

General

During our audit, tests were made at various OGS locations to verify the existence and utilization of commodities which have been provided to OGS by AID through dollar procurement, and from U.S. Army excess property procured on both a cost and no-cost basis. The locations visited were the OGS laboratories in Seoul and Taejon, and the RIMM laboratory in Seoul.

Accountability for commodities

With few exceptions, we located all the commodities included in our test reviews at the accountable locations. One exception involves a $\frac{1}{4}$ -ton utility truck (jeep) assigned to the Taejon laboratory, and granted to OGS as no-cost U.S. Army excess equipment. Records at the Taejon laboratory indicated this jeep had been at that location until September 25, 1964, when it was turned over to the Office of General Affairs of the Chung Chong Namdo provincial government. Follow up with the Office of General Affairs disclosed that this jeep (Serial No. 53K21098; Engine No. MB52817) was sold at public auction as part of a lot along with two other jeeps on April 21, 1965, for a total of 401,900 won. USOM permission to sell this vehicle had not been obtained, and OGS officials in Seoul informed us they had not been contacted prior to either turning the jeep over to the Office of General Affairs or the sale. Funds collected from the auction were deposited in the ROKG General Account. Concurrently with the issuance of this report a claim in the amount of \$894.60 will be filed with the ROKG for the value of this jeep.

On August 10, 1964, RIMM notified the director of OGS that a shipment re-

(a) OGS Taejon laboratory:			
Cold mold arc furnace.....	\$23,923	Sept. 10, 1964	OGS claims no transformer to operate: USOM mining section claims this type transformer is common in Korea.
DFC melting furnace.....	3,719	July 20, 1964	
13 in. roasting furnace.....	1,306	do.....	Lack of parts not originally supplied.
Mercury cathode apparatus.....	599	Mar. 12, 1965	Lack of electrode.
Titration.....	646	Mar. 17, 1965	
(b) OGS Seoul laboratory: Microgramatic balance.	1,450	July 30, 1964	Not set up due to lack of funds.
(c) RIMM:			
Indicating recording and program pyrometer controller.	1,409	Aug. 28, 1964	Being stored until needed as replacement.
Hydrogen ion meter and accessories.	740	Aug. 7, 1964	Do.

Note: Concurrently with the issuance of this report, a refund in the amount of \$33,792 will be requested from the ROKG for nonutilization of these commodities.

COUNTERPART FINANCING OF COAL MINING DEVELOPMENT

General

Under the Project Agreements concerned with the improvements of administration in public finance within Korea, counterpart funds have been loaned to KRB in the amount of 569.9 million (during the period from FY 1962 to FY 1965) for