



SAAG-IMT

24 September 2004

MEMORANDUM FOR

Commander, U.S. Army Joint Munitions Command (SFSJM-HQ), 1 Rock
Island Arsenal, Rock Island, Illinois 62599-5200
Commander, Lone Star Army Ammunition Plant, Texarkana, Texas
75507-5000

SUBJECT: Validation of Data for Base Realignment and Closure 2005,
Lone Star Army Ammunition Plant, Texas (Project Code A-2003-IMT-
0440.052), Audit Report: A-2004-0522-IMT

1. **Introduction.** The Director, The Army Basing Study Group asked us to validate data that the Study Group and six Joint Cross-Service Groups¹ will use for Base Realignment and Closure (BRAC) 2005 analyses. This report summarizes the results of our validation efforts at Lone Star Army Ammunition Plant, a government-owned, contractor-operated facility in Texas. We will include these results in a summary report to the director and in our overall report on the 2005 Army basing study process.

2. **Background**

a. **BRAC 2005 Effort.** The Secretary of Defense initiated BRAC 2005 on 15 November 2002. The Secretary of the Army established the Deputy Assistant Secretary of the Army (Infrastructure Analysis) to lead the Army's efforts to support BRAC 2005. The Deputy Assistant Secretary directs The Army Basing Study Group, an ad hoc, chartered organization that serves as the Army's single point of contact for planning and executing the Army's responsibilities in the development of BRAC 2005 recommendations. The Study Group will gather and analyze certified data to assess the capacity and military value of Army installations, evaluate base realignment and closure alternatives, and develop recommendations for BRAC 2005 on behalf of The Secretary of the Army.

¹ The Study Group didn't collect capacity data for a seventh group—the Intelligence Cross-Service Group. Accordingly, we will report data validation results for that group to the Deputy Chief of Staff, G-2.

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The BRAC 2005 process requires certification of all data from Army installations, industrial base sites and leased properties; Army corporate databases; and open sources. A flowchart of the 2005 Army basing study process is at the enclosure.

b. **Military Value Data Call.** Often referred to as data call no. 2, the military value data call was issued in phases as follows:

Phase	Question Categories	Issue Date	Certification Deadline
I	Army/Cost of Base Realignment Action Model	19 Apr 04	7 Jun 04
IIa	Medical*, Supply and Storage Activities*, and Community**	4 Jun 04	11 Aug 04
IIb	Industrial*, Headquarters and Support Activities*	18 Jun 04	11 Aug 04
III	Education and Training*	9 Jul 04	25 Aug 04
IV	Technical*	21 Jul 04	8 Sep 04

* Joint Cross-Service Groups.

** BRAC 2005 Selection Criterion 7: Impact on Local Community.

3. Objectives, Scope and Methodology

a. **Objectives.** Our objectives were to determine if:

- Certified data provided to The Army Basing Study Group and Joint Cross-Service Groups was adequately supported with appropriate evidentiary matter.
- Certified data was accurate.
- BRAC 2005 management controls were in place and operating at installations.

b. **Scope.** Lone Star Ammunition Plant received 117 questions during the military value data call. To answer our first 2 objectives, we validated responses to 36 judgmentally selected questions the plant received. This table shows the question population and our sample size for each phase:

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Phase	Question Population	Sample Size
I	35	19
IIa	10	6
IIb	34	6
III	38	5
IV	0	0
Total	117	36

We reviewed phase I questions after the plant certified its answers on 7 June 2004. We reviewed questions for phases II, III and IV before the plant's initial certifications on 11 August 2004, 25 August 2004 and 8 September 2004, respectively. To answer the third objective, we evaluated BRAC 2005 controls related to installations.

c. **Methodology.** We conducted our review from July to September 2004 in accordance with generally accepted government auditing standards, which include criteria on the adequacy and appropriateness of evidentiary matter, accuracy and management controls. We assessed the accuracy of installation answers using these specific criteria:

- For questions with a single answer and minimal support requirements, we didn't allow any margin for error except for answers reporting square footage.
- For questions with answers involving square footage, we defined significant errors as greater than 10 percent.
- For questions with multiple answers and single answers with voluminous supporting documentation, we allowed errors up to 25 percent in the samples we reviewed, provided the errors weren't significant (determined by auditor judgment except for answers reporting square footage).

We didn't rely on computer-generated data to validate responses from Army corporate databases, but instead validated the accuracy of the data by comparison with source documents or physical attributes. When practicable, we also validated installation responses from other databases in the same manner. For all other responses, we worked with the

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installation administrator to obtain the evidence needed to answer all three objectives.

4. **Results**

a. **Adequacy of Support.** All 36 responses we validated for Lone Star Ammunition Plant were adequately supported with appropriate evidentiary matter.

b. **Accuracy.** Responses to 35 of the 36 questions we validated were accurate. On one question, the plant incorrectly added the annual costs for FYs 97-03 although the question asked for the annual costs for FY 03 only.

c. **Management Controls.** In our opinion, appropriate management controls for BRAC 2005 were in place and operating at Lone Star Ammunition Plant. The senior mission commander had certified the responses submitted to The Army Basing Study Group. All personnel required to sign nondisclosure statements had done so, except for one individual who took immediate corrective action. Because they are collocated, the plant submitted the same answers to the community support questions that Red River Army Depot submitted. When we validated these questions, we found that the depot had faxed and electronically transmitted a screen print of two education questions to the local school district for it to answer. These questions asked for information on student enrollment, student capacities in school buildings, high school graduation rate, average standardized test scores, pupil to teacher ratios, and percent of certified high school teachers. We didn't consider this to be a material control violation.

d. **Action Taken.** Lone Star Ammunition Plant personnel corrected the one phase II response identified in paragraph 4b before the commander precertified the responses and submitted them to the Study Group.

5. **Contacts.** This report isn't subject to the official command-reply process described in AR 36-2. If you have any questions or need additional information, please contact Ms. Linda K. Cela at (254)

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287-7794 or Ms. Alice S. Arielly at (703) 428-6392. They also can be reached via e-mail at Linda.Cela@aaa.army.mil or Alice.Arielly@aaa.army.mil.

FOR THE AUDITOR GENERAL:



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Encl

CF:

Director, The Army Basing Study Office
Commander, U.S. Army Materiel Command
Director, U.S. Army Installation Management Agency, Southwest
Region

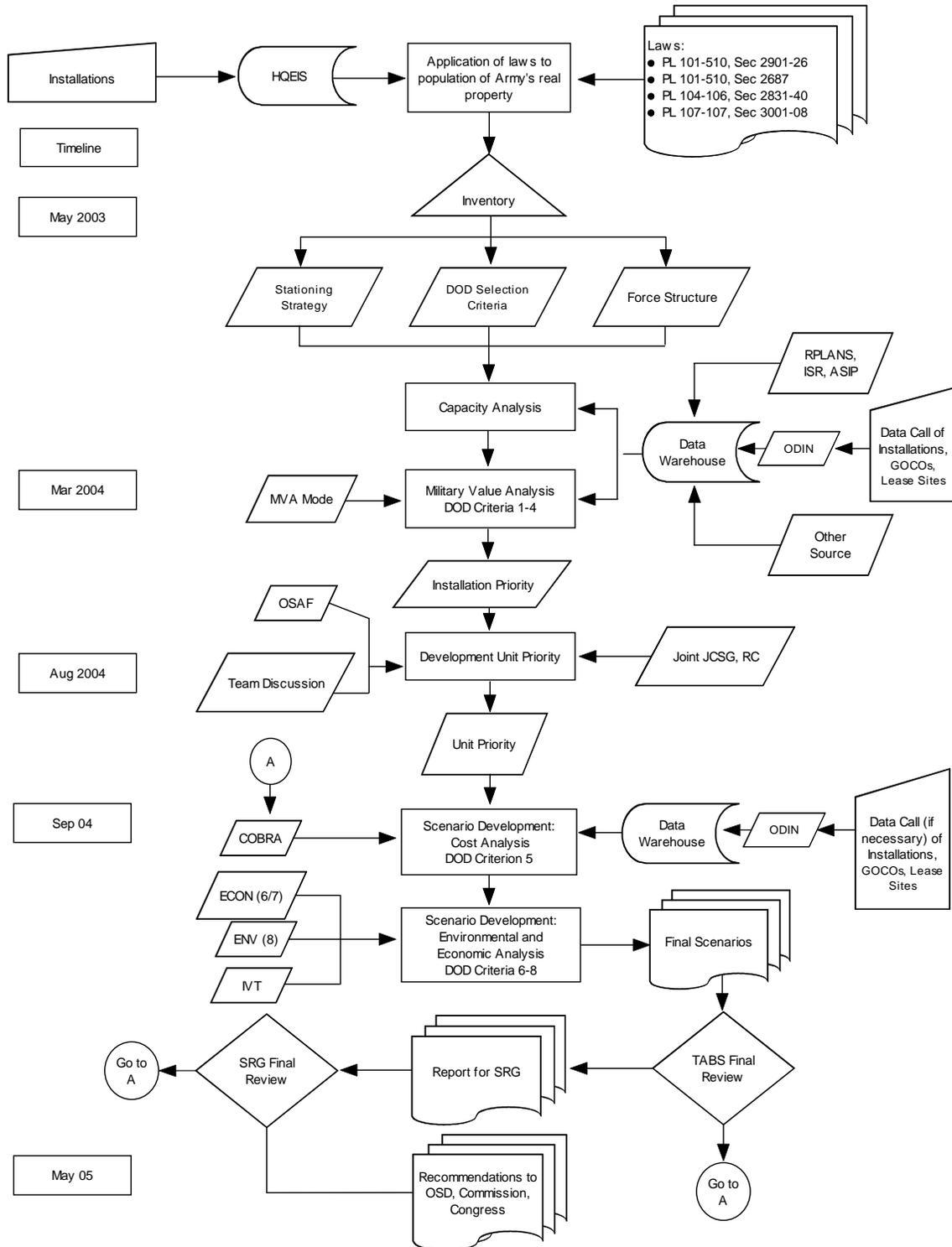
Acronyms and Abbreviations Used:

ASIP = Army Stationing and Installation Plan
 COBRA = Cost of Base Realignment Action Model
 ECON = Economic Model
 ENV = Environmental Model
 GOCO = Government-Owned, Contractor-Operated
 HQEIS = Headquarters Executive Information System

ISR = Installation Status Report
 IVT = Installation Visualization Tool
 JCSG = Joint Cross-Service Group
 MVA = Military Value Analyzer Model
 ODIN = Online Data Interface Collection
 OSAF = Optimal Stationing of Army Forces

OSD = Office of the Secretary of Defense
 PL = Public Law
 RC = Reserve Components
 RPLANS = Real Property Planning and Analysis System
 SRG = Senior Review Group

FLOWCHART OF 2005 ARMY BASING STUDY PROCESS



Enclosure