



Office of Inspections
Office of Inspector General
U.S. General Services Administration

GSA Oversight of Federal Surplus Firearms

**JE23-002
January 19, 2023**

Introduction

In May 2021, the Office of Inspector General (OIG), Office of Inspections, initiated an evaluation of the U.S. General Services Administration's (GSA) Surplus Firearms Donation Program (firearms program). Our review covered the period October 1, 2018 through April 30, 2021. The objectives for this review were to determine whether GSA's donations of federal surplus firearms complied with both federal and agency requirements, and to assess the adequacy of GSA's mechanisms for tracking federal surplus firearms donations.

GSA is responsible for the management of surplus federal personal property, including firearms.¹ The agency has administered its firearms program since October 1999 under the authority of 40 U.S.C. § 549 "Donation of personal property through state agencies" and the regulation currently codified at 41 C.F.R. § 102-40.175 "How do we handle firearms?"² GSA is authorized to transfer, on behalf of a federal agency, surplus personal property to a U.S. state or territory, including surplus firearms to state and local law enforcement agencies (LEAs).

GSA Order FSS P 4025.5 CHGE 4, Extended, *Donation of Surplus Personal Property* (Order), prescribes instructions and procedures for the donation of federal surplus personal property. However, the Order's requirements for the donation of items with lethal characteristics, such as firearms, lacks specificity and causes confusion. Without a clear published Order, GSA operates the firearms program through a patchwork of improvised guidance consisting of standard operating procedures, memorandums, and program form templates. Our evaluation found GSA is not complying with the Firearms Donation Program Operating Policy and Procedures (SOP), the primary guidance the agency adopted to provide direction and internal controls for the firearms program.

In addition, we found GSA has improved its data management practices since our prior report, *Limited Evaluation of GSA Surplus Firearm Donation Program: Inadequate Controls May Leave Firearms Vulnerable to Theft, Loss, and Unauthorized Use*, June 12, 2015 (2015 report).³ However, we found minor issues with firearms data accuracy along with an inefficient and decentralized records management system. As a result, GSA may lack both the information and mechanisms necessary for effectively tracking the status of the donated federal surplus firearms in its program.

¹ Personal property is any property that is not real property (i.e., buildings and land) and also excludes both federal government records and certain naval vessels.

² The regulation that permitted surplus firearms donations was 41 C.F.R. § 101-42.1102-10, entitled "Firearms." Following various subsequent changes to the surplus property regulations promulgated by GSA, the relevant regulation is currently found in its present form at 41 C.F.R. § 102-40.175.

³ "Limited Evaluation of GSA Surplus Firearms Donation Program: Inadequate Controls May Leave Firearms Vulnerable to Theft, Loss, and Unauthorized Use," JEF15-004, June 12, 2015, https://www.gsaig.gov/sites/default/files/ipa-reports/GSASurplusFirearmDonation_Eval_June122015.pdf.

Our report makes five recommendations to address the issues identified during the evaluation. In response to our report, GSA management agreed with our findings and recommendations. Management comments can be found in their entirety in Appendix 2.

Background

GSA is responsible for the supervision and direction of the disposition of federal surplus personal property (surplus property) that it makes available for donation to state and local public agencies.⁴ Federal statute authorizes GSA to transfer surplus property through a state agency for surplus property (SASP) for distribution to a public agency or other eligible institution.⁵ U.S. states and territories seeking federal surplus property must establish a SASP responsible for the fair and equitable distribution of this surplus property. The Office of Personal Property Management (PPM) in GSA's Federal Acquisition Service (FAS), Office of General Supplies and Services, operates the Federal Surplus Personal Property Program, through which GSA transfers surplus property. PPM staff, at both GSA's Headquarters Building and the regional PPM office in Denver, Colorado, are responsible for the firearms program. The GSA Firearms Manager (Firearms Manager), located in the Denver regional office, is the primary point of contact with the SASPs to facilitate federal surplus firearm donation requests and annual inventories.

All unused federal personal property, including firearms, is recorded in GSAXcess - GSA's website for reporting, searching, and obtaining excess personal property.⁶ Federal agencies are responsible for entering detailed information for each item in GSAXcess. For firearms, that information includes the serial number, type, make, and model. GSA first makes the excess firearms available to other federal agencies authorized to acquire firearms for official use. If no federal agencies request the excess firearms, GSA will designate them as surplus and make them available for donation to LEAs.

Only LEAs whose primary function is the enforcement of applicable federal, state, and/or local laws, and whose compensated law enforcement officers have powers to apprehend and arrest, are eligible for donations of surplus firearms.⁷ GSA's donations to LEAs are limited to handguns, rifles, shotguns, individual light automatic weapons, all less than .50 caliber, and rifle and shoulder-fired grenade launchers, in a condition of usable or better.⁸

⁴ 40 U.S.C. § 541.

⁵ 40 U.S.C. § 549.

⁶ <https://gsaxcess.gov>.

⁷ 41 C.F.R. § 102-40.175.

⁸ Donated firearms must be shipped directly from the federal agency to the LEA. 41 C.F.R. § 102-40.175 and 41 C.F.R. § 102-36.240.

Prior to a surplus firearm donation, GSA requires both the LEA receiving the firearm and their SASP to sign and agree to a conditional transfer document detailing the terms and conditions of the firearm donation.⁹ Included in the terms and conditions is a requirement that the LEA submit their surplus firearms inventories on an annual basis to their SASP. The SASP must then validate each LEA's inventory results, and submit the inventory certification statements from each participating LEA to the Firearms Manager. If a firearm is missing, the LEA must report it to the SASP, which must in turn notify the Firearms Manager immediately, who will then notify the PPM Central Office within 24 hours of notification.¹⁰

In our 2015 report, we found that GSA's firearms program had inadequate inventory controls to monitor donated firearms and lacked adequate guidance and oversight to ensure GSA properly accounted for donated firearms. Our report recommended that GSA implement a data management system, a comprehensive inventory review process, and standardized procedures for conducting and reporting inventories of donated firearms. In response to our findings and recommendations, GSA adopted GSAXcess as its primary system to store firearms data and records. The agency also created a SOP to establish internal roles and responsibilities for the operation of the firearms program, including GSA's management controls to provide oversight of the program's operations.¹¹

Since our 2015 report, GSA's inventory of donated surplus firearms has declined dramatically. At that time, the agency was responsible for the management of approximately 9,100 firearms. However, as of November 28, 2022, GSA had 5,301 active firearms in its surplus firearms inventory, assigned to 534 LEAs in 29 states and one U.S. territory. *Chart 1* below identifies the changes in inventory over the past seven years:¹²

⁹ 41 C.F.R. § 102-40.175.

¹⁰ The SOP requires includes a requirement that the Firearms Manager refer all cases of missing firearms to the GSA OIG for further investigation.

¹¹ GSA adopted the SOP in July 2015 and revised it in April 2017. The revised SOP was applicable to the scope of our evaluation, October 2018 through April 2021.

¹² Total firearms of 9,124 in GSA's inventory as of June 12, 2015 is an approximation based on the data provided in the Office of Inspections' published report, JEF15-004. Chart 1 compares the estimated firearms from our 2015 report with the reported inventory levels during the scope period of this evaluation.

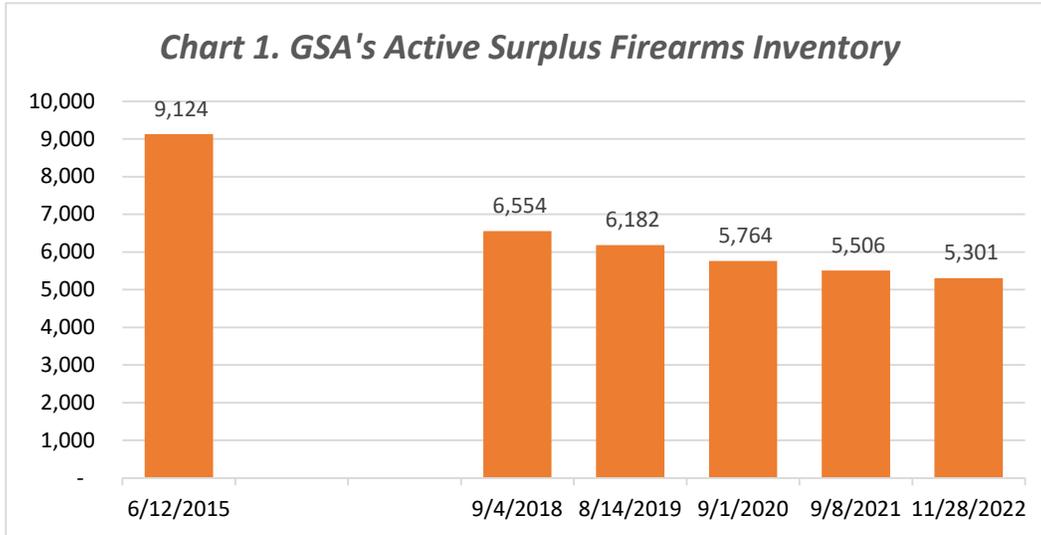


Table 1 below shows the classification of the 5,301 firearms:

Table 1. November 2022 - GSA firearms by type

Firearm Type	Pistol	Rifle	Grenade Launcher	Submachine Gun	Machine Gun	Revolver	Shotgun	Stun Gun	Grand Total
Number of Firearms	2,350	2,345	7	4	15	214	361	5	5,301

Findings

Finding 1. The Surplus Firearms Donation Program did not comply with SOP requirements.

PPM is not complying with its own SOP for management oversight of surplus firearms, adopted in response to our 2015 evaluation report. PPM staff lacked knowledge of and did not fully implement the management controls described in the SOP. The SOP outlines a series of three management controls designed for PPM staff to provide regional oversight of the firearms program:

1. Quarterly Firearms Donation Review;
2. Inventory Spot Report; and
3. State Review of Operations.

Quarterly Firearms Donation Review

At the time of our review, PPM had not conducted the quarterly firearms donation reviews since the first quarter of FY 2019. PPM Central Office staff is responsible for the quarterly firearms donation review. The SOP requires PPM Central Office staff to query GSAXcess in order to select and review up to 10 surplus firearms donations made during the previous quarter. The SOP requires PPM Central Office to verify that each donation has the required paperwork, including a completed letter of intent and conditional transfer document.

The PPM Central Office staff explained that they learned of their responsibility for the quarterly donation reviews only after we requested reports for these reviews. PPM conducted a “catch-up review,” covering the timeframe from the first quarter of FY 2019 through the third quarter of FY 2021, which identified missing documentation for a total of six donated firearms. GSA personnel reported that they uploaded all missing documentation into GSAXcess and stated they will perform quarterly reviews moving forward.

Inventory Spot Report

Though required by the SOP, PPM has never conducted the inventory spot reports of Tier 1 firearms (grenade launchers and machine guns). In order to accomplish an inventory spot report, PPM’s Central Office must provide each SASP a list of the Tier 1 firearms donated to their respective LEAs. Each SASP must verify the Tier 1 firearms in their state, and send date-stamped pictures of the firearms with a visible serial number to the Firearms Manager. The SOP also requires that the Firearms Manager provide a summary of the results of the inventory spot report to PPM’s Central Office.

One PPM official told us they have never conducted inventory spot reports, but instead have required SASPs to visually verify 20 percent of the state’s firearm inventory or 100 firearms, whichever is greater. However, GSA has not revised the SOP to incorporate the new visual verification process. More significantly, the visual verification process does not ensure SASPs have verified the physical possession of donated Tier 1 firearms. GSA has not adopted alternative controls of Tier 1 firearms in place of the inventory spot reports.

State Review of Operations

PPM failed to visit LEAs with surplus firearms, as required by the SOP. PPM staff must review each SASP participating in its Federal Surplus Personal Property Program to evaluate their operation and effectiveness in distributing surplus property.¹³ PPM must conduct these SASP reviews every two or four

¹³ PPM must evaluate each SASP’s review and approval of donees, internal financial operations, inventory controls, and donee compliance with donation terms and conditions every two or four years, based on whether the SASP is having issues complying with program requirements. GSA Order FSS P 4025.5 CHGE 4, Extended, “Donation of Surplus Personal Property,” March 24, 1999, extended June 17, 2022. *See*: Chapter 2, section 13.

years, based on whether the SASP has had prior issues complying with program requirements. In states with GSA donated firearms, the SOP requires the PPM team conducting the SASP review to visit one LEA within commuting distance of the SASP. During this visit, the PPM team must review LEA records of donated firearms to verify that sufficient controls are in place.

PPM staff failed to visit the minimum of one LEA during 21 out of 30 SASP reviews.¹⁴ PPM's non-compliance with their own SOP means GSA lacks visibility of the SASPs' controls and LEAs' compliance with the firearms program terms and conditions. Additionally, by conducting site visits to only one LEA within commuting distance of the SASP, GSA limits its ability to verify the status and management of surplus firearms at other LEAs in the state.

Finding 2. The Surplus Firearms Donation Program lacks an agency-issued Order with management objectives and requirements.

GSA's Internal Directives Management Program provides a single, standardized system of policies to convey organizational functions, responsibilities, and required procedures. GSA established three types of internal directives that require the approval of the GSA Administrator: orders, manuals, and instructional letters. Both GSA employees and contractor employees must comply with all three types of internal directives. A GSA order establishes management objectives and requirements for the performance of the subject matter.

GSA's current surplus property Order, in place since March 1999, prescribes instructions and procedures for the donation of federal surplus personal property, including special categories of property like drugs and aircraft. Contrary to other personal property donation instructions, the Order lacks sufficient detail to manage the firearms program. For example, the Order contains 13 sub sections detailing the donation of aircraft to public agencies and nonprofits, but only three sub sections on items with lethal characteristics, such as firearms, knives, and expended ammunition cartridge cases.¹⁵ Confusingly, the Order states:

It is GSA policy **not to** approve the donation of any firearms, ammunition, explosives, fired brass, nuclear weapons, or other items which, if released, would be dangerous to the public health or safety. ...Expended cartridge cases (under .50 caliber) may be approved for transfer to State agencies for donation to State and local governments for law enforcement purposes only. (Emphasis added).

We found LEAs and SASPs are confused about program procedures and their responsibilities with the firearms. For instance, the conditional transfer document template outlines 16 terms and conditions that preserve GSA's authority over the donated firearms; however, it does not state in plain language that GSA

¹⁴ Five of those 21 SASPs reviews occurred during the COVID-19 health pandemic.

¹⁵ GSA Order FSS P 4025.5 CHGE 4, Extended, "Donation of Surplus Personal Property," March 24, 1999, extended June 17, 2022. See: Chapter 1, part 13(d), Items with lethal characteristics.

does not transfer ownership to the LEA. One deputy, believing that he owned the donated firearms, converted all 12 fully automatic donated firearms into semi-automatic firearms without approval from GSA. Of the 13 SASP personnel we interviewed, seven specifically told us that they would appreciate a central document outlining the firearms program's policies and procedures.

GSA extended the Order three times without change, most recently on June 17, 2022. GSA informed us that they are currently updating the Order to add a description of the firearms program, but as of December 7, 2022, they had not issued a revised Order. Due to the lack of an Administrator-approved Order prescribing management objectives and requirements, the firearms program continues to operate under a patchwork of improvised guidance, including an SOP and form templates.

Finding 3. GSA has improved data management and inventory controls, but issues remain.

Our 2015 evaluation of the firearms program revealed that the program was not supported by an effective database and lacked the data management resources needed to maintain program records and access critical information. Our 2015 report recommended that GSA implement a data management system, or improve GSAXcess, to facilitate program maintenance, reporting, and oversight.

Since 2015, GSA has improved its data management practices by adopting GSAXcess as its primary system to store records of donated firearms. However, we found some instances where GSA's firearms data is both inaccurate and inadequate, and the program's overall management of firearms records remains inefficient and decentralized. Without accurate data on the status of donated firearms, GSA lacks assurance that a firearm remains with the LEA or has been destroyed.

During our in-person and virtual inspections of a judgmental sample of 31 LEAs, we sought to verify that the LEAs were in physical possession of a sample of 607 donated firearms, listed as active in the GSAXcess surplus firearms inventory. We identified two firearms with incorrect serial numbers and 11 firearms with erroneous makes and models recorded in GSAXcess. We were unable to verify one firearm from the GSAXcess inventory that the LEA reported missing to GSA on October 4, 2021, one day before our inspection. We learned that the firearm had been missing from the LEA since at least February 1, 2021. GSAXcess was updated on January 4, 2022 to record the missing firearm.

We also examined the GSAXcess data supporting the active 5,506 donated surplus firearms in the inventory during the scope of our review. We found that the inventory data contained inaccurate descriptions of firearm types, such as pistol, rifle, and shotgun, and features, such as barrel size and caliber, for 33 of the 5,506 (0.6%) donated firearms, resulting in insufficient information to accurately identify those firearms. Inaccuracies such as these limit GSA's ability to both identify the type of firearms available for donation and to track those firearms.

The Firearms Manager must update the firearm record in GSAXcess after a LEA destroys unused donated surplus firearms. Of the 125 firearms destroyed during the scope of our review, we found instances when

the Firearms Manager delayed updates and made incorrect updates to the status of destroyed firearms. In one instance, the Firearms Manager changed the status of 45 destroyed firearms only after the SASP reminded them five months later. In another instance, the Firearms Manager updated GSAXcess to mark two firearms as destroyed at least three months before the LEA actually destroyed the firearms. GSA's process for reviewing its firearms donation data is inadequate to ensure the agency is proactively updating GSAXcess data, and screening the data to identify and correct errors on a regular basis throughout the lifetime of the firearm donations.

We also found that GSA does not have an efficient centralized firearms records management system. GSA Order 1820.2, CIO *GSA Records Management Program*, requires all GSA employees to save records "for secure and **efficient** retrieval" (emphasis added). In our 2015 report, we found that the firearms program was not supported by an effective database and lacked data management resources to maintain program records.¹⁶ While GSA has adopted GSAXcess as its primary records system for firearms data, we found that staff continue to store firearms program documents in a variety of other locations, including Google Drive, GSA's Enterprise Content Management System, and two different email accounts maintained by the Firearms Manager – a firearms program email account, and the Firearms Manager's own employee email account.¹⁷

On multiple occasions, when we requested documentation for this evaluation, staff directed our inspectors to folders in the firearms program Google Drive that were empty. This led to additional requests and delays for documentation, which PPM staff had to track down and then email to us. We learned that the Firearms Manager was often the only individual able to locate the documents. PPM staff reported they were unable to store all firearms documentation in GSAXcess because the system had limited storage space and limits on the number of files that could be uploaded for each firearm. The lack of an easily accessible, centralized system to store and update firearms program documentation hinders the management of the firearms program.

Conclusion

Our evaluation found that, from 1999 to 2022, GSA operated its firearms program without establishing an agency-issued Order with a system of management objectives and requirements to ensure adequate oversight and criteria. Instead, PPM relied on 40 U.S.C. § 549, its SOP, and a patchwork of improvised guidance, to manage the firearms program. Despite these attempts to implement controls, GSA is not complying with its own internal procedures for management oversight of the firearms program.

¹⁶ "Limited Evaluation of GSA Surplus Firearms Donation Program: Inadequate Controls May Leave Firearms Vulnerable to Theft, Loss, and Unauthorized Use", JEF15-004, June 12, 2015, see page 7.

¹⁷ Enterprise Content Management System, referred to as ECMS, serves as a repository for scanned documents. This system holds historical documentation for firearms donations from 1999 to 2016.

Although the implementation of GSAXcess has improved overall firearms program data reliability, some inaccuracies remain that hinder the agency's ability to identify and track all firearms throughout the donation lifecycle. GSA also lacks a procedure to ensure its firearms program staff timely update and proactively screen GSAXcess firearms data to ensure it is correct. GSA also continues to have an inefficient records management system, maintaining surplus firearms records in numerous locations instead of one central location.

Recommendations

The Assistant Commissioner of the Office of General Supplies and Services should:

1. Review and revise GSA Order FSS P 4025.5 to establish the management objectives and requirements of the Surplus Firearms Donation Program, including GSA's roles and responsibilities for surplus firearms.
2. Coordinate with the GSA Office of General Counsel to revise internal procedural documents, including the SOP, to reflect current practices and ensure they are consistent with each other and with federal requirements.
3. Establish a process to ensure GSAXcess initial firearms data entered by federal agencies into GSAXcess is both accurate and sufficient to allow for the proper identification, tracking, and donation of surplus firearms.
4. Establish a process to ensure GSA firearms staff proactively screen and timely update GSAXcess firearms data to avoid errors.
5. Implement a centralized records management system to ensure both the consistent storage and efficient access of documentation supporting GSA's Surplus Firearms Donation Program.

Appendix 1: Objectives, Scope, and Methodology

In May 2021, the Office of Inspector General (OIG), Office of Inspections, initiated an evaluation of the U.S. General Services Administration's (GSA) Surplus Firearms Donation Program. Our review covered the period of October 1, 2018 through April 30, 2021. The objectives for this review were to determine whether GSA's donations of surplus firearms complied with both federal and GSA requirements, and to assess the adequacy of GSA's mechanisms for tracking surplus firearms donations.

To accomplish our objectives, we:

- Researched laws, rules, regulations, and other federal guidance on the donation of federal surplus firearms;
- Reviewed relevant audits and inspections conducted by GSA OIG, the U.S. Government Accountability Office, and other federal agencies;
- Accessed and analyzed data in GSAXcess for the inventory, make, model, firearm type, and possessing LEA of GSA-donated surplus firearms;
- Interviewed GSA staff in the FAS Office of Personal Property Management; including the GSA Central Office, Mid-Atlantic Personal Property Management Zone, and the Southwest-Central Personal Property Management Zone;
- Reviewed documentation related to the donation of sampled firearms and visually verified the existence of sampled donated firearms through both in-person and virtual inspections;
- Interviewed representatives of sampled LEAs and state agencies for surplus property; and
- Reviewed documentation related to GSA's compliance with their own Surplus Firearms Donation Program Operating Policy and Procedures, specifically regarding missing donated firearms, the destruction of donated firearms, and implementation of internal controls.

To conduct our evaluation, we judgmentally sampled 31 law enforcement agencies from 14 different states. While the non-statistical sample does not allow for projection of the results, it allowed us to address our evaluation objectives.

We assessed the reliability of GSAXcess data elements needed to answer our objectives by (1) reviewing the June 2021 GSAXcess firearms inventory report for data discrepancies, and (2) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

This evaluation was conducted in accordance with the *Quality Standards for Inspection and Evaluation* (January 2012), issued by the Council of the Inspectors General on Integrity and Efficiency.

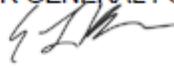
Appendix 2: Management Comments



GSA Federal Acquisition Service

January 6, 2023

MEMORANDUM FOR PATRICIA D. SHAHEEN
ASSISTANT INSPECTOR GENERAL FOR INSPECTIONS (JE)

FROM: ERVILLE L. KOEHLER 
ASSISTANT COMMISSIONER
OFFICE OF GENERAL SUPPLIES AND SERVICES (QS)

SUBJECT: Response to the Office of Inspector General (OIG) Draft Report, GSA
Oversight of Federal Surplus Firearms (JEF21-001-000)

Thank you for the opportunity to comment on the subject audit report. We reviewed the report and agree with the findings and recommendations.

We are pleased OIG recognized GSA's improvements in inventory and data management for donated surplus firearms since OIG's last review. We will develop corrective actions to address OIG's newest recommendations, including updating standard operating procedures to reflect current control methods and more clearly articulate roles and responsibilities.

If you have any questions, please contact Matthew Manger, Director, Office of Personal Property Management, at matthew.manger@gsa.gov or 703-605-9146.

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