

NEED FOR PUBLIC REPORTS ON USE OF GOVERNMENT EQUIPMENT

Chairman PROXMIRE. At the same time, I am afraid that you may not have gone to the heart of our problem.

I am sure you are aware of the Comptroller General's report and the example of a \$1.4 million piece of equipment that was bought by the Government, specifically for use by a contractor for the turning out of jet blades of some kind, and the contractor apparently used it very little for this purpose—he used an old piece of equipment for Government jet blades. He used it 78 percent of the time, according to his own records, on his own private commercial use.

Then there was another example of \$6 million of equipment business on behalf of a contractor who used the Government-owned equipment 58 percent of the time for his own use.

There was another example of a contractor who was warned about using this Government-owned equipment for his own commercial profit, and each succeeding year he used it more, after the warning.

Under these circumstances, you point out that you expect to have more careful auditing and more careful reporting on this?

Mr. MORRIS. Right, sir.

Chairman PROXMIRE. But, you do not indicate, to the best of my knowledge, whether you are going to have regular public reports made available, say, on a quarterly basis. And, it is hard for this Senator to understand why, in view of the fact that this equipment is owned by the taxpayer, and represents what seems to be a subsidy to the contractor when he uses it for his own use—why there should not be such regular public reports, in view of the fact that everybody in this room has to file income tax returns—everybody who has worked for a living, and most of us do—and, if we make a little more in one quarter than our withholding, or than we would normally pay, we have to file a new report each quarter. And, if this is difficult for an ordinary taxpayer, it ought to be a lot easier for the contractor who is using this Government equipment to make quarterly reports that would indicate the time that his equipment is being used for commercial private purposes, and the time it is being used for the Government.

Why can't we do that?

MACHINE-BY-MACHINE USE RECORDS AND REPORTS

Mr. MORRIS. Well, sir, I think we have outlined, in our statement, the stronger surveillance and reporting requirements which are being instituted. I believe the particular issue that Mr. Staats has addressed, and which we still must act upon, is the maintenance of what he describes as machine-by-machine utilization records, and the availability of reports covering machine-by-machine usage.

Chairman PROXMIRE. Exactly right.

DOD COMMITTED TO MACHINE-BY-MACHINE USE PROCEDURE

Mr. MORRIS. We have had this under very careful study, Mr. Chairman. The problem, as it often is in our inventory management problems, is whether we should attempt to do a thousand percent coverage