

prior to the first production contract and each succeeding contract, that the radiacmeters were not suitable for Army use. In addition, over \$663,000 has been expended to modify the radiacmeters produced under the second and third contracts, and additional costs estimated at about \$200,000 will be incurred to reimburse the contractors under the fourth and fifth contracts for a temporary work stoppage until the Army investigates technical difficulties and decides whether the radiacmeters will be acceptable to using organizations. The 10,800 radiacmeters produced under the first contract have already been scrapped, and the acceptability of any of the remaining instruments is still questionable.

"These unnecessary costs have been incurred because responsible Army officials (1) were overly optimistic that deficiencies identified in tests of experimental model radiacmeters could be corrected in production despite a recommendation by the using organization not to enter into volume production until deficiencies were corrected, (2) accepted preproduction and initial production models and approved volume production without adequate and timely coordination of test data between the using organization and the engineering and procurement agencies, (3) awarded additional production contracts even though previously identified deficiencies had not been corrected, and (4) generally did not exercise their personal responsibilities to assure that Government funds were expended properly.

"The Deputy Assistant Secretary of the Army, replying on behalf of the Secretary of Defense, concurred with our findings. He stated that the Department of the Army is investigating further the causes for the conditions cited in the report. He stated also that further production of the equipment will not be accomplished until existing technical problems have been solved and the field user's accuracy requirements are met.

"The Deputy Assistant Secretary stated further that, on the basis of results of tests, it was concluded that the design of the radiacmeter was sound but that further investigation of the specific causes for the inaccuracies would be made. However, our review disclosed that responsible engineering personnel at the United States Army Electronics Materiel Support Agency, Fort Monmouth, New Jersey, agreed that the contractors met all specifications but that there was a defect in the design of the radiacmeter. In view of the position taken by the Deputy Assistant Secretary, it is evident that a conflict of opinions exists within the Army as to the soundness of the design of the radiacmeter. We did not attempt to determine whether the deficiencies in the radiacmeters resulted from the contractors' production practices or from the Government's design specifications.

"We are recommending to the Secretary of the Army that (1) those cases where supply management officials, because of the urgency of requirements for equipment, elect to overrule the recommendations of the using forces with respect to performance of the equipment and elect to enter into production before all known deficiencies are corrected be referred to the Assistant Secretary of the Army (Installations and Logistics) for his approval, (2) in the investigation of the specific causes for the deficiencies in the radiacmeters that are the subject of this report, the Department of the Army determine, and advise us, whether the deficiencies resulted from the contractors' production practices or from the Government's design specifications, and (3) consideration be given to taking disciplinary measures against management officials whose actions in this matter were not prudent. We are recommending also that the Secretary of Defense bring this report to the attention of management officials within the military departments and emphasize their responsibilities for determining the adequate performance of equipment before recommending or approving items for volume production.

"Copies of this report are being sent to the President of the United States, the Secretary of Defense, and the Secretary of the Army.

"JOSEPH CAMPBELL,
Comptroller General of the United States."

"INTRODUCTION

"The General Accounting Office has made a review of procurement of the radiacmeters IM-108/PD by the Department of the Army. This review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

"The scope of our review is shown on page 16 of this report.