



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE UNDER SECRETARY

22 Jan 2004

MEMORANDUM FOR (SEE DISTRIBUTION LIST)

FROM: SAF/IAPX
1080 Air Force Pentagon
Washington, DC 20330-1080

SUBJECT: Procedures on Recovery of Classified or Controlled Items That Are Erroneously Shipped (GAO Audit 03-664, *Foreign Military Sales: Improved Air Force Controls Could Prevent Unauthorized Shipments of Classified and Controlled Spare Parts to Foreign Countries*, July 2003) **(IAPX 04-001)**

The General Accounting Office (GAO) examined whether Air Force has adequate controls in place to prevent ineligible countries from requisitioning and receiving classified and controlled items. The GAO findings identified several weaknesses that required fixes that we are aggressively pursuing with the implementation of corrective measures. One of those weaknesses was a lack of procedural guidance on the recovery of classified or controlled items that are erroneously released and shipped to an unauthorized customer. Although unauthorized shipments happen infrequently, this memorandum establishes procedural guidance on what to do when such shipments do occur.

The following steps will be followed when an erroneous shipment occurs.

- a. The country director/command country manager will immediately notify the appropriate SAF/IAR Regional Division Chief and AFSAC/IA when an erroneous shipment occurs.
- b. The country director/command country manager will immediately notify the appropriate SAO to advise the foreign customer to return the item. The country director/command country manager will also contact and provide AFSAC/COSD detail information regarding the misdirected shipment to include location, requisition details, carrier information, and the SAO point of contact.
- c. AFSAC/COSD will establish a misdirected file from the data provided and immediately contact the supply source via telecom/electronically to obtain disposition instructions. Upon receipt of the disposition, AFSAC/COSD will promptly notify the appropriate SAO to advise the customer to return the item. The item will be returned through the SDR process and funds, if applicable, will be credited back to the country's

account. Return transportation costs incurred by the country receiving the misdirected shipment will be placed in the country's holding account.

d. If for some reason the country does not respond, as a last resort, SAF/IA will request DSCA, in coordination with the Department of State, suspend the country's FMS program.

The above process will be incorporated in AFMAN 16-101, **Section 13. Recovery of Classified or Controlled Items.**

With the establishment of corrective measures in the Security Assistance Management Information System (SAMIS) future occurrences can be prevented. These modifications will trigger a more thorough review of items as requested by foreign countries. Requirements have also been developed in the Case Execution Management Information System (CEMIS) for requisitions validation edits that will reject unauthorized orders from further processing, thus precluding these types of occurrence in the future. CEMIS is anticipated to be ready for initial deployment in FY07-08 timeframe.

The corrective measures implemented now will help us to deter and prevent unauthorized releases/shipments from occurring. It is the responsibility of each person on the front end to ensure requisitions submitted by the foreign customers have applicability to the major weapon system components identified in the Letter of Offer and Acceptance. We must continue to strengthen our internal controls to ensure unauthorized shipments do not occur.

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//Signed//
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Dep Under Secretary, Int'l Affairs

Attachment
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