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OFFICE OF THE ASSISTANT DIRECTOR/CONTROLLER  
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) KOREA

REPORT OF AUDIT  
REGIONAL LOGISTICS MANAGEMENT PROJECT  
No. 498-11-990-004(JAPAN)  
For the Period from July 1, 1966 to February 28, 1969

REPORT NO. 69-27

DATE: JUN 9 1969

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## REPORT OF AUDIT

### REGIONAL LOGISTICS MANAGEMENT PROJECT

No. 498-11-990-004 (JAPAN)

For the Period from July 1, 1966 to February 28, 1969

#### BACKGROUND INFORMATION

The Regional Logistics Management Project was established to provide Far East AID Missions critically needed logistics management advice and assistance as well as repair parts for obsolete and obsolescent equipment being used. The Project is being administered by the AID Regional Logistics Office, Japan (AID/RLO-J) formerly the Far East Regional Logistics Office (FERLO). The facilities of the Army MAP (Military Assistance Program) Depot provide ideal and economical support within the theater, thus reducing transportation costs and delivery time. Services provided by AID/RLO-J using Depot resources were expanded as needs became apparent, until at the time of our review it was able to cover the entire range of logistics to include assistance in transportation, storage, maintenance, stock control, engineering, distribution, inspections and procurement. Highly qualified technicians, oriented to the various logistics areas, are provided to the USAID Missions at cost of transportation and per diem only. Periodic liaison visits to USAID Missions are made by AID/RLO-J personnel to assure that maximum support is provided and to assist in isolating and solving problem areas. The project is financed jointly by the East Asia (EA) and Vietnam (VN) Bureaus. The abbreviation AID/RLO-J as used throughout this report is intended to signify its predecessor FERLO, where appropriate.

In order to effectively implement the project, AID entered into an agreement with the Department of Defense (DOD) on January 21, 1965, wherein DOD authorized and directed through appropriate DOD and Department of the Army (DA) command agencies, the United States Army Logistical Center at Tokorozawa, Japan (USALCJ) to provide commodities and technical services to the AID Far East Missions and the Tokyo Excess Property Regional Office (EPRO-5). A Financial Annex to the Agreement between AID and DOD was executed on June 30, 1965, which provided methods for funding, reimbursements, accounting and reporting for supplies, services and technical assistance to be furnished by USALCJ to AID Missions in East Asia and the EPRO in Tokyo. Under the agreement, AID/W through the AID/RLO-J is required to reimburse DOD for all housing, salary and overhead costs applicable to technicians provided by USALCJ. The USAIDs pay only transportation and per diem costs. In addition, costs of supplies, mainly spare parts, furnished USAIDs are reimbursed DOD at cost plus a maximum of 36% to cover transportation, logistics management expense, and numerous other depot services.

At the time of our review a new agreement between AID and the DA had been prepared and was under final consideration in Washington, D.C. This latter agreement, pursuant to the basic DOD/AID support agreement dated January 21, 1965, authorizes and directs through appropriate DA command agencies, the United States Army Depot Command, Sagami, Japan (USADCJ), formerly the USALCJ, to provide commodities and technical services to USAID Vietnam and East Asia Missions and the Tokyo Excess Property Regional Office (now known as the AID Field Office, Japan) through the AID/RLO-J. The agreement defines the AID/VN and EA Missions as those AID Missions located in Pacific Command (PACOM) countries which currently receive supply support from Army Supply installations located in Japan.

Other Interservice Support Agreements (ISSA) are currently being drafted or revised by the AID Missions, with the assistance of the AID Regional Logistics Officer, Japan, to procure the services of the military for necessary inland transportation to designated water terminals and all water terminals and stevedoring services at Army operated terminals required in the handling of AID cargoes. Finalization of these agreements is being held in abeyance pending formalization of the Transportation Agreement between the AID and the DOD.

Funds allotted to the Chief, USAID Regional Office, Japan-Regional for the AID/RLO-J also include grant funds designated for the Asian Productivity Organization (APO) as well as funds for the salary and related costs, housing allowance, and residence utility costs for the Technical Information Officer assigned to the APO. The status of these funds at February 28, 1969 is set forth in Exhibit A. Fiscal records and supporting documentation pertaining to these allotments are maintained by the Budget and Fiscal Office, United States Embassy, Tokyo, Japan. An appropriate recommendation concerning the need to revise the procedures with respect to the allotment of funds for the AID/RLO-J and the APO is contained in Audit Report No. 69-26, dated June 2, 1969.

#### SCOPE OF AUDIT

Our audit, made at the request of AID/W, covered the period from July 1, 1966 through February 28, 1969. We reviewed (1) pertinent fiscal records and supporting documentation located in the Budget and Fiscal Office of the U.S. Embassy and at the AID FO located in Tokyo, Japan, and (2) operating procedures and statistical data at the AID/RLO-J located at Sagami, Japan.

The audit did not include determination of a cost-benefit ratio as requested by AID/W because of the nebulous factors involved and the inability to measure in dollars the benefits derived from the services and/or supplies furnished to the AID Missions by the USADCJ or the liaison services furnished by the AID/RLO-J between the various Missions and the USADCJ. We did, however, make an evaluation of AID/RLO-J operations; appropriate comments are included herein.

## SUMMARY OF FINDINGS

The AID Regional Logistics Office-Japan (AID/RLO-J) was funded in FY 1968 by the East Asia Bureau (EA) with the understanding that the Vietnam Bureau (VN) would reimburse the EA Bureau for its share of the 1968 costs. Both Bureaus were to jointly fund the AID/RLO-J in 1969. We determined that the bases used for allocation of costs between the two bureaus did not produce realistic or equitable results.

Although the AID/RLO-J was authorized adequate staffing, supervisory personnel were not available for extended periods of time. Consequently, overall supervision of the project during these periods was inadequate.

There were approximately 60,000 technical manuals and other publications on hand at the time of our review that had not been inventoried or catalogued. These volumes related to items of equipment and vehicles acquired by AID through its excess property program and subsequently delivered to underdeveloped countries through the USAID Missions. Assistance is required to inventory, list and distribute the publications to recipients of the related equipment.

Quarterly reports on the activities of the AID/RLO-J have not been submitted to AID/W since January 19, 1968. We were advised that AID/W recently requested that submission of the reports be resumed in the same format as heretofore. We question the need to prepare and submit reports, which AID/W has managed to do without for a period of approximately 15 months, without first reassessing the need for the data being reported.

Since the VN and EA Bureaus and the Office of A/GPR have a primary interest in operation of the AID/RLO-J, there is need for closer coordination and possibly centralized overall administration and control.

## FINDINGS AND RECOMMENDATIONS

### FUNDING:

Formerly, the AID/RLO-J was funded by the Far East Bureau, AID/W. Early in Fiscal Year 1968, the Far East Bureau was dissolved and separate Bureaus were created for Vietnam and East Asia. The East Asia Regional Development Program funded the AID/RLO-J in its entirety during FY 1968 with the understanding that the VN Bureau would reimburse the EA Bureau for its share of the FY 1968 costs and the two Bureaus would jointly fund the project in FY 1969. In furtherance of this plan, the "Operational Year Budget: Program Revision Approval" document forwarded to AA/PPC by AA/EA on March 13, 1969 included a request for an increase of \$71,000 in technical assistance funds for FY 1969. This increase was to cover the \$38,400 due the EA Bureau for the VN Bureau FY 1968 costs plus \$32,600 for the VN Bureau portion of the jointly funded FY 1969 costs of operating the AID/RLO-J. The AID/RLO-J was subsequently advised by cable on April 8, 1969 that the \$71,000 requested was available.

While we agree with the principle that the cost of regional projects should be shared by the affected AID/W Bureaus, we have concluded that cost sharing based upon the above distribution is neither realistic nor equitable. The amount of \$32,600 budgeted for the VN Bureau for its share of the FY 1969 costs of the AID/RLO-J includes the total annual salary and related costs for the Deputy Director and the Administrative Assistant, plus an estimate of the annual cost for their quarters and utilities. The Deputy Director was assigned to the AID Liaison Staff (ALSA) located in San Francisco, California for the first eight months of FY 1969, and was not reassigned to the AID/RLO-J until March 9, 1969. Therefore, we believe that charges for more than four months of his services as a cost of operation of the AID/RLO-J for FY 1969 are not appropriate. We realize, however, that this individual and others were assigned intermittently and for short periods to the AID/RLO-J in a supervisory capacity during this eight month period. On the other hand, the estimate of FY 1969 costs to be financed by the VN Bureau did not include any amount for services to be provided by technicians under Participating Agency Support Agreement (PASA) arrangements, or costs for maintaining the technical assistance library and office supplies. We noted, also, that the amount of \$38,400 contained in the request for reimbursement to the EA Bureau by the VN Bureau for FY 1968 costs of the AID/RLO-J did not include a request for reimbursement for technicians' services furnished to the Vietnam Mission nor any charge for local employee salary, technical assistance library costs, or office supplies. Therefore, the sharing of costs on the above bases between the VN and EA Bureaus for operation of the AID/RLO-J for FY 1968 and FY 1969 was inequitable.

It appears that one of the factors contributing to the deficiencies cited is that all individuals assigned to the AID/RLO-J during FY 1968 and FY 1969 were not payrolled by the same Bureau. This condition resulted when the Far East Bureau was split into the VN Bureau and the EA Bureau. The EA Bureau has attempted to identify and segregate specific costs as being applicable to the VN Bureau rather than prorating an equitable share of all costs of operating the office.

#### RECOMMENDATION NO. 1

AID/W, AA/EA, in coordination with AA/VN, should (a) take whatever action is necessary to enable the EA Bureau to program, fund and record all costs attributable to operation of the AID/RLO-J beginning with FY 1970, (b) devise an appropriate method for allocating an equitable portion of the total costs of the AID/RLO-J for services rendered to the VN Bureau, and (c) adjust the allocation of costs between the VN and EA Bureaus for FY 1968 and FY 1969 as appropriate.

STAFFING:

For FY 1968 and FY 1969, the AID/RLO-J was authorized the following American staffing: Director, Deputy Director, and a Secretary (administrative assistant). Actual staffing by American personnel from June 14, 1967 through March 31, 1969 was as follows:

<u>Position Occupied</u>	<u>From</u>	<u>To</u>
* Acting Director	June 14, 1967	December 27, 1967
Director	Dec. 28, 1967	March 8, 1969
* Deputy Director	July 7, 1966	July 7, 1968
* Acting Deputy Director (TDY)	Sep. 30, 1968	Nov. 6, 1968
Acting Deputy Director (TDY)	Nov. 15, 1968	Dec. 15, 1968
* Acting Director (TDY)	Dec. 1, 1968	Dec. 12, 1968
* AID Regional Logistics Officer, Japan		
Admin. Assist. (Secy)	Feb. 27, 1967	Dec. 6, 1968
Admin. Assist. (Secy) (ret from H/L)	Jan. 12, 1967	March 31, 1969
* Same individual		

During his tenure of office at AID/RLO-J, the Director was on temporary duty in Indonesia from January 9, 1968 to April 3, 1968, and from April 28, 1968 until March 9, 1969, he was on temporary duty in Thailand. At that time he was assigned to the newly established AID Regional Logistics Office-Thailand (AID/RLO-T).

From the above schedule, it can readily be seen that for approximately two and one half months in 1968 (August, September, and December) and two months in 1969 (January and February), the AID/RLO-J had no supervisory personnel in residence; the office was in charge of the Secretary (Administrative Assistant) during these periods.

We not only question the decision of the Director of the AID/RLO-J to spend approximately 11 months on almost continuous temporary duty in Thailand, but also the judgement of AID/W in allowing him to do so and thereby leave the AID/RLO-J without adequate supervision. While we did not attempt to determine the total ill effect that this prolonged absence had on the overall operations of the AID/RLO-J or its relationship with the USADCJ and the USAID Missions, we were advised by the U.S. Embassy, Tokyo that there were several inquiries from the Controller, United States Army, Japan (USARJ) concerning the delay in payment of vouchers due to the nonavailability of a certifying officer to approve the vouchers prior to processing for payment.

We also question the decision of AID/W to establish a separate Regional Logistics Office in Thailand, especially since the supply depot furnishing the repair parts and technical services is located in Japan. We found no evidence to indicate that the AID/RLO-J could not successfully handle the

workload originally assigned to it if it were adequately staffed. In this connection, we examined Overseas Staffing Pattern Requests (SPARs) dated February 19, 1969 covering the positions of the AID Regional Logistics Officer-Thailand (RLO-T) and the AID Regional Logistics Officer-Japan (RLO-J). We noted that in most important respects the RLO-T must still function through the RLO-J. For example, the RLO-T is required to assist designated USAIDs (Thailand, Laos, Indonesia and Burma) in preparing advance "want lists" of supplies and equipment to be submitted to RLO-J. Also, the RLO-T in coordination with the designated USAIDs, determines requirements for technical assistance from USADCJ and other PACOM sources, establishes priorities within resources reported available by RLO-J, and submits to RLO-J for coordination. The RLO-T does not have authority to enter into interagency agreements, whereas the RLO-J does. Requests for logistics assistance support from PACOM sources which are in excess of the resources reported as available by RLO-J must be submitted to the RLO-J for assistance. Those areas, therefore, which require the RLO-T to act through the RLO-J merely inject another layer of supervision through which requests for spare parts and technical assistance from Thailand, Laos, Indonesia and Burma must be channeled. Also, during the course of the audit, it was noted the USADCJ officials contacted the RLO-J concerning problems in connection with requisitions received direct from USAID Missions under the jurisdiction of the RLO-T, rather than contacting the RLO-T. Therefore, the necessity for continued liaison between the RLO-J and the USADCJ in behalf of Thailand, Laos, Indonesia and Burma was not lessened by creation of the RLO-T. Finally, the fact that the performance evaluation of the incumbent of the position of RLO-T is to be prepared by USAID/Thailand rather than the EA Bureau, and funds to cover the travel and per diem of the RLO-T are being allotted to USAID/Thailand, indicate that the position is merely an enlargement of the scope of activities that would normally be performed under the supervision of the Chief, Logistics Division, Office of Management, USAID/Thailand, and that such a position should more appropriately be considered as part of the USAID/Thailand complement.

#### RECOMMENDATION NO. 2

AID/W, AA/EA should (a) establish controls to assure that adequate supervision is available to the AID/RLO-J staff at all times (b) re-evaluate the criteria used as a basis for establishment of a separate Regional Logistics Office in Bangkok, Thailand to determine if the action taken is justified, (c) consider the feasibility and desirability of reassigning those responsibilities of the Regional Logistics Office-Thailand requiring regional coordination to the Regional Logistics Office-Japan, and (d) consider augmenting the staff of the Logistics Division, Office of Management, USAID/Thailand to perform the non-regional coordinating tasks now assigned to the Regional Logistics Officer-Thailand.

## TECHNICAL LIBRARY

The AID/RLO-J has acquired from various military and civilian sources large quantities of technical manuals and other publications that relate to many of the items of equipment and vehicles acquired by AID through its excess property program and subsequently delivered to underdeveloped countries through the USAID Missions. Many of these publications are no longer in print and, as far as is currently known, it is the only source available to AID. Consequently, the publications could be of considerable value to the recipients of the vehicles or equipment to which they relate in providing appropriate instructions for preventive maintenance and/or repair.

There were approximately 933 lineal feet of shelving of these publications on hand at the AID/RLO-J; however, approximately only 70 lineal feet had been sorted out, inventoried and catalogued. In this connection, we were advised that manpower limitations had prevented further work in this area. A partial list of the catalogued manuals was circulated to the various USAID Missions on February 25, 1969. As stated above, a complete listing of the publications has not been disseminated to the USAID Missions, however, the AID/RLO-J continually receives requests for publications, some of which it is able to satisfy only after considerable searching. In our opinion, expeditious action should be taken to inventory and catalogue the approximately 60,000 volumes on hand and submit a listing thereof to all USAID Missions.

### RECOMMENDATION NO. 3

AID/W, EA should provide assistance to enable the AID/RLO-J to (a) inventory and prepare a listing of all technical publications on hand, and (b) circulate a copy of the listing to all USAID Missions.

## REPORTING

Activities of the AID/RLO-J were formerly reported to AID/W on a quarterly basis. These reports included a narrative discussion of items of a general nature as well as comments on specific items. The reports included summary schedules showing by man-months the time spent on technical assistance/inspection; liaison and assistance visits; acceptance inspection of 608 excess equipment; AID requisitions received (by number of line items and dollar value shipped); publications shipped and received; and acceptance inspections of offshore procurements. These quarterly reports were discontinued shortly after arrival of the newly assigned Director of AID/RLO-J in December 1967; the last such report having been issued on January 19, 1968 for the period October 1, to December 31, 1967.

This matter was discussed with the RLO-J who advised that AID/W personnel had orally indicated to him during his recent visit there that such reporting should be resumed and that he would issue a report for the quarter ended March 31, 1969. Although we recognize that it is essential for prudent management that AID/W be apprised through periodic reports of the activities of its field offices, it does not appear to be wise in this instance to automatically resume reporting of statistics, which AID/W managed to do without for a period of 15 months, without first reassessing the need for the data being reported.

RECOMMENDATION NO. 4

AID/W, EA should evaluate the operations of the AID/RLO-J in light of the overall objectives to be attained and advise the RLO-J accordingly as to the type of information desired in a report, the preferred format of the report, and the desired reporting cycle if such data is to be used as an effective tool of management at the AID/W level.

As stated previously, we did not develop a cost-benefit ratio. We did, however, evaluate the operations of the AID/RLO-J from a functional point of view, giving consideration to (1) the technical assistance and supplies available through the military depots, (2) the continuing need for such technical assistance and supplies by the various USAID Missions as evidenced by the frequency of the requests, and (3) the necessity for AID to provide its own customer-service facility to handle the numerous follow-up actions requested by the USAID Missions since the USADCO provides only limited service to its non-military customers. The functions of the AID/RLO-J are set forth below, followed by specific comments concerning the more significant areas.

Utilizing the facilities and personnel of the U.S. Army Depot Command, Japan, the AID/RLO-J provides the following services for the USAID Missions:

- a. Receive, edit and process requisitions for repair parts and other supplies.
- b. Follow-up and advise Missions of status on supply and shipment.
- c. Technical research for specifications not available within Missions.
- d. Lists of parts, tools and equipment needed to support and maintain various items of equipment held by Missions or host countries.
- e. "Reverse Engineering" services for "one of a kind" replacement parts.

- r. Acceptance inspections for offshore procurements.
- g. Technical field assistance in management, supply, warehousing, distribution, care and preservation, and maintenance of supplies and equipment.
- h. Field teams for special studies and seminars for training of Mission and indigenous personnel as requested.
- i. Orientation training in Japan for groups of persons of all levels on modern logistics techniques and procedures.

Using its own personnel, the AID/RLO-J performs the following services for the USAID Missions:

- a. Maintains a library of technical manuals and publications for issue to Missions.
- b. Prepares special technical manuals geared to USAID requirements in the field of logistics management and furnishes copies to Missions for distribution to their field agencies.
- c. Coordinates and prepares documentation for AID/VN cargoes purchased off-shore which are to be transported by the Defense Transportation System (MSTS and MAC). This includes training and retraining of personnel of Missions in other countries where VII procures material.
- d. Serves as sole focal point for participation of Missions in the Pacom Utilization and Redistribution Program (PERM-PURA).
- e. Receives Mission want-lists and requests and prepares punch cards and transceives to the PURA Agency in Okinawa for further service to Missions.

The Regional Logistics Officer personally accomplishes the following:

- a. Sits as a member of WEST PAC Transportation Priorities board.
- b. Maintains contact with military and civilian port authorities to assure smooth flow of AID cargoes generated in the Far East.
- c. Prepares and monitors Inter Service Support Agreements with Far East Military organizations for services not provided by USADCJ.
- d. Conducts periodic liaison visits to Far East Missions to resolve in person any problems which arise and to forestall others in advance.

- e. Provides orientation services for DOD personnel enroute to duty in FE Missions as well as numerous TDY visitors from AID/W.

#### Processing Requisitions Submitted by USAID Missions

As indicated in Exhibit B, there were 16,061 line items shipped in FY 1968 and 10,829 in the first nine months of FY 1969. Since the requisitions usually contain more than one line item, the line items shipped are not a true indication of effort expended by the AID/RLO-J. Nevertheless, there is a considerable amount of effort required of the AID/RLO-J in connection with requisitions received from USAID Missions. For example, each requisition is edited by personnel of the AID/RLO-J for correct citation of USAID funds and appropriate coding for shipping and billing prior to being forwarded to the USADCJ where separate cards are prepared for each line item for processing into the computerized military supply system. Judging from the numerous corrections made by the AID/RLO-J personnel, this editing is a vital necessity.

The preponderance of work performed by AID/RLO-J personnel in connection with requisitions received from the USAID Missions is in the requested follow-up of specific line items. Records are not maintained to show the number of follow-up requests received or the time required to clear them; however, it was observed that numerous requests were received during the audit and that one individual, the local-hire supply technician, was engaged practically full-time in this activity. Each request requires that the line item in question be traced through the supply channel at the USADCJ to determine the current status and that the USAID Mission is promptly notified. This action takes anywhere from a minimum of one hour to perhaps several days, depending on the number of line items involved. The matter of follow-up on AID requisitions was discussed at length with officials of the USADCJ who advised that they were limited by computer capability in providing this service. With AID now acquiring access to supplies listed in the PURA Hi-Value Asset Catalog (discussed below), the Regional Logistics Officer, Japan estimates that it will require the full-time services of one individual to do the necessary research, processing, and follow-up on PURA Asset requests alone received from the USAID Missions.

At the time of the audit the RLO-J was processing two Service Interest Reports (SIR), one for Laos containing approximately 1,500 line items and the other for Thailand, containing approximately 400 items. The SIR is a "want list" which is compared by RLO-J to the PURA catalog to determine availability of the items. After appropriate annotation, the SIR is returned to the USAIDs for requisitioning through the AID/RLO-J items indicated as being available.

## Liaison with USAID Missions, USADCJ and Other Military Installations

As indicated in Exhibit C, the AID/RLO-J provided 351.0 man-days of technical and administrative assistance to the USAID Missions and/or Excess Property Regional Office No. 5 in FY 1968 and 206.5 man-days during the first nine months of FY 1969. These visits are in addition to those made by technicians provided by USADCJ (Exhibit D) under the agreement between AID and DOD. It is recognized that the figures may not necessarily be representative of normal conditions because of the approximately eleven man-months spent by the Director, AID/RLO-J on almost continuous TDY in one country during FY 1968 and FY 1969. Nevertheless, there is a definite need for liaison visits to the USAID Missions, and to military depots both inside and outside of Japan. For example, during the audit, the RLO-J spent four days at the military supply depot in Okinawa during which time he was able to make appropriate arrangements for the USAID Missions to avail themselves of the commodities listed in the PURA Hi-Value Asset Catalog published by the 2nd Logistical Command, Operating Agency. Also, the Regional Logistics Officer, Japan was in the process of assisting several of the USAID Missions in the negotiation of agreements with the military for furnishing stevedoring services and inland transportation of commodities. Other visits to Djarkata, Vientiane and Rangoon have been scheduled by the Regional Logistics Officer, Thailand during the remainder of FY 1969. If it were not for the recent reorganization in March 1969, these visits would have been made by the Regional Logistics Officer, Japan. (We question the justification for establishing the Regional Logistics Officer position in Thailand-See page 8).

In summary, liaison visits are required at the supervisory level with the USADCJ and other military installation personnel to (1) assist in the negotiation of logistics and transportation support agreements, (2) make appropriate arrangements for the military to provide qualified technicians to fill USAID Mission's requests, (3) develop new sources of supply for AID such as PURA described above, and (4) establish priorities for shipments of supplies or furnishing technical assistance to the USAID Missions when there is a conflict. The officials of USADCJ advised that they look to the AID/RLO-J as the centralized contact point with AID concerning the furnishing of logistical support to the various USAID Missions.

### Technical Assistance Library

The records of the AID/RLO-J indicate that for the two year period ended June 30, 1968 a total of 32,347 publications have been shipped against a total of 55,846 requested. This record of shipments is outstanding when one considers the fact that it was not until February 1969 that a partial listing of available technical manuals was first distributed to the USAID Missions. It emphasizes the necessity for expeditious action to complete the cataloging and distribution to the USAID Missions, of a listing of the approximately 60,000 volumes currently on hand.

## Overall Coordination of the AID/RLO-J Operation

As a result of our audit, we have concluded that continued operation of the AID/RLO-J is justified on the basis of the services that are being provided to the USAID Missions; however, we are of the opinion that there should be closer coordination at the AID/W level. In this connection we noted that the Regional Logistics Officer-Japan receives separate instructions from both the VN and EA Bureaus, with no apparent coordination between the Bureaus, other than for funding. This situation apparently is due to the fact that although administration of the AID/RLO-J is the responsibility of the EA Bureau, the RLO-J and the Administrative Assistant are on the VN Mission payroll. In addition, we noted that, recently, the AID/W Office of A/GPR has become interested in the activities of the AID/RLO-J and has requested certain services from it. While this request was previously coordinated with the VN and EA Bureaus, the fact that at least three AID/W offices have primary interest in the operation of the AID/RLO-J emphasizes the need for closer coordination and centralized overall administration and control of the AID/RLO-J.

### RECOMMENDATION NO. 5

AID/W, AA/A should take appropriate action to assign the responsibility for overall administration and control of the AID/RLO-J to one AID/W office.

In order to corroborate our opinion concerning the need to continue the operation of the AID/RLO-J, we have asked USAIDs located in Vietnam, Laos, Thailand and the Philippines for comments as to the adequacy of the services provided in the past and the extent to which such services will be required in the future. We had not received any reply as of the date this report was issued.

REGIONAL LOGISTICS MANAGEMENT PROJECT  
 No. 489-11-990-004 (JAPAN)  
 Status of Funds as of February 28, 1969

EXHIBIT A

Appropriation:  
Allotment:

72-1191004  
954-60-488-00-69-91

<u>Allotment for:</u>	Regional Logistics Office	\$129,000.00
	Asian Productivity Organization	-
	APO Technical Information Officer	<u>42,000.00</u>
		<u>\$171,000.00</u>

Cumulative Obligations

Regional Logistics Office		\$ 80,506.80
Asian Productivity Organization		<u>28,499.39</u>

\$109,006.19

Cumulative Disbursements

Regional Logistics Office		36,395.46
Asian Productivity Organization		<u>20,083.02</u>

56,478.48

Unliquidated Obligations

\$52,527.71 (a)

(a) In addition, unliquidated obligations of prior year funds were \$11,918.30 for APO and RLO-J, combined.

AID REQUISITIONED ITEMS SHIPPED  
(BY LINE ITEM AND DOLLAR VALUE)

SHIPPED TO	FY 1968		FY 1969 (9 MONTHS)	
	LINE ITEMS	VALUE	LINE ITEMS	VALUE
EPRO-5 - JAPAN	1,703	\$ 17,995.07	209	\$ 1,753.98
- KOREA	51	5,043.97	1	2.13
- OKINAWA	69	22,409.83	22	4,787.79
USAID - BURMA	42	334.96	1	04
- INDONESIA	-	1,529.25	31	484.41
- LAOS	3,686	227,639.47	3,208	133,284.70
- PHILIPPINES	1,140	26,564.18	146	3,151.03
- VIETNAM	6,798	1,112,689.15	5,261	331,514.61
- THAILAND	2,210	136,259.99	851	56,778.96
- AFGHANISTAN	265	1,483.88	10	88.92
- KENYA	97	10,529.22	1,089	31,589.53
	<u>16,061</u>	<u>\$1,562,478.97</u>	<u>10,829</u>	<u>\$563,436.10</u>

MAN-DAYS EXPENDED ON LIAISON VISITS TO MISSIONS  
BY AID/RLO-J PERSONNEL

<u>LOCATION</u>	<u>FY 1968</u>	<u>9 Months FY 1969</u>
EPRO-5 - OKINAWA	10.0	
- KOREA	1.0	
USAID - INDONESIA	117.0	
- LAOS	6.0	
- PHILIPPINES	16.0	2.0
- KOREA	8.0	
- THAILAND	89.0	203.0
TAIPEI, TAIWAN (TRANSPORTATION)	29.0	1.5
Inspection of 608 Excess Property	<u>75.0</u>	<u>          </u>
Total Man-Days	<u>351.0</u>	<u>206.5</u>

REGIONAL LOGISTICS MANAGEMENT PROJECT  
NO. 498-11-990-004 (JAPAN)

EXHIBIT D

MAN-DAYS OF TECHNICAL/ADMINISTRATIVE ASSISTANCE  
PROVIDED BY U.S. ARMY DEPOT COMAND-JAPAN

<u>LOCATION</u>	<u>MAN-DAYS</u> <u>FY 1968</u>	<u>MAN-DAYS</u> <u>9 MO FY 1969</u>
EPRO-5 - JAPAN	60.0	
- OKINAWA	189.0	
- KOREA	120.0	
Excess 608 Inspection		
USAID - BURMA		
- INDONESIA	714.0	204.0
- LAOS	138.0	81.0
- PHILIPPINES		153.0
- VIETNAM	219.0	511.9
- KOREA		
- THAILAND	423.0	826.5
RLO-J		<u>3.6</u>
Technical Assistance Man-Days	1,863.0	1,780.0
Administrative	300.0	
Technical Manual Development	<u>900.0</u>	
Total Man-Days	<u>3,063.0</u>	<u>1,780.0</u>

Distribution of Report

	<u>No. of Copies</u>
RLO-J	2
<u>AID/W</u>	
AA/A	1
C/ID	2
EA/NEA	1
EA/PMCA (Compliance)	2
EA/RD	1
VN/CM/LOG	1
<u>IGA/W</u>	1
Auditor-In-Charge: Kenneth G. Wagner	1

REGIONAL LOGISTICS MANAGEMENT PROJECT  
NO. 498-11-990-004 (JAPAN)

EXHIBIT F

Report Content Data  
(M.O. 798.1, VI, B.C.)

(1) Activity Identification

Other -

a. Regional Project No. 498-11-290-012

Regional Logistics Management

(2) Dollar value audited (in thousands)

\$371.8

(3) Man-months expended on audit

American

0.5

Local

0.0

Total Man-months

0.5