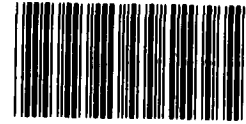




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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548



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INTERNATIONAL DIVISION

The Honorable Mathea Falco
Assistant Secretary for
International Narcotics Matters
Department of State

NOVEMBER 13, 1980

Dear Ms. Falco:

Subject: [Suggested Improvements in Management of
the International Narcotics Control
Program] (ID-81-13)

In May and June 1980, we made a limited examination of the International Narcotics Control Program in Thailand and Burma. The program includes providing U.S. equipment to reduce the amount of narcotics entering the United States and assisting them in combating their own narcotics problems. In addition to our fieldwork and visits to program offices, we completed work at the Department of State Bureau for International Narcotics Matters in Washington, D.C. Although we are not planning any additional audit work at this time, we did note problems in program operations which we believe should be brought to your attention.

We noted that

- end-use monitoring instructions need to be clarified;
- equipment provided is not always used in accordance with program agreements;
- some equipment is unsuitable for the purpose intended; and
- recipient governments have continuing difficulties maintaining the sophisticated equipment provided.

The enclosure to this letter outlines these issues in more detail.

We have discussed the above matters with officials in the Bureau for International Narcotics Matters and have incorporated their views where appropriate. Additionally, Bureau

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comments about the difficulties in managing narcotics control programs worldwide and the importance of host-government commitments are on page 6. We also suggest that you may want to examine the extent that the problems discussed in this report may be applicable to the worldwide program.

This report contains recommendations to you on page 8. As you know section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. We would appreciate receiving copies of your statements to the committees.

We are sending copies of this report to the four committees mentioned above; to the Chairman, House Select Committee on Narcotics; and to the Chairmen, House and Senate authorizations subcommittees.

Sincerely yours,


Samuel W. Bowlin
Associate Director

Enclosure

SUGGESTED IMPROVEMENTS IN MANAGEMENT OF
THE INTERNATIONAL NARCOTICS CONTROL PROGRAM

PROGRAM BACKGROUND

Funding

From fiscal years 1972 through 1979, the State Department provided about \$250 million to foreign governments and international institutions for narcotics control. About \$190 million has been for country programs; about \$140 million of that amount was for commodities.^{1/} The Congress passed a continuing resolution for fiscal year 1980, allowing the program to continue at its 1979 level of \$38.5 million; \$4.6 million of this amount was allocated for Burma and \$1.7 million for Thailand.

Objectives

The overall objective of providing funds is to assist in the suppression of illegal narcotics, both production and traffic. The assistance to Burma began in 1974: 27 helicopters, 5 fixed-wing aircraft, communications and other equipment was provided with an estimated expenditure through fiscal year 1979 of nearly \$37 million. Two political officers in the embassy are responsible for program management, each devoting about 50 percent of their time to narcotics matters.

About \$15.4 million has been provided for narcotics control in Thailand since fiscal year 1973. The largest project has involved about \$8.0 million in commodity assistance to the Royal Thai Police for narcotics law enforcement. This assistance was designed to develop specialized capabilities for the Royal Thai narcotics police force in training; investigations; and airlift and sensor-dog activities. The second largest project, customs improvement, began in 1974 and was designed to assist Thai Customs in preventing and suppressing the smuggling of both merchandise and narcotics. The customs project also sought to increase the revenue collecting and narcotics interdiction capabilities of Thai Customs. Since 1978, the customs project has concentrated more directly upon narcotics enforcement. Four other smaller projects address drug treatment and rehabilitation, drug intervention, crop substitution, and support of the Office of Narcotics Control

^{1/}Commodities include aircraft and spare parts, transportation, communication, training, and miscellaneous equipment.

Board. A section of the U.S. Embassy in Bangkok, the Narcotics Control Unit (NCU), develops, implements, and administers the anti-narcotics program in cooperation with the Thai government.

END-USE MONITORING

Monitoring requirements are established at the time agreements are reached with recipient countries for equipment and other goods. The agreements state that the assistance must be used for purposes related to the control of illicit drugs. To assure that the equipment provided for the international narcotics control program has been used in accordance with the requirements established, the Congress has been concerned that a formal end-use monitoring system be in place. In addition, two GAO reports in 1976 and 1978, an internal State Department audit, and an INM contracted study strongly encouraged the use of monitoring.

In April 1977, the Bureau for International Narcotics Matters (INM) instructed the field staff that all agencies involved in the narcotics program should assist in commodity accountability and should be alert to instances of equipment diversion and misuse--regardless of which agencies have the primary responsibility. Appropriate notes or records were to have been maintained and made available to auditors. In Bangkok, we found no such records of on-site inspections. INM officials in Washington told us it was virtually impossible to expect other agencies to do monitoring for INM without formal agreements with them.

In Thailand, the assistant project officer stated that the only monitoring reports he was aware of were produced in 1977 and 1979 for the narcotics enforcement and the customs improvement projects. In Burma, the assistant political officer said that formal monitoring reports have not been routinely prepared other than for fiscal year 1979. The Chief, INM Commodity Management Division, could find no record of any reports from Burma.

Monitoring instructions are unclear

Clear guidelines are essential to assess whether equipment is being used appropriately. In situations such as in Thailand where communications and aviation equipment is used for general purposes and where commodities were provided to generally improve the Thai customs service, an assessment on appropriateness of use has been difficult.

Monitoring surveys were done in August 1979 to verify equipment location, condition, and appropriate use. The NCU Chief said that the survey generally determined equipment location but did not completely account for how equipment was being used. Because guidelines to the field did not outline criteria to adequately assess what would constitute equipment misuse in situations where it was not used full-time in narcotics efforts, the field staff found it difficult to make "appropriateness" assessments.

In April 1980, INM attempted to clarify monitoring requirements and establish procedures to improve accountability. The new monitoring profile from the field requires information on condition, appropriate use, percentage of use for narcotics matters, and equipment use for other-than-narcotics control. However, these guidelines again did not include information on what constitutes appropriate percentage of use expected for narcotics programs. Moreover, the reporting instructions do not clearly convey to field personnel how, and to what extent, the information requested is to be used by Washington in program management.

We believe that monitoring instructions should be clarified. INM officials agreed and said they would again revise their monitoring instructions to clarify these issues before the fall of 1981, when the next reports are due. In clarifying these instructions, we believe there are other important areas that should be considered to assist in assessing results being achieved, for example:

- The original recipients of the equipment should be determined as well as the present owners.
- Intended and present uses should be determined.
- It should be determined whether the special narcotics units are still operating.
- The impact on a project because of changes in units or distribution of equipment should be determined.

USE OF U.S.-PROVIDED COMMODITIES

We found problems with U.S.-provided commodities. Some commodities were not used primarily for narcotics control and others were unsuitable for purposes intended. In addition, sophisticated equipment was not adequately maintained. These factors may be partially attributed to the inexperience of

project officers in project design, implementation, and monitoring. Other causes are related to (1) the inability of recipient governments in funding spare parts, (2) the lack of qualified personnel, and (3) English language difficulties in comprehending technical manuals.

Equipment provided is not used primarily for narcotics control as called for in program agreements

Program agreements call for commodity use primarily for narcotics control. Our survey showed that some equipment is placed in general service and only limited use is made for narcotics control. Equipment in Thailand, such as the aircraft and spare parts valued at \$5.3 million, was used in general support missions. About 40 percent of the missions, as reported by the aviation advisor, were directly related to narcotics control. Two new helicopters, justified for narcotics reconnaissance and observation, are used basically to shuttle VIPs around Thailand. These helicopters were purchased with funds from the sale of old AID-provided aircraft and were not included in the monitoring survey nor entered into the NCU accountability records. During our field visit to northern Thailand, we noted that radios were used primarily for communication checks which verified if the radios were operating correctly. We could not determine if any other use of the equipment was being made.

In the 1979 law enforcement survey, some equipment was found to have been redistributed from the program agreement units to meet operational requirements elsewhere. In addition, the survey team could find no evidence of a narcotics enforcement program within the Marine Police, as required in the project agreement, nor was evidence found that the intelligence teams, for which most of the equipment was to be provided, had been established. No outright diversion of equipment could be detected but equipment use by three major police elements--the Metropolitan, Provincial, and Marine Police--did not appear extensive. The survey team also found that some motorcycles and some communications equipment were being used for general police work rather than for narcotics enforcement.

Some equipment is unsuitable for narcotics control

Because of inadequate specifications and incomplete equipment deliveries, some equipment was not used as called for in the project agreement. For example, the United States provided Thailand seven Bell 205A-1 helicopters starting in

1973; the agreement specifications called for providing radios. Two helicopters were delivered in 1974 and five were delivered in 1976. In 1978, a U.S.-funded helicopter survey determined that the radios contained the military frequency band and did not operate on the police network. A May 1979 cable documented that antennas, receivers, and indicators should have been provided when the helicopters were delivered but that NCU had no means of knowing how or why this did not occur. NCU reported that the equipment was unusable and should have been replaced. In an earlier cable, NCU officials admitted that in such a technical field they have difficulty in sufficiently understanding documents to make decisions without Washington assistance. To obtain coordinates and other vital information necessary to conduct narcotics operations, policemen have had to hold walkie talkies outside their helicopters to communicate with ground units. The State Department INM Bureau agreed to fund the correct radios, however, the proper radios were not delivered until May 1980. In another instance, five vans purchased for law enforcement surveillance could not be used for this purpose because the heat within the vans on stationary surveillance became unbearable.

Maintaining equipment is difficult
for recipient governments

Sophisticated aviation and communication equipment which the United States provided Thailand was not adequately maintained because of the inability of the government to fund spare parts as part of the normal budgeting system. Problems also arose because of the lack of qualified pilots, helicopter maintenance personnel, and electronics repair technicians who were able to work on U.S. products and comprehend the English language technical manuals. Major impediments also include the delay in establishing new narcotics units and the inability to fund trained personnel from an already strained budget. Because of spiraling costs, the Thai government is becoming unable to replace helicopter parts. In addition, most helicopters are requiring expensive major overhauls--some have sustained major engine damage.

Although the United States sent an aviation advisor last year, Thai funding continues to deteriorate and more helicopters will likely be inoperative, awaiting repairs. Our visit to the helicopter storage facility revealed overcrowding and a lack of most equipment required to complete more than the most elementary repairs. Because of poor maintenance, no helicopter meets desirable Federal Aviation Administration standards. To help keep deteriorating aviation and communication systems operating, contract electronics and aviation advisors had to be hired.

Other examples of recipient-government problems can be shown with U.S.-provided electronics equipment. Since 1973, Royal Thai Customs, Royal Thai Police, and the Office of the Narcotics Control Board have been provided electronics equipment and spare parts valued at over \$1.5 million. Surveys in 1977 and 1979 revealed problems with equipment maintenance and repair. At Thai Customs, two newly established service shops had test equipment and tools which were not properly installed or used; the routine preventive maintenance system had not been established; a dependable logistic back-up system was not organized; the partially established logistics system was not proceeding due to lack of trained personnel; and many spare parts were still in shipping boxes.

In October 1979, the situation became so severe that the Deputy Chief of the Narcotics Control Unit recommended advising the Thais that the U.S. Government could not consider supplying further electronic equipment or spare parts until the agreed-upon repair and maintenance shops were established with qualified technicians and necessary procedures. In November 1979, a U.S.-funded electronics advisor reported that at least 18 months would be needed to properly advise and assist in the appropriate installation and operation of the large supply electronic commodities already delivered. The advisor also indicated that basic and advanced electronics technical training was badly needed for Thai technicians before they received specialized communications training. He also stated that technical advisory assistance was needed to review, evaluate, and draft technical specifications for all communications and electronics requirements.

INM program perspectives

To set the difficulties encountered in managing narcotics control programs worldwide into perspective, Bureau officials provided us additional comments. As reported to us, the Department of State strategy thus far has been to focus its efforts as close to the production sources as possible to prevent the harvested products from reaching the streets of America. This strategy has been carried out within a very complex environment, including a variety of economic, social, and political issues facing the developing countries.

Bureau officials believe that it is in the U.S. interest to gain the commitment of those governments to eradicate or control production of illicit narcotics as well as eliminate adverse pressures on their own economies and governments. Specifically, the environment, traditions, and respective economies of Burma and Thailand do not offer simple solutions

but rather require complex sustained efforts both on the part of the United States and the recipient countries. INM believes that host-government commitment is the most essential program factor and bears direct correlation to the benefits the United States derives. In other words, INM has been providing assistance to those governments in return for their commitment to work with the United States in whatever possible capacity to eliminate illicit narcotics sources.

CONCLUSIONS

Weaknesses in program management have contributed to the uneconomical use of scarce program funds in Thailand and Burma. In Thailand and, to some extent, in Burma

- adequate guidance on the expected uses of narcotics-control equipment and end-use monitoring reports, along with misuse criteria, would better assure that the most effective use possible was made of U.S.-provided resources;
- due to inadequate specifications, some equipment has been delivered without essential items causing recipient-government difficulty in its use; and
- recipient-government funding limitations, technical inexperience, and language difficulties create hardships and constraints on the use and maintenance of sophisticated equipment provided.

Some problems resulted because State Department staff lacked expertise in narcotics project design, implementation, and monitoring; inexperience in project management also created problems. Political officers are often designated as narcotics control unit chiefs; some are not assigned full-time to narcotics matters but are primarily responsible for political reporting. A notable exception is in Thailand where the deputy of the Narcotics Control Unit is assigned full-time and has had experience in narcotics control.

The lack of experience in operating sustained narcotics assistance projects, combined with less than full-time dedication of career foreign service personnel who are committed to narcotics matters, continue to be problems to State INM staff. In Washington, State INM has hired some personnel with development assistance experience acquired in the program before 1978, when the Agency for International Development (AID) operated the program for the State Department. In

the field, the INM staff often uses consultants and contract personnel to help solve problems. To provide project management training, INM officials told us that they had sent the last two assigned narcotics control unit chiefs to the AID programming course prior to departure for their new assignments.

RECOMMENDATIONS

Because the potential for similar problems exists in other countries, the following recommendations should be viewed in the context of possible applicability to other countries which receive commodity assistance.

We recommend that the Bureau for International Narcotics Matters take appropriate action to:

- clarify guidance on use of equipment;
- continue its efforts to improve project management training; and
- assure that recipient governments can use and maintain sophisticated equipment, to the extent practical.