Report No. DODIG-2025-145

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INSPECTOR GENERAL

U.S. Department of Defense

AUGUST 15, 2025

(U) Audit of the Army's Management of M88 Recovery Vehicle Spare Parts

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INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY

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INSPECTOR GENERAL
INTEGRITY
EFFICIENCY
DEPARTMENT OF DEFENSE

(U) Results in Brief

(U) Audit of the Army's Management of M88 Recovery Vehicle Spare Parts

August 15, 2025

(U) Objective

(U) The objective of this audit was to assess the effectiveness of the Army's management of spare parts inventory for the M88 recovery vehicle.

(U) Background

(U) The M88 is an armored recovery vehicle that provides towing, winching, and hoisting operations to support battlefield recovery operations and evacuation of heavy tanks and other tracked combat vehicles.

(U) Finding

(U) The Army did not effectively manage the M88 recovery vehicle spare parts inventory. Specifically, the Army:

- ~~(CUI)~~ maintained [redacted] spare parts ([redacted] National Item Identification Numbers [NIINs]), valued at [redacted], in available inventory that had no demand in the past 2 years. This occurred because Army officials could not demonstrate that they reviewed or provided written confirmation of a dormant stock review;
- ~~(CUI)~~ maintained [redacted] excess spare parts ([redacted] NIINs), valued at [redacted], in the available inventory. This occurred because the Army prioritized the review of higher dollar spare parts during its quarterly excess reviews; and
- ~~(CUI)~~ did not maintain [redacted] spare parts ([redacted] NIINs), valued at [redacted] needed to sustain the M88 recovery vehicle, resulting in a shortage. This occurred because the Army did not verify whether an adequate inventory of spare parts was available to sustain the M88 recovery vehicle.

(U) Finding (cont'd)

(~~CUI~~) As a result, the Army retained [redacted] in spare parts that potentially were not needed to sustain the M88 recovery vehicle and had [redacted] in potential inventory shortages that impacted the readiness of the M88 recovery vehicles. According to a M88 Program Office official, M88 vehicle readiness levels have been impacted by issues with spare parts. In 2024, the fully mission capable readiness rate for the M88A1 and M88A2 averaged [redacted] percent and [redacted] percent, respectively. The remaining M88 recovery vehicles, [redacted] percent of M88A1s and [redacted] percent of M88A2s, were not mission capable due to a combination of supply and maintenance issues.

(U) Recommendations

(U) We recommend that the Commanding General, U.S. Army Materiel Command (AMC), develop and implement a more effective dormant stock item review and the Commanding General, U.S. Army Tank-Automotive and Armaments Command (TACOM):

- (U) conduct a cost-benefit analysis to determine whether it should keep the M88 dormant spare parts for future use,
- (U) review the M88 excess spare parts and dispose of unnecessary spare parts, and
- (U) review the M88 spare parts with potential shortages to determine that enough parts are in inventory.

(U) Management Comments and Our Response

(U) The management officials agreed with the recommendations; therefore, three are resolved and remain open and one is closed because management officials implemented corrective actions. We will close the three recommendations once the officials provide support that management has implemented corrective actions.

(U) Please see the Recommendations Table on the next page for the status of the recommendations.

(U) Recommendations Table

(U) Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commanding General, Army Materiel Command	None	1	None
Commanding General, U.S. Army Tank-Automotive and Armaments Command	None	2.a, 2.b	2.c (U)

(U) Note: The following categories are used to describe agency management's comments to individual recommendations.

- **(U) Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **(U) Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **(U) Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.

OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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August 15, 2025

MEMORANDUM FOR AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: (U) Audit of the Army's Management of M88 Recovery Vehicle Spare Parts (Report No. DODIG-2025-145)

(U) This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

(U) The Commanding General, U.S. Army Materiel Command and Commanding General, U.S. Army Tank-Automotive and Armaments Command agreed to address all recommendations presented in the report. Management took action sufficient to address one recommendation in this report, and we consider this recommendation closed. We consider the remaining three recommendations resolved and open. We will close these recommendations when the Commanding General, U.S. Army Materiel Command and Commanding General, U.S. Army Tank-Automotive and Armaments Command provide us documentation showing that all agreed-upon actions to implement the recommendations are completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to either [redacted] if unclassified or [redacted] if classified SECRET.

(U) We appreciate the cooperation and assistance received during the audit. If you have any questions please contact me at [redacted]

Carmen J. Malone
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

(U) Contents

(U) Introduction

(U) Objective

(U) The objective of this audit was to assess the effectiveness of the Army's management of spare parts inventory for the M88 recovery vehicle. See Appendix A for a discussion of the scope and methodology and prior audit coverage related to the audit objective.[1]

(U) Background

(U) The M88 Program Office, Product Director Combat Recovery Systems, is subordinate to the Program Executive Office Ground Combat Systems and provides acquisition lifecycle support for the M88 armored recovery vehicles. The M88 is an armored recovery vehicle with four variants: M88, M88A1, M88A2, and M88A3. The M88 was the original production model and was built between 1961 to 1964.

(U) In 1972, a diesel powered M88A1 was developed. In 1994, the Army initiated the production of the M88A2 Heavy Equipment Recovery Combat Utility Life and Evacuation System. The M88A2 provides towing, winching, and hoisting operations to support battlefield recovery operations and evacuation of heavy tanks and other tracked combat vehicles. The M88A2 has twice the hoisting and towing capacity of the M88A1. The Army also upgraded the power-assisted braking, steering, winching, and increased horsepower.

(~~CUI~~) As of October 17, 2024, the Army owned [redacted] M88A1 and [redacted] M88A2 vehicles for a total of [redacted] M88 recovery vehicles. See Figure 1 for a picture of the M88A2 recovery vehicle.

[1] (U) This report contains information that has been redacted because it was identified by the Department of Defense as Controlled Unclassified Information (CUI) that is not releasable to the public. CUI is government-created or owned unclassified information that allows for, or requires, safeguarding and dissemination controls in accordance with laws, regulations, or government-wide policies.

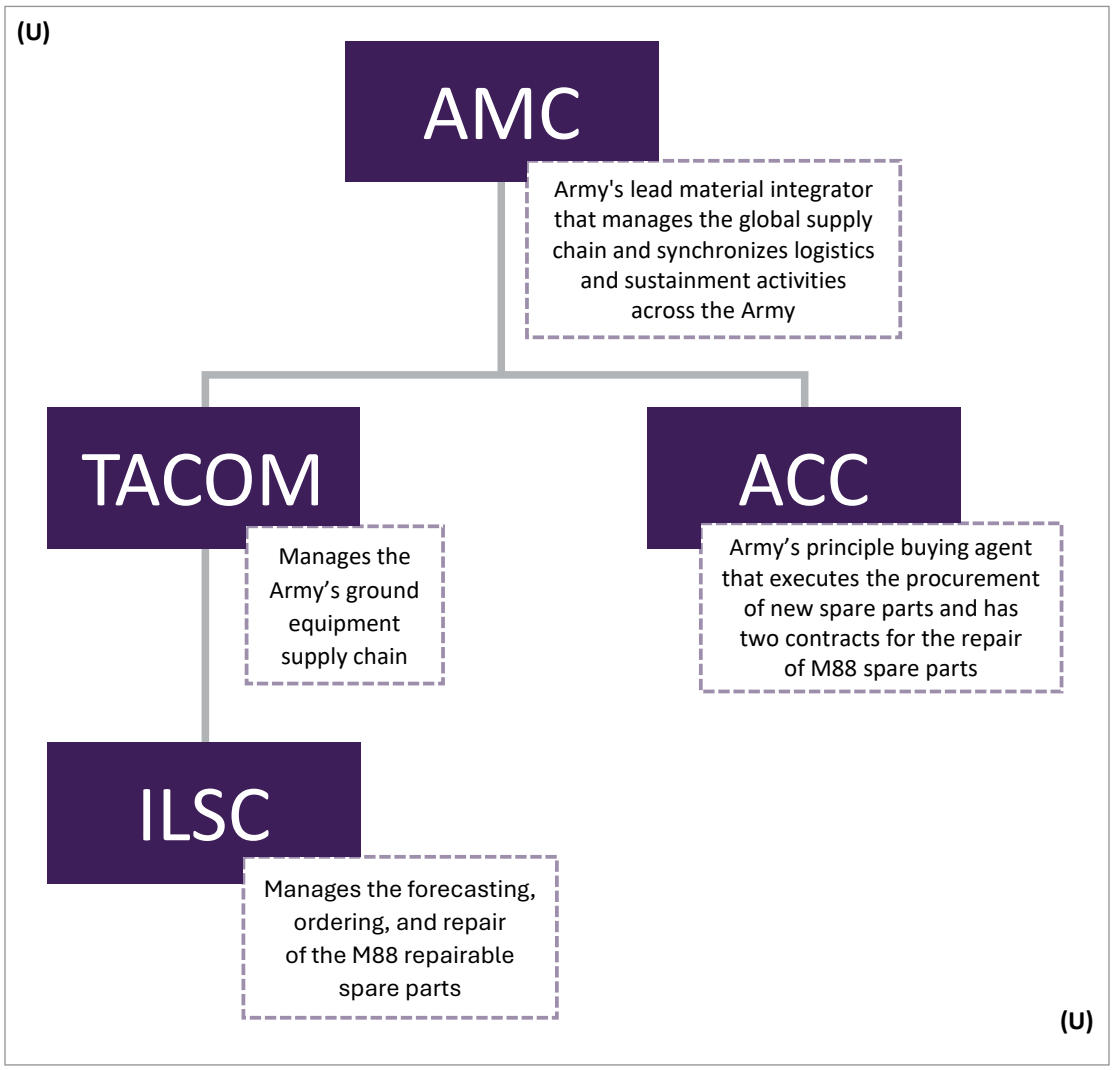
(U) Figure 1. M88A2 Recovery Vehicle
(U) Source: U.S. Army.

(U) The Army is currently upgrading the M88A2 fleet to the M88A3. The planned upgrades include a new powertrain, including engine and transmission upgrades; new suspension; and improved tracks. The M88A3 is planned to have increased winching and lifting capability that accommodates all 80-ton combat vehicles. The Army plans to buy 10 M88A3 vehicles in FY 2025, valued at $151.7 million. A M88 Program Office official stated that the M88A3 vehicles were planned for fielding in FY 2028.

(U) Management of Spare Parts Inventory

(U) The U.S. Army Materiel Command (AMC) and two of its subordinate commands, the U.S. Army Tank-Automotive and Armaments Command (TACOM) and U.S. Army Contracting Command (ACC), are involved with the M88 spare parts. The TACOM Integrated Logistics Support Center (ILSC) manages the M88 recovery vehicles repairable spare parts that are subject to economical repair at either a depot or field level. See Figure 2 for the Army's roles and responsibilities for the M88.

(U) Figure 2. Army's Roles and Responsibilities for the M88



(U) Source: U.S. Army and the DoD OIG.

(U) Additionally, some Army-owned spare parts are stored at Defense Logistics Agency (DLA) facilities. The DLA is the DoD's logistics combat support agency. DLA Distribution is the DoD's joint storage and distribution provider that receives, stores, and distributes material critical to Service members.

(U) M88 Spare Parts Inventory

(U) On September 12, 2024, the Army provided us an inventory of 75,501 available spare parts (153 National Item identification Numbers [NIINs]), totaling $330 million. A NIIN is a unique identifier that the DoD and manufacturers use to identify and track parts. Available spare parts include parts that are ready to be issued immediately and parts that can be issued once repaired. Of the 75,501 spare parts, 61,198 could be issued immediately and 14,303 could be issued once repaired. See Table 1 for the list of available spare parts by repair condition.

(U) Table 1. Army M88 Available Spare Parts by Repair Condition

(U) Repair Condition	Quantity	Value (in Millions)	Percentage by Quantity	Percentage by Value
Immediately Issuable	61,198	$101.0	81%	31%
Needs Repair	14,303	228.9	19%	69%
Total	**75,501**	**$330.0***	**100%**	**100%**

(U)

(U) *Total does not equal actual sum because of rounding.

(U) Source: TACOM and the DoD OIG.

(U) Finding

(U) Army Did Not Effectively Manage M88 Spare Parts

(U) The Army did not effectively manage the M88 recovery vehicle spare parts inventory. Specifically, the Army:

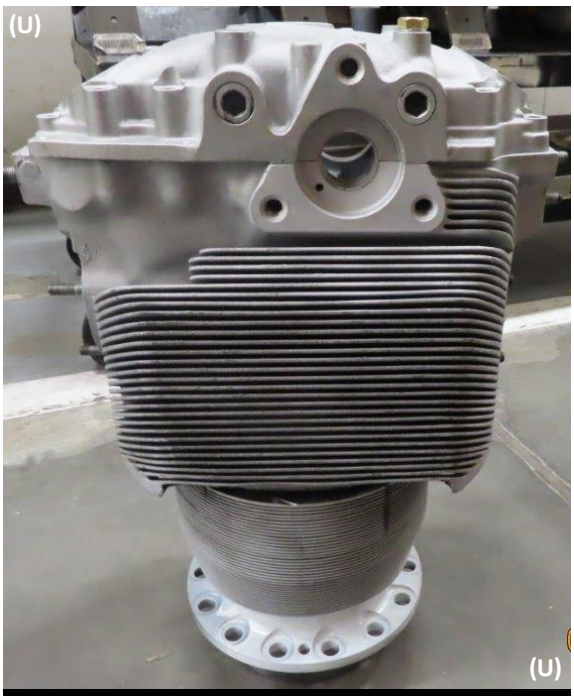
- (~~CUI~~) maintained [redacted] spare parts ([redacted] NIINs), valued at [redacted], in available inventory, that had no demand in the past 2 years. This occurred because Army officials could not demonstrate that they reviewed or provided written confirmation of a dormant stock review;
- (~~CUI~~) maintained [redacted] excess spare parts ([redacted] NIINs), valued at [redacted], in available inventory. Excess spare parts are parts that exceed the demand expected in the normal course of operations. This occurred because the Army prioritized the review of higher dollar spare parts during its quarterly excess reviews; and
- (~~CUI~~) did not maintain [redacted] spare parts ([redacted] NIINs), valued at [redacted], needed to sustain the M88 recovery vehicle, resulting in a shortage. A shortage is when the demand for a spare part is greater than the stock on hand. This occurred because the Army did not verify whether an adequate inventory of spare parts was available to sustain the M88 recovery vehicle.

(~~CUI~~) As a result, the Army retained [redacted] in spare parts that potentially were not needed to sustain the M88 recovery vehicle and had [redacted] in potential inventory shortages that impacted the readiness of the M88 recovery vehicles. Specifically, the Army's availability percentage for M88 spare parts decreased from [redacted] percent in October 2020 to [redacted] percent in January 2025, dropping as low as [redacted] percent in December 2024. According to a M88 Program Office official, M88 vehicle readiness levels have been impacted by issues with spare parts. In 2024, the fully mission capable readiness rate for the M88A1 and M88A2 averaged [redacted] percent and [redacted] percent, respectively. The remaining M88 recovery vehicles, [redacted] percent of M88A1s and [redacted] percent of M88A2s, were not mission capable due to a combination of supply and maintenance issues.

(U) Army Maintained M88 Spare Parts in Inventory that Had No Demand

(~~CUI~~) The Army maintained [redacted] spare parts ([redacted] NIINs), valued at [redacted], in available inventory that had no demand in the past 2 years. Furthermore, [redacted] of the [redacted] dormant spare parts had no demand in the past 5 years.

(~~CUI~~) The Army had spare parts with no demand in the past 2 years ranging from [redacted] to [redacted] spare parts with a total value from [redacted] to [redacted]. For example, TACOM maintained [redacted] diesel cylinder heads (NIIN 014224184), totaling [redacted], that had no demand for the past 2 years. See Figure 3 for a picture of the diesel cylinder head for the M88 engine.



(U) Figure 3. Diesel Cylinder Head for the M88 Engine
(U) Source: TACOM.

(U) Army Regulation 710-1 establishes a goal to identify, validate, and reduce dormant stocks to control storage costs and improve overall efficiency of the DoD supply system.[2] The Army defines dormant spare parts as parts that have had no demand for 2 or more years. The regulation requires that the Army review dormant stock items on an annual basis to determine if spare parts should be reduced and removed from inventory. The regulation also requires that AMC senior management provide written confirmation that the Army completed the annual dormant stock review. Army officials could not demonstrate that they reviewed or provided written confirmation of a dormant stock review.

(U) According to a TACOM Supply Planning official, supply planners reviewed dormant stock quarterly and decided whether to retain or dispose of dormant spare parts. The regulation explains that dormancy does not directly imply that an item is inactive on a global basis, but it can be an indication that an item is nearing the end of its lifecycle and any dormant parts validated to be terminal or obsolete should be reduced and removed from inventory. The TACOM Supply Planner further explained that some examples of reasons to retain dormant stock included situations in which the forecasted demand was not entirely captured or the ability to replenish was not readily known. The TACOM Supply Planner also stated that achieving dormant stock decisions could be a lengthy process because those decisions often required coordination with other Services or Foreign Military Sales customers before disposition.

[2] (U) Army Regulation 710-1, "Inventory Management: Centralized Inventory Management of the Army Supply System," November 28, 2016.

(U) Despite having an established dormant stock review process, the Army could not demonstrate that it reviewed the spare parts that were not used in the last 2 years to make a decision on their retention or disposal. Therefore, the Commanding General, AMC, should develop and implement a more effective process to review and provide written confirmation of a dormant stock item review on an annual basis. Additionally, the Commanding General, TACOM, should conduct a cost-benefit analysis to determine whether it should keep the M88 spare parts with no demand in the last 2 years for future use or dispose of the unnecessary spare parts.

(U) Army Maintained Excess M88 Spare Parts Inventory

(~~CUI~~) The Army maintained [redacted] excess spare parts ([redacted] NIINs), valued at [redacted] in available inventory. DoD guidance requires the Army to limit purchases to a maximum quantity of 2 years of stock based on demand and lead time but it provides an exception in which the purchases should not result in on-hand inventory exceeding 3 years of operating stock.[3] The guidance intends to "right size" DoD inventories in an effort to minimize total supply chain costs while supporting demands. The guidance requires written approval for the exception. However, the Army could not demonstrate that it had written approval to exceed 2 years of stock for these 21 NIINs.

(~~CUI~~) DoD guidance allows parts to be held in excess of 2 years for economic retention stock, contingency retention stock, or safety stock.[4] The guidance also allows for a requirements objective, which is the maximum authorized quantity of stock for an item. TACOM identified 23,351 (138 NIINs) M88 spare parts held as economic retention stock, contingency retention stock, and safety stock. TACOM also provided the requirements objective, demand history, and reorder point for each spare part. Because these spare parts held as economic retention stock, contingency retention stock, and safety stock were allowed by DoD guidance, we did not count them as excess inventory. The [redacted] excess spare parts ([redacted] NIINs), were above the 2 years of stock based on historical demand and lead time, the requirements objective, the reorder point, and the allowable economic retention stock, contingency retention stock, and safety stock.

[3] (U) DoD Manual 4140.01, volume 2, "DoD Supply Chain Materiel Management Procedures: Materiel Demand and Supply Planning," November 9, 2018.

[4] (U) DoD Manual 4140.01, volume 6, "DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition," March 8, 2017 (Change 4 Effective November 3, 2022). Economic retention stock are spare parts that are more economical to retain than to dispose of and then potentially repurchase. Contingency retention stock are spare parts that are held as a source of supply for a subcomponent, for foreign military sale reserve, for military operational necessity, or for items with a diminishing manufacturing source. Safety stock are spare parts held to fulfill backorders caused by fluctuations in demand over lead times, repair cycle time, and attrition rates.

(~~CUI~~) The Army had available spare parts in excess of what is allowed by the DoD guidance ranging from [redacted] to [redacted] spare parts with a total cost from [redacted] to [redacted]. One spare part, a Shouldered Shaft Assembly, had up to [redacted] years of supply. See Table 2 for examples of excess spare parts, years of stock on hand, and the value of the excess spare parts for the M88.

(U) Table 2. Examples of Excess Spare Parts for the M88

(~~CUI~~) Part Description	NIN	Quantity on Hand	Total Quantity Required*	Years of Stock on Hand	Quantity of Excess	Value of Excess
Mechanical Drive Housing	003949726	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Transmission and Container	001407531	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Shouldered Shaft Assembly	014259573	[redacted]	[redacted]	[redacted]	[redacted]	[redacted] (~~CUI~~)

(U) Source: TACOM and the DoD OIG.

(U) *The total quantity required includes the 2 years of stock based on historical demand and lead time, the requirements objective, the reorder point, and the allowable economic retention stock, contingency retention stock, and safety stock.

(~~CUI~~) As shown in Table 2, TACOM maintained [redacted] transmissions and containers (NIIN 001407531) with the latest acquisition cost of [redacted] per unit. The Army required [redacted] transmissions and containers to meet the following allowable requirements.

- (~~CUI~~) Requirements objective: [redacted]
- (~~CUI~~) Contingency retention stock: [redacted]
- (~~CUI~~) Safety Stock: [redacted]
- (~~CUI~~) 2 years of stock based on historical demand and lead time: [redacted]

(~~CUI~~) As a result, the Army maintained [redacted] excess transmissions and containers, valued at [redacted].

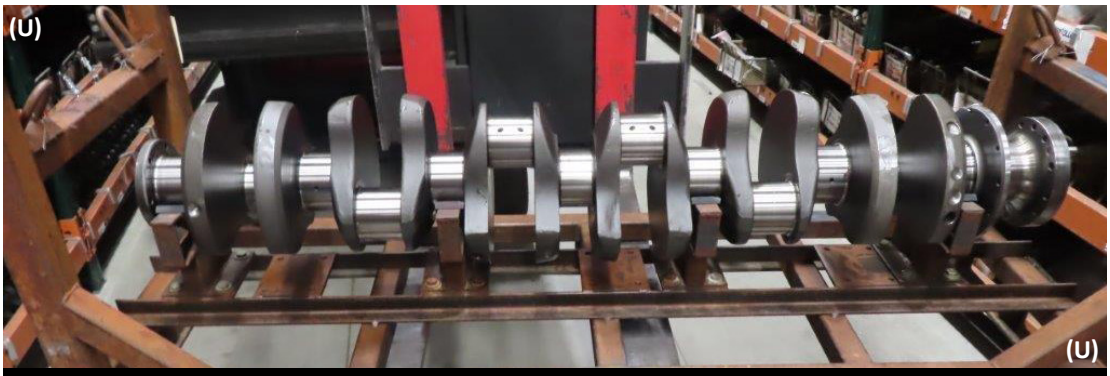
(~~CUI~~) The Army prioritized the review of higher dollar spare parts during its quarterly excess reviews. A TACOM official explained that the Supply Planning division evaluates the stock positions and prioritizes actions at the division level each quarter and some of the NIINs are not a priority. According to the TACOM official, the NIINs may get reviewed during a following quarter. However, the Commanding General, TACOM, should review the [redacted] M88 excess spare parts ([redacted] NIINs), valued

(~~CUI~~) at [redacted], and determine whether they should be retained to offset the cost of future needs for these spare parts within the DoD and, if not, take appropriate action to dispose of unnecessary spare parts.

(U) The Army Did Not Maintain Sufficient Quantities of Some Essential M88 Spare Parts Inventory

(~~CUI~~) The Army did not maintain [redacted] spare parts ([redacted] NIINs), valued at [redacted], needed to sustain the M88 recovery vehicle, resulting in a shortage. DoD Manual 4140.01 requires the Army to maintain stock equal to the demanded quantity over the item's administrative lead time or 1 month of demand, whichever is greater.[5] We reviewed the inventory quantities and identified that TACOM had inventory shortages ranging from [redacted] to [redacted] spare parts with a total cost from [redacted] to [redacted]. Furthermore, of the [redacted] shortages, [redacted] spare parts ([redacted] NIINs) were deemed essential, needed for the safety of the crew, or needed to meet legal or climatic requirements peculiar to the planned operational environment of the M88 recovery vehicle.[6]

(~~CUI~~) A TACOM official explained that the essentiality codes of the [redacted] spare parts indicated that failure of these spare parts would cause the M88 to not be mission capable. For example, TACOM maintained [redacted] engine crankshafts, valued at [redacted] per unit, in inventory. The engine crankshaft is essential to the operation of the end unit, has a demand of [redacted] spare parts in the past 2 years, and an administrative lead time of 12 months. Therefore, the minimum quantity per DoD guidance is [redacted] engine crank shafts. As a result, TACOM had a shortage of [redacted] engine crankshafts, totaling [redacted]. See Figure 4 for a picture of the engine crankshaft for the M88.



(U) Figure 4. Engine Crankshaft for the M88
(U) Source: TACOM.

[5] (U) DoD Manual 4140.01, Volume 2, defines administrative lead time as the time interval between initiation of a purchase request and the date of signature of a contract.

[6] (U) The DoD defines essential as the degree of military worth of an item of supply or how its failure, if a replacement were not immediately available, would affect the ability of the weapons system to perform its intended function.

(U) The Army did not verify whether an adequate inventory of spare parts was available to sustain the M88 recovery vehicle. TACOM officials explained that they identify shortages when they do not have enough spare parts to fill the demand. According to TACOM officials, the lead times and demand forecasts were considered on a monthly basis and used to create spare part requirements. These requirements were reverse scheduled so planners would know when to execute a buy or repair in order to receive the stock before it was needed and a shortage occurred. A TACOM official explained that sometimes the demand for a part could fluctuate between the time it was ordered and when it was received; causing a shortage to occur if the unforeseen demand was too great for the on-hand inventory to cover. However, DoD guidance establishes a minimum quantity of spare parts to retain and TACOM should stock to that level. The Commanding General, TACOM, should review the M88 spare parts with potential shortages to determine that enough parts are in inventory to sustain the M88 recovery vehicle and take appropriate action to stock to the minimum quantity of spare parts required by DoD guidance.

(U) M88 Readiness Potentially Impacted

(~~CUI~~) As a result, the Army retained [redacted] in spare parts that potentially were not needed to sustain the M88 recovery vehicle and had [redacted] in potential inventory shortages that impacted the readiness of the M88 recovery vehicles. The Army could save [redacted] by using the current excess inventory before purchasing additional spare parts. See Appendix B for details on potential monetary benefits. The [redacted] spare parts, valued at [redacted], have not been used in the past 2 years and are not needed to support the M88 recovery vehicle.

(~~CUI~~) According to a M88 Program Office official, M88 readiness levels have been impacted by issues with spare parts. The average 2024 fully mission capable readiness rate for the M88A1 was [redacted] percent and [redacted] percent for the M88A2. The Army's goal for ground combat system readiness is 90 percent. The remaining M88 recovery vehicles ([redacted] percent of the M88A1s and [redacted] percent of M88A2s) were not mission capable due to a combination of supply and maintenance issues.

(~~CUI~~) The supply availability performance report that identifies the health of the Army supply system indicated the availability performance for the TACOM-managed M88 spare parts decreased since 2022. Specifically, the percentage of M88 spare part requisitions able to be fulfilled by the required date decreased from [redacted] percent in October 2020 to [redacted] percent in January 2025, dropping as low as [redacted] percent in December 2024. See Figure 5 for a graphical representation of the TACOM-managed M88 spare part supply availability percentages.

(U) Figure 5. Spare Part Availability Percentages for the M88

Source: TACOM and the DoD OIG.

(U) Recommendations, Management Comments and Our Response

(U) Recommendation 1

(U) We recommend that the Commanding General, Army Materiel Command, develop and implement a more effective process to review and provide written confirmation of a dormant stock item review on an annual basis.

(U) Commanding General, Army Materiel Command Comments

(U) The Executive Deputy to the Commanding General, Headquarters, AMC, responding for the Commanding General, AMC, agreed with the recommendation, stating that Headquarters AMC G-3, Supply Management Division will review dormant stock on an annual basis. The review will consist of a tasker and written confirmation from the Life Cycle Management Commands that the review has taken place. AMC estimates that this action will be implemented by January 1, 2026.

(U) Our Response

(U) Comments from the Executive Deputy addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we obtain supporting documentation that verifies AMC officials conducted the annual dormant stock review.

(U) Office of the Assistant Secretary of the Army for Acquisition Logistics and Technology Comments

(U) Although not required to comment, the Director, Soldier and Maneuver, Office of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology, agreed with the recommendation and acknowledged AMC's associated timelines and actions.

(U) Our Response

(U) We appreciate the comments from the Director that agree with AMC and provide confirmation of AMC's position.

(U) Recommendation 2

(U) We recommend that the Commanding General, U.S. Army Tank-Automotive and Armaments Command:

a. **(U) Conduct a cost-benefit analysis to determine whether it should keep the M88 spare parts with no demand in the last 2 years for future use or dispose of the unnecessary spare parts.**

b. **(~~CUI~~) Review the [redacted] M88 excess spare parts ([redacted] National Item Identification Numbers), valued at [redacted], and determine whether they should be retained to offset the cost of future needs for these spare parts within the DoD and, if not, take appropriate action to dispose of unnecessary spare parts.**

c. **(U) Review the M88 spare parts with potential shortages to determine that enough parts are in inventory to sustain the M88 recovery vehicle and take appropriate action to stock to the minimum quantity of spare parts required by DoD guidance.**

(U) Commanding General, Army Tank-Automotive and Armaments Command Comments

(U) The Deputy to the Commander, TACOM, responding for the Commanding General, TACOM, agreed with the recommendations. The Deputy stated that TACOM will conduct a cost-benefit analysis to determine whether it should keep the M88 spare parts with no demand in the last 2 years for future use or dispose of the unnecessary spare parts. In addition, TACOM will review the M88 excess spare parts and determine whether they should be retained to offset the cost of future needs for these spare parts and, if not, take appropriate action to dispose of unnecessary spare parts. Lastly, TACOM will review M88 spare parts with potential shortages to determine whether enough parts are in inventory to sustain

(U) the M88 recovery vehicle and take appropriate action to stock the minimum quantity of spare parts required by DoD guidance. TACOM estimates that all actions will be implemented no later than June 16, 2026.

(U) Our Response

(U) Comments from the Deputy addressed the specifics of the recommendations; therefore, Recommendations 2.a and 2.b are resolved and remain open. We will close the recommendations once TACOM provides documentation that verifies they conducted a cost-benefit analysis of M88 spare parts with no demand in the last two years and verifies they conducted a review of M88 excess spare parts.

(~~CUI~~) In July 2025, TACOM officials conducted a review of the [redacted] NIINs in a potential shortage and provided supporting documentation to verify sufficient quantities of those spare parts will be available to sustain the M88 recovery vehicles. Therefore, Recommendation 2.c is closed.

(U) Office of the Assistant Secretary of the Army for Acquisition Logistics and Technology Comments

(U) Although not required to comment, the Director, Soldier and Maneuver, Office of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology, agreed with the recommendations and acknowledged TACOM's associated timelines and actions.

(U) Our Response

(U) We appreciate the comments from the Director that agree with TACOM and provide confirmation of TACOM's position.

(U) Management Comments on Potential Monetary Benefits

(U) Commanding General, Army Tank-Automotive and Armaments Command Comments

(U) The Deputy to the Commander, TACOM, responding for the Commanding General, TACOM, disagreed with the potential monetary benefits related to Recommendation 2.b. The Deputy stated that the report insinuates that TACOM would have cost savings if it used the excess inventory in lieu of procuring new spare parts; however, this is already the TACOM supply support strategy. The Deputy also stated that the excess most likely came from a demand signal that

(U) required TACOM to procure a specific amount of spare parts and that demand signal decreased over time, leading to an excess position. The Deputy further stated that TACOM would not dispose of this excess automatically but would analyze the benefits of retaining the stock, and that the stock would be used to fulfill incoming customer orders.

(U) Office of the Assistant Secretary of the Army for Acquisition Logistics and Technology Comments

(U) Although not required to comment, the Director, Soldier and Maneuver, Office of the Assistant Secretary of the Army for Acquisition, Logistics, and Technology, disagreed with the potential monetary benefits related to Recommendation 2.b.

(U) Our Response

(U) We appreciate the comments provided by the Deputy and Director. We agree with the Army's approach to maximizing stock on-hand prior to the purchase of any additional stock. In doing so, we believe the potential monetary benefit will be realized because the Army will use the excess to fulfill incoming customer orders rather than purchasing new spare parts.

(U) Appendix A

(U) Scope and Methodology

(U) We conducted this performance audit from September 2024 through June 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(U) This report was reviewed by the DoD Components associated with this oversight project to identify whether any of their reported information, including legacy FOUO information, should be safeguarded and marked in accordance with the DoD CUI Program. In preparing and marking this report, we considered any comments submitted by the DoD Components about the CUI treatment of their information. If the DoD Components failed to provide any or sufficient comments about the CUI treatment of their information, we marked the report based on our assessment of the available information.

(U) To determine whether the Army effectively managed the spare parts inventory for the M88 recovery vehicle, we interviewed officials from the following Components to identify their roles and responsibilities and obtained documentation for the management of M88 recovery vehicles spare parts inventory.

- (U) Office of the Under Secretary of Defense for Acquisition and Sustainment
- (U) Assistant Secretary of the Army (Acquisition, Logistics and Technology)
- (U) PEO GCS
- (U) AMC
- (U) ACC
- (U) TACOM
- (U) DLA

(U) Universe and Sample of M88 Spare Parts Inventory

(U) During August and September 2024, the M88 recovery vehicles inventory included 323.9 million spare parts, totaling $481.4 million, that were maintained by the DLA and Army. As of August 19, 2024, the DLA provided an inventory list of 323.8 million M88 spare parts (8,208 NIINs), totaling $123.9 million. According to

(U) DLA officials, these parts are mostly high-volume, low-cost hardware parts (such as nuts, bolts, washers, and cotter pins) and are used on multiple weapon system platforms to include the M88 recovery vehicle.

(U) We did not review the DLA managed spare parts because of ongoing recommendations made in a previously published DoD Office of Inspector General (OIG) report on the reliability of Army spare parts forecasts submitted to DLA. The report recommended that the services extensively review their forecasting for DLA-managed items and develop a plan of action detailing how they would improve their forecasting with DLA. As of April 2024, the Military Services and DLA developed a plan with estimated completion dates for the actions ranging from early FY 2025 through the second quarter of FY 2027.

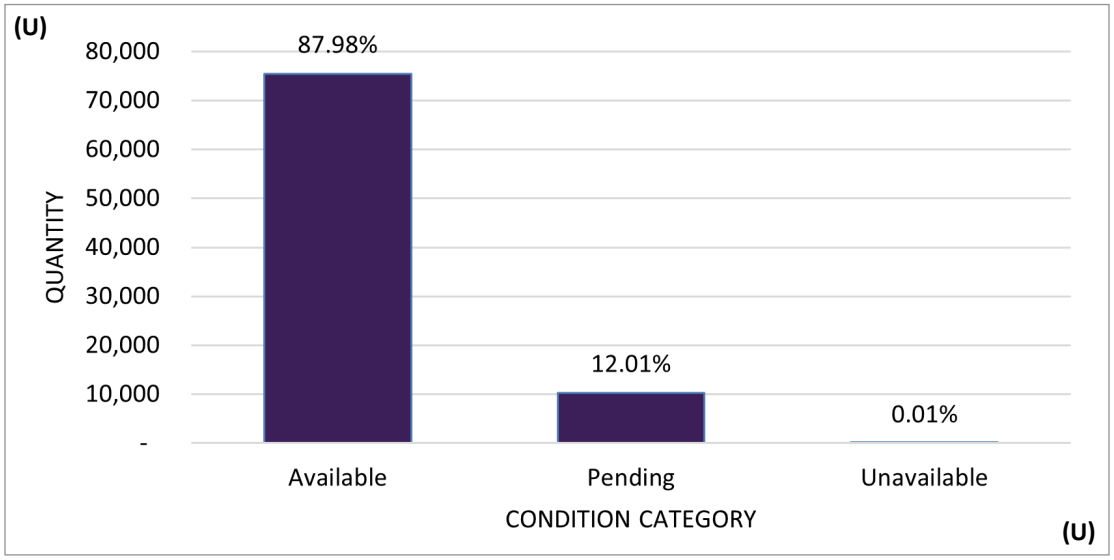
(U) As of September 12, 2024, the Army provided an inventory list of 85,813 spare parts (155 NIINs), totaling $357.5 million, from the Logistics Modernization Program (LMP) system.

(U) LMP is an enterprise resource planning system that builds, sustains and generates warfighting capabilities using one of the largest, fully integrated supply chain and maintenance, repair and overhaul solutions in the world. LMP is the Army accountable property system of record for the M88 recovery vehicles spare parts. The Army M88 spare parts inventory can be categorized into pending, unavailable, and available spare parts based on condition code, which classifies parts in terms of readiness for issue.

(U) The Army M88 spare parts inventory included 10,306 pending spare parts, totaling $26.5 million. Pending spare parts include parts that are suspended for use until further analysis can classify the condition. We obtained an understanding of the TACOM process for managing pending spare parts. However, we did not review these spare parts because they were in a pending status.

(U) Additionally, the Army spare parts inventory included six unavailable spare parts, totaling $0.9 million. Unavailable spare parts include parts that cannot be issued because they are deemed to be unrepairable or prohibited for use within DoD due to product quality deficiencies. We did not review the six spare parts because it represented less than 1 percent of the total spare parts inventory. We reviewed the remaining 75,501 available spare parts, totaling $330 million. See Figure 6 for a graphical representation of the Army M88 spare parts inventory condition categories.

(U) Figure 6. Army Spare Parts Inventory by Condition Category for the M88



(U) Source: U.S. Army and the DoD OIG.

(U) The Army inventory list of 85,813 spare parts included spare parts specific to the M88 and spare parts that were used for the M88 and other platforms. Specifically, the list included 17,524 spare parts (121 NIINs), totaling $284 million, specific to the M88 and 68,289 spare parts (34 NIINs), totaling $73.5 million, used on the M88 and other platforms. The Army inventory did not include program managed stock because the stock could not be used to fulfill orders from the depot or field level.

(U) The M88 center for excellence warehouse at the Anniston Army Depot contained the majority of the M88 recovery vehicles spare parts with the largest acquisition cost. Specifically, the Anniston Army Depot included 13,723 spare parts, totaling $267.7 million. Another location at the Anniston Army Depot included 4,854 spare parts, totaling $12 million. In total, the Army managed 18,577 spare parts, totaling $279.7 million, of M88 recovery vehicles inventory at the Anniston Army Depot.

(U) We conducted a physical inventory of a statistical sample of M88 recovery vehicles spare parts located at the Anniston Army Depot to verify the accuracy of the reported quantities from LMP. We removed spare parts that had a quantity over 1,000 from the list of 18,577 spare parts at the two Anniston locations, resulting in 13,435 spare parts. We totaled by NIIN at each location, resulting in 219 records. We then selected a statistical sample from the 219 records that included 6,329 spare parts (76 records), totaling $72.5 million. Of the 76 sample items, 43 sample items were located in plant 7008 and 33 sample items were located in plant 3201. See Table 3 for our sampling plan.

(U) Table 3. Population and Sampling Design

(U) Population Size	Quantity	Value (in Millions)	Sample Size	Quantity	Value (in Millions)
219	13,435	$259.9	76	6,329	$72.5 (U)

(U) Source: TACOM and the DoD OIG.

(U) Table 4 provides the DoD OIG Quantitative Methods Division's statistical projections of these amounts across the population at a 90-percent confidence level with 7-percent precision.

(U) Table 4. Projection of Physical Inventory Inaccuracies

(U)	Lower Bound	Point Estimate	Upper Bound
Error Amount	9	20	31
Error Rate	4.1%	9.2%	14.3% (U)

(U) Source: The DoD OIG.

(U) We reviewed the 75,501 available spare parts, totaling $330 million. The U.S. Army Communications-Electronics Command manages 9,268 of the available spare parts, totaling $13.8 million, and the U.S. Army Aviation and Missile Command manages 1 of the available spare parts, totaling $2.74. TACOM manages the remaining 66,232 available spare parts, totaling $316.2 million.

(U) The U.S. Army Communications-Electronics Command and Aviation and Missile Command officials provided information related to their spare parts, including demand history, part status, and future need. TACOM officials provided the Army metrics and formulas used to forecast the M88 spare parts, demand data, requirements objective levels, reorder points, and lead times. TACOM officials also identified spare parts held as contingency retention stock, safety stock, and economic retention stock.

(U) We compared the available inventory to the demand data and spare part lead times to identify the total number of spare parts needed to sustain the M88 recovery vehicles. We identified excess spare parts based on DoD guidance that were not needed to sustain the M88 recovery vehicles and shortages of spare parts that may be needed to sustain the M88 recovery vehicles. We also identified spare parts that have had no demand in the past 2 years. Additionally, we compared the available inventory to the manufacturing lists of spare parts to check for obsolete spare parts.

(U) We also reviewed the following Federal and DoD guidance related to spare parts inventory management.

- (U) Section 3242, title 10, United States Code
- (U) DoD Manual 4140.01, volume 2, "DoD Supply Chain Materiel Management Procedures: Demand and Supply Planning," November 9, 2018
- (U) DoD Manual 4140.01, volume 6, "DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition," March 8, 2017 (Incorporating Change 4, November 3, 2022)
- (U) Army Regulation 710-1, "Inventory Management: Centralized Inventory Management of the Army Supply System," November 28, 2016

(U) Internal Control Assessment and Compliance

(U) We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the risk assessment, control activities, and monitoring-related internal control components and underlying principles significant to determining whether the Army effectively managed the spare parts inventory for the M88 recovery vehicle. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

(U) Use of Computer-Processed Data

(U) We used computer-processed data obtained from the Army's LMP system. We conducted a physical inventory, based on a statistical sample, to verify the quantities of spare parts reported in LMP were accurate and reliable. Based on the physical inventory, we determined that the data were sufficiently reliable for the purposes of this report.

(U) Use of Technical Assistance

(U) We received assistance from the DoD OIG Quantitative Methods Division to select the statistical sample that was used to conduct the physical inventory of spare parts for M88 recovery vehicles.

(U) Prior Coverage

(U) During the last 5 years, the DoD OIG and Army Audit Agency issued three reports related to M88 spare parts. Unrestricted DoD OIG reports can be accessed at http://www.dodig.mil/reports.html/. Unrestricted Army Audit Agency reports can be accessed from .mil and gao.gov domains at https://www.army.mil/aaa.

(U) DoD OIG

(U) Report No. DODIG-2023-123, "Audit of the Reliability of Army Spare Parts Forecasts Submitted to the Defense Logistics Agency," September 20, 2023

(U) The DoD OIG determined that the Army did not submit accurate spare parts forecasts to the DLA. Specifically, in FY 2021 the Army overstated its forecasts for some spare parts by $202 million and ordered $148 million in other spare parts that it did not forecast. In addition, the Army's spare parts forecast accuracy rate averaged only 20 percent throughout FY 2021. The report recommended that the Under Secretary of Defense for Acquisition and Sustainment require the Services, in coordination with the DLA, to conduct a review of their respective spare parts forecasting process for DLA managed items.

(U) Report No. DODIG-2021-134, "Audit of Depot-Level Repairables for Army, Navy, and Air Force Engines," September 30, 2021

(U) The DoD OIG determined that for four of the five selected engines; T-55, T700-GE-701D, Diesel (M88), and Diesel (M109), the Army had more stock available than was required; therefore, the Army met its stocking requirements for those four engines. For example, the Army had 41 more T-55 engines and 30 more Diesel engines (M88) than it needed to meet its stocking requirement. The report did not make any recommendations.

(U) Army

(U) Report No. A-2021-0034-AXZ, "Army Working Capital Fund Stocks Authorized for Retention," March 10, 2021

(U) The Army Audit Agency determined that the Army did not properly categorize and review stocks above the authorized acquisition objective. Specifically, AMC did not ensure that data inputs used to establish economic retention limits were correct and objectively assessed in accordance with guidance. TACOM did not complete its annual review of contingency retention stock, obtain required approvals, use correct reason codes, or have support to justify retaining stock. Further, TACOM reviewed only 19 percent of potential reutilization stock during its September 2018 quarterly review. The report recommended that AMC update the economic retention model to follow prescribed guidance when computing economic retention stock levels and assess the methodology used to establish economic retention stock limits. Additionally, the report recommended TACOM complete a 100 percent annual review of contingency retention stock and track the status of potential reutilization stock to verify that assets are disposed of or recategorized.

(U) Appendix B

(U) Potential Monetary Benefits

(~~CUI~~) Recommendations	Types of Benefit	Amount of Benefit
2.b	Funds put to better use – Recoverable. Reduce future costs by using the current excess inventory before purchasing additional spare parts.	[redacted] in funds put to better use related to the excess spare parts. (~~CUI~~)

(U) Note: Potential monetary benefits are funds put to better use or questioned costs.
(U) Source: The DoD OIG.

(U) Management Comments

(U) Office of the Assistant Secretary of the Army for Acquisition Logistics and Technology

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON, DC 20310-0103

SAAL-ZSM-S 24 July 2025

MEMORANDUM FOR Department of Defense Office of Inspector General (DoD OIG/[redacted]), Program Director for Audit Acquisition, Contracting, and Sustainment, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Office of the Assistant Secretary of the Army Acquisition Logistics and Technology Response for the Department of the Defense Office of Inspector General Draft Report, Titled: "Audit of Army's Management of M88 Recovery Vehicle Spare Parts" (Project No. D2024-D000AT-0171.000)), dated 16 June 2025

1. References:

a. Department of the Defense Office of the Inspector General, DoD OIG, ((CUI) Draft Report – Audit of Army's Management of M88 Recovery Vehicle Spare Parts (Project No. D2024-D000AT-0171.000)), 16 June 2025.

b. U.S. Army Materiel Command (AMC) Command Comments, DoD OIG Draft Report: Audit of the Army's Management of M88 Recovery Vehicle Spare Parts (Project D2024-D000AT-0171.000), 18 July 2025.

2. Purpose: To provide Office of the Assistant Secretary of the Army Acquisition Logistics and Technology (ASA (ALT)) response, in coordination with the Deputy Chief of Staff, G-4 (DCS, G-4 and the U.S. Army Materiel Command (AMC) to the DoD OIG Draft Report: Audit of Army's Management of M88 Recovery Vehicle Spare Parts (Project No. D2024-D000AT-0171.000).

3. DOD OIG Recommendation 1: Recommends the Commanding General, AMC develop and implement a more effective process to review and provide written confirmation of a dormant stock item review on an annual basis.

a. ASA (ALT) concurs DoD OIG's recommendation and acknowledges AMC's associated timelines and actions with target completion 1 January 2026.

4. DOD OIG Recommendation 2a: Recommends the Commanding General, U.S. Army U.S. Army Tank-automotive and Armaments Command (TACOM) conduct a cost-benefit analysis to determine whether it should keep the M88 spare parts with no demand in the last 2 years for future use or dispose of the unnecessary spare parts.

~~Controlled by: Army~~
~~Controlled by: ASA (ALT)~~
~~CUI Category: OPSEC~~
~~Distribution/Limited Dissemination Control: FEDCON~~
~~POC:~~ [redacted]

1

~~CUI~~

(U) Office of the Assistant Secretary of the Army for Acquisition Logistics and Technology (cont'd)

~~CUI~~

SAAL-ZSM
SUBJECT: Office of the Assistant Secretary of the Army Acquisition Logistics and Technology Response for the Department of the Defense Office of Inspector General Draft Report, Titled: "Audit of Army's Management of M88 Recovery Vehicle Spare Parts" (Project No. D2024-D000AT-0171.000)), dated 16 June 2025

a. ASA (ALT) concurs with DoD OIG's recommendation and acknowledging AMC's associated timelines and actions with target completion 16 June 2026.

5. DOD OIG Recommendation 2b: Recommends the Commanding General, TACOM review the [redacted] M88 excess spare parts ([redacted] NIINs), valued at [redacted] and determine whether they should be retained to offset the cost of future needs for these spare parts within the DoD and, if not, take appropriate action to dispose of unnecessary spare parts.

a. ASA (ALT) concurs with DoD OIG's recommendation and acknowledges both TACOM's associated timelines and actions with target completion 16 June 2026.

b. ASA (ALT) endorses TACOM's non-concur on potential monetary benefits associated with recommendation number 2b.

6. DOD OIG Recommendation 2c: Recommends the Commanding General, TACOM review the M88 spare parts with potential shortages to determine that enough parts are in inventory to sustain the M88 recovery vehicle and take appropriate action to stock to the minimum quantity of spare parts required by DoD guidance.

a. ASA (ALT) concurs with DoD OIGs recommendation and acknowledges both TACOM's associated timelines and actions with target completion 16 June 2026.

7. AMC's responses to the recommendations are enclosed in AMC Command Comments (D2024-D000AT-0171). This represents the official Army position for the subject draft report.

8. The point of contact on my staff is [redacted], Department of the Army System Coordinator, at [redacted].

HOWELL.JOHN.P[redacted]
ENCE[redacted]

Encl

JOHN P. HOWELL
Director
Soldier and Maneuver

2

~~CUI~~

(U) Army Materiel Command

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMIR

18-Jul-25

MEMORANDUM FOR Department of Defense Office of Inspector General (DoD OIG/[redacted]), Program Director for Audit Acquisition, Contracting, and Sustainment, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Comments, DoD OIG Draft Report: Audit of the Army's Management of M88 Recovery Vehicle Spare Parts (Project D2024-D000AT-0171.000)

1. The U.S. Army Materiel Command has reviewed the subject draft report and endorses the enclosed responses from the U.S. Army Materiel Command G3 and the U.S. Army Tank-automotive Armaments Command.

2. The U.S. Army Materiel Command point of contact is [redacted]

MIRANDA.LIZ.[redacted]
S.[redacted]

Encl

LIZ S. MIRANDA
Executive Deputy to the
Commanding General

(U) Army Materiel Command (cont'd)

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

AMOP-SMD 23 June 2025

MEMORANDUM THRU Director, Internal Review and Audit Compliance Office, Headquarters, U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898-5000

FOR Department of Defense Office of Inspector General (DoD OIG [redacted]), Program Director for Audit Acquisition, Contracting, and Sustainment, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Comments, DoD OIG Draft Report: Audit of the Army's Management of M88 Recovery Vehicle Spare Parts (Project D2024-D000AT-0171.000)

1. Headquarters, U.S. Army Materiel Command G-3, Supply Management Division has reviewed the draft report and agrees with the DoD OIGs results, findings, and recommendations. Specific comments are included in the enclosure.

2. The AMC point of contact is [redacted], AMC G-3 Supply Management Division, [redacted]

SMITH.SAMANT[redacted]
HA.G[redacted]

Encl

Samantha Smith
Chief, HQ AMC G3
Supply Chain Management Division

(U) Army Materiel Command (cont'd)

Audit of the Army's Management of M88 Recovery Vehicle Spare Parts
(Project D2024-D000AT-0171.000)

EXECUTIVE SUMMARY

Purpose: To provide the U.S. Army Materiel Command's comments to the DoD OIG Draft Report: Audit of the Army's Management of M88 Recovery Vehicle Spare Parts (Project D2024-D000AT-0171.000).

Recommendation 1: DoD OIG recommends the Commanding General, Army Materiel Command, develop and implement a more effective process to review and provide written confirmation of a dormant stock item review on an annual basis.

AMC Response: HQAMC G-3, Supply Management Division CONCURS with DoD OIGs recommendation and will review dormant stock on an annual basis. The review will consist of a tasker and written confirmation of dormant stock item review from LCMCs.

AMC estimates that this recommendation will be implemented by 01 JAN 2026.

(U) Army Tank-Automotive and Armaments Command

DEPARTMENT OF THE ARMY
U.S. ARMY TANK-AUTOMOTIVE AND ARMAMENTS COMMAND
6501 EAST 11 MILE ROAD
DETROIT ARSENAL MI 48397-5000

AMTA-IR (11-7a)

08 JUL 2025

MEMORANDUM THRU

Internal Review and Audit Compliance Office (AMIR), U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898-5000
Commanding General (AMCG), U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898-5000

FOR Program Director for Audit Acquisition, Contracting and Sustainment, (DoD OIG/[redacted]), Department of Defense Office of the Inspector General, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Official Comments to Draft Report on the Audit of the Army's Management of M88 Recovery Vehicle Spare Parts (Project No. D2024-D000AT-0171.000)

1. Reference Department of Defense Office of the Inspector General, DoD OIG, ((CUI) DRAFT REPORT- -Audit of Army's Management of M88 Recovery Vehicle Spare Parts (Project No. D2024-D000AT-0171.000)), 16 June 2025.

2. The U.S. Army Tank-automotive and Armaments Command (TACOM) reviewed the results in the enclosed subject draft report. TACOM concurs with Recommendations 2.a, 2.b and 2.c. The official reply to the recommendations is enclosed.

3. The information in the draft report requires Controlled Unclassified Information security markings.

4. The point of contact for this reply is [redacted], External Audit Liaison, TACOM Internal Review and Audit Compliance Office, AMTA-IR, [redacted].

Encl

BRIAN D. BUTLER
Deputy to the Commander

(U) Army Tank-Automotive and Armaments Command (cont'd)

~~CUI~~

U.S. Army Tank-automotive and Armaments Command
Comments to the Department of Defense Office of the Inspector General
Report Titled: Audit of the Army's Management of
M88 Recovery Vehicle Spare Parts
(Project No. D2024-D000AT-0171.000)

(U) Department of Defense (DoD) Office of the Inspector General (OIG) OBJECTIVE: "The objective of this audit was to assess the effectiveness of the Army's management of spare parts inventory for the M88 recovery vehicle."

DoD OIG CONCLUSION:

"(U) The Army did not effectively manage the M88 recovery vehicle spare parts inventory. Specifically, the Army:

- (~~CUI~~) maintained [redacted] spare parts ([redacted] National Item Identification Numbers (NIINs)), valued at [redacted], in available inventory, that had no demand in the past 2 years. This occurred because Army officials could not demonstrate that they reviewed or provided written confirmation of a dormant stock review;

- (~~CUI~~) maintained [redacted] excess spare parts ([redacted] NIINs), valued at [redacted], in available inventory. Excess spare parts are parts that exceed the demand expected in the normal course of operations. This occurred because the Army prioritized the review of higher dollar spare parts during its quarterly excess reviews; and

- (~~CUI~~) did not maintain [redacted] spare parts ([redacted] NIINs), valued at [redacted], needed to sustain the M88 recovery vehicle, resulting in a shortage. A shortage is when the demand for a spare part is greater than the stock on hand. This occurred because the Army did not verify whether an adequate inventory of spare parts was available to sustain the M88 recovery vehicle."

Controlled by: Audit
Category: OPSEC
LDC: FEDCON
POC: Program Director for Audit, [redacted]

~~CUI~~ Page 1 of 3
Encl

(U) Army Tank-Automotive and Armaments Command (cont'd)

~~CUI~~

"(~~CUI~~) As a result, the Army retained [redacted] in spare parts that potentially were not needed to sustain the M88 recovery vehicle and had [redacted] in potential inventory shortages that impacted the readiness of the M88 recovery vehicles. Specifically, the Army's availability percentage for M88 spare parts decreased from [redacted] percent in October 2020 to [redacted] percent in January 2025, dropping as low as [redacted] percent in December 2024. According to a M88 Program Office official, M88 vehicle readiness levels have been impacted by issues with spare parts. In 2024, the fully mission capable readiness rate for the M88A1 and M88A2 averaged [redacted] percent and [redacted] percent, respectively. The remaining M88 recovery vehicles, [redacted] percent of M88A1s and [redacted] percent of M88A2s, were not mission capable due to a combination of supply and maintenance issues."

ADDITIONAL FACTS: None

RECOMMENDATIONS AND REPLIES:

For the Commanding General,
U.S. Army Tank-automotive and Armaments Command

(U) Recommendation 2.a: "Conduct a cost-benefit analysis to determine whether it should keep the M88 spare parts with no demand in the last 2 years for future use or dispose of the unnecessary spare parts."

(U) Command Reply: Concur. The U.S. Army Tank-automotive and Armaments Command **(**TACOM) will conduct a cost-benefit analysis to determine whether it should keep the M88 spare parts with no demand in the last two years for future use or dispose of the unnecessary spare parts.

(U) Target Completion Date: 16 June 2026

(~~CUI~~) Recommendation 2.b: "Review the [redacted] M88 excess spare parts ([redacted] NIINs), valued at [redacted] and determine whether they should be retained to offset the cost of future needs for these spare parts within the DoD and, if not, take appropriate action to dispose of unnecessary spare parts."

(~~CUI~~) Command Reply: Concur. TACOM will review the [redacted] M88 excess spare parts ([redacted] NIINs), valued at [redacted] and determine whether they should be retained to offset the cost of future needs for these spare parts within the DoD and, if not, take appropriate action to dispose of unnecessary spare parts.

(U) Target Completion Date: 16 June 2026

~~CUI~~

Page 2 of 3

(U) Army Tank-Automotive and Armaments Command (cont'd)

~~CUI~~

(~~CUI~~) Monetary Benefits: Non-concur. TACOM non-concurs with Recommendation 2.b's potential monetary benefits of [redacted]. As written, the report appears to insinuate that we will have cost savings if we use the excess inventory in lieu of procuring new. This is already the TACOM supply support strategy. The excess most likely came from a demand signal that required TACOM to procure 'X' amount of parts and that demand signal decreased over time, leading to an excess position. TACOM would not dispose of this excess automatically but will analyze the benefits of retaining the stock; that stock will be utilized to fulfill incoming customer orders.

(U) Recommendation 2.c: "Review the M88 spare parts with potential shortages to determine that enough parts are in inventory to sustain the M88 recovery vehicle and take appropriate action to stock to the minimum quantity of spare parts required by DoD guidance."

(U) Command Reply: Concur. TACOM will review the M88 spare parts with potential shortages to determine that enough parts are in inventory to sustain the M88 recovery vehicle and take appropriate action to stock to the minimum quantity of spare parts required by DoD guidance.

(U) Target Completion Date: 16 June 2026

~~CUI~~

Page 3 of 3

(U) Acronyms and Abbreviations

(U) ACC	(U) U.S. Army Contracting Command
(U) AMC	(U) U.S. Army Materiel Command
(U) BOM	(U) Bill of Material
(U) DLA	(U) Defense Logistics Agency
(U) ILSC	(U) Integrated Logistics Support Center
(U) LMP	(U) Logistics Modernization Program
(U) NIIN	(U) National Item identification Number
(U) PdD CRS	(U) Product Director Combat Recovery Systems
(U) TACOM	(U) U.S. Army Tank-Automotive and Armaments Command


INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
INTEGRITY
EFFICIENCY

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U.S. Department of Defense

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For more information about DoD OIG reports or activities, please contact us:

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