

Equipment is rented to mines only after approval has been granted by the Mining Development Board (MDB) which is composed of members from the OGS, the ROK Bureau of Mines, and the USOM. To manage the equipment pool effectively. In administering a rental program, it is essential that a basic record be established for each major piece of equipment when the commodity is first obtained, and a running history be maintained throughout the life of the item. This basic record should contain a complete description of the commodity, serial number, date received, source, value, condition, estimated life, rental value, physical location at all times, and any significant repairs or alterations made. Although the mining equipment pool has been in operation since 1960, KOMEP has not yet established this type of a record for its equipment.

One of KOMEP's significant problems is that its records are not reliable in disclosing the actual location of equipment. Our visits to mine sites revealed numerous instances when (a) the equipment was not at the mine indicated in KOMEP records, and (b) equipment had been transferred either to another mine or back to KOMEP, but KOMEP's records had not been changed as indicated below.

Of the 28 mines we visited, we found that at 14 mines the equipment physically located did not agree with KOMEP records. At three of these mines, we were not able to locate any of the equipment which KOMEP records indicated should be there. A list of the equipment which we were unable to locate is provided in Schedule 1 of this report. Unless this equipment is located within three months and inspected by a USOM representative, a refund claim will be filed with the ROKG for the value of the equipment.

*Recommendation No. 1.*—EPB should instruct MCI to have KOMEP make an exerted effort to locate the equipment listed in Schedule 1 of this report, and to report within three months the physical location of that equipment to the USOM.

We noted instances when equipment was transferred from one mine location to another without the prior approval of the MDB. We visited, we found equipment not being utilized at 18 mine sites. A list of this equipment is provided in Schedule 2 of this report. A claim for the value of this unutilized equipment will be filed with the ROKG three months after the issuance of this report unless KOMEP is able to establish that the equipment is then being effectively used.

*Recommendation No. 3.*—EPB should instruct MCI to have KOMEP (a) find another mine which will be able to utilize the equipment effectively and which is acceptable to the MDB, (b) transfer the unutilized equipment listed in Schedule 2 from the present locations, and (c) report the status of the equipment to the USOM within three months.

At KOMEP's Chungju mining pool location, we noted that many dollar procured spare parts have had little or no movement since they were obtained when

procedures currently permit issuing kwan licenses for all 2½-ton or 5-ton trucks which have been repaired; but the ROKG does not consider jeeps or ¾-ton trucks as practical for use at mine sites, and therefore has not permitted the issuance of kwan plates for the jeeps and ¾-ton trucks. (Those jeeps which have been licensed were being used by officials of OGS.) The USOM Mining Branch, however, believes that jeeps and ¾-ton trucks would be useful at mine sites, and apparently KOMEP (a branch of