

mine owners, and dispose of those spare parts determined to be surplus to requirements (after receiving approval from the USOM).

In our audit report No. 301, issued April 17, 1964, we recommended (No. 1) that EPB take the necessary action to insure that government (Kwan) licenses be issued promptly for the U.S. Army excess trucks which had been furnished for mining projects. This recommendation has not yet been implemented. The first reply we received from EPB (December 3, 1964) stated that "vehicle licenses for the 319 various trucks received from the U.S. Army were issued on June 5, 1964. Additionally, those trucks which have been fully repaired are being utilized for transportation at the mining areas, with the remaining trucks to be put to use in the near future for the original purposes." The USOM responded on December 9, 1964, that EPB's reply had been investigated and that all trucks had not been licensed; therefore the recommendation could not be closed. On June of the 3/4-ton trucks, and verified that all the jeeps and 2 1/2-ton (3/4-ton) had been repaired, but none of the vehicles had been licensed. We further noted that all the jeeps were being used: four being operated under private licenses, two being operated under temporary licenses issued by the local police, and two being used to a limited extent at the mine sites without any license.

As noted in Schedule 2, we also found 2 1/2-ton and 5-ton trucks not being utilized due to their being neither repaired nor licensed. On December 4, 1965, EPB requested permission from the USOM to cannibalize 31 (2 1/2-ton) trucks. On March 30, 1966, the USOM denied this request until a physical inspection could be made of the trucks and disposition determined on an individual basis. On April 29, 1966, USOM proposed to the ROKG that they sell these trucks, if possible (considering price offered) to the mine owners who had repaired the vehicles. The KOMEP board was authorized to make the final decision on the sales, and instructed to insure that the vehicles continue to be used in the mining industry.

Because of the long delay in having our former recommendation resolved, we made a complete investigation to determine how many of the U.S. Army surplus trucks obtained for KOMEP had not yet been licensed. Following is a summary of our findings:

	1/4-ton trucks	3/4-ton trucks	2 1/2-ton trucks	5-ton trucks	Total
Total granted to KOMEP (Jan. 1, 1963, through June 30, 1965).....	26	16	207	100	349
USOM permission granted to dismantle for spares.....	3	0	4	19	26
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150 AID'S MISMANAGEMENT OF THE EXCESS PROPERTY PROGRAM

Mine	Equipment	Usage period	Billed
Danki coal mine.....	Bulldozer.....	Dec. 16, 1964 to Feb. 23, 1965.....	May 19, 1965.
	do.....	Feb. 24 to Oct. 30, 1965.....	Do.
	do.....	June 1 to July 31, 1964.....	Aug. 7, 1964.
Shi Heung graphite mine.....	do.....	Aug. 1, 1964 to Feb. 23, 1965.....	July 29, 1965.
	Dump truck.....	May 10 to Sept. 9, 1964.....	June 10, 1964.
	do.....	Sept. 10, 1964 to Feb. 23, 1965.....	July 29, 1965.
			Do.