DOD TO INSTALL IMPROVED ACCOUNTING SYSTEM

Mr. STAATS. We have a very recent letter, Congressman Curtis, on this point from the Defense Department in which they advise us that they have a target date of July 1 this year for installing an improved accounting system which they believe, at least, will meet our objections, which I believe have been about the same as yours.

Representative CURTIS. Yes. You have not yet received that?

Mr. NEWMAN. No. It is an informal letter.

Representative CURTIS. It is informal?

DEFENSEWIDE AUDIT

Mr. NEWMAN. Congressman Curtis, after the hearings we had and your interest in the "punkin" fund, Secretary Ignatius had an audit—a defensewide audit—made by the DOD auditors, and they finished that up last December. So they have gone into the heart of this, and based on information we have here at the moment they are setting up an improved cost accounting and financial management reporting system, and to me it looks like they are getting on top of the job. We will know the sales, costs, and net results of operations, and what happens to the net receipts.

Representative CURTIS. Yes. Very good. I see my time has expired.

Chairman PROXMIRE. Senator Symington?

Senator SYMINGTON. Thank you, Mr. Chairman.

TECHNICAL DATA FOR PROCUREMENT

Mr. Comptroller General, I was interested in the questions asked by the chairman about procurement by the military. In your statement you say:

Our recent survey indicates that incomplete or inadequate technical data still contributes significantly to the award of noncompetitive procurements.

Later on you say:

COMPETITIVE PROCUREMENT REPORTS

A large percentage of the actions which were classified and reported to higher management levels within the Department of Defense as competitive procurements, in our opinion were, in fact, made without competition. (See p. 9.)

You do not use the word there, "classification," as putting a mark of secret on the document?

Mr. STAATS. No, a matter of definition.

Senator SYMINGTON. Then you say:

In addition, the Armed Services Procurement Regulation permits purchases of $2,500 and under to be reported as competitive even though many are not. (See p. 9.)

This is a pretty broad criticism of the way these procurement regulations are drawn up, is it not?

INTERPRETATION OF "COMPETITIVE"

Mr. NEWMAN. I would not say, Senator Symington, the way they are drawn up. In some cases they need clarification. But the way they