

ber 1965. We were informed by Maritime officials that they were too large for normal harbor use and too expensive to operate.

We subsequently learned that the Office of Commodity Imports had not received a request for transfer of these vessels, as required by the "Accountability" provisions of Decree No. 5/582, "General Policy and Procedure for USAID Mission Acquisition and Transfer of U.S. Government Excess Property for Non-military Use in Turkey". This decree provides that "Receiving agencies will be expected to sign receipts for excess property, maintain accountability therefor and promptly recondition and utilize it for the purposes for which it was provided. Such property may not then be transferred to another agency unless permission to do so is applied for and obtained from the USAID Mission".

We visited the Gölcük Naval Base on January 20, 1966 and the Commandant of the Base confirmed receipt of the vessels. We inspected the crane barge Barbados II, which was loading a vessel, and the tugboat Kepez which had a crew aboard and apparently had just returned from a trip. Reportedly, the other tugboat was "on duty in the Bosphorus" and could not be observed.

*Recommendation B-1 (Action Office—GOT Ministry of Finance, OIEC Excess Property Branch)* : It is recommended that OIEC submit a request to the USAID Office of Commodity Imports for permission, including justification, to transfer the tugboats, Kepez—LT 790 and Aksoy—LT 819 and the crane barge, Barbados II—YD 185, from the Turkish Maritime Lines to the Turkish Navy it being understood that the equipment transferred would be for non-military use by the Turkish Navy.

*None of the Recipients Have Submitted the Six Months Status Report*

*Some Property Has Not Been Utilized Nor Reported As Excess To OIEC*

(D)

*Finding:* Out of 643 direct acquisition items and 330 Section 608 items we found 125 direct acquisition items that were not being utilized in accordance with the provisions of paragraph 2.a. of the Transfer Agreements. We also found that out of the 26 recipients involved only 5 of them had reported the non-utilization of the property to OIEC in accordance with the provisions of paragraph 1 (e) of the agreements.

Paragraph 1 (e) of the agreements provides that the recipients will "notify USAID, through the OIEC, if and when the property should become excessive to the originally stated requirements so that it may be re-allocated". Paragraph 2.a. of the Excess Property Agreements states that "The recipient agrees that the property transferred to it pursuant hereto will be used promptly and effectively in Turkey as stated on Form A".

Reasons for the non-utilization are summarized below from Exhibit D, which also lists the recipients that did not comply with the reporting requirement.