

signed a special ASPR committee composed of our top people, a blue ribbon committee headed by Col. George Thompson, who is our top-pricing man, working on this.

We had some difficulties at first. We believe that it is improved now. The GAO report that you addressed, Mr. Chairman, did in fact deal with implementation in the early period. I am not trying to condone any failures on our part. I am simply saying that this was in the early period.

We think we have improved it, but we need to continue to work on what constitutes adequate compliance with respect to the documentation—that the data submitted were current, accurate, and complete.

Chairman PROXMIRE. Yes, but it seems that the Defense Department hasn't even gone through the simplest kind of procedure to require compliance.

Mr. IGNATIUS. Yes, sir.

Chairman PROXMIRE. Wait a minute though. The basic form was form 633, I understand.

Mr. IGNATIUS. Yes, sir.

ISSUANCE OF FORM DD 633

Chairman PROXMIRE. Now this was the testimony yesterday. I said:

The cost contractors haven't even got the forms; is that correct?

Mr. NEWMAN. We have forms now.

Chairman PROXMIRE. Form 633, I understand, has not been distributed by the Defense Department.

Mr. NEWMAN. At that point in time they had been distributed, we were out working on the audit of 242 contracts, and the forms had been sent to the warehouse instead of to the contracting officers, so we got them to get them out of the warehouse and send them to the contracting officers. (See p. 64.)

Now this was 3 or 4 years after the law had been passed. Instead of sending these forms which should be filled out if the law is going to be fully complied with, instead of sending those forms out, they were sent to the warehouse and sat in the warehouse as I understand it for 7 to 9 months until the GAO got on top of it and insisted or at least called your attention to it, and then they got some action.

Mr. IGNATIUS. Form DD 633 was our form. I would like Mr. Malloy, if I might, to comment on this, because he is intimately acquainted with this part of it.

Mr. MALLOY. Mr. Chairman, the DD form 633 is a form which can be labeled a cost breakdown form. It is a form which has been used in the Department of Defense going back into 1958 and the 1959 time span. The form that we are now talking about is a revision of our standard form. We put it out in late 1964.

The reason for putting out the revision was to take advantage of the experience that we had had, that we had gained in implementing Public Law 87-653 in the previous 2 years. We found that we had to make improvements in the way we got data, in order to be more precise in our implementation of the law. So we revised that form, and published it and sent it out to the field.

It had been published to the field about 4 or 5 months as I recall, some part of which was taken up in the distribution process getting it out to where the forms are held in stock, when the General Account-