



Approved For Release SEP 2001/04/02 : CIA-RDP96-00788R001500110041-0

SECRET  
UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND  
ARLINGTON HALL STATION  
ARLINGTON, VIRGINIA 22212-5000

REPLY TO  
ATTENTION OF

18 MAR 1986

IALOG-FM

SUBJECT: Special Mission Funds - Property Accountability

Commander *AKD 17 MAR 86*  
902d Military Intelligence Group  
ATTN: IAGPA-CO  
Fort George G. Meade, MD 20755-5910

1. (C) As a result of the FY84 Department of the Army Inspector General inspection of procurement, the Vice Chief of Staff Army (VCSA) directed an investigation under the provisions of AR 15-6 concerning the disbursements of Special Mission Funds (SMF) made by the INSCOM Special Finance and Accounting Office in support of approximately 39 separate operational projects. As a result of this investigation, MACOMs/Heads of Agencies have been tasked to identify/verify equipment, supplies, and services purchased with SMF in support of the operational projects designated by the INSCOM 15-6 Investigation Team.
2. (C) Attached as enclosure 1, you will find instructions which prescribe the objectives and procedures to be utilized in accounting for property and services procured for project CENTER LANE. Enclosure 2 provides documentation which identifies those goods and services.
3. (C) Request you take steps to ensure property accountability, as stipulated in Enclosure 1, is initiated and that an initial status report addressing what action has been taken for each voucher referred for action be submitted to this HQ NLT 31 March 1986. This report (using the ODCSLOG control voucher number) will include:
  - a. Nonexpendable property (\$ value) on hand and accounted for. Indicate the ODCSLOG control voucher number(s) in this group.
  - b. Services (\$ value) are valid and no further action required. Indicate the ODCSLOG control voucher number(s) in this group.
  - c. Expendable supplies (\$ value) properly obtained and consumed in use. Indicate the ODCSLOG control voucher number(s) in this group.
  - d. Nonexpendable property (\$ value) missing and a Report of Survey initiated on (date). Indicate the ODCSLOG control voucher number(s) in this group.
  - e. 15-6 Investigation initiated. Indicate the ODCSLOG control voucher number(s) in this group.

REGARDING  
WHEN SEPARATED FROM UNCLASSIFIED  
ENCLOSURE (S)

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CLASSIFIED BY: INSCOM PAM 380-6  
DECLASSIFY ON: OADR

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f. Possible fraud - referred to CID on (date). Indicate the ODCSLOG control number(s) in this group.

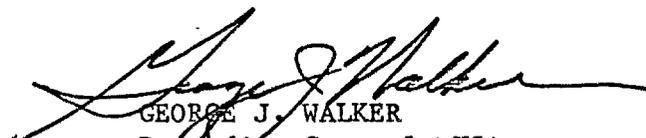
g. For the interim report only, identify those services and property which no determinations have been made. Indicate the ODCSLOG control voucher number(s) in this group.

4. (C) A final report will be submitted not later than 9 May 1986 and should contain a verification that property accountability has been established or appropriate adjustment action has occurred. The final report will contain copies of approved Reports of Survey and completed investigations (less exhibits). Services, if investigated due to the appearance of being excessive, only require a verification in writing that the service purchased was received, mission essential and an operational necessity. The final report will be in the same format as paragraph 3 a-f above.

5. (U) Request your POC contact Major D. A. Hunter, Logistics Management Officer, AV 923-5338/4407 for immediate coordination. All reports will be forwarded to USAINSCOM, ATTN: IALOG-FM, Ft. Meade, MD 20755.

FOR THE COMMANDER:

2 Encls

  
GEORGE J. WALKER  
Brigadier General, USA  
Chief of Staff

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SUBJECT: Instructions for Accountability of Equipment and Services  
Purchased with Special Mission Funds

1. Objectives. Objectives of the SMF Property Accountability Project are:

a. Identify equipment, supplies, and services purchased with SMF in support of operational projects designated by the INSCOM AR 15-6 Investigation Team.

b. Develop guidelines for use in establishing what materiel and services identified in 2a above must be accounted for and thus require inventory and assumption of accountability or investigation and relief from accountability.

c. Physically locate property which meets the established criteria and establish property book accountability, or determine that the property is missing and take appropriate actions to obtain relief via Report of Survey, or other actions in AR 735-11.

d. Identify instances of suspected fraud, waste, and abuse and, where appropriate, initiate further investigation through CID.

2. Procedures. Upon receipt of documentation from USAINSCOM, INSCOM units/activities will take all actions necessary to establish accountability IAW AR 710-2 or AR 381-143 (C).

a. Vouchers will be individually reviewed to identify property requiring accountability in accordance with policy in the regulations cited above. Specifically, the following guidance criteria will be utilized to determine which items of property or services will be inventoried and accounted for or verified.

(1) Nonexpendable Equipment. This is property not consumed in use with a cost of \$50 or greater and retains its original identity during the period of use. Examples are vehicles, weapons, radios, and other end items. These items require formal property book accountability and INSCOM units/activities will be required to account for all nonexpendables which cost \$50 or more.

(2) Expendable Equipment. This is property consumed in use, or property that loses its identity in use, and all items not consumed in use with a unit price of less than \$50. Examples are office supplies, repair parts, and supplies consumed in maintenance and upkeep such as paint, oil, and cleaning materials. No formal accountability for these items is required at the user level. INSCOM units/activities will not be required to account for expendables.

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Group 1

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(3) Durable. This is property that is not consume in use costs less than \$50, does not require property book accountability, but because of its unique characteristics requires hand receipt control when issued to the user. Hand tools are an example of durable items. INSCOM units/activities will not be required to account for durable items.

(4) Commercial Items. By applying the criteria outlined above. INSCOM units/activities will be able to determine if they have to account for commercial items. As an example, a commercial tape recorder would be classified as nonexpendable and would require accountability actions. The Army Master Data File (AMDF) reveals a similar item, Recorder Reproducer: Sound, which has an Army Recoverability Code (ARC) of nonexpendable. This code would be applied against the commercial item. If a similar items was not located in the AMDF, the criteria of not consumed in use, retains its original identity during the period of use, and unit cost exceeds \$50, all would apply. The commercial tape recorder would therefore, be classified as nonexpendable and the INSCOM units/activities would have to account for it.

b. Once property which must be accounted for has been identified, a review of accountable records will be conducted to ensure property has been entered on the records and accountability established. A physical inventory must be conducted. When property cannot be located an investigation will be conducted under the provisions of AR 15-6 or AR 735-11. Pecuniary liability will be assessed, as necessary.

c. Services will be addressed separately. Examples of services are commercial vehicle repairs, site retails, air charters, etc. Generally, services will be treated as mission essential for valid operational requirements. INSCOM units/activities are not required to verify services unless the expenditure appears to be fradulent, irregular, or violates what would appear to be reasonable to the average person. If an INSCOM unit/activity pursues a service, a validation is required to show that the service has been received, was mission essential, and satisfied a valid operational requirement. If it appears that a claimant received payment for a service which was not approved, the INSCOM unit/activity should refer the action to CID as a potential fraud case.

d. Suspected fraud, theft, or abuse will be referred to CID for further investigations and criminal prosecution if warranted.

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GOODS & SERVICES LISTING  
PROJECT: CENTER LANE

USALEA  
VOUCHER

DATE

OTHER PURCHASES

1-S-I

10 Jan 84

\$8,000.00

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*Boyi*



US ARMY ELECTRONICS RESEARCH AND DEVELOPMENT COMMAND  
US ARMY ELECTRONIC WARFARE LABORATORY  
INTELLIGENCE MATERIEL DEVELOPMENT AND SUPPORT OFFICE  
FORT GEORGE G. MEADE, MARYLAND 20755  
January 9, 1984

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IAGPA-F-SA

SRI-International  
333 Ravenswood Avenue  
Menlo Park, California 94025

Gentlemen:

(U) References:

a. DELEW-I-L, Letter Order No. 18, dated 7 November 1983.

b. SRI-International Memo, dated 23 December 1983,  
subject: Expansion of Scope, DELEW-I-L, Letter Order No. 18,  
dated 7 November 1983.

(U) This is Amendment No. 1 to Letter Order No. 18  
(reference a) which constitutes an US Government contract for  
services.

(S/CL-3/NOFORN) The terms of reference b are accepted.  
Training will be per Statement of Work ESU 83-145 with the  
following change to paragraph 2.1 from "Train THREE Army  
personnel..." to "Train FOUR Army personnel..." All other  
provisions of the Statement of Work and reference a remain in  
effect.

~~CENTER LANE WARNING NOTICE!  
SPECIAL ACCESS PROGRAM  
RESTRICT DISSEMINATION TO THOSE  
WITH VERIFIED ACCESS~~

CATEGORY 3

CLASSIFIED BY: CG, INSCOM  
DECL: OADR

*Declassified  
5/12/86*

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(S/CL-2/NOFORN) The additional cost for the trainee will be \$8,000.00. That will increase the total amount of Statement of Work ESU 83-145 to \$77,997.00.

*James C. Brownlow*

JAMES C. BROWNLOW  
Department of the Army Civilian  
Intelligence Material  
Development and Support Office

Acceptance by SRI-International: \_\_\_\_\_

*To Dole*

Dated: \_\_\_\_\_

*18 January 1984*

*Reclassified  
5/11/86*

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