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HOUSEHOLD GOODS SHIPMENTS IN EXCESS OF MILITARY SERVICEMEMBERS'--ETC(U)
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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

PROCUREMENT, LOGISTICS,
AND READINESS DIVISION

B-203256

The Honorable Tony Coelho
House of Representatives

Dear Mr. Coelho:

Subject: Household Goods Shipments in Excess of Military
Servicemembers' Authorized Weight Allowances,
(PLRD-81-40)

In response to your August 19, 1980, request, we have reviewed the traffic management procedures for the movement and storage of personal property shipments and the weighing and reweighing of such shipments as set forth in Department of Defense (DOD) Regulation 4500.34-R. Specifically, you wanted to know what percentage of these shipments exceed the military members' authorized weight allowances and what can be done to reduce the incidence of overweight shipments.

The results of our review are summarized below and are discussed in detail in the enclosure.

- The Army, Navy, and Air Force processed a total of 19,432 household goods excess weight claims in fiscal year 1980. Most of these claims related to moves made in fiscal year 1979. By comparing claims processed in fiscal year 1980 with fiscal year 1979 moves, we estimated that 5.7 percent of household goods shipments made in fiscal year 1979 exceeded the authorized weight allowances.
- The statistics indicate that the majority of military servicemembers are able to stay within their authorized weight allowances. This, however, does not necessarily mean that the authorized weight allowances are adequate since many members might be suffering hardships to avoid charges for excess weight.
- DOD's Per Diem, Travel and Transportation Allowance Committee recently recommended to the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) that the weight allowances be increased by as much as 2,500 pounds for some military pay grades. Because the

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data which led to the recommended increases was based on potential instead of actual excess weight cases, it overstated the extent of excess weight shipments. The data we obtained showed that only a percentage (less than 25 percent in the Army, 40 percent in the Air Force, and 60 percent in the Navy) of the potential excess weight cases resulted in actual excess weight cases after adjudication.

--There are inequities in the entitlements for junior enlisted members. E-1s through E-3s and E-4s with 2 years' service or less are limited to a gross weight of 225 pounds for moves within the United States. In contrast, the next higher pay grade (E-4s with over 2 years' service) are authorized 7,000 pounds net weight. Not only is the difference between the weight allowances significant, but the distinction between gross weight and net weight intensifies the inequity. Since the junior enlisted members' weight allowance is based on gross weight, they are not given credit for the weight of packing/crating material. All higher ranking members receive a credit of 10 to 50 percent for packing/crating material.

--The chances of servicemembers unknowingly shipping excess weight can be reduced if they are adequately advised of their entitlements and responsibilities and receive a reasonably accurate weight estimate before their moves. We found inadequacies in the premove counseling given to Navy members.

Our report contains recommendations to the Secretary of Defense designed to correct the problem areas cited above.

As agreed with your Office, we did not obtain written comment comments from DOD on the matters discussed in this report. However, we did discuss the contents with DOD officials and they agreed with our findings.

We are sending copies of this report to the Secretary of Defense.

Sincerely yours,

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Donald J. Horan
Donald J. Horan
Director

Enclosure

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HOUSEHOLD GOODS SHIPMENTS IN
EXCESS OF AUTHORIZED WEIGHT ALLOWANCES

INTRODUCTION

The statutory authority for the transportation of military members' household goods at Government expense is contained in Title 37 of the United States Code. Servicemembers are entitled to transportation of household goods, including related storage, within prescribed weight allowances. Authorized weight allowances are listed in the military Joint Travel Regulations (JTR) and range from 225 pounds for recruits to 24,000 pounds for generals and admirals. The 1981 Department of Defense Appropriation Act, however, imposes a maximum net weight allowance of 13,500 pounds for any one permanent change-of-station move.

The JTR imposes further administrative weight restrictions for moves to or from stations outside the United States where public quarters or private housing is fully furnished with Government-owned furnishings. Shipments of household goods to or from these stations are limited to 2,000 pounds or 25 percent of the normal JTR maximum permanent change-of-station weight allowance, whichever is greater.

All weight allowances are for net weight and exclude packing/crating materials except for enlisted personnel with a rank of E-4 (with 2 years' service or less) and below moving within the United States. These junior enlisted personnel are only authorized to ship a gross weight of 225 pounds, including packing/crating materials, for moves within the United States. Also excluded from the weight allowances are professional books, papers, and equipment which the member certifies as being necessary to perform official duties.

Department of Defense (DOD) Regulation 4500.34-R establishes the procedures and responsibilities for the movement and storage of personal property for all DOD personnel. According to the regulation, the services' installation transportation officers are responsible for initiating household goods moves within their designated areas. The procedures include counseling members before their moves. The counseling involves informing members of their authorized weight allowances, including their right to ship professional books, papers, and equipment; estimating the weight of the household goods; advising members of weighing procedures and their right to witness the weighing of their household goods; informing members of their responsibility if they ship excess weight; and assisting members in solving household goods shipment-related problems.

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SCOPE AND METHODOLOGY

We made our review primarily at the Army Finance and Accounting Center in Indianapolis, Indiana; the Navy Material Transportation Office in Norfolk, Virginia; and the Air Force Joint Personal Property Shipping Office in San Antonio, Texas. We obtained additional information from the headquarters of the military services; headquarters of the Military Traffic Management Command; the Department of Defense Per Diem, Travel and Transportation, Norfolk; the Navy Regional Data Automation Center, Norfolk; and the Navy Family Allowance Activity, Cleveland, Ohio. The review was made from November 1980 to March 1981.

We interviewed agency officials, obtained and reviewed pertinent regulations, obtained available data on the number of servicemembers with household goods moves and the number of excess weight cases processed, and reviewed the files of about 550 excess weight cases to find potential deficiencies which may be contributing to the occurrence of excess weight shipments. Our sample size was not sufficiently large to make any overall projections of deficiencies found in the sample cases.

EXTENT OF EXCESS WEIGHT PROBLEM AND POSSIBLE SOLUTIONS

The services transfer thousands of members each year to new duty stations and pay for shipment of household goods within authorized weight allowances. Many members, however, exceed their authorized weight allowances and must bear the cost of shipping the excess weight. This enclosure explores the following questions: What is the extent of excess weight shipments? What recourses are available for members to get relief from paying for shipping excess weight? What are the potential ways to reduce the incidence of excess weight shipments? How can collection procedures be improved?

Extent household goods moves exceed authorized weight allowances

Military members' moves frequently involve more than one shipment. For example, a move may involve not only a shipment from the origin residence, but also shipments that are in storage elsewhere. Since excess weight is calculated on the aggregate weight of all shipments involved in a particular move, we had to determine the number of members whose household goods were moved during a given period. We selected fiscal year 1979 and developed the following data for the three services.

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<u>FY</u>	<u>Military members with household goods moves</u>			
	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Total</u>
1979	127,485	121,111	94,955	343,551

Because of the way documents for household goods moves are processed, the services could not tell us how many members actually shipped excess weight for a particular period. Because of the time required to accumulate all of the shipping documents, process the carriers' bills for payment, and adjudicate potential claims for overweight shipments, the services normally take almost a year from the date of a move to determine whether shipments actually exceeded the member's weight allowance. However, data on the number of excess weight claims processed in a specific period was available. The data for fiscal year 1980 for the three services is as follows:

Household Goods Excess Weight Claims
Processed in FY 1980

Army	<u>a/5,346</u>	<u>\$2,605,180</u>
Navy	<u>3,598</u>	<u>1,439,000</u>
Air Force	<u>10,488</u>	<u>4,302,631</u>
Total	<u>19,432</u>	<u>\$8,346,851</u>

a/A small but unknown percentage of these claims are for excess costs other than excess weight; for example, shipments of unauthorized items, excess distance, and house trailer moves.

The excess weight claims processed in a given fiscal year are not relatable to moves made in that year because of the time lapse between a move and the processing of the excess weight claims. Such a comparison, however, can serve as an indicator of the extent of the problem. By comparing claims processed in fiscal year 1980--most related to 1979 moves--with fiscal year 1979 moves, we estimated that 5.7 percent of the household goods shipments made in fiscal year 1979 exceeded the authorized weight allowances.

We further analyzed Navy data and found significant variances between pay grades. For example, 17 percent of the Navy junior enlisted members (E-1s through E-3s and E-4s with 2 years' service or less) shipped overweight goods in fiscal year 1979. These members are limited to a gross weight of 225 pounds for moves within the United States and 1,500 pounds for moves to or from overseas locations. In contrast, less than 1 percent of the E-4s with over 2 years' service shipped over their authorized net weight allowance of 7,000 pounds.

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The following table shows the large variances by pay grade.

Navy FY 1979 Household
Goods Moves for Each Pay Grade

<u>Pay grade</u>	<u>No. of moves</u>	<u>No. shipping excess weight</u>	<u>Percent shipping excess weight</u>
Officers:			
O-7 (note a)	108	25	23.1
O-6	1,230	217	17.6
O-5	2,568	354	13.8
O-4	4,572	393	8.6
O-3	8,516	198	2.3
O-2	3,323	55	1.7
O-1	7,377	26	0.4
W-4	176	12	6.8
W-3	134	5	3.7
W-2	600	32	5.3
W-1	<u>7</u>	<u>0</u>	0.0
Total	<u>28,611</u>	<u>1,317</u>	4.6
Enlisted:			
E-9	990	131	13.2
E-8	2,438	289	11.9
E-7	9,326	787	8.4
E-6	21,085	1,007	4.8
E-5	27,497	357	1.3
E-4	22,412	96	0.4
E-3 (note b)	<u>8,752</u>	<u>1,517</u>	17.3
Total	<u>92,500</u>	<u>4,184</u>	4.5
TOTAL	<u>121,111</u>	<u>5,501</u>	4.5

a/Includes all pay grades for admirals since they have the same weight allowances.

b/Includes E-1 through E-3 and E-4 (with 2 years' service or less) pay grades since they have the same weight allowances.

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Recourses available to service-
members to get relief from claims

Many servicemembers ship household goods in excess of their authorized weight allowances each year. Although claims are made against individual members to recover the cost of shipping the excess weight, members can get partial or total relief from claims through a rebuttal process or through remission of indebtedness provisions.

The rebuttal process

The services have a process whereby servicemembers can rebut excess weight claims against them. The servicemember must submit a written letter stating reasons for the rebuttal. Rebuttals are reviewed in the appropriate finance and accounting office and the responsible transportation office and then forwarded to the service organization responsible for adjudicating household goods excess cost claims. After considering the rebuttal, the services decide to sustain, drop, or adjust the amount of the claim.

Air Force officials told us that about 10 percent of all their excess cost claims are rebutted and about 66 percent of those rebutted are for valid reasons, such as:

- Erroneous data input and program identification.
- Additional administrative weight not identified on the bill of lading.
- Professional books, papers, and equipment not identified on the bill of lading.
- Credit for irreparable damage and loss.

We could not determine how many Air Force members get relief from excess weight cost claims through the rebuttal process.

On the basis of rebuttals received by the Army Finance and Accounting Center in fiscal year 1980, we found that

- 2,529 rebuttals were received,
- 2,320 were reviewed,
- 1,524 were ruled upon,
- 780 claims were voided, and
- 744 claims were reduced or sustained.

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We also found that 21 of the 100 Army cases we reviewed were rebutted. Disposition of the 21 rebuttals was as follows:

- Excess cost dropped in 8 cases.
- Excess cost reduced in 3 cases.
- Excess cost sustained in 3 cases.
- Rebuttal still in review process for 7 cases.

Bases for rebutting the 21 cases were (1) credit was not allowed for the weight of professional books, papers, and equipment shipped, (2) additional authorized weight allowances were not considered, (3) lower reweigh weights were not considered, (4) weight allowance used in computing excess weight was for incorrect pay grade, and (5) weights of shipments for two separate permanent change-of-station moves were added together.

This data clearly shows that some Army members get relief from excess weight cost claims through the rebuttal process.

Remission of indebtedness provisions

Another alternative available to active enlisted members who incur excess weight charges is to apply for a remission of the indebtedness. As authorized by 10 U.S.C. 9837(d), the Secretaries of the services may remit or cancel any part of an enlisted member's indebtedness to the Government if such action is considered to be in the country's best interest.

A member's application for remission must be based on injustice, or extreme hardship, or both. The objectives of the remission program are to:

- Reduce serious debt problems of enlisted members on active duty when caused by injustice.
- End extreme hardship or undue suffering of members or their dependents.
- Boost morale or encourage reenlistments.

We obtained the following data regarding the services' remission cases on household goods excess weight cost.

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	<u>No. of cases</u>	<u>Amount remitted</u>	<u>Amount sustained</u>
Army (1979 and 1980)	242	\$ 56,387	\$55,817
Air Force (Jan. 1, 1978- June 30, 1979)	1,023	560,481	91,408
Navy (fiscal years 1979 and 1980)	236	115,139	54,463

The rebuttal process and the remission of indebtedness provisions both serve to relieve members from charges for shipping excess weight in household goods moves. Neither action, however, minimizes the incidence of excess weight shipments.

Potential ways to reduce incidence
of excess weight shipments

DOD could take a number of actions to reduce the number of servicemembers who ship household goods in excess of their authorized weight allowances, such as

- increasing JTR weight allowances,
- increasing administrative weight allowances,
- providing a packing allowance for junior enlisted members,
and
- improving premove counseling.

Increasing the JTR weight allowances for all military members probably would have the greatest impact. However, we do not believe the overall incidence of excess weight shipments warrants that action at this time. DOD should pursue the other less costly actions before increasing the authorized weight allowance for all members.

Increase JTR weight allowances

Increasing JTR weight allowances for military members is one obvious way to potentially reduce the number of excess weight shipments. DOD's Per Diem, Travel and Transportation Allowance Committee, in a February 4, 1981, memorandum to the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), recommended an increase in the weight allowance for most military personnel. The proposed increases ranged from 500 to 2,500 pounds depending on pay grade. According to the Committee, the budgetary impact of the proposed weight increases would be \$94.6 million a year.

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The Committee based its recommendation on the services' input, which indicated that a significant percentage of members are shipping household goods in excess of their weight allowances. We analyzed the services' input data and found that it significantly overstated the number of members shipping over weight. The services' data was based on weight information from shipping documents which only indicated potential excess weight shipments. The services use the information on the shipping documents to identify potential excess weight cases which are then adjudicated to determine the actual excess weight and related cost. The adjudication process considers, among other things, (1) a 10- to 50-percent reduction of weight shipped for packing material, (2) reduced weights resulting from reweighing the shipments, and (3) allowances for professional books, papers, and equipment.

We found that only about 22 percent of the Army's and 39 percent of the Air Force's potential excess weight cases adjudicated in fiscal year 1980 proved to be excess. We also determined that about 52 percent of the Navy's fiscal year 1979 potential excess weight cases were actually excess. On the basis of these results, we believe the Committee should reconsider its recommendation on the basis of actual, not potential, excess weight cases.

Increase administrative
weight allowances

As mentioned previously, JTR weight allowances are further restricted by administrative weight allowances imposed on moves to or from certain stations outside the United States where either public quarters or private housing is fully furnished with Government-owned furnishings. Shipments to or from these stations are limited to 2,000 pounds or 25 percent of the normal JTR weight allowance, whichever is greater. Members are entitled to store or ship the remainder of their normal JTR authorized weight allowances to a designated place.

We reviewed 94 excess weight cases processed by the Army in fiscal year 1980 and found that 44 of them involved administrative weight allowances. In contrast, we found no administrative weight allowance cases in the 103 Navy excess weight cases reviewed and only 68 in the 352 Air Force cases.

The analyses which led to the DOD Per Diem, Travel and Transportation Allowance Committee's recommendation to increase the JTR weight allowances did not address moves where administrative weight allowance applied. We believe that any analysis made to determine the percentage of servicemembers shipping excess weight should identify the impact of these administrative weight restrictions. It might be possible to significantly reduce the incidence of excess weight shipments by only adjusting the administrative allowances.

Provide a packing allowance for
junior enlisted members

The JTR currently allows no packing allowances for E-1s through E-3s and E-4s with 2 years' service or less for moves within the United States. In contrast, all other pay grades are entitled to a 10- to 50-percent allowance for packing and crating material, depending on type of transportation. The effect of not having a packing allowance can be costly to these individuals who only have an authorized gross weight allowance of 225 pounds.

The DOD Per Diem, Travel and Transportation Allowance Committee's recommendation to increase the JTR weight allowances included changing the allowance for these junior enlisted members to 225 pounds net weight. This would authorize a credit for packing weight to these members and should substantially reduce the overall incidence of excess household goods weight shipments.

Improve premove counseling

The Navy has received many complaints from members concerning improper counseling. Problems noted in the Navy's counseling included

- insufficient time devoted to the counseling,
- questionable methods used to estimate the weight of property to be shipped, and
- inadequate advice given concerning members' entitlements.

Navy officials agree that insufficient time is devoted to counseling members applying for household goods shipments. A counseling session generally is limited to about 20 minutes for each member because of a heavy workload. Navy officials believe about twice as much time is needed to thoroughly advise members of their entitlements.

Household goods weight estimates are made by the member and the counselor during the counseling session. The estimates are based on the member's knowledge from previous moves or on standard weights for a room of furniture which vary by pay grade. Navy officials believe the procedures result in underestimating household goods weight because many factors are not considered.

We found that the actual weights exceeded estimated weights in 88 of the 103 Navy excess weight cases reviewed. Differences between the actual and estimated weights in these 88 cases ranged from 9 to 5,572 pounds, with the average being 1,760 pounds. The average actual weight was 130 percent of the estimated weight in these 88 cases.

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We also found that Navy members are not being adequately advised on their entitlements to ship professional books, papers, and equipment in addition to prescribed household goods weight allowances. The only way members receive credit for these items is by separately identifying, inventorying, packing, and weighing them. Navy documents indicate numerous problems involving members not being properly advised on professional items. According to a Navy document and our observation, members are only advised of their professional items entitlement when their estimated weight is over or near their authorized weight allowances. This practice is inequitable, especially when considering the imprecision of weight estimating techniques.

Navy officials have recognized these counseling problems and have partially addressed them. For example, the Navy Material Transportation Office has published two bulletins since November 1980 providing feedback on household goods shipping problems to personal property counselors.

Our review was limited primarily to the services' finance centers. Since premove counseling is not done at the Air Force and Army centers, we did not look into the effectiveness of such counseling by these two services.

The Army can improve claims collection policies and procedures by establishing minimum collection amounts

Current DOD procedures require the services to collect from individual servicemembers the cost of shipping household goods in excess of their authorized weight allowances. However, DOD has not established a uniform minimum claim amount for collection purposes. Title 4, Section 69.3 of the GAO Manual for Guidance of Federal Agencies provides that:

"Administrative collection procedures should provide for the establishment and observance of realistic points of diminishing returns * * * beyond which further collection efforts by the agency are not justified."

This guidance means that agencies should not try to collect claims for amounts less than the cost of the collection actions.

We found that the Army has not established a minimum household goods excess cost amount for which collection action will be taken against active servicemembers. In fiscal year 1980, the Army took collection action on 177 household goods excess cost claims for less than \$10 and a total of 1,057 actions on claims for less than \$50.

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The Navy and Air Force have implemented minimum collection amounts of \$25 and \$10, respectively, for claims against active servicemembers. The Army, Navy, and Air Force have all established minimums for collections from retired members. The Army's minimum for retired members is \$25, the Navy's is \$60, and the Air Force's is \$10.

The Federal Claims Collection Act of 1966, approved July 19, 1966, Public Law 80-508, 80 Stat. 308, 31 U.S.C. 951-953, provides that collection action may be terminated or suspended when it appears that the cost of collecting the claim is likely to exceed the amount of recovery.

CONCLUSIONS

The percentage of military members that ship excess household goods weight is relatively small. The number of individuals involved, however, would seem to indicate a problem serious enough to deserve attention and some corrective actions.

Our analysis of the extent of excess weight shipments indicates that the majority of military members manage to stay within their authorized weight allowances for household goods shipments. This, however, does not necessarily mean that the authorized weight allowances are adequate. Many members may be suffering undue hardships to comply with the current allowances.

The DOD Per Diem, Travel and Transportation Allowance Committee's recent recommendation to increase JTR weight allowances was based on invalid and incomplete data and should be reconsidered on the basis of actual excess weight cases.

Although an increase in the weight allowances authorized by the JTR should decrease the number of excess weight cases, an increase in the administrative weight allowances alone might substantially reduce them at far less cost. Any analysis made to assess the adequacy of household goods weight allowances should also specifically address the impact of the administrative weight restrictions.

We believe the failure to give junior enlisted members an allowance for packing material is inequitable, especially in view of the small weight allowance they are authorized for moves within the United States.

The chances of servicemembers shipping household goods in excess of their weight allowances can be decreased if service counselors take the time to (1) ensure that members fully understand their entitlements and responsibilities and (2) assist

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the members in making reasonably accurate weight estimates. This is especially true for young servicemembers who have seldom moved.

The Army is and the other services may be wasting time and money collecting household goods excess cost claims for amounts less than the cost incurred in the collection process. This is not a sound business practice and should be corrected on the basis of an analysis to determine the current cost of collecting these claims.

RECOMMENDATIONS

To reduce the incidence of excess weight shipments of household goods by servicemembers, we recommend that the Secretary of Defense:

--Direct the Per Diem, Travel and Transportation Allowance Committee to reconsider its recommendation to increase the JTR weight allowances. The reconsideration should be based on actual, instead of potential, excess weight shipments. Also, before the committee decides to increase the normal JTR weight allowances, it should consider the percentage of excess weight shipments related to the administrative weight restrictions imposed on moves to certain overseas stations.

Any future analysis made to determine the adequacy of the current JTR weight allowances should assess the impact of the limitations on members who stay within them as well as those who do not. A large percentage of military members could be selling numerous household goods items before each move just to stay within authorized allowances, then buying new replacements after arrival at their next duty stations. This could become a significant economic hardship for individuals who move as frequently as military members.

--Direct that prompt action be taken on the Per Diem, Travel and Transportation Allowance Committee's proposal to change junior enlisted members' weight allowance from 225 pounds gross weight to 225 pounds net weight for shipments within the United States. This will give these members the allowances for packing/crating material that all higher ranking members now receive.

--Reemphasize the importance and benefit of premove counseling and the need to provide adequate time to properly counsel servicemembers before household goods are shipped.

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--Direct the Secretary of the Army to establish an appropriate minimum collection amount to be used for household goods excess cost claims against service-members and direct the Secretaries of the Navy and Air Force to reevaluate their minimum collection amounts based on an analysis of the current cost to collect claims within each service.

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