yes	Yes
15	[REDACTED]	JMC	Yes	Yes	Yes	Yes
16	[REDACTED]	JMC	Yes	Yes	Yes	Yes
17	[REDACTED]	JMC	No	No	No ²	Yes
18	[REDACTED]	JMC	Yes	Yes	No ²	Yes
19	[REDACTED]	JMC	No	No	No ²	Yes
20	[REDACTED]	JMC	Yes	Yes	Yes	Yes
21	[REDACTED]	JMC	Yes	Yes	Yes	Yes
22	[REDACTED]	JMC	Yes	Yes	Yes	Yes
23	[REDACTED]	JMC	Yes	Yes	Yes	Yes
24	[REDACTED]	JMC	Yes	Yes	Yes	Yes
25	[REDACTED]	JMC	Yes	Yes	Yes	Yes
26	[REDACTED]	JMC	Yes	Yes	Yes	Yes
27	[REDACTED]	JMC	No	No	Yes	Yes (CUI)

~~(CUI)~~ Table 2. Summary of Required Forms for Each Shipment in Our Sample (cont'd)

(CUI)	Shipment Transportation Control Number	Shipper	DD Form 2781 Required ¹	DD Form 2890 Required ¹	DD Form 1907 Required	DD Form 1384 Required
28	[REDACTED]	JMC	Yes	Yes	Yes	Yes
29	[REDACTED]	JMC	Yes	Yes	Yes	Yes
30	[REDACTED]	JMC	Yes	Yes	Yes	Yes
	Total Required Forms		21	21	23	30 (CUI)

¹ Form required for shipments containing hazardous materials.

² Form not required because shipment arrived at SPOE via rail transport.

Source: The DoD OIG.

As shown in Table 2, the individual shipments required 21 DD Forms 2781, 21 DD Forms 2890, 23 DD Forms 1907, and 30 DD Forms 1384 for a total of 95 required shipment-specific forms for the 30 shipments in our sample. Of the 30 shipments in our sample, 21 of the shipments were ammunition or explosives and the remaining 9 shipments were arms or weapons parts (considered inert). Also, of the 30 shipments in our sample, 7 shipments arrived at the SPOE by rail and the remaining 23 were shipped by another transportation method. These 30 shipments were transported from the SPOE to the SPOD on five vessels (five voyages). Table 3 summarizes the voyages, the number of shipments on each vessel, and the required documents for the vessel.

~~(CUI)~~ Table 3. Summary of Shipments by Voyage and Required Voyage Documents

(CUI) Voyage Embarkation Date	Number of Sample Shipments	Dangerous Cargo Manifest Required	Stow Plan Required
[REDACTED]	5	1	1
[REDACTED]	5	1	1
[REDACTED]	5	1	1
[REDACTED]	5	1	1
[REDACTED]	10	1	1
Total	30	5	5 (CUI)

Source: The DoD OIG.

As Table 3 shows, the five voyages (five vessels) each required a Dangerous Cargo Manifest and Stow Plan for a total of 10 vessel-specific required forms.

The following discussion details the specific results for each of the shipping phases, including the procedural requirements of that phase and the documentation for that phase. SDDC and MSC officials followed requirements in the DTR for preplanning, loading, inspecting, and unloading AA&E shipments by sea.

Preplanning for AA&E Shipments by Sea

SDDC and JMC officials followed requirements in the DTR during the preplanning phase of AA&E shipments by sea.

SDDC and JMC officials followed requirements in the DTR during the preplanning phase of AA&E shipments by sea, which includes preparing DD Forms 2781, 2890, and 1907.

The shipper is responsible for preparing each of these forms. For the 30 shipments in our sample, 25 shipments were from the JMC, and 5 shipments were from the Army National Guard. Therefore, JMC and Army National Guard officials were responsible for completing these forms.

JMC officials completed and signed DD Form 2781 for each of the 21 shipments of ammunition and explosives in our sample as required by the DTR. The DTR requires that DoD officials complete DD Form 2781, a checklist certifying that the inspector visually inspected the container and that the container was loaded and packed in accordance with DoD regulations. The inspector must also indicate on DD Form 2781 whether dangerous goods are included in the container. JMC officials completed and signed all 21 forms, including accurately marking whether the shipment contained dangerous goods. Therefore, the shipper complied with the DTR.

JMC officials completed and signed DD Form 2890 for each of the 21 shipments of ammunition and explosives in our sample as required by the DTR. The DTR requires that the shipper use DD Form 2890 for all ammunition and explosives shipments by sea. The form provides emergency instructions, including 24-hour emergency contact information for DoD hazardous materials support personnel who can assist carriers in case of emergency. The shipper is responsible for completing DD Form 2890 and signing three copies of the form. The shipper must retain one copy of the form, place copies of the DD Form 2890 in waterproof envelopes, and attach the envelopes to the inside and the outside of the container door. JMC officials completed and signed all 21 forms, including providing emergency instructions and contact information. Therefore, the shipper complied with the DTR for the preplanning phase portion of the DD Form 2890. We will discuss our observation of the form inside and outside of shipping containers in the “Arrival Inspections of AA&E Shipments by Sea” section of this report.

JMC and Army National Guard officials prepared and transmitted DD Form 1384, Transportation Control and Movement Documents for each of the 30 sampled shipments. The DTR requires the shipper to prepare Transportation Control and Movement Documents to provide ports and receivers with advance notice of shipments and information necessary to process shipments. Based on our review, the shipper complied with the DTR requirement for preparing DD Form 1384 for each of the 30 selected shipments.

JMC and Army National Guard officials correctly completed and signed DD Form 1907 for 19 of the 23 shipments transported to the SPOE by methods other than rail in our sample as required by the DTR. The DTR requires that the shipper use DD Form 1907 to provide information about the shipment, including the protection requirements. The form acts as a chain of custody where each person responsible for handling the shipment signs the DD Form 1907 at specified stages of transit from the shipment's origin to the SPOE. The SDDC provided 22 of the 23 required DD Forms 1907. JMC and Army National Guard officials signed all 22 DD Forms 1907, and the forms showed the shipments' chain of custody from the origin to the SPOE, where the form was signed by SDDC officials who received the shipment, as required by the DTR.

According to SDDC officials, the DD Form 1907 was not available for one shipment. When asked, SDDC officials did not provide an explanation for why the form was not available. The DD Form 1907 instructions state that the carrier will deliver to the receiver a completed copy of DD Form 1907 and retain a copy. Therefore, the SDDC should have had a copy of the form. We are not making a recommendation for the missing document because we consider this to be a minor error, as the SDDC maintained a copy of the DD Form 1907 for 22 out of 23 shipments that required the form.

For three of the DD Forms 1907 that we reviewed, the form listed a transportation control number (TCN) that did not match the TCN for the shipment in our sample. According to the SDDC, the shipper put the wrong TCN on the form by listing the TCN for a shipment inside the container, rather than listing the TCN assigned to the overall container. We reviewed the documentation associated with the container and verified that the SDDC's statement was accurate. The discrepancies with the TCNs included on the form occurred because the DD Form 1907 instructions in the DTR instruct the shipper to enter the TCN associated with the shipment and do not specify which TCN to use for containerized shipments that have more than one TCN (container TCN and TCNs for shipments inside the container).¹⁰

¹⁰ DTR Part II, Chapter 205, "Transportation Protective Service," October 19, 2020. DTR Part II, Chapter 205 was updated on February 25, 2021.

Therefore, to improve the accuracy of DD Form 1907, "Signature and Tally Record," USTRANSCOM should update the DTR to specify which TCN should be used on the form for containerized shipments.

Loading of AA&E Shipments by Sea at SPOEs

SDDC officials followed requirements in the DTR for loading AA&E shipments by sea, which includes preparing a Dangerous Cargo Manifest and a Stow Plan for each vessel. *SDDC officials followed requirements in the DTR for loading AA&E shipments by sea.*

The Dangerous Cargo Manifest lists the hazardous material and its location on the ship. The Stow Plan identifies the specific locations of sensitive shipments on the vessel and must be given to the personnel on the vessel responsible for sensitive shipments. The SDDC is responsible for preparing the Dangerous Cargo Manifest and the Stow Plan. According to MSC officials the Chief Mate/First Officer is responsible for the receipt, stowage and discharge of cargo and coordinating with the loading activity to develop a safe and efficient load plan. SDDC officials stated that the Stow Plan is critical to ensure that the weight is distributed evenly on the ship. Furthermore, MOTSU officials stated that distributing the weight of the cargo evenly is critical because the ship could capsize or even break in half if the cargo is distributed unevenly.

SDDC officials prepared the Dangerous Cargo Manifest and Stow Plans for the 5 vessels that transported the 30 shipments in our sample. We reviewed the five Dangerous Cargo Manifests and five Stow Plans and identified the 30 shipments in our sample in both documents. We determined that the five Stow Plans included required information, such as the specific locations aboard the ship for the stevedores to load the AA&E containers to distribute the weight evenly aboard the ship.

(CUI) In [REDACTED], we observed 596th Transportation Brigade officials at MOTSU create the Stow Plan for 10 shipments in our sample (shipped on one vessel). The vessel that contained these 10 shipments was the [REDACTED], which departed MOTSU in [REDACTED], destined for [REDACTED]. Figure 1 shows the [REDACTED] at MOTSU in [REDACTED]



(CUI) After observing the officials create the Stow Plan for the [REDACTED], we obtained and reviewed the plan to verify that it identified specific locations for stevedores to load the AA&E.¹¹ In addition, we observed 596th Transportation Brigade Marine Cargo Specialists at MOTSU use the Stow Plan to direct the truck movement of the cargo to the port to ensure that the cargo loaded onto the vessel matched the Stow Plan. The contracted stevedores then used the Stow Plan to load the AA&E aboard the ship. Based on our review of the five Dangerous Cargo Manifests, review of the five Stow Plans, and observations at MOTSU in [REDACTED], the SDDC and MSC complied with the DTR requirements for loading vessels.

¹¹ DoD Manual 5100.76, "Physical Security of Sensitive Conventional AA&E," October 5, 2020, requires officials to deliver the Stow Plan to the Captain of the ship. Due to coronavirus disease–2019 protocols on the vessel, we were unable to board the vessel to observe the SDDC officials deliver the Stow Plan to the vessel Captain before departure. However, we have no reason to believe that the Captain did not receive the Stow Plan.

In-Transit Security of AA&E Shipments by Sea

SDDC and MSC officials followed requirements in the DTR for inspecting AA&E shipments by sea.

SDDC and MSC officials followed requirements in the DTR for inspecting AA&E shipments by sea. The DTR requires sensitive shipments, such as shipments of AA&E, to be under the

control of designated U.S. citizens or supercargo personnel—enlisted pay grade E-5 or above (or equivalent civilian pay grade)—aboard the ship.¹² At all times during the voyage, access must be restricted in those areas where the shipments are stowed to prevent tampering, pilferage, or unauthorized access. MSC officials stated that shipments were under the control of U.S. citizens and that containerized cargo was protected with a serialized bolt seal.

(~~CUI~~) In [REDACTED], we observed the sea AA&E loading process at MOTSU, North Carolina, and found that all of the AA&E loaded onto the ship was containerized. Additionally, 596th Transportation Brigade officials stated that the SDDC does not ship any AA&E unless [REDACTED]

[REDACTED] SDDC officials also stated that each vessel has specific security measures in place to protect AA&E from unauthorized access or acts of piracy for the duration of the voyage. We observed during loading operations that [REDACTED]

[REDACTED] however, we did not determine whether these security measures met MOTSU requirements for security.¹³ Furthermore, during our onsite observations of the offloading and opening of containers [REDACTED] in [REDACTED] and observations of the offloading [REDACTED] in [REDACTED], we saw that the containers had unbroken seals. The ship that we observed at MOTSU for loading of cargo is the same ship that had cargo offloaded [REDACTED]. Therefore, based on the information provided by SDDC and MSC officials, and our observations at the SPOE and SPODs, we determined that the DoD secured the cargo while in transit, as required by the DTR.

¹² DTR Part II, Chapter 205, "Transportation Protective Service," October 19, 2020.

¹³ (~~CUI~~) As of February 2021, the DoD Office of Inspector General was performing an audit of Military Ocean Terminal security procedures, including [REDACTED] procedures at MOTSU.

Arrival Inspections of AA&E Shipments by Sea

SDDC officials followed requirements in the DTR for unloading AA&E shipments by sea. The DTR requires an external inspection upon arrival and an internal inspection if there is evidence of tampering with the shipment.¹⁴ We did not identify any reports of tampering for the 20 shipments in our historical sample. In addition, we did not find any evidence of tampering for 10 real-time shipments in our sample for which we observed the offloading at the SPODs.

SDDC officials followed requirements in the DTR for unloading AA&E shipments by sea.

Nothing came to our attention to indicate that there was tampering for the 20 historical shipments in our sample. The DTR requires an authorized representative to perform an external inspection to identify any apparent damage to shipments. If there is evidence that the shipment was tampered with during transit, the DTR requires that DoD officials examine the interior and report evidence of tampering to the SDDC. To report the tampering, officials would file a transportation discrepancy report. The DTR requires a transportation discrepancy report when Government-owned material, including AA&E, was damaged, lost, or not shipped in accordance with the DTR.¹⁵ We obtained data for transportation discrepancy reports that officials filed for the shipments by sea from October 1, 2017, through March 31, 2020. We determined that DoD officials filed 49 transportation discrepancy reports from October 1, 2017, through March 31, 2020, and those 49 reports did not pertain to any damage to or tampering with ships or cargo.¹⁶ The transportation discrepancy reports reviewed related to shipments made outside of our selected sample shipments. The lack of transportation discrepancy reports related to damage or signs of tampering also further supports that the preplanning, loading, and in-transit phases of the shipments met requirements.

~~(CUI)~~ Nothing came to our attention to indicate that there was tampering for the 10 real-time shipments in our sample where we observed the unloading of the shipments. We observed arrival inspections at the [REDACTED] in [REDACTED] and at the [REDACTED] in [REDACTED]. According to 596th Transportation Brigade officials at MOTSU, Marine Cargo Specialists inspect all AA&E cargo that arrives at SPODs, including verifying that the container is sealed, checking the cargo number and seal number, and inspecting the condition of the container.

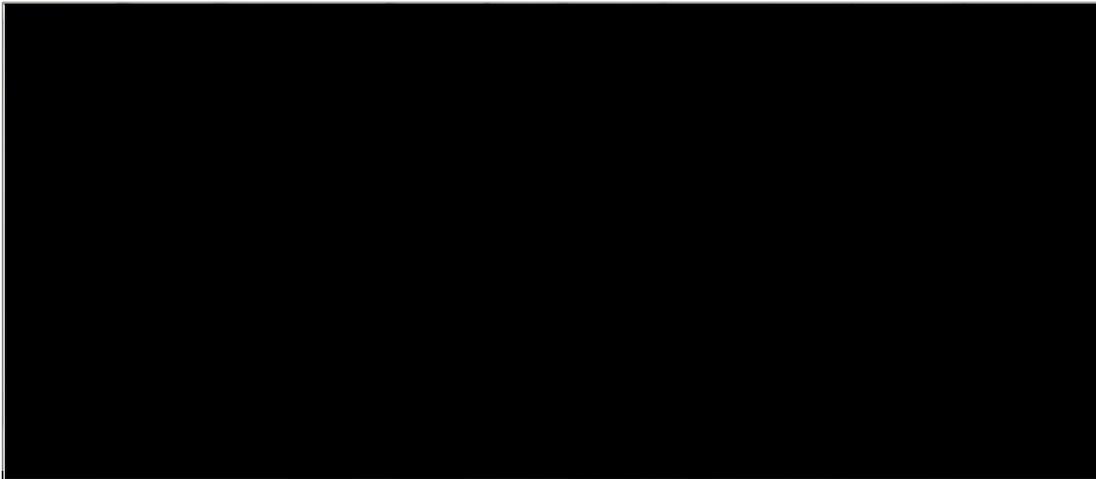
¹⁴ DTR Part II, Chapter 205, "Transportation Protective Service," October 19, 2020.

¹⁵ DTR Part II, Chapter 210, "Transportation Discrepancy Report," November 17, 2020.

¹⁶ The SDDC generated 46 of the 49 transportation discrepancy reports because required paperwork was not completed. Two of the 49 reports stated that there was no report of shipment as required by the DTR. The DTR requires the shipper to send the receiver a report of shipment to notify the receiving installation that a shipment is on the way to that destination. Finally, for one of the 49 reports, the receiver returned the AA&E shipment to the sender.

(~~CUI~~) In [REDACTED], we observed the unloading of the [REDACTED] vessel at the [REDACTED]. We also [REDACTED] port contractors operate a dockside crane to unload the containers, and a Marine Cargo Specialist account for containers using the container identification number as the AA&E containers were unloaded onto trucks. The Marine Cargo Specialist stated that using the Dangerous Cargo Manifest and Stow Plan as reference points, he verified that the containers bound for [REDACTED] port from MOTSU actually arrived. After the containers arrived at their final destination, the Munitions Storage Area at [REDACTED], we observed contractor personnel inspect the containers for tampering or damage.

(~~CUI~~) We also observed an Air Force contractor at [REDACTED] open four containers and confirmed that the five AA&E shipments in our sample were in the containers. Figure 2 shows one of the AA&E shipments being unloaded.



(~~CUI~~) Figure 2. Bombs in Process of Unloading at [REDACTED]
Source: The Air Force

As we discussed in the “Preplanning for AA&E Shipments by Sea” section of this report, the DTR requires the shipper to place copies of DD Form 2890 in waterproof envelopes, and attach the envelopes to both the outside and inside of the container with AA&E. We observed that three of the four containers had the DD Form 2890 attached to the outside of the container. The documents attached to the outside of the three containers were wet and damaged. None of the four containers had the DD Form 2890 attached to the inside of the containers as required by the DTR. The JMC Commander should implement a control for depots to follow the DTR requirement to place copies of DD Form 2890, “DoD Multimodal Dangerous Goods Declaration,” in waterproof envelopes, and attach the envelopes to the outside and inside door of the container.

(~~CUI~~) In [REDACTED], we observed the unloading of the [REDACTED] vessel at the [REDACTED]. We performed a visual inspection of the containers and obtained shipment documentation. We observed SDDC personnel inspect the AA&E container condition, seal numbers, and container numbers. In addition, we observed that personnel from the 21st Theater Sustainment Command Ammunition Center Europe had a list of the container numbers and checked off each container as it came off the ship. We then observed contracted port personnel load the containers onto rail cars.

(~~CUI~~) In [REDACTED] and [REDACTED], the three containers with five of our sample shipments arrived at their final destinations—[REDACTED] (two containers) and [REDACTED], [REDACTED] (one container). At [REDACTED] we observed security procedures, container inspections, and document reviews. We observed that the exteriors of the two containers were in the same condition, including the safety seals, as we observed in [REDACTED]. We obtained shipping documentation for the two containers, and observed that DD Form 2890 was attached to the outside and inside of the container as required by the DTR. In addition, we obtained the movement documentation for the two containers that verified the delivery to [REDACTED]. We did not observe officials opening the final container at [REDACTED] because of rising coronavirus disease-2019 cases and local travel restrictions.

AA&E Shipments by Sea Appear Safe and Secure

DoD officials ensured the safe and secure movement of AA&E from the United States to Germany, Qatar, South Korea, and Kuwait.

(~~CUI~~) As a result of following DTR requirements for preplanning, loading, inspecting, and unloading AA&E shipments by sea, DoD officials ensured the safe and secure movement of AA&E from the United States to Germany, Qatar, South Korea, and Kuwait. We observed the sea AA&E loading process at MOTSU, North Carolina, and the unloading process at [REDACTED], and [REDACTED], SPODs. We also observed the opening of containers at [REDACTED], and [REDACTED]. SDDC officials also stated that each vessel has specific security measures in place to protect AA&E from unauthorized access or piracy for the duration of the voyage.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Commander of U.S. Transportation Command update the Defense Transportation Regulation to specify which transportation control number should be used on the DD Form 1907, "Signature and Tally Record," for containerized shipments.

U.S. Transportation Command Comments

The USTRANSCOM Chief of Staff responding on behalf of the Commander agreed with the recommendation, stating that by September 1, 2021, in coordination with the Military Departments, USTRANSCOM will update the DTR to specify entering the container TCN into block 6 of the DD Form 1907.

Our Response

Comments from the Chief of Staff addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify that USTRANSCOM updated the DTR.

Recommendation 2

We recommend that the Commander of Joint Munitions Command implement a control for depots to follow the Defense Transportation Regulation requirement to place copies of DD Form 2890, "DoD Multimodal Dangerous Goods Declaration," in waterproof envelopes, and attach the envelopes to the outside and inside door of the container.

Army Comments

For the Army, the Acting Director of Supply Policy in the Office of the Deputy Chief of Staff, G-4; the Executive Deputy to the Commanding General for Army Materiel Command; and JMC Commander each agreed with the recommendation, stating that the JMC issued a Daily Fragmentary Order on March 12, 2021, to installations. The Daily Fragmentary Order directed the installations to ensure that controls were in place to certify that shipping papers were provided in accordance with the requirements outlined in the DTR for containerized ammunition shipments.

Our Response

Comments from the Acting Director and Commander addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation when the Army provides examples of how the JMC installations implemented the control to place copies of required forms in waterproof envelopes, and attached envelopes outside and inside the transportation container doors as required by the DTR.

Appendix A

Scope and Methodology

We conducted this performance audit from March 2020 through April 2021 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.

Audit Universe and Scope

(~~CUI~~) Based on the data we received from the JMC for ammunition and explosives and from the SDDC for arms, we determined that the audit universe consisted of ~~██████████~~ ammunition and explosives shipments by sea and ~~██████████~~ arms shipments by sea that the DoD shipped from October 1, 2017, through March 31, 2020. Our audit sample included 20 shipments from this audit universe and 10 real-time shipments that departed MOTSU in ~~██████████~~, for a total of 30 sample shipments. The following describes how we identified the audit universe and chose our audit sample.

Audit Universe

(~~CUI~~) We obtained data from the SDDC and JMC for AA&E shipments by sea that occurred from October 1, 2017, through March 31, 2020. The SDDC provided us with data from the Integrated Mission Support for SDDC system on three occasions—May 13, 2020; June 5, 2020; and June 18, 2020.¹⁷ We asked the SDDC to provide data a second time because when we received the results from Query 1 (May 13, 2020), the results did not contain arms shipments. When we received the Query 2 data (June 5, 2020), we determined that the Query 2 results did not show ~~██████████~~ shipments that had been included in the Query 1 data. Because of this discrepancy between Query 1 and Query 2, we requested data for a third time. When we compared Query 3 to previous queries, we identified shipments that were included in Queries 1 and 2 but not in Query 3. Table 4 shows the total number of shipments identified in each of the three queries.

¹⁷ The SDDC uses the Integrated Mission Support for SDDC system to obtain the shipment by sea data. The system provides access to a large range of transportation-related data from a single, integrated, centralized source. The system is the SDDC's single source for surface transportation data. SDDC officials provided slides showing the process they used to pull the shipment by sea data from the system.

(CUI) We also identified 10 real-time shipments (shipments sent during the audit) of ammunition and explosives that departed [REDACTED] in [REDACTED]. Of the 10 real-time shipments, 5 shipments arrived in [REDACTED], in [REDACTED] and the other 5 shipments arrived in [REDACTED], in [REDACTED]. Table 5 identifies the 30 shipments in our sample, the shipper, the voyage embarkation date, the SPOE, and the SPOD.

(CUI) Table 5. Summary of the 30 Shipments in Our Audit Sample

(CUI)	Shipment Transportation Control Number	Shipper	Voyage Embarkation Date	SPOE	SPOD
1	[REDACTED]	Army National Guard	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	Army National Guard	[REDACTED]	[REDACTED]	[REDACTED]
3	[REDACTED]	Army National Guard	[REDACTED]	[REDACTED]	[REDACTED]
4	[REDACTED]	Army National Guard	[REDACTED]	[REDACTED]	[REDACTED]
5	[REDACTED]	Army National Guard	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
11	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
12	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
13	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
14	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]

(CUI)

~~(CUI)~~ Table 5. Summary of the 30 Shipments in Our Audit Sample (cont'd)

(CUI)	Shipment Transportation Control Number	Shipper	Voyage Embarkation Date	SPOE	SPOD
15	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
16	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
17	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
18	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
19	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
20	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
21	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
22	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
23	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
24	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
25	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
26	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
27	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
28	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
29	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]
30	[REDACTED]	JMC	[REDACTED]	[REDACTED]	[REDACTED]

~~(CUI)~~

Source: The DoD OIG

Site Visits, Interviews, and Documentation We Reviewed

We performed site visits and interviews of personnel at:

- USTRANSCOM and the SDDC, Scott Air Force Base, Illinois;
- the MSC, Norfolk Naval Base, Virginia;
- the JMC, Rock Island, Illinois;
- MOTSU, Southport, North Carolina;
- (CUI) [REDACTED] SPOD;
- (CUI) [REDACTED];
- (CUI) [REDACTED] SPOD; and
- (CUI) [REDACTED]

(CUI) For USTRANSCOM, the SDDC, and the MSC, we met virtually with officials and obtained documentation regarding transportation systems and processes these commands used to ship, monitor, and receive AA&E by sea. We obtained October 1, 2017, through March 31, 2020, documentation related to these systems and processes. The documentation included a database of [REDACTED] ocean shipment records from the Integrated Mission Support for SDDC system and 49 transportation discrepancy reports. We compared the obtained documentation to identify compliance with the DTR.

(CUI) At the JMC, we met virtually with officials and obtained information regarding transportation systems and processes used to ship and monitor AA&E by sea. We also obtained October 1, 2017, through March 31, 2020, ammunition and explosive shipments by sea from the JMC Munitions Transportation Management System. The reports included [REDACTED] ammunition and explosive shipments by sea from MOTSU and MOTCO, which was our audit universe for ammunitions and explosives shipments.

(CUI) At MOTSU, we met both virtually and in-person with 596th Transportation Brigade officials and obtained shipping documentation, including vessel manifests and Stow Plans for packing and loading AA&E shipments. We also obtained documentation regarding terminal security procedures. We toured the MOTSU AA&E holding area and observed contracted stevedores loading containerized AA&E onto a vessel preparing for a voyage to [REDACTED]. At MOTSU, we also observed port security such as port gunboats and security towers used to oversee the port traffic.

(~~CUH~~) At the [REDACTED] SPOD and [REDACTED], we met with [REDACTED] and [REDACTED] officials. We obtained shipping documentation regarding five of our real-time AA&E sample shipments that were on the [REDACTED] cargo ship. We observed at [REDACTED] the physical receipt of four containers with five AA&E sample shipments. At the [REDACTED] SPOD, we observed personnel inspect the containers for tampering or damage. At the [REDACTED], we observed personnel inspect the four containers for tampering or damage again and open the containers to verify that the contents matched the manifest.

(~~CUH~~) At the [REDACTED] SPOD and [REDACTED], we met with [REDACTED] and Air Force officials. We obtained shipping documentation regarding the remaining five of our real-time AA&E sample shipments that were on the [REDACTED] cargo ship. We observed at [REDACTED] the physical receipt of three containers with five AA&E sample shipments. At the [REDACTED] SPOD, we observed personnel inspect the containers for tampering or damage. At [REDACTED], we observed personnel inspect two containers for tampering or damage again and open the containers to verify that the contents matched the manifest. Due to rising coronavirus disease-2019 cases and local travel restrictions, we did not observe personnel opening the last container in our real-time sample of shipments at [REDACTED].

Use of Computer-Processed Data

We used computer-processed data from the Integrated Mission Support for SDDC system and the JMC Munitions Transportation Management System to obtain a universe and select historical sea AA&E shipments to review. We did not test the reliability of the data in the Integrated Mission Support for SDDC system; however, we determined that the three requests for AA&E shipment by sea data resulted in three sets of data where the total number of shipments and the SPODs that received the most shipments changed materially with each query. However, the Munitions Transportation Management System data used for the report were reliable. We tested the Munitions Transportation Management System data by comparing the shipment data to the information entered on DD Forms 2781, 2890, 1384, and 1907, along with Dangerous Cargo Manifests; and Stow Plans, used for each of the 20 sampled historical shipments. We relied on these SDDC and JMC systems only to establish a universe of AA&E shipments by sea and to judgmentally sample 20 historical shipments; therefore, the data did not affect our findings, conclusions, or recommendations relating to the specific shipments we reviewed. We discussed the query result inconsistencies from the Integrated Mission Support for SDDC system in Appendix B.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO) and the DoD Office of Inspector General (DoD OIG) issued six reports discussing, in part, sea or ocean transportation of AA&E.

Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports.html/>.

GAO

Report No. GAO-19-118, “Defense Logistics: Actions Needed to Enhance the Security of High-Risk Ammunition at Storage Locations,” November 5, 2018

The GAO evaluated the extent to which Military Service guidance was consistent with the DoD’s requirements for safeguarding Security Risk Category I ammunition that the Military Services identified, and resolved physical security deficiencies at selected Security Risk Category I ammunition storage locations. The GAO found that Military Service guidance for safeguarding Security Risk Category I ammunition—which consists of nonnuclear, portable missiles and rockets in a ready-to-fire configuration—was not consistent with DoD minimum requirements. The GAO made five recommendations, including that the Army, Navy, and Marine Corps take actions to ensure their physical security inspections of Security Risk Category I locations are completed in accordance with policy, and that the DoD revise its guidance to require that the Military Services establish a process to consistently document the resolution of all identified physical security deficiencies. The DoD concurred with all five recommendations.

Report No. GAO-17-498, “Defense Transportation: DoD Has Taken Actions to Address Hazardous Material Transportation Issues but It Is Too Soon to Evaluate the Effectiveness of These Efforts,” July 21, 2017

The GAO performed the review to examine the extent to which DoD identified the root causes of improper documentation and packaging of hazardous material shipments and any corrective actions taken since the report’s issuance. The GAO also examined if the DoD reported on the DoD’s use of Transportation Protective Service carriers to transport shipments that could have been safely and securely transported using less costly alternative. GAO found that the DoD had addressed identifying the root causes (human error) for the improper documentation and packaging of hazardous material shipments, but it was too soon to evaluate the effectiveness of corrective actions. The GAO found that the DoD did not include detail on the assumptions or limitations used in its analysis. However, the GAO concurred with the DoD report’s general

conclusion that the DoD had used the Transportation Protective Service unnecessarily to transport hazardous material during the period studied and that the additional cost associated with these shipments was relatively small. The GAO report noted that, as part of its plan of action, the DoD has identified a corrective action to preclude future unnecessary use of the Transportation Protective Service, which, if properly implemented, should help ensure that the DoD uses the service only when necessary. The GAO report did not contain any recommendations. The DoD reviewed a draft of the GAO report but had no comments.

Report No. GAO-16-202, “Enhanced Policy and Procedures Needed to Improve Management of Sensitive Conventional Ammunition,” February 16, 2016

This report addressed the extent to which the Military Services maintained accountability and visibility of Security Risk Category I ammunition in the continental United States. The GAO identified 55 Security Risk Category I ammunition items that were in the physical custody of the Air Force—though owned by the Army or Marine Corps—but accountability was not maintained in any service’s system of record while at the Air Force location. The GAO found that Army and Marine Corps guidance does not specify a time frame for receipting shipments of Security Risk Category I ammunition. Records showed that 12 of 21 shipments to Army depots and 5 of 30 shipments to Marine Corps locations were receipted more than 2 business days after truck arrival. The GAO recommended that DoD revise and finalize guidance and improve the timeliness, completeness, and accuracy of information to maintain full accountability and visibility of Security Risk Category I ammunition. The DoD concurred with all six recommendations and identified specific steps it has already taken as well as plans to address them.

DoD OIG

Report No. DODIG-2020-071, “Audit of the Department of Defense’s Ground Transportation and Secure Hold of Arms, Ammunition, and Explosives in the United States,” March 23, 2020

The objective was to determine whether the DoD protected AA&E transported in the United States by commercial ground carriers in accordance with the DTR. The DoD OIG found that the DoD did not properly pack at least two AA&E ground shipments, or verify that information about the contents of AA&E shipments were in the tracking system for 20,426 of 103,853 ground shipments made by truck as required by the DTR. In addition, all 3,772 AA&E rail shipments and all small package shipments of arms and ammunition were not tracked by SDDC systems. The DoD OIG also found that the DoD did not

properly provide commercial carriers with access to installations so the carrier could deliver nine AA&E truck shipments to the installation, as required by DoD guidance. In addition, the DoD did not follow up on 12 of the 33 SDDC safety investigation recommendations made in 13 transit accident reports because the SDDC lacked authority to implement and adjudicate the recommendations for non-SDDC organizations. The DoD OIG made three recommendations to the DoD, the Military Departments, and USTRANSCOM. USTRANSCOM agreed to recommendations made to the organization. DoD, Army, and Navy comments are ongoing.

Report No. DODIG-2020-064, "Audit of Munitions Distribution to the Joint Forces throughout the Republic of Korea," January 28, 2020 (Classified)

Report No. DODIG-2019-099, "Audit of the Distribution of Preferred Munitions in Support of the Republic of Korea," June 24, 2019 (Classified)

Appendix B

Other Matters of Interest – Query Result Discrepancies

SDDC officials provided us data on AA&E shipments by sea from the Integrated Mission Support for SDDC system, but the data that the SDDC provided contained discrepancies. To provide this data to us, the SDDC used queries that existed in the system and applied filters based on our request for data on shipments of AA&E by sea that occurred from October 1, 2017, through March 31, 2020.

(CUI) As discussed in Appendix A, from April through June 2020, we made three separate requests to the SDDC for a listing of AA&E shipment by sea from October 1, 2017, through March 31, 2020. The SDDC provided us three separate data sets from the Integrated Mission Support for SDDC system that contained data that were materially different from each other. Specifically, Query 1 identified a total of [REDACTED] AA&E shipments by sea, Query 2 identified a total of [REDACTED] AA&E shipments by sea, and Query 3 identified a total of [REDACTED] AA&E shipments by sea.

In addition to the total number of shipments being different in each query, the four SPOEs that shipped the most AA&E and the four SPODs that received the most AA&E were different for each query. Table 6 shows the different AA&E shipment totals reported by the SDDC for the four SPOE locations that shipped the most AA&E.

(CUI) Table 6. Top Four SPOE AA&E Shipments by Query

(CUI)	SPOE	Total AA&E Shipments		
		Query 1	Query 2	Query 3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: The DoD OIG.

(CUI) As Table 6 shows, Query 1 data showed that [REDACTED] shipments left from MOTCO, but Query 2 data showed that [REDACTED] shipments left from MOTCO. That is a difference of more than 100 percent even though the query parameters were supposed to have been the same for each query.

Table 7 shows the different AA&E shipment totals reported by the SDDC for the four SPOD locations that received the most shipments according to Query 1 and compares the shipment totals to those in Queries 2 and 3.

~~(CUI)~~ Table 7. Top Four SPOD AA&E Shipments for Query 1 Compared to Queries 2 and 3

(CUI)	SPOD	Total AA&E Shipments		
		Query 1	Query 2	Query 3
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] (CUI)

Source: DoD OIG

According to the SDDC, the filters that the SDDC applied caused discrepancies in the query results. When we asked the SDDC to research the potential errors in the query language, SDDC officials said that research was being done between development efforts and that providing query language would require significant developer resources.¹⁸ Instead, SDDC officials researched as time permitted on a trial and error basis, but did not find the root cause for why we received significantly different data. The Integrated Mission Support for SDDC system is not the system of record for this information and is not used to prepare financial statements. Also, the SDDC does not use reports or query results from this system for operational objectives. Therefore, we did not consider this a matter to include in our Finding or to make recommendations on, and we included it for informational purposes only.

¹⁸ Query language is a computer programming language that requests and retrieves data from a database and information systems.

Management Comments

U.S. Transportation Command



UNITED STATES TRANSPORTATION COMMAND
OFFICE OF THE CHIEF OF STAFF
508 SCOTT DRIVE
SCOTT AIR FORCE BASE, ILLINOIS 62225-5357

11-May-2021

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

FROM: TCCS

SUBJECT: DoDIG Draft Report "Audit of the DoD's Sea Transportation and Storage of Arms, Ammunition, and Explosives (AA&E) (D2020-D000RK-0103.000)"

1. The United States Transportation Command has reviewed the subject report and provides the attached response to the report's recommendations.
2. Point of contact is [REDACTED] at [REDACTED] or email [REDACTED]

KOTULICH DEBORAH
AH LOUISE [REDACTED]
DEBORAH L. KOTULICH
Major General, U.S. Army
Chief of Staff

Attachment
USTRANSCOM Response

cc:
TCJ5/J4
TCAQ
TCJA
SDDC
MSC

U.S. Transportation Command (cont'd)

**DoD IG Draft Report (Project No. (D2020-D000RK-0103.000)
“Audit of the DoD’s Sea Transportation and Storage of Arms, Ammunition, and Explosives
(AA&E),” dated 13 April 2021**

Recommendation 1: The Commander of USTRANSCOM update the Defense Transportation Regulation (DTR) to specify which transportation control number (TCN) should be used on the DD Form 1907, “Signature and Tally Record,” for containerized shipments.

USTRANSCOM Response: Concur. USTRANSCOM, in coordination with the Military Departments, will update the DTR to specify entering the lead TCN into block 6 of the DD Form 1907. Estimated completion date is 1 September 2021.

Office of the Deputy Chief of Staff, G-4



DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-4
500 ARMY PENTAGON
WASHINGTON, DC 20310-0500

DALO-SPM

18 May 2021

MEMORANDUM FOR U.S. ARMY AUDIT AGENCY, (SAAG-PMO-L), 3101 PARK AVENUE, ALEXANDRIA, VA 22302

SUBJECT: Department of Defense Inspector General Draft Report: Audit of Department of Defense (DoD) Sea Transportation and Storage of Arms, Ammunition and Explosives (Project D2020-D000RK-0103.000)

1. Reference email, 14 April 2021, Inspector General, Department of Defense, subject: RE: Draft report for the DoD OIG, "Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives, Project No. D2020-D000RK-0103.000).

2. The Office of the Deputy Chief of Staff, G-4 provides the following response to recommendation for Joint Munitions Command (JMC) in the subject email:

a. Recommendation: We also recommend that the JMC Commander implement a control for depots to follow the Defense Transportation Regulation (DTR) requirement to place copies of required forms in waterproof envelopes and attach envelopes outside and inside the transportation container doors.

b. Recommendation Response: Army concurs. On 12 March 2021, Headquarters (HQ) JMC sent deficiencies addressed during the DoDIG audit to the installations via Daily Fragmentary Order (DFO). In the DFO, HQ JMC directed the installations to ensure controls are in place to certify shipping papers are provided in accordance with the requirements outlined in the DTR for containerized ammunition shipments.

3. The point of contact for this action is [REDACTED] or [REDACTED]

SMITH.THERESA.ANN [REDACTED]
Theresa A. Smith
Acting Director of Supply Policy

Army Materiel Command



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMIR

11 MAY 2021

MEMORANDUM FOR Department of Defense Inspector General (DoDIG/ [REDACTED])
[REDACTED], Program Director, Audit Readiness and Global Operations, 4800 Mark
Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Comments on Department of Defense Inspector General Draft
Report: Audit of Department of Defense's Sea Transportation and Storage of Arms,
Ammunition, and Explosives, Project: D2020-D000RK-0103.000

1. The U.S. Army Materiel Command has reviewed and endorses the subject draft report and response from the U.S. Army Joint Munitions Command. Specific comments are included at the enclosure.
2. The U.S. Army Materiel Command point of contact is [REDACTED]
[REDACTED] or email: [REDACTED]

Encl
as

Lisha H. Adams
LISHA H. ADAMS
Executive Deputy to the
Commanding General

Joint Munitions Command



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY JOINT MUNITIONS COMMAND
2695 RODMAN AVENUE
ROCK ISLAND, IL 61299-6000

AMJM-IR

APR 27 2021

MEMORANDUM THRU U.S. Army Materiel Command Internal Review, 4400 Martin Road, Redstone Arsenal, AL 35898-5000

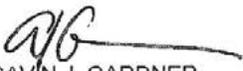
FOR Department of Defense, Office of Inspector General, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Draft Report on the Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition, and Explosives (Project D2020-D000RK-0103.000)

1. Thank you for the opportunity to review and comment on the draft report. Our comments are enclosed.
2. We provided our response to meet Army Materiel Command's suspense.
3. I concur with the recommendation.
4. The point of contact is [REDACTED] DSN [REDACTED] cell [REDACTED]

Provide Lethality that Wins!

Encl


GAVIN J. GARDNER
Colonel, USA
Commanding

Joint Munitions Command (cont'd)

Department of Defense Office of Inspector General
Draft Report
Audit of the Department of Defense's Sea Transportation and Storage of Arms, Ammunition,
and Explosives (Project: D2020-D000RK-0103.000)

Recommendation(s) For: Commander, Joint Munitions Command

Recommendation #: 2

(U) We recommend that the Commander of Joint Munitions Command implement a control for depots to follow the Defense Transportation Regulation requirement to place copies of DD Form 2890, "DoD Multimodal Dangerous Goods Declaration," in waterproof envelopes, and attach the envelopes to the outside and inside door of the container.

Command Comment:

Concur. On 12 March 2021, deficiencies addressed during the DoDIG audit were sent to the installations via Daily Fragmentary Order (DFO). In the DFO, HQ JMC directed the installations to ensure controls are in place to certify shipping papers are provided in accordance with the requirements outlined in the Defense Transportation Regulation for containerized ammunition shipments.

Encl

Acronyms and Abbreviations

AA&E	Arms, Ammunition, and Explosives
DTR	Defense Transportation Regulation
JMC	Joint Munitions Command
MOTCO	Military Ocean Terminal Concord
MOTSU	Military Ocean Terminal Sunny Point
MSC	Military Sealift Command
SDDC	Military Surface Deployment and Distribution Command
SPOD	Seaport of Debarkation
SPOE	Seaport of Embarkation
TCN	Transportation Control Number
USTRANSCOM	U.S. Transportation Command

Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

Whistleblower Protection safeguards DoD employees against retaliation for protected disclosures that expose possible fraud, waste, and abuse in Government programs. For more information, please visit the Whistleblower webpage at <http://www.dodig.mil/Components/Administrative-Investigations/Whistleblower-Reprisal-Investigations/Whistleblower-Reprisal/> or contact the Whistleblower Protection Coordinator at Whistleblowerprotectioncoordinator@dodig.mil

For more information about DoD OIG reports or activities, please contact us:

Congressional Liaison

703.604.8324

Media Contact

public.affairs@dodig.mil; 703.604.8324

DoD OIG Mailing Lists

www.dodig.mil/Mailing-Lists/

Twitter

www.twitter.com/DoD_IG

DoD Hotline

www.dodig.mil/hotline

CUI



DEPARTMENT OF DEFENSE | OFFICE OF INSPECTOR GENERAL

4800 Mark Center Drive
Alexandria, Virginia 22350-1500
www.dodig.mil
DoD Hotline 1.800.424.9098

CUI