

**STATEMENT OF
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U.S. GENERAL SERVICES ADMINISTRATION
BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
U.S. HOUSE OF REPRESENTATIVES
SURPLUS FIREARM DONATION PROGRAM
MARCH 2, 2016**

Good afternoon, Chairman Meadows, Ranking Member Connolly and members of the Subcommittee. Thank you for the opportunity to participate in today's hearing. My name is Bill Sisk, and I am the Acting Assistant Commissioner for the Office of General Supplies and Services in the Federal Acquisition Service (FAS) at the U.S. General Services Administration (GSA). GSA takes its responsibility for the surplus firearms donation program seriously and has implemented a number of changes to the program in response to GSA's Office of the Inspector General's (OIG) June 12, 2015 report on this program.

Background

FAS provides acquisition and logistics services to Federal agencies for the disposal of personal property. The Federal Surplus Personal Property Donation Program within FAS manages the donation of surplus firearms for the Federal government. In Fiscal Year 2015, GSA transferred 27,087 line items to State Agencies for Surplus Property for donation and of those, 73 were firearms donated to Law Enforcement Agencies.

Surplus Firearms

The Federal Surplus Personal Property Donation Program makes property that is surplus to the needs of the Federal government available to state and local public agencies, eligible non-profit organizations, and veterans service organizations. Firearms were added as a commodity eligible for donation in 1999, after Congressional concerns were raised about Federal firearms being destroyed when they were no longer needed by the Federal Government. GSA, in partnership with the National Association of State Agencies for Surplus Property and the Department of Justice, established rules enabling donation of firearms to Law Enforcement Agencies through the Federal Surplus Personal Property Donation Program¹. The goal of the surplus firearm donation program is to enable Law Enforcement Agencies to acquire firearms at little or no cost in support of their mission.

¹ Firearms Donation Program is in the Federal Management Regulation, at 41 CFR 102-40.175.

The Donation Program is operated through a State Agency for Surplus Property (SASP), established in each state, territory, and the District of Columbia. Thirty SASPs have elected to participate in the donation of firearms, representing twenty-nine states and one territory.² Surplus Firearms Donation Process When a Federal agency has property it no longer needs, it is declared excess and is reported to GSA through GSAXcess® to be screened for possible transfer to other Federal agencies with a need for such property. If no other agencies request the excess property, it is declared surplus and is made available for subsequent donation to eligible state and local public agencies and certain nonprofit health and educational activities as authorized by Congress.

When a Law Enforcement Agency identifies a firearm need, they work with their respective SASP, which screens available property in GSAXcess and submits requests for property for donation within the state. Per the Federal Management Regulation, eligible Law Enforcement Agencies may only receive handguns, shotguns, and individual light automatic weapons, all less than .50 caliber, rifles and shoulder fired grenade launchers. As of May 12, 2015, grenade launchers are no longer eligible for donation.³ Regulations limit donations to only those eligible law enforcement entities whose primary function is the enforcement of applicable Federal, state, and/or local laws, and whose full-time compensated law enforcement officers have powers to apprehend and arrest. In addition, there is a perpetual restriction on all donated firearms which begins the day the donee takes possession of the firearms. The Law Enforcement Agency receives conditional title to the firearms with the Federal Government retaining restrictions on the donated firearms.

GSA reviews and approves all requests by SASPs for donated firearms, which includes a Letter of Intent from the applicant. Once the Letter of Intent is approved, GSA allocates the requested firearm to the SASP. Before a transfer can be completed, the SASP and the Law Enforcement Agency must sign a Firearms Conditional Transfer Document (CTD) which outlines the fifteen conditions and restrictions associated with the donation.

The SASPs determine Law Enforcement Agency eligibility to participate in the Firearms Donation Program and enforce compliance with the terms and conditions imposed on the donated firearms such as the annual inventory requirement and notification to GSA if a firearm is missing. The SASP is also responsible for ensuring the firearms are in the possession of the donee and being used solely for law enforcement activities by compensated full time law enforcement officers.

² Alabama, Arkansas, California, Colorado, Florida, Georgia, Indiana, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, North Dakota, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Texas, Tennessee, Utah, Washington, West Virginia, and Wyoming.

³ https://www.whitehouse.gov/sites/default/files/docs/le_equipment_wg_final_report_final.pdf

The Law Enforcement Agency is responsible for ensuring that Federal firearms donated are used in strict accordance with the rules and regulations outlined in the CTD. They are also responsible for providing annual inventories to the SASP and must immediately notify the SASP when a firearm is missing.

When a SASP becomes aware of a missing firearm, they are required per the CTD to immediately notify GSA. This is documented as a compliance case and GSA's OIG is forwarded a copy of the documentation. The OIG reviews GSA's Report of Compliance Activity and determines if an investigation by the OIG office is necessary. If the determination is that an investigation is warranted, the OIG proceeds with their established policy. If an investigation is not warranted, the OIG returns documentation to GSA for administrative action. Upon notification of a loss, GSA holds any pending requests from the Law Enforcement Agency until the situation is resolved. Resolution may include the requirement that the Law Enforcement Agency reimburse GSA the fair market value of the missing firearm.

OIG Surplus Firearms Report

On June 12, 2015, GSA's OIG published a report, "Limited Evaluation of GSA Surplus Firearm Donation Program: Inadequate Controls May Leave Firearms Vulnerable to Theft, Loss, and Unauthorized Use" in response to a request by a GSA Administrator, for the OIG to review the Firearms Donation program. The report highlighted the need for GSA to strengthen data management and inventory controls. The OIG had four recommendations to strengthen the Firearms Donation Program:

Recommendation 1: GSA should implement a data management system, or improve GSAXcess, to facilitate program maintenance, reporting, and oversight.

Recommendation 2: GSA should implement a comprehensive inventory review process.

Recommendation 3: GSA should periodically provide to SASPs complete and accurate inventories of donated firearms for their reconciliation to Law Enforcement Agency- reported inventories.

Recommendation 4: GSA should implement standardized procedures for conducting and reporting inventories of donated firearms.

GSA agreed with the OIG's findings and submitted a Corrective Action Plan with 12 action steps to the OIG on August 3, 2015. To date, GSA is working toward completion of 5 remaining open action steps pertaining to the recommendations. All action steps are planned to be completed by May 30, 2016.

More specifically GSA has taken the following actions: GSA has created new data fields in GSAXcess® to collect more complete information on the recipients of the donated firearms and GSA is in the process of populating those new fields with data collected in the FY 16 inventory verification completed by the Law Enforcement Agencies and SASPs. In addition, to strengthen data management controls, GSA has issued a Standard Operating Procedure outlining procedures for requesting and processing donations, inventory and compliance, disposal and destruction, and internal controls. GSA also issued guidance to the SASPs on how to conduct inventories to help assist Law Enforcement Agencies with their obligation to account for all

donated firearms. GSA encouraged Law Enforcement Agencies to use Voluntary Consensus Standards and other applicable standards to the maximum extent possible while adhering to state and local laws and regulations governing the asset management and inventory practices applicable to them.

Additionally, GSA is a member of the Federal Support for Local Law Enforcement Equipment Acquisition Working Group, which addresses ways for the Federal Government to standardize and harmonize programs that provide equipment and support to Law Enforcement Agencies. The Working Group released recommendations in a report in May 2015⁴. In line with the Working Group's recommendations, GSA has ceased donations of any items on the "prohibited list," which includes grenade launchers. GSA also issued policy guidance on the Working Group Recommendations for Requests and Donations of Controlled and Prohibited Equipment to its Regional Offices and SASPs on September 22, 2015.

Over the more than fifteen years since donations of firearms began, 488 firearms have been reported as "missing". Upon investigation/review of these reported "missing" firearms, a large percentage (66 percent) of the firearms were found to not be missing, as they had been sold or traded by the Law Enforcement Agency, which is not in compliance with GSA requirements. In most instances, where the firearm is not under Federal government restrictions, the disposal of the firearm, in and of itself, is not inappropriate, such as trade in to a firearms manufacturer or sale to a licensed dealer.

Next Steps

Due to the difficulties with tracking the firearms and ensuring that Law Enforcement Agencies know which firearms have the Federal government restrictions, GSA is re-evaluating its role in the Firearms Donation Program. GSA is strongly considering limiting the program to handguns and eliminating Perpetual Restrictions --- meaning that the full title will transfer to the Law Enforcement Agency after the initial statutory requirement to use the firearm for 12 months has passed. Elimination of perpetual restrictions would require GSA to modify the current Federal Management Regulation language on the donation of firearms, removing the requirement for perpetual restrictions.

GSA looks forward to keeping the committee updated regarding our progress and we welcome the Committee's and the OIG's oversight of this important program. Thank you again for this opportunity to speak to all of you. I am happy to answer any questions you may have.

⁴ https://www.whitehouse.gov/sites/default/files/docs/le_equipment_wg_final_report_final.pdf