

092593



UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
ROOM 403, U S CUSTOMHOUSE, 610 SOUTH CANAL STREET
CHICAGO, ILLINOIS 60607

AUG 2 1971

Brigadier General Peter G. Olenchuk
Commanding General
U. S. Army Ammunition Procurement
and Supply Agency
Joliet, Illinois 60436

Dear General Olenchuk:

We recently completed a survey of contractor operations at the Iowa and Lone Star Army Ammunition Plants. Our survey included a review of (1) the number of wage employees and supervisory personnel assigned to indirect operations at these plants and (2) the industrial management reviews made by the Plant Operations Directorate. On July 2, 1971, our staff discussed the survey results with Colonel Milton I. Fogel, Director, Plant Operations Directorate, and other members of your staff.

We noted that extensive industrial management reviews have been performed by the Plant Operations Directorate. In view of this effort, we believe that detailed reviews by us at this time are not necessary.

For discussion purposes at the July 2 meeting, we gave Colonel Fogel a summary describing areas of contractor operations that appeared to be overstaffed at Iowa and Lone Star. In brief, our summary discusses apparent excess personnel at Lone Star in selected maintenance units, purchasing activities, the guard force, motor pool operations, and financial administration; and at Iowa in selected maintenance units and the fire department.

Colonel Fogel's response to our presentation was quite favorable; he expressed concern about the indications of excess personnel. He stated that the Directorate will initiate industrial management reviews at Lone Star and Iowa which will include the areas discussed in our summary.

- - - -

7/5040
092593

We would like to express our appreciation for the assistance provided to our staff. Also, we would appreciate your informing us of the results of any reviews made by your staff regarding the matters discussed in our summary.

A copy of this letter is being sent to the Secretary of the Army.

Sincerely yours,

M. R. Wolfson
M. R. Wolfson
Regional Manager