Audit Report

OFFICE OF THE INSPECTOR GENERAL

NATIONAL GUARD SUPPORT TO DRUG INTERDICTION

Report No. 95-019 October 28, 1994

20000310 064

Department of Defense

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Acronyms

CDC	Counterdrug Coordinator
GAO	General Accounting Office
LAV	Light Armored Vehicle
LEA	Law Enforcement Agency
NGB	National Guard Bureau
OSD	Office of the Secretary of Defense
RAID	Reconnaissance and Interdiction Detachment

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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October 28, 1994

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (SPECIAL OPERATIONS/LOW-INTENSITY CONFLICT)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
DOD COORDINATOR FOR DRUG ENFORCEMENT POLICY AND SUPPORT
AUDITOR GENERAL, DEPARTMENT OF THE ARMY
CHIEF, NATIONAL GUARD BUREAU

SUBJECT: Audit Report on National Guard Support to Drug Interdiction (Report No. 95-019)

We are providing this report for your review and comments. The report discusses National Guard support to the drug interdiction programs of law enforcement agencies. Management comments were considered in preparing the final report.

Based on management's comments, we deleted three draft recommendations from this final report. DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, we request that the DoD Coordinator for Drug Enforcement Policy and Support and the National Guard Bureau provide estimated completion dates for corrective actions. Final comments on the unresolved recommendations are requested by January 6, 1995.

The courtesies extended to the staff are appreciated. If you have any questions on this audit, please contact Mr. Harrell D. Spoons, Audit Program Director, at (703) 604-9574 (DSN 664-9574), or Mr. Marvin L. Peek, Audit Project Manager, at (703) 604-9587 (DSN 664-9587). The distribution of this report is listed in Appendix G. The audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 95-019 **October 28, 1994**
Project No. 3RF-0055

NATIONAL GUARD SUPPORT TO DRUG INTERDICTION

EXECUTIVE SUMMARY

Introduction. Congress has authorized the National Guard (the Guard) to provide direct support to law enforcement agencies for drug enforcement and interdiction operations. In FY 1993, the Guard spent $171 million on counterdrug missions within the United States and its territories.

Objectives. The objectives of the audit were to determine whether Guard drug interdiction programs were cost-effective and prioritized to satisfy requirements of the law enforcement agencies and how well the programs met those requirements. The audit also determined whether the National Guard Bureau had taken effective action in response to recommendations in Inspector General, DoD, Audit Report No. 91-107, "National Guard Support of U.S. Drug Interdiction Efforts," July 2, 1991.

Audit Results. Federal, state, and local law enforcement agencies overwhelmingly agreed that the Guard has made significant contributions to their drug interdiction efforts.

Although counterdrug funds were generally allocated fairly, objective criteria had not been established to prioritize and allocate counterdrug funding among the 54 Guard Components, and counterdrug resources could have been more effectively used. As a result, there was no assurance that counterdrug funding was allocated to the most effective or productive Guard operations (Finding A).

About 21 percent of counterdrug pay and allowances received by the 15 Guard Components audited was spent for management and administration of the Counterdrug Support Program in FY 1993. If the projected management and administrative costs had been reduced to 15 percent of pay and allowances for all 54 Guard Components, an estimated $8.9 million could have been used to provide direct support to law enforcement agencies (Finding B).

The National Interagency Counterdrug Institute (the Institute) did not conduct training courses efficiently. As a result, the Institute spent at least $1.2 million of counterdrug funds for unnecessary personnel, travel, transportation, and rental costs (Finding C).

The Guard plans to purchase 12 light armored vehicles that have little use in a counterdrug role. As a result, the Guard could spend counterdrug funds for vehicles that will have minimal use and will consume diminishing counterdrug resources (Finding D).

The recommendations in Audit Report 91-107 were adequately implemented except that additional improvements were needed in allocating counterdrug resources, measuring the effectiveness of support, and reducing the cost of the Institute, as discussed in Findings A and C. Details on the implementation of the recommendations are in Appendix B.

Internal Controls. The audit identified material internal control weaknesses. Controls were not effective to allocate counterdrug funds based on mission priority, to measure Program results, to limit management and administrative costs, or to reduce operating costs at the National Interagency Counterdrug Institute. See Part I for a discussion of the internal controls assessed and Part II for details of the control weaknesses.

Potential Benefits of Audit. Recommendations in this report, if implemented, will help to effectively allocate and efficiently use counterdrug funds. About $54.6 million could be put to better use for FY 1995 through FY 2000 by reducing the cost of counterdrug management and administration in the 54 Guard Components and by eliminating unnecessary expenditures at the Institute. Appendix E summarizes the potential benefits of the audit.

Summary of Recommendations. We recommend establishing criteria to allocate funding among the Guard Components; developing useful measures of Program effectiveness; establishing guidelines for appropriate costs of administering the Counterdrug Support Program; reducing unnecessary expenditures at the Institute; relocating the Institute to a less costly facility; and requesting Congress to repeal legislation requiring that Light Armored Vehicles be purchased for the Counterdrug Support Program.

Management Comments. The Assistant Secretary of Defense (Special Operations/Low-Intensity Conflict) and the National Guard Bureau generally concurred with recommendations to establish policy governing the allocation of counterdrug funds, to develop a system to measure Program effectiveness, to limit costs associated with management and administration of the counterdrug program, and to seek reductions in the operating cost of the Institute. The Guard disagreed with a draft recommendation to relocate the Institute because the cost data on which the auditors relied was flawed and expected monetary benefits would not be realized. The Assistant Secretary disagreed with a draft recommendation to request repeal of legislation that requires procuring nonstandard, light armored vehicles for counterdrug missions because of congressional support for purchasing the vehicles.

Audit Response. We accepted the management comments concerning relocation of the Institute and procurement of light armored vehicles and deleted the recommendations from this report. In response to this report, the DoD Coordinator for Drug Enforcement Policy and Support should provide expected completion dates for planned actions concerning fund allocation and measures of Program effectiveness. The National Guard Bureau should provide expected completion dates for planned actions concerning program management and administration and cost reductions at the National Interagency Counterdrug Institute. Final comments on the report are requested by January 6, 1995.

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Part I - Introduction

Background

On September 29, 1988, Congress enacted Public Law 100-456, title 11, "Drug Interdiction and Law Enforcement Support," (the Law). Section 1105, "Enhanced Drug Interdiction and Enforcement Role for the National Guard," of the Law states:

> . . . the Secretary of Defense may provide funds to the Governor of a State who submits to the Secretary a plan specifying how personnel of the National Guard of that State are to be used in drug enforcement and interdiction operations by a National Guard of a State if such operations are conducted at a time when personnel of the National Guard of the State are under the command and control of State authority and not in Federal Service; and participation by National Guard personnel in such operations is service in addition to annual training required under Section 502 of Title 32, United States Code.

When performing counterdrug duty authorized by the Law, National Guard (Guard) personnel are issued special orders to active duty and are responsible to the Governor rather than to the Departments of the Army and Air Force. Since Guard personnel are in a "State status," they are not subject to Federal laws prohibiting Federal military personnel from engaging in law enforcement functions. However, National Guard Bureau (NGB) policy prohibits Guard personnel from directly participating in the search or arrest of suspects or from having custody of evidence. Participation in the Counterdrug Support Program (the Program) by Guard personnel is voluntary.

In compliance with the Law, the DoD Coordinator for Drug Enforcement Policy and Support (DoD Drug Coordinator)[1] has requested that the Guard from the 50 states, Puerto Rico, Guam, U.S. Virgin Islands, and the District of Columbia[2] prepare counterdrug support plans that incorporate drug interdiction missions in support of law enforcement agencies (LEAs). Those plans are reviewed by the NGB Counterdrug Task Force and are submitted to the Secretary of Defense for approval. Although the emphasis in combating illegal drug trafficking and usage may change, DoD strategy is derived from the President's National Drug Control Strategy. DoD's strategy is predicated on one key element: support to LEAs that have counterdrug responsibilities.

To accomplish that objective, DoD's goal is to approve and fund the plans of State Governors for expanded use of the Guard in supporting LEAs in drug interdiction and enforcement operations. The Office of the Secretary of Defense (OSD) has approved the Guard's participation in a wide range of

[1]The DoD Drug Coordinator position is vacant. The Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support has been the Acting DoD Drug Coordinator since May 24, 1993. Since the same person is filling both positions, all decisions coming from either office are referred to in the report as made by the DoD Drug Coordinator.

[2]For the purposes of this report, those 54 entities are hereafter referred to as "States," and the National Guard in each State is referred to as a "Guard Component."

counterdrug missions including: aerial and surface reconnaissance, surveillance, and transportation; marijuana and drug laboratory detection and eradication; cargo inspection at ports of entry; engineer support; and administrative, logistics, and maintenance support. Funds spent in support of the Program have increased from $28 million in FY 1989 to $171 million in FY 1993. Reported operations[3] increased from 1,811 in FY 1989 to 6,272 in FY 1993. Counterdrug funds expended by each State during FY 1993 are shown in Appendix A.

During FY 1993, the Guard also received $15.5 million for Drug Demand Reduction programs and $28.7 million for support of Federal drug interdiction operations outside the United States. However, those programs were not included in Governors' State counterdrug support plans and were not included in the scope of the audit.

Objectives

The audit objectives were to determine whether Guard drug interdiction programs were cost-effective, whether the programs were prioritized to satisfy requirements of the LEAs, and how well the programs met those requirements. The audit also determined whether effective actions had been taken in response to recommendations on Inspector General, DoD, Audit Report No. 91-107, "National Guard Support to U.S. Drug Interdiction Efforts," July 2, 1991.

Scope and Methodology

State Counterdrug Programs. We reviewed the planning process for State counterdrug support plans submitted by Governors of the 54 States. We selected 15 of the 54 Guard Components for a detailed review of counterdrug operations. The sample included the six Guard Components that received the most funding for the Program in FY 1992 and FY 1993 and the nine Guard Components that we randomly selected based on a "probability proportional to size" method. The sampling plan is described in more detail in Appendix B. During FY 1993, those 15 Guard Components received $88.5 million or 57 percent of the $156.6 million in counterdrug funds spent by the 54 Guard Components. For the 15 Guard Components selected, we:

o reviewed FY 1993 financial and supply documents related to the use and distribution of counterdrug funds,

[3]For purposes of counterdrug reporting, an operation is defined as each identifiable interaction, occurrence, or location of an approved mission based on an LEA request to conduct that operation. Thus, an operation could involve a few hours' support or could include several personnel assigned to an LEA for a year.

o reviewed and observed selected ongoing and completed FY 1993 counterdrug missions,

o reviewed the management and administration of the Program, and

o interviewed personnel from LEAs that received counterdrug support from the Guard.

We issued memorandums to 13 of the 15 Guard Components, discussing potential problem areas and suggested improvements. Systemic problems are discussed in Findings A and B of the report. Other observations that may require management attention are discussed in Appendix C. The observations are made to aid the Guard in the prosecution of its counterdrug mission. Management comments on the potential problems and suggestions are not required.

Light Armored Vehicle. We reviewed documentation, dated from September 1988 to April 1994, supporting the requirement to procure 12 light armored vehicles (LAVs) and surveillance equipment totaling $12 million for Army National Guard counterdrug use. We also reviewed 40 LAV missions that Guard Components in California, Oregon, New Mexico, and Florida conducted from August to November 1991 and from April to November 1992.

National Interagency Counterdrug Institute. We analyzed the efficiency of operations at the National Interagency Counterdrug Institute, which spent $4 million in FY 1993. Our review included expenditures for FY 1993 related to staffing requirements, travel, transportation, and rental costs associated with conducting mobile training courses.

C-26 Aircraft Modifications. We evaluated plans for modifying 10 C-26 aircraft in the Air National Guard inventory with counterdrug sensor equipment that the Guard estimated will cost about $38 million. Our conclusions that additional C-26 aircraft did not need to be modified for counterdrug missions are in Audit Report No. 94-067, "Quick-Reaction Report on Modifying C-26 aircraft for Counterdrug Missions," March 23, 1994. Details are in Appendix D.

Follow-up on Prior Audit Report. We followed up on recommendations made in Audit Report No. 91-107, "National Guard Support to U.S. Drug Interdiction Efforts," July 2, 1991. Details of our audit results and conclusions are in Appendix D. The corrective actions generally eliminated problem areas with the exception of the continuing need to refine allocation procedures and measurements of Guard effectiveness discussed in Finding A and the continued management problems at the National Interagency Counterdrug Institute discussed in Finding C of this report.

Use of Computer-Processed Data. We performed limited tests on the reliability of computer-processed data provided to us by the 15 Guard Components audited. The reported obligations for the Program by State, shown in Appendix A, were based on information provided to us by the Army and Air

Guard comptrollers and counterdrug offices and were not audited. To the extent that we reviewed the computer-processed data, we concluded that they were sufficiently reliable to be used in meeting our audit objectives.

Audit Period, Locations, and Standards. We performed this program audit from June 1993 through April 1994 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, we included such tests of internal controls as were considered necessary. Appendix F lists the organizations we visited or contacted.

Internal Controls

The audit evaluated internal controls relating to the Guard's Program. Specifically, we reviewed internal management control procedures regarding the allocation of counterdrug funds among the 54 Guard Components, documentation of requests for counterdrug support by LEAs and subsequent utilization of Guard personnel for managing and conducting those counterdrug operations, and the use of resources at the National Interagency Counterdrug Institute. We also reviewed the implementation of the DoD Internal Management Control Program. The audit identified material internal control weaknesses. The DoD Drug Coordinator required the National Guard Bureau to allocate counterdrug funds among the States in proportion to prior allocations rather than to mission need. Also, the DoD Drug Coordinator had established no reliable system to evaluate the effectiveness of the Program. Further, the National Guard Bureau had established neither controls over the amounts of counterdrug funds used for administrative overhead costs nor effective cost reduction measures at the National Interagency Counterdrug Institute. The recommendations in Findings A, B, and C, if implemented, should correct the weaknesses. Copies of this report will be provided to the officials responsible for internal controls in the Office of the Secretary of Defense and the National Guard Bureau.

Prior Audits and Other Reviews

During the last 5 years, the General Accounting Office (GAO) and the Inspector General, DoD, each issued two reports that specifically discuss the Guard's counterdrug support to LEAs. Also, the Office of Internal Review and Audit Compliance, NGB, issued a report on the National Interagency Counterdrug Institute operated by the Guard. A summary of the reports and corrective actions is in Appendix D.

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Part II - Findings and Recommendations

Finding A. Allocation and Use of Counterdrug Support Funds

The NGB did not have sufficient objective criteria to prioritize and allocate funding for the Program among the 54 Guard Components, and counterdrug resources could have been used more effectively. Although the DoD Drug Coordinator provides guidance to the NGB, additional specific and objective criteria on how to allocate counterdrug resources were needed. Also, procedures used to obtain feedback from LEAs were not sufficient to measure the effectiveness of the support provided. As a result, there was no assurance that counterdrug funding for the National Guard was allocated to the most effective or productive operations.

Background

Drug Control Strategy. The overall objective of the National Drug Control Strategy is to reduce drug use. The 1994 National Drug Control Strategy has expanded the focus away from casual and intermittent drug use and placed it on hard-core drug users. In implementing prior and current national strategy, the DoD has indicated it will continue to support Federal, State, and local LEAs in their efforts to disrupt the transport of illegal drugs into the United States, emphasizing the high intensity drug trafficking areas (New York City, Los Angeles, Miami, and Houston, and the Southwest border states). Also, in implementing evolving drug control strategy, the DoD Drug Coordinator has given cocaine and heroin drug interdiction priority over marijuana eradication.

Counterdrug Support Plan Development. Counterdrug support plans are prepared annually by each Guard Component to document plans for drug interdiction support and to estimate the costs of that support. Guidance issued each spring by the DoD Drug Coordinator to the NGB requires each Guard Component to specify the types of counterdrug missions in which Guard personnel will be used. Guidance for preparing the FY 1993 support plans also required inclusion of a State threat assessment to allow prudent and responsible allocation of counterdrug funds among the various States.

FY 1991 Funding Baseline Criteria. The DoD Drug Coordinator developed a baseline matrix for allocating FY 1991 counterdrug funds among the 54 Guard Components. The highest priorities were given to border States followed by States with major airports and roadways. Types of counterdrug missions were then weighted and multiplied by the priorities assigned to the States. Although funding in FY 1991 varied from $36,000 for Wyoming to about $17.1 million for California, each Guard Component received some funds. The FY 1991 criteria were used in FY 1991 only, and the DoD Drug Coordinator has not updated specific allocation criteria since then. Counterdrug funds increased in FY 1992 and FY 1993, and funding allocations established in FY 1991 have changed based on requests by States, a Guard Component's ability to use the

funding provided, and counterdrug programs initiated by the NGB. However, informal guidance by the DoD Drug Coordinator required each Guard Component to receive at least as much funding annually as received during the previous year, unless the Guard Component was unable to use funds previously provided. By FY 1993, the percentage of Program funds distributed among the 54 Guard Components in FY 1991 had changed for 28 Guard Components.

Although specific criteria for allocating and prioritizing funding did not exist among Guard Components, the NGB allocated funds to support National Drug Control Strategies. For example, six of the eight States that were allocated the most counterdrug funds in FY 1992 and FY 1993 had cities or borders designated high intensity drug trafficking areas.

Documentation and Evaluation of Counterdrug Support to LEAs

At the time of our audit, feedback mechanisms to evaluate Guard support to LEAs were in place: LEAs rated Guard support for each counterdrug operation and the Guard rated and analyzed its own performance and maintained numerous statistics on the quantity and value of drug-related seizures. LEA representatives overwhelmingly agreed that counerdrug support provided by the Guard has enhanced overall mission accomplishment. Although those feedback mechanisms indicated that the Guard was making a significant contribution to the Program, no mechanism had been established to ensure Program funds were allocated in the most effective manner.

LEA Assessment of Guard Support. At the completion of each counterdrug operation, the Guard requested that LEAs rate their satisfaction with the support provided using an eight-question survey. In addition to being rated on its overall contribution to the success of the mission, the Guard was rated on:

- providing timely support for the full period requested,
- being fully equipped to support mission requirements, and
- understanding its assigned mission and exhibiting a cooperative attitude.

Of the 6,791 LEA surveys received by the NGB Counterdrug Task Force for operations completed in FY 1992 and FY 1993, 99 percent, or 6,724 surveys indicated excellent ratings from LEAs.

After-Action Reports on Counterdrug Operations. The NGB required Guard personnel to complete a survey with 10 questions, similar to the LEA survey, and an After-Action Report at the completion of each counterdrug operation. For about 83 percent of the 6,934 surveys for FY 1992 and FY 1993, the Guard Components achieved the maximum rating possible for each question.

The use of Guard surveys and the After-Action Reports gave both operating and management personnel a forum for assessing areas where improvements could be made in providing support to LEAs.

Drug-Related Seizure Reports. In comparison to the increase in counterdrug expenditures for the Program, from $66 million in FY 1990 to $171 million in FY 1993, reported Guard assistance to LEAs in drug-related seizures increased much more dramatically during the same period. For example, from FY 1990 to FY 1993, the Guard Components reported that drug-related cash seizures increased from $18 million to $170 million and that assistance in drug-related arrests increased from 1,300 to 69,200. The audit did not verify the accuracy of the seizure reports and the extent of Guard participation. However, the tremendous increases in drug-related seizures and high praise from LEAs suggest that the Guard is making significant contributions to drug interdiction support.

Discussions with Supported LEAs. We visited at least three LEAs associated with each of the 15 Guard Components audited. All LEAs contacted enthusiastically expressed satisfaction with Guard support. LEA representatives sometimes explained that they were reluctant to fully use Guard personnel when the Program first began. However, after observing the qualifications and dedication of Guard personnel assigned to them and realizing that the Guard was not trying to take over the law enforcement responsibilities, LEAs expressed overwhelming support for the Program and concern that the level of support might be reduced in the future. LEA representatives stated that in many cases, the absence of Guard support would have a severely negative effect on drug interdiction efforts. For example, representatives frequently stated that administrative support provided by Guard personnel released more LEA personnel to conduct investigations and perform drug law enforcement functions.

Measurement of Effectiveness. Although the Guard has made a creditable effort in documenting the results of its counterdrug support and the satisfaction of the LEAs supported, an accurate measurement of effectiveness has remained elusive. The DoD Drug Coordinator has identified the need to measure effectiveness as one of the primary interests, but also as one of the most difficult areas to evaluate. Similarly, the GAO commented[4] that NGB efforts to develop criteria to measure the effectiveness of Guard support by using LEA surveys will not provide the information necessary to judge the cost-effectiveness of Guard participation in the Program. The GAO made no recommendation to measure actual effectiveness of Guard support. The Guard may not be in a position to judge the effectiveness of its support to the overall National Drug Control Strategy, because the Guard performs only a supporting role for LEAs. However, each Guard Component should prepare an annual assessment, with input from supported LEAs, of how the Guard Component has achieved specific objectives of its State counterdrug support plan and the National Drug Control

[4]GAO Report No. NSIAD-91-113, "Drug Control: National Guard Counter-Drug Support to Law Enforcement Agencies," May 3, 1991.

Strategy. That information could be reviewed by the NGB Counterdrug Task Force and the Office of the DoD Drug Coordinator as a tool in allocating counterdrug funds in subsequent years.

Use of Counterdrug Funds

Despite the overwhelming agreement among LEAs that counterdrug support provided by the Guard has enhanced their overall degree of mission accomplishment, counterdrug funds could have been used more effectively. Examples are discussed below.

o The NGB had authorized 28 Guard Components to establish drug Reconnaissance and Interdiction Detachments (RAIDs) with OH-58 helicopters, modified with a thermal imaging system, and at least four full-time aviators and two maintenance technicians. A thermal imaging system on the RAID helicopters assisted in detecting night-time illegal drug-related activities. LEAs had requested the use of aircraft in support of drug reconnaissance and surveillance missions, but the modifications of OH-58 helicopters and authorization of RAID units was an Army Guard initiative rather than a program requested by LEAs in specific States. Although the RAID program was still in its infancy when the audit took place, LEA requests for specific missions sometimes were too infrequent to keep pilots, hired on a full-time basis, fully productive. Also, two of the audited Guard Components, which were scheduled to receive a RAID, had not decided specifically how the RAID units would be used. The Counterdrug Coordinator for the Texas Guard stated it planned to temporarily deactivate its RAID after budget cuts to the Program were announced in January 1994. The decision to deactivate the RAID in Texas was supported by all the major Federal LEAs receiving support from the Texas Guard. LEA personnel stated that use of full-time Guard personnel to augment LEA activities was considered a higher priority than the use of the RAID helicopters with photo reconnaissance and thermal imaging capabilities.

o The Alabama Guard used about 3½ work years to support U.S. Customs Service inspection efforts in two inland cities. However, no drugs had been confiscated during FY 1992 or FY 1993, and the threat analyses in the Alabama Counterdrug Support Plans did not indicate problems with drugs entering the State through cargo shipments.

o The Maryland Guard used 8 to 12 personnel to operate a 24-hour "hotline" for the public to provide information on illegal drug activity. However, fewer than two calls per day were received during the 12 months ended July 1993. Additionally, the Texas Guard used seven personnel for a 24-hour hotline for law enforcement personnel to coordinate undercover operations that could endanger the lives of law enforcement personnel. At the time of our visit in January 1994, the Texas hotline had been in operation only 4 months and only 24 "operations" had been reported on the hotline. Although

both missions had been requested by LEAs, in our opinion, the low utilization of Guard personnel did not warrant the amount of counterdrug resources expended.

o In FY 1993, Mississippi Guard personnel spent about 9 work years on reconnaissance and "profiling" missions in support of LEAs. Those missions required Guard personnel to drive by small airports and waterways looking for suspicious aircraft and boats and to record the license numbers of out-of-state cars parked at motels. Information gathered during such missions was reported to the LEAs. Although those missions were requested by LEAs, After-Action reports showed no drug-related seizures as a result of those efforts.

o Two aviators with the Massachusetts Guard spent about 50 percent of their time visiting local LEAs to inform them of Guard capabilities so that additional requests for support would be forthcoming. However, many of the other Guard Components audited had more requests from LEAs than they were able to support. That fact suggests that more funds may have been provided to the Massachusetts Guard than needed.

o The high ratio of management and administrative costs in support of the Program, as discussed in Finding B, indicated funds spent on administration of the Program by many Guard Components might be more effectively used in direct support of LEAs.

Conclusion

The absence of documented criteria for allocating Program funds among the Guard Components and the examples of questionable use of counterdrug resources indicate improvements are needed in allocating and using counterdrug resources and in measuring the effectiveness of Guard support. As DoD implementation of evolving National Drug Control Strategy changes, specific criteria are necessary to properly allocate Program funds among the States. In order for DoD and the NGB to make informed decisions regarding the allocation of counterdrug funding, each Guard Component needs to periodically assess the results of counterdrug support operations and to assess the effectiveness of the resources devoted to the Program.

Recommendations, Management Comments, and Audit Response

1. We recommend that the DoD Coordinator for Drug Enforcement Policy and Support establish specific criteria for allocating funds annually from the Counterdrug Support Program and for evaluating the success of National Guard support.

Management Comments. The Assistant Secretary of Defense (Special Operations/Low-Intensity Conflict) concurred with the recommendation. The Assistant Secretary stated that the annual guidance issued to the NGB for the development and funding of State Counterdrug Support Plans ensures that the Program supports the National Drug Control Strategy and conforms with policy. Furthermore, a subtask force composed of military and drug LEAs has been established to develop measures of effectiveness to evaluate Guard and other military counterdrug support.

Audit Response. Management's comments are responsive to the recommendation. However, the Assistant Secretary did not provide an estimated completion date for the development of measures of effectiveness. We request that the DoD Drug Coordinator provide a completion date in response to the final report.

2. We recommend that the Chief, National Guard Bureau, require the National Guard in each state, territory, and the District of Columbia to provide an annual combined National Guard and law enforcement agency assessment that documents overall effectiveness of use of National Guard resources in support of specific criteria established by the DoD Coordinator for Drug Enforcement Policy and Support.

Management Comments. The Assistant Secretary of Defense (Special Operations/Low-Intensity Conflict) concurred with the recommendation, stating that the effort described in response to Recommendation A.1.a. will be used to develop criteria for the Guard to evaluate the effectiveness of the Program.

The NGB concurred with the recommendation, stating that each completed mission is monitored by an after-action survey that provides feedback to the State providing the support and to the Counterdrug Task Force. Also, an assessment as determined by the DoD Drug Coordinator will assist in maintaining high levels of support to the LEAs.

Audit Response. Managements' comments are responsive to the recommendation. We consider the feedback provided by the after-action surveys to be of limited value to management. However, the evaluation criteria being developed under the aegis of the DoD Drug Coordinator should result in improved assessments of the effectiveness of Guard support to LEAs.

Finding B. Management and Administration of the Counterdrug Support Program

About 21 percent of counterdrug pay and allowances received by the 15 Guard Components audited was spent for management and administration of the Program in FY 1993. This condition occurred because the NGB had not established specific guidance on appropriate ratios of funding for management and administration of the Program and because the NGB had authorized management positions at grade levels that were not commensurate with Program funding provided. If projected management and administrative costs of $27.2 million for FY 1993 for all 54 Guard Components had been reduced to 15 percent of pay and allowances ($18.3 million), an estimated $8.9 million could have been used to provide direct support to LEAs.

Background

In FY 1989 when Congress began appropriating funds specifically designated for Guard support to LEAs, the Guard had to use the existing management structure within the Guard Components and had to establish additional organizational structures to accomplish the counterdrug mission. However, as the Program grew from about $28 million in FY 1989 to $171 million in FY 1993, the need for guidelines on the cost of managing and administering the Program within each Guard Component became more evident.

The NGB discussed staffing requirements for management of the Program for Guard Components in National Guard Regulation 500-2/Air National Guard Instruction 10-801, "National Guard Counterdrug Support to Law Enforcement Agencies," December 2, 1991. The Regulation recommended staffing models for support of the Program based on the number of counterdrug workdays funded for each Guard Component. The Guard Components were not using those models at the time of our audit, and the models were inadvertently omitted from subsequent editions of the Regulation. Also, the models did not include administrative and clerical personnel and did not indicate adjustments to meet staffing needs for Guard Components with different types of counterdrug missions.

Cost of Management and Administration in 15 States Audited

A sample of 15 of the 54 Guard Components showed that an average of 21 percent of counterdrug pay and allowances was spent on management and administration of the Program in FY 1993. If that cost had been reduced to

15 percent, the 15 Guard Components could have reallocated $4.3 million for direct support of LEAs. The percentage of resources devoted to management and administration of the Program varied among the 15 Guard Components from 9 percent to 31 percent of total pay and allowances. Table 1. shows management and administrative costs compared to total pay and allowances for the 15 Guard Components.

Table 1. Comparison of Management and Administration Costs to Total Pay and Allowances in FY 1993 for 15 Guard Components Sampled ($ in 000s)

Guard Component	Pay and Allowances	Management and Administrative Costs	Percent
California	$14,653	$4,499	31
Michigan	873	267	31
Massachusetts	1,254	368	29
Kentucky	4,162	1,159	28
District of Columbia	1,630	428	26
North Carolina	2,174	558	26
Maryland	2,263	546	24
Kansas	652	156	24
Arizona	7,424	1,842	25
Mississippi	2,998	528	18
Oregon	3,072	492	16
New York	5,819	934	16
Texas	12,661	1,858	15
Alabama	2,198	278	13
Florida	5,490	491	9
Totals	$67,323	$14,404	21

Reductions to Management and Administrative Costs. The audit did not include a detailed survey of needed staffing to determine the optimum requirements for administering the Program within each Guard Component. However, the audit noted several areas in which management and administrative costs could be reduced. Examples of those areas follow.

o The California Guard received more funds for the Program than any other Guard Component. With approximately 423 full-time personnel at the end of FY 1993, economies of scale could reduce the percentage of resources devoted to management and administration of the Program. However, the California Guard devoted about 31 percent of counterdrug pay and allowances for management and administration of the Program. The establishment of Task Force Grizzly, a major subordinate headquarters, contributed to the high administrative overhead. Of the 175 personnel assigned to Task Force Grizzly, about 44 were primarily providing management and administrative support to

Guard personnel that directly supported LEAs. However, most of the management and administrative functions performed by the 44 personnel were already being performed or could be performed by counterdrug personnel assigned to the Guard Component Headquarters. In April 1994, the California Guard informed the auditors that the subordinate headquarters had been abolished and that the 44 management and administrative personnel had been moved to field operations.

o Both the Maryland and Oregon Guards used counterdrug funds to pay Colonels (Grade O-6) to manage the Program in addition to paying a State Counterdrug Coordinator, a Lieutenant Colonel (Grade O-5), who was tasked by National Guard Regulation 500-2/Air National Guard Instruction 10-801 to oversee the Program under the supervision of the State Plans, Operations, and Military Support Officer. Neither of the Colonels had a written position description, and both officers indicated that large portions of their time were spent on Drug Demand Reduction issues rather than on the Program.

o The NGB directed that liaison officer positions be established to assist in coordinating support provided by the Guard. Five of the Guard Components audited had liaison officers to the Drug Enforcement Administration who assisted in coordinating support provided by the Guard. In our opinion, the need for the liaison officers did not exist. For example, the need for a liaison officer in Detroit, Michigan, was questionable, since the Drug Enforcement Administration had not decided how to use the liaison officer. The liaison requirement was removed during our audit in January 1994, due to funding reductions in the FY 1994 Program. That action will allow funds to be more effectively used in direct support of LEAs.

o About 63 percent of the 219 counterdrug personnel in Kentucky who were assigned to the Program in August 1993, worked only during the 5- to 6-month marijuana eradication season. However, personnel managing and providing administrative support to the Program in Kentucky worked year-round. The cost of administering the Program in Kentucky could be reduced by reducing the number of full-time personnel whose main management responsibilities were related to the marijuana eradication program.

Administration of the Program in Florida. In FY 1993, the Florida Guard managed its counterdrug resources with only 9 percent of total pay and allowances. The Florida Guard kept management and administrative costs low by using capable personnel who assumed multiple administrative and management responsibilities and by emphasizing that support to LEAs was the number one priority of the Program.

Counterdrug Coordinators

The use of Counterdrug Coordinators (CDCs) added a significant cost to the management and administration of the Program for Guard Components receiving limited funds. In FY 1990, the NGB began authorizing Guard

Components to staff an Active Guard/Reserve[5] CDC to manage the Program in each Guard Component. By the end of FY 1993, 51 of the 54 Guard Components had hired a CDC. The Director, NGB Counterdrug Task Force, directed that a Lieutenant Colonel (Grade O-5) be authorized as the CDC for each Guard Component. The need for a Lieutenant Colonel was based on the requirement for the CDC to work with senior Federal, state, and local law enforcement officials in soliciting, providing, and coordinating Guard support to the Program.

Since counterdrug funding varied significantly among the Guard Components, from $187,000 for Wyoming to $20 million for California in FY 1993 (see Appendix A), authorization of a Lieutenant Colonel for each Guard Component at a cost of about $89,000 a year in pay, allowances, and benefits was not logical, in our opinion, for States with limited funding. In fact, many Guard Components have chosen to hire a lower ranking officer as the CDC. At the end of FY 1993, eight Guard Components had Majors (Grade O-4), four Guard Components had Captains (Grade O-3), and one Guard Component had a Chief Warrant Officer (Grade W-3). However, the Guard Components were under no obligation to hire a lower ranking officer to manage the Program, and hiring a lower ranking officer would not provide the Guard Component any monetary benefits.

National Guard Regulation 500-2/Air National Guard Instruction 10-801 requires the CDC in each Guard Component to be supervised by the Plans, Operations, and Military Support Officer, who is the director and primary point of contact for the Program for each Guard Component. Oversight of the Program is only one of the duties of the Plans, Operations, and Military Support Officer, who is responsible for coordinating all Guard support to nonmilitary organizations.

Since the Plans, Operations, and Military Support Officer is responsible for the overall direction of the Program, we believe the need for another Lieutenant Colonel to manage the Program in all Guard Components was frequently not necessary. Reducing the authorized grade or eliminating the CDC in the Guard Components where the position was not absolutely necessary could free counterdrug funding for direct support to LEAs.

Office of Counterdrug Review and Evaluation

The Office of Counterdrug Review and Evaluation (the Office) had established a comprehensive internal control and evaluation checklist with broad objectives to evaluate the adequacy, effectiveness, and management of the Program. The Office had reviewed the Program at least once in all of the 54 Guard Components by October 1993. The 54 Guard Components made significant

[5]Active Guard/Reserve personnel usually serve multiyear active duty tours. Other Guard personnel funded by the Program within each State serve on Active Duty Special Work tours. Those tours are not considered a career program.

improvements in operations and the documentation of counterdrug missions after the Office's evaluation visits. However, the Office made no review and evaluation of the management structure of the Program within each Guard Component, because no guidelines had been established on an appropriate ratio of resources needed to manage and administer the Program. The Office can assist the Guard Components in establishing appropriate staffing for Program administration during periodic reviews. Also, after guidelines and goals have been established, the Office should closely monitor compliance with established guidelines.

Conclusion

LEAs receiving support from the 15 Guard Components audited indicated that the Guard has made significant contributions to law enforcement personnel with drug interdiction responsibilities. However, NGB counterdrug management has not adequately evaluated the cost of management and administration of the Program at the Guard Component level. A standard personnel authorization document does not need to be established for each Guard Component since the amount of funding provided and type of missions requested and performed vary significantly. The NGB should establish guidelines on the ratio of resources devoted to the administration of counterdrug support for each Guard Component. Also, the amount of funds used to manage and provide administrative support for the Program should be considered when allocating counterdrug funds each year to support the Program.

In our opinion, the cost of management and administration of the Program was too high. The Director, NGB Counterdrug Task Force, agreed that an overall goal of 15 percent of pay and allowances is realistic, but noted the percent may vary in specific Guard Components that require more or less management and administration. If the results of the audit sample were projected to the 54 Guard Components, management and administrative costs would have been $27.2 million. If that cost had been reduced to 15 percent of pay and allowances ($18.4 million), an estimated $8.9 million in pay and allowances could be reallocated to direct support of LEAs (see Appendix B).

Recommendations, Management Comments, and Audit Response

We recommend that the Chief, National Guard Bureau:

1. Establish guidelines for the cost of administering the Counterdrug Support Program for each Guard Component with a goal of reducing the overall average cost of management and administration to a maximum of 15 percent of pay and allowances.

Management Comments. The NGB did not agree with establishing an overall goal to limit costs for management and administration of the Program to 15 percent of pay and allowances. Instead, the NGB stated that 15 percent of total funding (pay and allowances and operation and maintenance) should be a target for the management and administration of the Program. Otherwise, some States could be impeded in properly implementing or managing the Program.

Audit Response. The NGB's comments are nonresponsive. During a meeting with the Director, Counterdrug Task Force and his staff, the Director agreed that 15 percent of pay and allowances was a reasonable goal for the overall average cost of managing and administering the Program. By our estimate, the goal in terms of FY 1993 funds would have been about $18 million. The NGB proposal to base the goal on total funding would permit administrative costs of about $25 million, an increase of $7 million. Every effort should be made to reduce administrative costs and channel scarce counterdrug funds to direct support of the LEAs. We believe that the agreed-upon goal of limiting administrative costs to an average of 15 percent of funding for pay and allowances is reasonable and will maximize support to the LEAs. Therefore, we request that the NGB reconsider its position on the recommendation in response to the final report.

2. Reduce the authorized grade level for the Counterdrug Coordinators for each Guard Component to a level commensurate with Counterdrug Support Program responsibilities and funding provided.

Management Comments. The NGB partially concurred with the recommendation, stating that it was conducting a study to establish standards to develop a grade-level policy. The NGB also stated that funding for the Counterdrug Coordinator will be included as part of the State's counterdrug management and administration funding target, thus providing an incentive to the States to implement staffing levels consistent with their particular needs.

Audit Response. The NGBs planned actions will satisfy the intent of the recommendation. We request that the NGB provide a completion date for the study to establish standards for a grade-level policy and an implementation date for including funding for the Counterdrug Coordinators in the State's counterdrug management and administration funding targets in response to this final report.

3. Require the Office of Counterdrug Review and Evaluation to verify that established guidelines for the cost of administering the Counterdrug Support Program are reasonable and that the Guard Components comply with the guidelines.

Management Comments. The NGB concurred with the recommendation.

Audit Response. We request that the NGB provide an implementation date in response to this final report.

4. Reduce Counterdrug Support Program funding for Guard Components that continue to exceed the recommended funding for management and administration of the Counterdrug Support Program.

Management Comments. The NGB concurred with the recommendation. The NGB stated that the Counterdrug Task Force Director will consider exceptions to the funding target when they are justified and on a case-by-case basis.

Finding C. National Interagency Counterdrug Institute

The National Interagency Counterdrug Institute (the Institute) did not efficiently conduct counterdrug training courses held in FY 1993 and did not take advantage of resources available at Guard Components or facilities that hosted mobile training courses. Those conditions occurred because the Institute's concept of operations allowed for unnecessary workload requirements and classroom furnishings and reproduction of on-site classroom design for mobile training sites. As as result, of $4 million in expenditures in FY 1993, the Institute spent about $1.2 million for unnecessary personnel, travel, transportation, and rental costs.

Background

Origin and Mission of the Institute. The Institute was established in San Luis Obispo, California, by the Chief, NGB, in December 1990 to:

o enhance effective interoperability and integration of military personnel and resources with Federal, state, and local law enforcement in domestic counterdrug operations; and

o serve as the single source "clearinghouse" for seminars, conferences, and training related to counterdrug matters.

To accomplish those missions, the Institute trains military and law enforcement managers in the use of military resources through a Counterdrug Managers' Course and a Drug Prevention and Demand Reduction Course. The Institute conducted 16 on-site and 9 mobile courses in FY 1993 with an average of 41 students per class. Figure 1. shows the mix of students attending the Counterdrug Managers' Course in FY 1993.

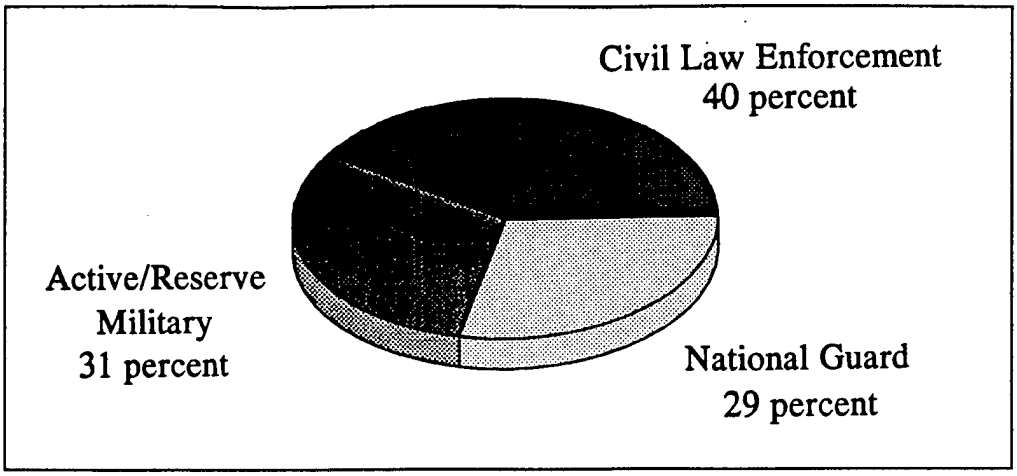

Figure 1. Mix of Students Attending the Counterdrug Managers' Course in FY 1993

Operating Budget for the Institute. In FY 1993, the Institute incurred $4 million in operating costs to conduct 25 1-week courses and to train 1,032 students. Those operating costs did not include salaries of guest instructors from other organizations or travel and per diem costs of students attending the Institute.

In December 1993, the DoD Drug Coordinator requested that the Institute prepare a strategy plan for reducing the staff and operating costs to allow the Institute to complete the FY 1994 training year. In implementing that guidance, the Institute:

o canceled planned FY 1994 procurements of additional audio-visual equipment, costing $156,000, which were considered necessary to conduct simultaneous courses;

o renegotiated the annual cost of the Counterdrug Managers' Course practical training exercise from $631,000 to $390,000;

o canceled five on-site and two mobile courses; and

o reduced the assigned staff from 42 to 35 personnel.

In January 1994, the DoD Drug Coordinator issued a memorandum to the Chief, NGB, indicating that no DoD funding was programmed for FY 1995. However, Congress has been seeking an alternative funding source for the Institute.

Concept of Operations: A Quality Learning Environment

The Special Assistant to the Chief, NGB, for Counterdrug Training and Youth Programs advised the NGB that a quality learning environment was essential to effectively train students holding mid- to high-level management positions. Institute management developed a concept of operation to maintain the quality environment and to place students on the same level. The concept, however, created a "gold plating" environment and caused unnecessary expenditures of counterdrug resources. The majority of the questioned costs was spent on unnecessary staff at an estimated cost of $956,000 in FY 1993. In addition, unnecessary expenditures of $137,000 for transportation and rental costs and $108,000 for travel and per diem costs were incurred in FY 1993 to conduct mobile courses.

Full-Time Staffing at the Institute. In FY 1993, the Institute had 42 full-time support personnel organized into a command group and 5 functional divisions. The staff primarily provided support services; only 3 of the 42 staff members provided course instruction. Both a staffing requirements study conducted by an independent contractor and auditor observations and analyses confirmed that excess authorized personnel were providing services that were not essential.

Independent Assessment of Institute Staffing. In response to the mediation process for Inspector General, DoD, Audit Report No. 91-107, "National Guard Support to Drug Interdiction Efforts," the NGB spent $100,000 on a contract with Standard Technology, Incorporated, to independently assess the organizational efficiency and effectiveness of the Institute and to develop a full-time staffing standard requirement. On January 11, 1994, Standard Technology, Incorporated, issued its final report, "Manpower Staffing Standard for National Interagency Counterdrug Institute Command Standard," (the Assessment). The Assessment recommended changes to the existing organizational structure that would ensure staffing for mission-essential work load, reduce duplication of effort, lead to better staff utilization, and reduce operating expenses. The Assessment concluded that only 21 personnel were needed to perform essential work load. Based on actual personnel costs at the Institute for FY 1993, reducing the staff to 21 people would have avoided an estimated $956,000 in operating expenses.

Functions Performed by the Institute Staff. The conclusions of the Assessment were confirmed by audit analyses and observations. For example, the staff:

o provided students transportation to and from the airport, hotel, class, and social activities to encourage discussions and networking;

o packed and mailed all course materials for students at the conclusion of each training course;

o videotaped each course for instructor critique; and,

o filled candy dishes and picked up trash between class breaks.

Also, eliminating unnecessary or excessive travel by Institute staff for mobile courses would reduce the need for staff assigned to the Institute. That excess travel is discussed later in this finding.

Transportation and Rental Costs in Support of Mobile Training Courses. The Institute spent an estimated $137,000 in avoidable transportation and rental costs during FY 1993, because the concept of operations required that the on-site classroom design be reproduced for mobile training course sites. In accordance with the NGB's philosophy for a quality learning environment, the quality of mobile training would diminish if the classroom was not identical at each site. In order to maintain consistency of the classroom design for mobile training courses, the Institute either transported or rented most of its equipment and furnishings. However, many of the required resources, such as audio-visual equipment, chairs, and tables, were available from the Guard Components and commercial hotels that hosted the training courses.

Equipment Transport Costs. In FY 1993, the Institute used C-130 cargo airlift to transport equipment and furnishings, such as audio-visual equipment, chairs, tables, risers, drapes, and vehicles, to support three export courses. The cost for the aircraft and flight crew was about $116,000.[6] The Institute used counterdrug funds allocated to the California Guard Program to pay for the costs rather than charge them to the Institute. The Deputy Commandant at the Institute indicated that it will discontinue use of C-130 aircraft in FY 1994 as a means to reduce costs. Instead, the Institute plans to transport all equipment and furnishings to the export sites by tractor trailer. Although use of ground transportation may be more economical, we question the need to transport chairs, tables, risers, drapes, and vehicles in most cases.

Equipment Rental Costs. Instead of using available resources at existing facilities or from Guard Components and other sources to conduct mobile training courses, the Institute spent $21,000 during FY 1993 for rented equipment and furnishings, such as vehicles, phones, audio-visual equipment, chairs, and computers, from commercial vendors. For example, the Federal Law Enforcement Training Center (Training Center) in Glynco, Georgia, offered to sponsor an export course and to provide classroom facilities, fully equipped with audio-visual equipment, and student food and lodging at a cost of about $22 per student per day--$44 less than the daily per diem cost. However, the Institute declined the offer because the facilities did not have a classroom available large enough to accommodate review projection equipment. Instead, the course was held at a hotel on Jekyll Island, Georgia, a resort area located near the Training Center, at $3,420 in rental costs for the equipment and furnishings that could have been provided at no additional cost by the Training Center. The Institute's rationale for renting those items was that the resources available did not meet the Institute's requirements and that the quality learning environment would diminish. The Government unnecessarily spent an estimated

[6]Does not include expenses for flying hours for four mobile classes that were paid with Air National Guard Training funds.

$19,000 in per diem costs for the 5-day training course for students and Institute staff because the Institute declined the offer to use the food, lodging, and classroom facilities offered by the Training Center.

Travel and Per Diem Costs in Support of Mobile Training. As discussed below, an estimated $108,000 was spent on unnecessary travel and per diem costs for mobile training.

Institute Personnel Supporting Mobile Training. An average of 17 personnel from the Institute traveled to support each mobile course. Only 8 to 10 personnel were generally needed to conduct the mobile training. The remaining personnel performed nonmission-essential duties, such as, video taping, providing student transportation, or performing work that was duplicative. For example, unneeded staff were present to monitor the progress of the class and to set up and dismantle the classroom. As a result, the Institute incurred at least $73,000 in FY 1993 for unneeded travel and per diem costs.

Mobile Training Site Selection. Several months before each mobile course, one or two staff members traveled to the proposed mobile site to select the classroom and lodging locations. The purpose for the travel was to measure and draw the classrooms, negotiate contracts for rentals, meet with banquet staff, and identify possible student social activities. Those trips lasted from 3 to 5 days and cost a total of about $35,000 in FY 1993. If the Institute considered contracting with the same hotels or facilities used for previous classes, the number of those trips could be reduced since all classroom and service information would be known. Furthermore, many of the contract aspects could be negotiated over the phone. Finally, State Adjutants General offering support for mobile classes indicated that State Guard units could obtain or provide the required lodging and conference space and the support personnel and could identify potential social events.

The Quality Learning Environment in Perspective

Audit interviews with training experts and visits to other reputable training centers indicated that a quality classroom environment for managerial students could be maintained without extravagance. Also, costs at the Institute were significantly higher than at other training centers for senior Government personnel.

Other Training Facilities and Expert Opinions. The Federal Law Enforcement Training Center, the National Guard Professional Education Center, the National War College, and the Drug Enforcement Administration Office of Training, had accommodating, but not extravagant classrooms, facilities, and equipment. Most classrooms at those three activities included basic, yet quality furnishings and equipment.

Cognizant representatives from those and other training facilities provided the following expert opinions on the role of the learning environment for effective training.

o The Dean of Faculty, National War College, stated that an excessive focus on the learning environment loses sight of the primary objective of providing effective instruction, that is, actual learning.

o A representative from the Field Training Unit, Office of Training, Drug Enforcement Administration, noted that, although it is important for training centers to make the students comfortable, curriculum is key. The representatives added that training can be performed anywhere as long as the consistency and the quality of instruction is maintained.

o The Manager, Skill Dynamics, International Business Machines Education Training Center, stated that state-of-the-art equipment and other niceties are not as important as the level of instruction, if the training is going to be successful.

Cost and Level of Students Attending the Institute. The Institute spent $3,991,0002[7] in FY 1993 to train 1,032 students in 25 courses. Including estimated per diem costs of $435 per student for a 5-day course, the Institute conducted the courses at an estimated cost of $4,302 per student per week. The Institute justified the high cost of training based on its quality learning environment concept to allow students time to devote to learning and to participating in joint activities without distraction. However, in FY 1993, 24 percent of the Institute's student population was military personnel below the grade of O-3 and equivalent civilian personnel (see Figure 2). Only 12 percent was considered high-level management.

[7]Includes $116,000 charged to the Program by the California Guard for use of C-130 aircraft.

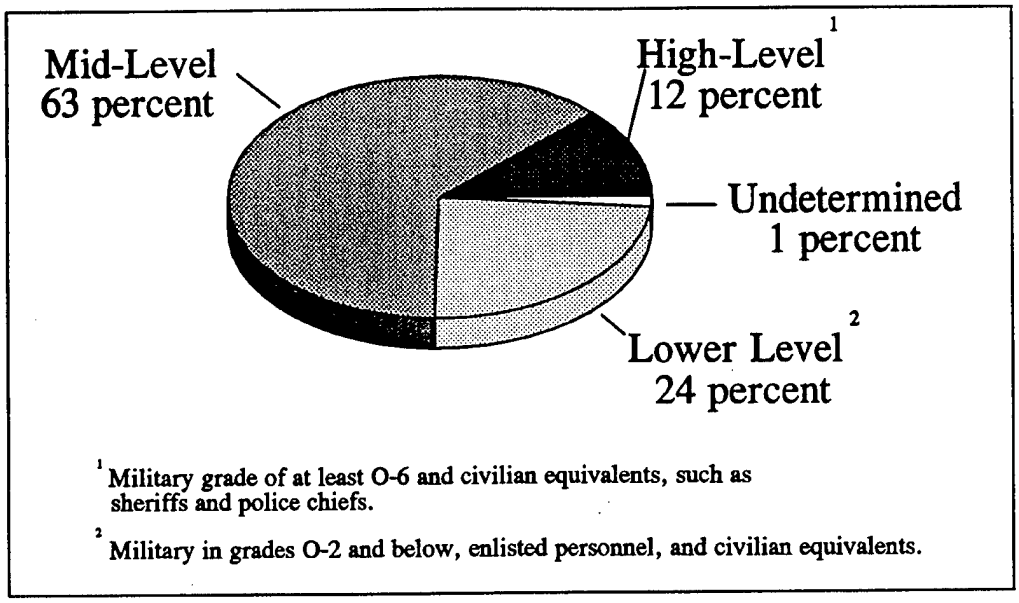

Figure 2. Level of Students Attending the Counterdrug Managers' Course

The training provided by the Institute could not be directly compared to training provided by other training institutions. However, the cost of training at the Institute was at least twice the cost of training at other institutions that trained higher level professional students than those targeted by the Institute.

o The Federal Executive Institute, which is supported entirely by tuition charges to students, provides a 4-week training course for GS-15 (grade level) civilians and Senior Executive Service personnel for $7,800 per student, including meals and lodging. The cost of $1,950 per student per week was less than one half the cost per student for a 1-week course at the Institute.

o Harvard University conducts a Senior Officials in National Security Program designed for GS-15 civilians and military officials at the O-6 grade level. The tuition cost is $17,490 per student, including meals and lodging for 8 weeks. That cost equates to $2,186 per student per week, or about one half the cost of training a student for 1 week at the Institute.

Benefits of Cost Sharing and Moving the Institute

Benefits of Cost Sharing. Because the Institute was established to enhance the integration of military resources of non-DoD drug law enforcement activities, the Institute has worked hard to encourage non-DoD participation. The

Institute's goal is for 50 percent of its students to come from Federal, state, and local LEAs; however, all the funds to support the Institute were provided from the Program. In our opinion, it is not reasonable for DoD to pay for all the costs associated with training non-DoD personnel to work with DoD. Requesting LEAs to support the Institute through grants or through tuition charges could reduce DoD's costs and could also serve to gauge the perceived benefits of the counterdrug training, that is, LEAs will be willing to support only the training they consider beneficial to their counterdrug efforts.

Relocating the Institute Offers Potential Cost Avoidances. The Assessment by Standard Technology, Incorporated, predicted that as much as $0.4 million in reduced costs could be realized annually by relocating the Institute from San Luis Obispo to the National Guard Professional Education Center (the Center), North Little Rock, Arkansas. The audit did not verify that cost reduction. The predicted economies would be in addition to reduced costs, already discussed, resulting from eliminating nonessential personnel at the Institute. The $0.4 million cost avoidance was based on the use of support personnel at the Center to further reduce staffing required to operate the Institute, the variable housing allowance for Institute staff, and utilities and maintenance costs identified in the Assessment. The Assessment also identified other potential economies associated with integrating the Institute into the Center.

o Personnel assigned to the Institute would have access to military housing and a nearby Air Force base.

o A dining facility and billeting are available at the Center. Those amenities would significantly reduce per diem costs for students attending the Institute. Even if the students stayed in hotels and received the maximum per diem, an estimated $10,000 per class could be put to better use, because daily per diem in Little Rock was $11 less than at San Luis Obispo.

o Transportation to and from the airport was provided by the Center, and a medical clinic, unavailable at the Institute, was available at the Center.

The auditors visited the Center and verified that the facilities and support shown in the Assessment were available. However, the NGB did not want to move the Institute from San Luis Obispo because training provided by the Institute was unrelated to the military skill training provided at the Center. Also, the location of the Center in Arkansas was less desirable than the location at San Luis Obispo, California, which had a relaxed environment conducive to the extensive interaction desired between DoD and LEA personnel. Finally, the Assessment overstated the Institute's costs at San Luis Obispo and understated the potential operating costs at the Center. Based on these factors, we withdrew a recommendation in the draft audit report taht the Institute be relocated.

Conclusion

The Institute spent counterdrug resources for unneeded staffing and unnecessary enhancements to the learning environment that added no value to the quality of training. Cognizant representatives in the training community indicated that the key to effective training was the course content and quality of instruction rather than the training environment. The Institute's concept of operation, however, allowed for unneeded workload requirements and classroom furnishings and reproduction of the on-site classroom design at mobile training sites. The Institute must initiate significant cost reductions to maintain operations in light of the overall reductions in counterdrug funds.

Recommendations, Management Comments, and Audit Response

We recommend that the Chief, National Guard Bureau:

1. Modify the National Interagency Counterdrug Institute concept of operations to reduce costs. At a minimum:

a. Reduce staffing requirements to equate to the mission-essential work load.

Management Comments. Although the NGB partially concurred, it stated that the current staffing already reflects the mission-essential work load. The NGB also stated that the auditor's concept of what is "essential" was too narrow for the Institute's evolving mission.

Audit Response. The NGB's comments are nonresponsive. As stated in the finding, the NGB contracted for a study to develop a full-time staffing requirement for the Institute. Using the staffing standards in Army Regulation 570-5, that study determined that the Institute's mission-essential work load required only 21 personnel; the NGB did not refute the validity of that figure. The cost of excess staff was a principal reason that the weekly cost of training per student at the Institute was more than twice the cost of training senior military and civilian managers at more prestigious institutions where the focus is on student learning and networking in a quality training environment. We ask that the NGB reconsider its position in response to this final report.

b. Eliminate unnecessary travel and per diem for staff to attend mobile training courses.

Management Comments. The NGB concurred with the recommendation, stating that procedures have been enacted to reduce the export travel staff by one third. Also, the Institute will further review current practices with the intent to reduce the number of staff and cost.

Audit Response. We request that management provide an estimated completion date for the review of current practices in response to this final report.

c. Use existing Government training facilities and State National Guard resources for mobile training classes to reduce the cost of transportation and equipment rental.

Management Comments. The NGB concurred with the recommendation, stating that the Institute will use existing facilities and resources when available and suitable, yet should not be limited to existing facilities when they do not meet the appropriate standards.

2. Reduce costs of National Guard support to the National Interagency Counterdrug Institute by, at a minimum, developing a cost-sharing program that would allow funding sources outside the National Guard Bureau to help pay the operating costs for conducting training.

Management Comments. The NGB concurred with the recommendation, stating that the Institute has initiated actions to develop cost-sharing arrangements and gave three examples of organizations helping to defray the Institute's costs for mobile training classes.

Audit Response. The NGB's comments are responsive to the recommendation. The Institute should be commended for the progress represented by the three examples the NGB referenced. However, the NGB provided no information on the completion dates for actions initiated to develop cost-sharing arrangements. We request that management provide the estimated completion dates in response to this final report.

Finding D. Procurement of Light Armored Vehicles

The Guard plans to use counterdrug funds to purchase 12 light armored vehicles (LAVs) that have little use in a counterdrug role. The Chief, NGB, recommended procurement of the LAVs, as directed by Congress, despite the limited utility of LAVs in counterdrug missions and significant resources needed to logistically support the vehicles. As a result, the Guard could spend $12 million to procure the LAVs in FY 1995 and an estimated $13.1 million for operation and maintenance support during FY 1995 through FY 2000 for a vehicle that will have minimal use and consume diminishing counterdrug resources.

Background

LAV Use Within the Services. The LAV is an 8-wheeled, amphibious, armored vehicle designed as a tactical armored personnel carrier for transporting up to 12 personnel with associated equipment for use in combat and civil disturbances (see Figure 3). The LAV can also be used as a communication platform and is capable of highway speeds in excess of 60 miles per hour and riverine operations of about 8 miles per hour.

None of the Services has authorized LAVs except the U.S. Marine Corps, which owns 735 LAVs. The LAVs are designed for wartime mission requirements, such as carrying special weapons, tools, cargo, and communication equipment.

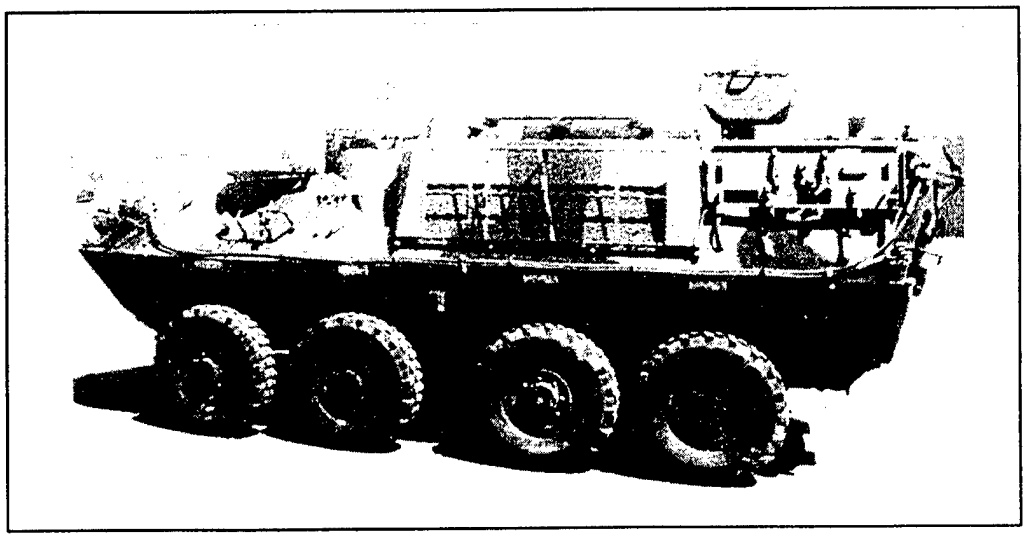

Figure 3. The Light Armored Vehicle

The Michigan Adjutant General, who also chairs the Wheeled Vehicle Task Force for the National Guard Association of the United States, first proposed the procurement of LAVs for Guard infantry units in 1988. The Adjutant General wanted to enhance the Michigan Army National Guard 46th Brigade, 38th Infantry Division, with wheeled armored personnel carriers to convince active Army leadership that wheeled fighting vehicles have a legitimate role on any battlefield. On November 18, 1988, the Director, Army National Guard, encouraged the Michigan Adjutant General to channel his proposal for the LAV for the entire U.S. Army rather than just the Army Guard. The Director, Army Guard, opposed bringing the LAVs into the Army Guard because all the armored vehicles in the U.S. Army force structure are tracked not wheeled, and the Army had no documented requirement for a wheeled armored vehicle.

Congressional Direction to Acquire LAVs. The House Appropriations Committee (the Committee) Report on the FY 1991 DoD Appropriations Bill stated that the military and the Drug Enforcement Administration may need to use armored wheeled vehicles: "Therefore, the Committees request the Department [DoD] make 12 armored wheeled vehicles available to the NGB to be used for surveillance of drug entry points, searches of marijuana fields, interdiction of drug drop off points and patrol of border areas." The Committee further directed that the Army Guard assign three vehicles each to the State Guard Components in Oregon, California, New Mexico, and Florida to evaluate the contributions of armored vehicles to the drug interdiction mission. On June 27, 1991, the Assistant Secretary of the Army (Research, Development, and Acquisition) approved a loan agreement with the Canadian Defense Forces for 12 Bison LAVs.

Evaluation of LAVs. In June 1991, the NGB asked the Defense Evaluation Support Activity (the Activity) to evaluate the Canadian Bison LAVs in the four test States. The Activity evaluated the LAVs in ground reconnaissance, ground surveillance, and marijuana eradication and detection missions. Guard personnel and LEAs were asked their opinion and assessment of safety, performance, logistics, and acceptance of the LAVs for each mission. The Guard Components from the 4 test States conducted 11 missions during August 1 through November 27, 1991, the initial evaluation period. Because data were insufficient to evaluate the need for the LAV, Congress extended the evaluation period, and the NGB redistributed the LAVs as follows: four to Oregon, four to California, three to New Mexico, and one to Florida. The Guard Components in those 4 states conducted 29 additional missions during the second evaluation period. The second evaluation period took place from April 1 through November 30, 1992.

Need for Light Armored Vehicles

Evaluation Results. The Activity's final report on the "Wheeled Light Armored Vehicle Evaluation in Counterdrug Support," February 1, 1993, concluded that LAVs were useful in certain operations, especially when the

operation had a perceived threat of hostilities.[8] However, the majority of counterdrug missions performed during the evaluation period did not require LAV support, and in some cases, the high profile of the LAVs precluded them from being considered.

The report further showed that of the total 2,928 LAV days available during the second evaluation period, LEAs requested the LAV a total of only 53 days. Table 2. summarizes total usage data for the four test States during the second evaluation period.

Table 2. LAV Usage
April 1 through November 30, 1992

State	Number of Missions	Number of LAVs	Total Days Available[1]	Total Days Used	Utilization Rate[2] (Percent)
California	7	4	976	10	1.0
Oregon	14	4	976	18	1.8
New Mexico	5	3	732	22	3.0
Florida	3	1	244	3	1.2
Total	29	12	2,928	53	1.8

[1]244 days available per LAV
[2]Percentage of days used during days available.

Expected Use of LAVs. The Chief, NGB, response to the Activity's final evaluation report indicated that the LAV has tremendous potential to support LEAs during the execution of search warrants, arrest warrants, hostage situations, natural disasters, antilooting, and civil disturbances. However, most of those situations have limited relations to counterdrug missions, and interviews with personnel managing the LAV program or expected to use the LAVs showed limited support.

o Counterdrug Task Force personnel indicated that the NGB is anticipating that each LAV will be used only about one to two times per month. Further, the NGB does not anticipate that the Guard Components scheduled to receive the LAVs will use them in rough environmental conditions, as was done during the evaluation period, in order to save on the operation and maintenance costs.

o The use of the LAV in tactical or hostile counterdrug operations is limited. Most drug eradication missions take place in areas where the LAV

[8]The final report included data from only the second evaluation period since the data obtained during the initial evaluation were not sufficient.

would not be practical due to its size, and the likelihood of encountering suspects or making arrests would be small. According to a representative from Operation Alliance,[9] tactical operations and high-risk operations are better accomplished in urban areas using a type of tactical van that can blend in with other vehicles in the area.

o The New Mexico Guard officials assigned to the Program indicated the LAVs would be used in a minimum capacity, such as in static displays or on dirt or paved roads for LEA insertion to area of operation, in order to avoid damage to the vehicles and adverse effects on the State's counterdrug budget. The officials indicated that once the vehicle breaks down, it would stay in a motor pool until the repairs could be funded.

Support for LAVs in a Counterdrug Role. In June 1993, the Acting DoD Drug Coordinator recommended that DoD not support the procurement of the LAV. His decision was based on:

o the low usage rate of the LAV in counterdrug missions,

o the refusal of the United States Border Patrol to allow the use of the LAV along the U.S./Mexican border,

o the availability of other suitable military vehicles already in the DoD inventory, and

o the lack of a requirement for the LAV in the majority of counterdrug operations.

Further, the Joint Staff, the Assistant Secretary of the Army (Installation Management and Program Analysis), and a cognizant representative of Operation Alliance did not agree with the procurement of the LAVs based on the availability of other more suitable military vehicles, such as the U.S. Air Force Peacekeeper and the XV-100. Those vehicles are smaller and more maneuverable than the LAVs, are easy to operate, and can transport an eight-member tactical team. Also, replacement parts for the Peacekeeper and XV-100 vehicles can be easily purchased through civilian auto parts stores.

Recommendation to Procure LAVs. The FY 1993 Defense Appropriations Act included $12 million for the purchase of 12 LAVs from Canada. Because the Guard did not acquire the LAVs in FY 1993, the Conference Report on the FY 1994 Defense Appropriations Act directed that the NGB procure the 12 LAVs in FY 1994 because the evaluation of LAVs resulted in a favorable report. The Chief, NGB, recommended procurement of the LAVs as directed by the Committee. On January 25, 1994, the Director, Counterdrug Task Force, proposed distributing two LAVs each to California, New Mexico,

[9]Operation Alliance is a non-DoD organization consisting of Federal, state, and local law enforcement representatives as well as Adjutants General of the four border States (Texas, New Mexico, Arizona, and California). Operation Alliance coordinates law enforcement organizations operating in the Southwest border region and facilitates the implementation of national drug policies.

Oregon, Arkansas, Tennessee, and Michigan. The DoD Drug Coordinator subsequently approved the plan and released the $12 million to the NGB on March 2, 1994, for the procurement of the LAVs and associated electronic sensor equipment. However, on March 16, 1994, the Director, Army National Guard requested that the $12 million designated for LAV procurement along with other funding sources be reprogrammed to help relieve an Army funding shortage unrelated to the Program. On June 21, 1994, the Senate Appropriations Committee sent a memorandum to the DoD Comptroller rejecting the funding sources identified by the National Guard.

Costs Included in the Initial Procurement of the LAVs

Of the $12 million designated for procurement of the LAVs, the NGB planned to spend about $5 million on electronic sensor equipment that would be used with the LAVs, but not be permanently attached, and about $1 million on initial supply and maintenance support and driver training.

Electronic Sensor Equipment for LAVs. Counterdrug Task Force personnel stated that the Guard Components scheduled to receive the LAV had expressed a greater interest in and need for the electronic sensor equipment than the LAV itself. Electronic sensor equipment to be procured with the LAVs will not be permanently attached to the LAVs so the equipment can be used on other platforms or on the ground as a stand-alone system. However, because the equipment is not dependent on the LAV, the need for and acquisition of such equipment should be identified in annual counterdrug plans submitted by each State. Since the Guard Components did not require the LAV, spending $7 million in procurement and initial operating expenses for 12 LAVs to serve as a potential platform for $5 million in electronic sensor equipment is not economical in our opinion.

Technical Support from General Motors Canada. Since the 12 LAVs are not a part of the U.S. Army force structure, they will be costly to maintain. For example, since the beginning of the second evaluation period, the NGB had a support agreement with the General Motors, Canada, branch in Michigan for the 12 Canadian LAVs at a cost of about $22,000 per month. The NGB's procurement plan for the 12 LAVs identified expenses of $540,000 for a 2-year technical contract for spares, training, and maintenance with General Motors, Canada, for those parts unique to the Canadian LAV.

Interchangeability with U.S. Marine Corps LAVs. The Marine Corps provides repair parts and depot-level maintenance for its 735 LAVs. Since the Marine Corps maintained similar LAVs from its inventory, it was providing depot-level maintenance for the 12 Canadian LAVs loaned to the NGB for the counterdrug evaluation. However, the Marine Corps estimated that parts

interchangeability between the Canadian LAVs and LAVs used by the Marine Corps was only 65 to 70 percent. The Marine Corps was reluctant to invest in a stockage program of unique parts for only 12 vehicles. As a result, the NGB identified planned expenses of $240,000 for the initial parts in its planned procurement strategy.

Maintenance Support and Driver Training. Since the Guard does not have other LAVs in its inventory, $180,000 of the initial $12 million for LAV procurement was earmarked for personnel to perform routine maintenance on the vehicles and training of drivers.

Future Personnel and Operation and Maintenance Costs

In March 1993, the DoD Drug Coordinator asked the Chief, NGB, to provide estimated funding requirements for the operation and maintenance of the 12 LAVs to be procured. The NGB estimated it would cost $13.1 million during the first 6 years after procurement of the 12 LAVs.

Projected Personnel Costs. The NGB projected that each Guard Component receiving the LAVs would need 120 days annually to train personnel to operate and maintain the LAVs. Those personnel would cost an estimated $1.3 million for the first 6 years.

Projected Operation and Maintenance Costs. The NGB projected costs for the Guard Components to operate and maintain the LAVs at $8.2 million during the first 6 years of operations. Additionally, the NGB planned to use the Marine Corps depots to perform depot-level maintenance at an estimated cost of $3.6 million for the first 6 years of operation.

Conclusion

The limited utility of LAVs in counterdrug missions, the lack of an Army requirement for LAVs, and the projected high cost for logistics and maintenance support of a nonstandard vehicle provide a compelling argument against procuring the LAV. However, recent Congressional action denying the DoD request to reprogram LAV procurement funds render the issue moot. Therefore, the draft report's recommendations concerning the LAV are deleted.

Part III - Additional Information

Appendix A. Counterdrug Funds Obligated in FY 1993

State	Obligations
California[1]	$20,323,000
Texas[1]	17,227,000
Arizona[1]	8,943,000
New York[1]	6,540,000
Florida[1]	6,017,000
Kentucky[1]	5,955,000
Louisiana	5,741,000
Mississippi[1]	5,555,000
Puerto Rico	5,304,000
Washington	5,187,000
New Mexico	5,082,000
Missouri	3,884,000
Oregon[1]	3,738,000
Georgia	3,664,000
Alabama[1]	3,601,000
Pennsylvania	3,310,000
North Carolina[1]	2,810,000
Tennessee	2,621,000
Oklahoma	2,498,000
New Jersey	2,460,000
Maryland[1]	2,445,000
South Carolina	2,356,000
Arkansas	2,196,000
Illinois	2,117,000
Utah	2,049,000
District of Columbia[1]	1,876,000
Hawaii	1,710,000
Maine	1,549,000
Massachusetts[1]	1,378,000
Connecticut	1,344,000
Virginia	1,300,000
Alaska	1,265,000
Colorado	1,253,000
Michigan[1]	1,128,000
Wisconsin	992,000
Kansas[1]	987,000

See footnotes at the end of the table.

State	Obligations
Ohio	953,000
Minnesota	925,000
Nevada	794,000
Indiana	896,000
Guam	882,000
Montana	796,000
Idaho	673,000
Iowa	616,000
Nebraska	580,000
West Virginia	553,000
North Dakota	540,000
Vermont	434,000
Virgin Islands	343,000
South Dakota	284,000
Rhode Island	275,000
Delaware	255,000
New Hampshire	230,000
Wyoming	187,000
Total Spent by State Guard Components	$156,621,000
National Interagency Counterdrug Institute	$3,875,000[2]
Regional Counterdrug Training Academy	1,568,000
Headquarters Operations and Centrally Managed Funds	8,665,000
Total Obligations	$170,729,000[3]

Source: Army and Air National Guard comptroller records and counterdrug offices.

[1]Indicates the 15 States in the audit sample.
[2]Does not include $116,000 charged to the Program by the California Guard for use of C-130 aircraft.
[3]$17 million in dedicated Procurement funds was authorized for the Program in FY 1993, but none of those funds was obligated as of April 20, 1994. Of the $5 million authorized for the Air National Guard, $3.4 had been committed for modifications to the C-26 aircraft as of March 1994. None of the $12 million authorized for the Army National Guard for procurement of LAVs had been committed. Finding D discusses the procurement of the LAVs.

Appendix B. Statistical Sampling Plan and Projections

Audit Universe. The Guard Components of the 50 States, Guam, the Virgin Islands, Puerto Rico, and the District of Columbia comprised the audit universe. The sample selection was based on the total of FY 1992 and FY 1993 funds allocated to each Guard Component for the Counterdrug Support Program.

Sampling Plan. The auditors used a two-stage sample in assessing management and administrative costs. The Guard Components were first divided into two strata based on 2-year budget costs. Budget costs include pay and allowance expense, part of which is management and administrative expense. The first stratum was the six Guard Components receiving the most funds during the period. The second stratum was the remaining 48 Guard Components arranged in the order of each Component's 2-year budget value. In the second stage of the sample, the auditors selected the six Guard Components with the highest 2-year budget value. The auditors selected 9 of the 48 remaining Guard Components using the "probability proportional to size"* sampling method. Therefore, those Guard Components with higher 2-year budget values had a greater probability of being selected.

Sample Results. The sample results are discussed in Finding B of the report. The table below shows the estimated management and administrative costs for the 54 Guard Components.

*The probability proportional to size methodology and formula can be found in Sampling Techniques by William S. Cochran, and in Elementary Survey Sampling by Schaffer, Mendenhall, and Ott.

Estimate of Management and Administrative Expense for the 54 Guard Components

Guard Components	Actual Pay and Allowances ($000s)	Management/ Administrative Expenses ($000s)	Target of 15 Percent of Pay and Allowance ($000s)
6 Highest Guard Components	$50,209	$10,783	$7,531
Remaining 48	72,324	16,456	10,849
Total	$122,533	$27,239 [1,2]	$18,380 [1]

[1]An estimated $8.8 million ($27.2 million less $18.4 million) could have been released to provide direct support to LEAs.
[2]The margin of error is from $25,056,000 to $28,422,000 at the 90-percent confidence level.

The sample selection was based on combined FY 1992 and FY 1993 data. The final analysis, however, was based on data for FY 1993 only. Therefore, the accuracy of the estimate may be affected by year-to-year variances in the State-by-State relative share of budget resources, in the allocation of resources within a given State's organization, or in the relative proportion of pay and allowance and management and administrative expense. However, in comparing the FY 1993 budget to the FY 1992 and FY 1993 combined budgets, the auditors found a maximum 0.6-percent difference between each selected Guard Component's share of the total budget. Therefore, the estimate of management and administrative expense is reasonably accurate.

Appendix C. Observations and Suggestions to Improve the Counterdrug Support Program

Guard personnel performing counterdrug missions for the 15 Guard Components audited showed a high degree of professionalism, dedication, and enthusiasm in performing their counterdrug missions. Also, audit observations and potential problem areas were discussed at exit conferences for the 15 Guard Components audited. The auditors sent 13 memorandums to State Adjutants General, discussing areas where improvements could be made. Identified systemic problems are discussed in Findings A and B of this report. Other observations discussed below may aid other Guard Components in performing their counterdrug mission more effectively and efficiently.

Use of Counterdrug Funds for Training. Two Guard Components spent more than $32,000 in training fees and travel costs in FY 1993 to train Guard personnel to provide more effective support to LEAs. For example $5,600 was spent in training 23 Guard personnel who were providing full-time support to LEAs by using Word Perfect, a word processing software program. National Guard Regulation 500-2/Air National Guard Instruction 10-801 encourages Guard personnel to be trained to support LEAs and does not prohibit the Guard from using counterdrug funds to train Guard personnel to more effectively support LEAs. However, we suggested that the LEAs using Guard personnel fund travel and tuition costs.

One Guard Component spent $35,000 to purchase computer equipment for use in conducting computer training classes requested by an LEA. The planned training was unrelated to National Guard counterdrug support activities and involved instructing 140 personnel in basic computer skills and learning to use computer software. National Guard Regulation 500-2/Air National Guard Instruction 10-801 states that Guard training of LEA personnel will be approved when such training enhances the ability of LEA personnel working directly with the Guard in the Guard's counterdrug support role. We discussed the planned training with the personnel from the Counterdrug Task Force, NGB. They agreed such training was inappropriate, and training courses were canceled. We suggested that the computer equipment purchased for this project be turned in to the NGB for redistribution to counterdrug activities with a valid requirement.

Procurement and Use of Equipment and Supplies. Two Guard Components were not using or did not need some of the equipment acquired with counterdrug funds. We suggested that the unneeded equipment be returned to the NGB for redistribution to organizations with a valid need.

o The NGB procured 37 portable radios for one Guard Component at a cost of about $24,800. Counterdrug personnel could provide justification for only 27 of the radios, and those would not be needed until the radios already in use became unserviceable.

o The NGB issued 16 cellular telephones to one Guard Component. However, 6 of the 16 telephones had never been used, and the need for at least 4 other telephones in use was questionable.

Use of Travel Funds. Travel and per diem costs in one Guard Component were reduced from $2.7 million in FY 1993 to an estimated $0.8 million in FY 1994, mainly because Guard personnel on continuous temporary duty were permanently moved to their duty locations during FY 1993. However, three Guard personnel were on continuous temporary duty to the same locations as of January 1993 for at least 11 of the 15 months ended December 1993. Moving those personnel to the duty location where they normally worked would avoid an estimated $67,000 in per diem costs annually.

Use of Operation and Maintenance Funds. About $20,000 in Operation and Maintenance funds was obligated by one Guard Component without sufficient justification or was not deobligated when funds were not spent. If the Guard Component had returned those funds to the NGB before the end of FY 1993, the NGB may have been able to allocate the funds to other Guard Components.

o About $10,000 was obligated to cover the cost of any "accidents" that might occur when Guard vehicles were returned to their home units. The vehicles had not been returned to their home units as of the end of November 1993. Army Regulation 37-1, "Army Accounting and Fund Control," April 30, 1991, allows obligations for estimates of expected expenses; however, obligations should not be made for contingencies that could happen, but are not expected.

o About $3,000 was obligated to cover expected charges for the use of Guard vehicles. When counterdrug personnel determined the actual charges, they obligated available funds without adjusting the original obligation.

The counterdrug logistics personnel and the U.S. Property and Fiscal Office (Fiscal Office) did not conduct thorough reconciliations of Army Operations and Maintenance funds obligated and spent during FY 1993. As a result, obligations recorded by the Fiscal Office were about $90,000 less than the obligations recorded by the counterdrug logistics office. To remedy the situation, the Fiscal Office prepared a Miscellaneous Obligation Document for $90,000 to cover the discrepancy without determining the cause of the problem. Guard personnel conducted reconciliations during our visit, and we were assured the problem had been corrected.

Counterdrug personnel prepared Miscellaneous Obligation Documents at the end of FY 1993 for estimated expenses such as payroll, Permanent Change of Station costs, communications services, credit card purchases of fuel, and other "unforeseen charges and increases to current contracts" without adequate documentation to show the basis for the obligations. Although the obligations appeared to be reasonable, based on information available at the time of the audit, all transactions (including estimates) should be supported by adequate documentation.

Counterdrug Funds Expended for Other Missions. Examples of using funds from the Program for noncounterdrug missions were found in only one Guard Component. We suggested establishing controls to ensure that Program funds are used only for authorized missions shown in National Guard Regulation 500-2/Air National Guard Instruction 10-801.

o Counterdrug funds supported three 1-day missions during which Guard personnel were used for providing LAVs, a public relations display, a public parade, and stand-by support to rescue the President of the United States.

o Three Guard personnel went on temporary duty in support of a joint readiness training center exercise unrelated to the Program. Although records showed that Guard training funds paid for most of the travel and per idem costs for this operation, counterdrug operations files showed that $8,346 in counterdrug funds was used for the operation. National Guard Regulation 500-2/Air National Guard Instruction 10-801 specifically states that all counterdrug support activities will be in response to a documented request for support from an LEA.

o An estimated $2,500 of counterdrug pay and allowances was spent on two operations to train and support law enforcement personnel in the event of their activation for civil disturbances. Those operations were conducted using counterdrug funds despite a letter from the Director, Counterdrug Task Force, NGB, which stated such training and operational support should be provided by Guard personnel in a State Active Duty status.

Accountability of Equipment. Improvements were needed at two Guard Components regarding the accountability over assets purchased with counterdrug funds.

o The auditors' spot check of equipment records and supporting documentation showed 30 sets of body armor had been received in FY 1993. However, at the time of our audit, only five incomplete sets were on hand. Counterdrug personnel had no documentation to show where the remaining 25 sets were located.

o Although documentation existed for equipment that had been hand receipted to counterdrug detachments, no physical inventories of the equipment had been made. Annual inventories are required by Army Regulation 710-2, "Supply Policy Below the Wholesale Level," January 31, 1992, to maintain proper internal controls and accountability.

Maintenance of Counterdrug Mission Files. Complete and accurate records are essential for effective command and control of counterdrug operations and activities. A detailed review of counterdrug mission files was not included in the scope of the audit since the Office of Counterdrug Review and Evaluation at the NGB was emphasizing that requirement in its review of the Program at each Guard Component. However, maintenance of counterdrug files was mentioned in the memorandums sent to three Guard Components.

o Counterdrug mission files sometimes did not document complete counterdrug operations or identify the personnel assigned to support LEAs. Also, required After-Action Reports sometimes were not prepared.

o Information, such as law enforcement requests for Guard support, operations plans, and After-Action Reports for completed counterdrug operations, maintained by one Guard Component was often not readily available during our visit. Counterdrug personnel were usually able to find missing requests and other information after

searching and requesting information from the 10 counterdrug detachments throughout the State. We suggested management of counterdrug support to LEAs would be easier if required documentation is centrally maintained in counterdrug mission files.

Documentation of LEA Requests for Support. Requests for support from LEAs were sometimes not well documented, complete, or accurate. We suggested increased emphasis by CDCs in documenting specific requests by LEAs and in requiring LEAs to provide more details on the specific duties required so that counterdrug resources can be allocated more effectively and CDCs can more effectively monitor the support provided by Guard personnel.

o Review of 52 of the 317 completed counterdrug operations showed that 42 of the 52 operation files did not contain documented requests from LEAs for the counterdrug operations performed.

o An LEA in one Guard Component requested a six-member "Immediate Reaction Team," but the specific responsibilities of the team were not shown in the request.

o One Guard Component had requests on file from LEAs for full-time support, but the requests often did not provide specific information on how Guard personnel would be used.

o A review of counterdrug files showed no requests from LEAs for 17 of 71 counterdrug operations completed during FY 1993.

o An LEA requested assistance for data entry support without providing specific details of the actual support needed. After the support was provided, the CDC learned that an intelligence analyst was needed rather than data entry support.

Memorandums of Understanding with Supported LEAs. National Guard Regulation 500-2/Air National Guard Instruction 10-801 requires that the Guard obtain a memorandum of understanding with LEAs before providing the requested support if the expected support will total more than 30 days. Those memorandums were needed to document the areas of responsibility, reporting procedures, and the scope of approved operations. Two Guard Components had not complied with this requirement.

o Only one memorandum with an LEA had been finalized, even though the Guard Component supported at least six LEAs in FY 1993.

o Only 3 memorandums with LEAs had been finalized, even though the Guard Component supported at least 40 LEAs in FY 1993.

Appendix D. Summary of Prior Audits and Other Reviews

General Accounting Office (GAO)

GAO Report No. NSIAD 92-260 (OSD Case No. 9100), "Oversight Needed to Prevent Acquisition of Unnecessary Equipment," July 30, 1992. The report stated when the UC-26C aircraft was acquired, the NGB did not define requirements in broad operating capabilities, base the acquisition of the UC-26C aircraft on a validated threat, determine whether existing resources could have satisfied the counterdrug role, and evaluate alternatives to the acquisition.

Recommendation. The Office of National Drug Control Policy should certify that budget requests to acquire detection and monitoring equipment are based on valid requirements derived from the national drug-threat assessment and that the requirements cannot be met with existing or planned resources in the Federal inventory.

Corrective Action. The Guard did not validate the requirement to modify other C-26 aircraft and did not sufficiently evaluate alternative aircraft. As a result, the Inspector General, DoD, issued Report No. 94-067, "Quick-Reaction Report on Modifying C-26 Aircraft for Counterdrug Missions," on March 23, 1994.

GAO Report No. NSIAD-91-113 (OSD Case No. 8593), "National Guard Counter-Drug Support to Law Enforcement Agencies," May 3, 1991.

Allocation of Counterdrug Funds. The report stated that counterdrug funds were allocated to activities that OSD determined as high priority; however, OSD may have been better able to make allocation decisions in FY 1991 if the States had prioritized the counterdrug requirements within their State counterdrug support plans.

Recommendation. Each State should prioritize Guard counterdrug missions for which it requests funding.

Corrective Action. DoD concurred, and States are now required to prioritize counterdrug missions in their annual State counterdrug support plans. Although State plans prioritize counterdrug missions, there was no assurance that funds were allocated among the States in the most effective manner to support National Drug Control Strategy. This same condition was identified during our current audit (see Finding A).

Counterdrug Equipment Needs. The report stated that the equipment needs determined by the Guard Components differed from those NGB proposed to procure.

Recommendation. FY 1991 equipment procurement plans should be delayed until the NGB can determine exactly how much to spend on equipment and what types of equipment are most needed by the Guard Components.

Corrective Action. DoD replied that the Guard Components requested more diverse equipment than expected, and DoD recognized that funding for counterdrug equipment for both the Army and Air National Guard needed further review.

Measurement of Effectiveness of Counterdrug Support. The report stated that the effects of the Guard's counterdrug activities cannot be measured in traditional terms of arrests and seizures because the Guard only supports LEAs and does not independently plan, control, or execute operations. The report further stated that the NGB's use of a questionnaire for supported LEAs will not provide information necessary to judge the cost-effectiveness or the effects of the Guard's participation with LEAs.

Recommendation. GAO made no recommendation to correct the condition.

Corrective Action. The current audit confirmed that sufficient information was not available to judge the cost-effectiveness or the effects of the Guard's participation with LEAs. Measurement of effectiveness has remained elusive. However, the current audit recommendations (Finding A) should help both the DoD and NGB to improve the effectiveness of Guard support to LEAs and to have better tools to measure effectiveness.

Inspector General, DoD

Report No. 91-107, "National Guard Support to U.S. Drug Interdiction Efforts," July 2, 1991. The report contained three findings. Since one of the objectives of our current audit was to determine whether effective correction actions have been taken on the previous audit, the three findings, recommendations, and corrective actions are discussed below.

Management of Counterdrug Programs. The Guard Components had not fully identified their counterdrug work load; sought feedback from the LEAs on Guard counterdrug operations; measured the effectiveness of the support provided; or conducted long-term planning, programming, and budgeting for counterdrug operations. As a result, Guard management was precluded from making informed planning decisions regarding future counterdrug operations, and future year plans may not include the most effective or productive support operations.

Recommendation. Maintain historical records on all requests from LEAs for counterdrug support.

Corrective Action. The current audit showed that the 15 Guard Components maintained records of LEA requests for counterdrug support. However, improvements were sometimes needed in documenting the specific LEA that requested certain missions. Review of counterdrug mission files and required documentation is conducted by the Office of Counterdrug Review and Evaluation, NGB Counterdrug

Task Force. Although all recommended improvements were not completely implemented, sufficient progress has been made so that no repeat recommendation is warranted.

Recommendation. Develop feedback mechanisms with LEAs for use in evaluating and improving counterdrug support and criteria to measure the effectiveness of counterdrug support provided.

Corrective Action. The NGB developed surveys for LEAs and Guard personnel to be completed at the end of each counterdrug operation. After-Action Reports, which are also completed by Guard personnel, discuss the effectiveness of support. Although those tools have been effective to gage the satisfaction of LEAs and effectiveness of Guard support provided, additional tools and feedback from the LEAs and Guard Components are needed. The current audit identified that need as discussed in Finding A.

Recommendation. Annually assess the geographic priority categories of Guard Components based on measures of effectiveness.

Corrective Action. Although the NGB has made a creditable effort in allocating counterdrug funds among the Guard Components, the NGB did not conduct annual assessments of priority categories. Current audit recommendations in Finding A will help to allocate counterdrug funds where they are needed.

Recommendation. Annually prepare and submit a counterdrug Program Objectives Memorandum to the DoD Drug Coordinator.

Corrective Action. Annual input is provided by the NGB for inclusion in the DoD Counterdrug Program Objective Memorandum.

National Interagency Counterdrug Institute. The requirement for the Institute was not justified because the NGB had not assessed the counternarcotics training already in existence within DoD, the LEAs, and the State Guard Components.

Recommendations. The Institute should be discontinued, counterdrug training requirements should be developed based on operational needs unique to geographic priorities, and counterdrug training should be conducted at existing training facilities. Further, counterdrug training should be established as part of the LEAs' overall training program or should be taught using mobile training teams.

Corrective Actions. The DoD Drug Coordinator and the NGB nonconcurred with the finding and recommendations. Rather than close the Institute, during mediation of the audit recommendations, it was agreed that the NGB would assess the cost-effectiveness of and the requirements for the Institute. The cost analysis would include other options for conducting counterdrug training and, at a minimum, would include mobile training teams and the use of existing DoD and LEA facilities. If the NGB determined that the Institute was not the most cost-effective mechanism for conducting the interagency counterdrug training, the NGB would take appropriate action, to include canceling the school, reducing staff, or assigning the function to another organization. The NGB contracted with Standard Technology, Incorporated, to conduct a cost-effectiveness and staffing management study of the Institute. The

current audit determined that the Institute spent counterdrug resources for unneeded staffing and unnecessary enhancements to the learning environment that added no value to the quality of training (see Finding C).

Management Controls. The NGB had not established an internal management control program for the Drug Enforcement Support Program.

Recommendation. The Drug Enforcement Support Program should be identified as an assessable unit and an internal management control should be developed.

Corrective Action. The NGB developed an extensive review and evaluation checklist with 143 questions for use by the Guard Components to ascertain whether effective controls have been established. Also, the NGB established the Office of Counterdrug Review and Evaluation (the Office). Office personnel visited each of the 54 Guard Components at least once by October 1993 to verify that effective internal controls were in place and issued reports on each Guard Component, summarizing controls established and highlighting areas where improvements were needed. The Office prepares an annual assessment of internal controls, summarizing the results of its reviews of the Guard Components. In our opinion, the NGB has established an effective internal management control system. Although an effective system had been established, our current audit (Finding B) identified the need for policy and controls over the cost of the Guard Components' management and administrative support to the Program.

Report No. 94-067, "Quick-Reaction Report on Modifying C-26 Aircraft for Counterdrug Missions," March 23, 1994. The report was issued as part of the current Audit of National Guard Support to Drug Interdiction (Project No. 3RF-0055). The NGB approved the modification of 10 C-26 aircraft for counterdrug use without validating the need for modifications, verifying the number of aircraft to modify, or evaluating other alternatives.

Recommendation. The report recommended that the Air Force not award an imminent contract to modify C-26 aircraft for counterdrug use and validate the requirement for additional aerial photo reconnaissance and surveillance capabilities before spending additional funds for C-26 modifications.

Corrective Action. The Air Force nonconcurred with the finding and recommendation. After mediation, the Assistant Inspector General for Auditing decided not to pursue the matter because the DoD Drug Coordinator supported the Air Guard's plans to modify 10 C-26 aircraft, but set explicit parameters for the program.

NGB Office of Internal Review and Audit Compliance

Report No. 11-91, "National Interagency Counterdrug Institute," January 1992. The Vice Chief, NGB, directed the NGB Office of Internal Review and Audit Compliance to evaluate the missions assigned to the Institute to determine whether the missions were valid and should be continued. That audit identified no documented

need for the NGB training role. The Guard received no formal requests for national-level training support from Federal drug LEAs. Also the cost-effectiveness of the Institute, although not determinable, was questioned primarily because of its inability to meet specific geographic needs and its duplication of training efforts by Guard Components.

Recommendations. The Institute should be continued only at the written request of the Office of National Drug Control Policy, the Drug Enforcement Administration, or the Department of Defense. If the Chief, NGB, desires to continue the Institute as an NGB initiative, several controls should be implemented, such as:

o using appropriate Federal staffing standards for authorized missions;

o basing the curriculum solely on documented needs from LEAs, Active Components, and Guard and Reserve students;

o defining the roles and responsibilities to minimize any duplication of effort of training provided by the Counterdrug Coordinators and the Plans, Operations, and Military Support Officers.

o defining the student universe to be more realistic so that every LEA in the United States is not included; and

o reviewing (independently) the cost-effectiveness and continued requirement for the Institute at least every 3 years.

Corrective Action. The NGB provided no official reply. However, based on the recommendations, the NGB formed a Project Action Team to review all of the issues of all previous audits of the Institute. As a result of that review, the team members recommended:

o continuing the Institute and converting the staff to Federal civil servants and Active Guard/Reserve personnel;

o developing a long-range plan to include continued development of mobile courses and development of courses for drug demand reduction and military support to civil authority; and,

o conducting a cost-effectiveness analysis of the Institute.

Appendix E. Potential Benefits Resulting from Audit

Recommendation Reference	Description of Benefit	Amount and/or Type of Benefit
A.1.	Program Results. Helps allocate counterdrug funds in the most effective manner to support drug interdiction efforts.	Nonmonetary.
A.2.	Program Results. Assists counterdrug management in assessing effectiveness of counterdrug operations.	Nonmonetary.
B.1. and B.2.	Internal Controls and Economy and Efficiency. Establishes a reasonable ratio of management administrative costs for the Program.	$47.4[1] million can be put to better use during FY 1995 through FY 2000.
B.3.	Internal Controls. Ensures continuous oversight to monitor compliance with established guidelines.	Nonmonetary.
B.4.	Internal Controls and Economy and Efficiency. Gives Guard Components incentive to minimize management and administrative costs.	Undeterminable. The amount of funds put to better use will be based on Guard Components' success in staying within NGB guidelines.

[1]Appropriation: 97X0105 - Drug Interdiction and Counter-Drug Activities, Defense. Estimate was based on a 14.3-percent reduction in FY 1993 pay and allowances in FY 1995, plus an estimated increase in FY 1996 through FY 2000 shown in NGB input for the Counterdrug Program Objective Memorandum.

Appendix E. Potential Benefits Resulting from Audit

Recommendation Reference	Description of Benefit	Amount and/or Type of Benefit
C.1.	Economy and Efficiency. Eliminates unnecessary expenditures at the Institute.	$7.2 million[2] can be put to better use during FY 1995 through FY 2000.
C.2.	Economy and Efficiency. Requires NGB to search for ways to reduce costs.	Undeterminable. The amount of funds put to better use will be based on NGB's success in implementing the recommendation.

[2]Appropriation: 97X0105 - Drug Interdiction and Counter-Drug Activities, Defense ($1.2 million x 6 years).

Appendix F. Organizations Visited or Contacted

Office of the Secretary of Defense

DoD Coordinator for Drug Enforcement Policy and Support, Washington, DC
- Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support, Washington, DC

Departments of the Army and the Air Force

National Guard Bureau
- Counterdrug Task Force, Washington, DC
- Army Comptroller Directorate, Arlington, VA
- Army Aviation and Safety Directorate, Arlington, VA
- Army Personnel Directorate, Arlington, VA
- Air National Guard Directorate of Counterdrug, Andrews Air Force Base, MD
- Office of Internal Review and Audit Compliance, Arlington, VA
- Alabama National Guard, Montgomery, AL
- Arkansas National Guard, Little Rock, AR
- Arizona National Guard, Phoenix, AZ
- California National Guard, Sacramento, CA
- District of Columbia National Guard, Washington, DC
- Florida National Guard, St. Augustine, FL
- Kansas National Guard, Topeka, KS
- Kentucky National Guard, Frankfurt, KY
- Maryland National Guard, Baltimore, MD
- Massachusetts National Guard, Reading, MA
- Michigan National Guard, Lansing, MI
- Mississippi National Guard, Jackson, MS
- New Mexico National Guard, Albuquerque, NM
- New York National Guard, Latham, NY
- North Carolina National Guard, Raleigh, NC
- Oregon National Guard, Salem, OR
- Tennessee National Guard, Nashville, TN
- Texas National Guard, Austin, TX
- National Interagency Counterdrug Institute, San Luis Obispo, CA
- Regional Counterdrug Training Academy, Meridian, MS
- Multi-Jurisdictional Counterdrug Task Force Training Program, St. Petersburg, FL
- Professional Education Center, Little Rock, AR

U.S. Marine Corps

3rd Light Armored Infantry Battalion, United States Marine Corps, 29 Palms, CA
Marine Corps Logistics Bases, Albany, GA

Other Defense Organizations

Defense Evaluation Support Activity, Director, Defense Research and Engineering
  Albuquerque, NM
Joint Task Force-Six, El Paso, TX
National War College, Washington, DC

Non-Defense Federal Organizations

Bureau of Alcohol, Tobacco, and Firearms
  Branch Office, Birmingham, AL
Department of the Interior
  Bureau of Land Management, Portland, OR
Drug Enforcement Administration
  Headquarters, Arlington, VA
  Baltimore District Office, Baltimore, MD
  Birmingham Resident Office, Birmingham, AL
  Boston Field Division, Boston, MA
  Buffalo Resident Office, Buffalo, NY
  Drug Task Force Operations Center, Detroit, MI
  Houston Field Division, Houston, TX
  Miami Field Division, Miami, FL
  Narcotics Investigative Center, Greensboro, NC
  New York Field Division, New York City, NY
  Office of Training, Quantico, VA
  Tucson District Office, Tucson, AZ
  Washington Field Division, Washington, DC
  Wichita Resident Office, Wichita, KS
Federal Aviation Administration
  Civil Aviation Security and Intelligence Division, El Paso Intelligence Center,
    El Paso, TX
  Great Lakes Region, Detroit, MI
Federal Bureau of Investigation
  Houston Field Office, Houston, TX
  Jackson Field Office, Jackson, MS
  Organized Crime Drug Enforcement Task Force, New York, NY
High Intensity Drug Trafficking Area Offices
  Houston, TX
  Miami, FL
  New York, NY
Immigration and Naturalization Service
  Buffalo Detachment, Buffalo, NY
  U.S. Border Patrol
    Headquarters, Washington, DC
    Buffalo Drug Enforcement Team, Buffalo, NY
    Campo Station Office, Campo,CA
    El Paso Sector, El Paso, TX
    San Ysidro Sector, San Ysidro, CA
    Yuma Sector, Tucson, AZ
Office of National Drug Control Policy, Washington, DC

Non-Defense Federal Organizations (cont'd)

Operation Alliance, El Paso, TX
U.S. Customs Service
- Blue Lightening Operation Center, Gulfport, MS
- Contraband Enforcement Team, Southeast Area Intelligence Unit, Miami, FL
- Dulles International Airport, Passenger Analysis Unit, Sterling, VA
- Enforcement Branch, Birmingham, AL
- Inspection Facility, Birmingham, AL
- JFK Airport Contraband Enforcement Team Operations, New York, NY
- JFK Airport Mail Facility Operations, New York, NY
- Mail Facility, Sterling, VA
- Office of Enforcement, Jackson, MS
- Office of Enforcement, Inspection and Controls, Baltimore, MD
- Office of the Special Agent in Charge, El Paso, TX
- Office of the Special Agent in Charge, Tucson, AZ
- Office of Special Investigations, Baltimore, MD
- Port Director, Gulfport, MS
- Port Director, Oakland, CA
- Port Director, Otay Mesa, CA
- Port Director, Louisville, KY

U.S. Forest Service
- Supervisor's Office, Tucson, AZ

U.S. Marshals Service
- Organized Crime Drug Enforcement Task Force, Detroit, MI

U.S. Postal Service
- Postal Inspection Facility, Raleigh, NC
- Postal Inspector's Office, Louisville, KY

Non-Defense State and Local Organizations

Arizona Alliance Planning Committee, Tucson, AZ
Department of Public Safety, Montgomery, AL
Department of Public Safety, Phoenix, AZ
Federal Law Enforcement Training Center, Glynco, GA
Florida Department of Law Enforcement, Miami, FL
Harrison County Sheriff's Department, MS
Hendersonville County Sheriff's Department, Hendersonville, NC
Kansas Bureau of Investigations, Topeka, KS
Kentucky State Police, Frankfort, KY
Maryland State Police, Baltimore, MD
Massachusetts State Police, Reading, MA
Mendocino County Sheriff's Office, Mendocino, CA
Metropolitan Area Narcotics Trafficking Interdiction Squad, Tucson, AZ
Metropolitan Police Department, Washington, DC
Michigan State Police, Criminal Intelligence Division, Lansing, MI
Mississippi Bureau of Narcotics, Jackson, MS
Multnomah County Sheriff's Office, Portland, OR
Oregon State Police, Portland, OR
Organized Crime and Drug Enforcement Task Force, Detroit, MI

Non-Defense State and Local Organizations (cont'd)

Portland Airport Interagency Narcotic Team, Portland, OR
Regional Organized Crime Narcotics Task Force, Portland, OR
Tri-County State Task Force, Asheville, NC
Tucson Police Department, Tucson, AZ

Non-Government Organizations

Federal Executive Institute, Charlottesville, VA
Program for Senior Officials in National Security, Harvard University, Boston, MA
Skill Dynamics, International Business Machines, Atlanta, GA

Appendix G. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Director, Defense Procurement
Assistant Secretary of Defense (Special Operations and Low-Intensity Conflict)
  DoD Coordinator for Drug Enforcement Policy and Support
Assistant to the Secretary of Defense (Public Affairs)
Director, Joint Staff

Department of the Army

Secretary of the Army
Auditor General, Department of the Army
Chief, National Guard Bureau

Department of the Navy

Auditor General, Department of the Navy

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Defense Agencies

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, Central Imagery Office
Inspector General Defense Intelligence Agency
Inspector General, National Security Agency
Director, Defense Logistics Studies Information Exchange

Non-Defense Federal Organizations

Office of Management and Budget
Director, Office of National Drug Control Policy
Administrator of Drug Enforcement, Drug Enforcement Administration
Technical Information Center, National Security and International Affairs Division, General Accounting Office

Congressional Committees and Subcommittees

Chairman and Ranking Minority Member of each of the following Congressional Committees and Subcommittees

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
Senate Select Committee on Intelligence
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Operations
House Subcommittee on Legislation and National Security, Committee on Government Operations
House Permanent Select Committee on Intelligence
House Subcommittee on Oversight and Evaluation, Permanent Select Committee on Intelligence
House Subcommittee on Program and Budget Authorization, Permanent Select Committee on Intelligence

Part IV - Management Comments

Assistant Secretary of Defense (Special Operations/Low-Intensity Conflict) Comments

SPECIAL OPERATIONS/
LOW-INTENSITY CONFLICT

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-2500

August 23, 1994

MEMORANDUM FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

SUBJECT: Draft Audit Report on National Guard Support to Drug Interdiction (Project No. 3RF-0055)

We have reviewed the Draft Audit Report on National Guard Support to Drug Interdiction (Project No. 3RF-0055) dated June 20, 1994. Attached are comments on those findings which contain recommendations addressed to the DoD Coordinator for Drug Enforcement Policy and Support.

Your staff is to be commended for the obvious effort that they put into this Audit. The audit will enable the Department to assist the National Guard in improving their already outstanding Counterdrug Support Program.

The DASD (DEP&S) point of contact for this action is LTC Dan Grayson, X75656.

H. Allen Holmes

Attachments:
As stated

COMMENTS ON DRAFT AUDIT REPORT
ON NATIONAL GUARD SUPPORT TO DRUG INTERDICTION

Finding A - Allocation and Use of Counterdrug Support Funds

Recommendations for Corrective Action:

1. *We recommend that the DoD Coordinator for Drug Enforcement Policy and Support establish specific criteria for allocating funds annually from the Counterdrug Support Program and for evaluating the success of National Guard support.*

Concur with Comments: The DoD Coordinator for Drug Enforcement Policy and Support provides annual guidance to the National Guard Bureau concerning the development and funding of their State Counterdrug Support Plans. This guidance ensures that their program supports the National Drug Control Strategy and conforms with policy. For example, funding guidance provided to the National Guard for the development of their Fiscal Year 1995 State Plans, directs them to provide 40 percent of their State Plans funding to support the High Intensity Drug Trafficking Areas (HIDTAs). They were further directed to give priority to joint task forces in the HIDTAs that are aimed at dismantling the most significant organizations involved in drug trafficking and drug money laundering. NGB was directed to allocate at least five percent of the total NGB state plan funding to demand reduction activities. Moreover, the DoD Drug Coordinator is currently working with both military organizations and drug law enforcement agencies (DLEA) to develop criteria to measure the success of National Guard counterdrug support. A Sub-Task Force composed of military and DLEA will meet in the Washington D.C. area for one week and visit several other locations in the United States to develop measures of effectiveness to evaluate National Guard and other military counterdrug support.

2. *We recommend that the Chief, National Guard Bureau, require the National Guard in each state, territory, and the District of Columbia to provide an annual combined National Guard and law enforcement agency assessment that documents overall effectiveness of use of National Guard resources in support of specific criteria established by the DoD Coordinator for Drug Enforcement Policy and Support.*

Concur. Information obtained as a result of the Sub-Task Force described in Recommendation 1, Finding A, will be used to develop criteria for the National Guard to evaluate the effectiveness of their counterdrug program.

COMMENTS ON DRAFT AUDIT REPORT ON NATIONAL GUARD SUPPORT TO DRUG INTERDICTION

Finding B - Management and Administration of the Counterdrug Support Program

Recommendations for Corrective Action:

All recommendations in this finding are addressed to the National Guard and will be answered by same.

Finding C - National Interagency Counterdrug Institute

Recommendations for Corrective Action:

All recommendations in this finding are addressed to the National Guard and will be answered by same.

Finding D - Procurement of Light Armored Vehicles

Recommendations for Corrective Action:

1. *We recommend that the DoD Coordinator for Drug Enforcement Policy and Support request that Congress repeal item 762 of Public Law No. 101-139 to eliminate the requirement to procure light armored vehicles for counterdrug missions.*

Nonconcur. In Fiscal Year 1991 the Congress directed that the Department of Defense make available twelve Light Armored Vehicles (LAV) to the Army National Guard to determine if a need existed for LAV in counterdrug support operations. A test and evaluation was conducted by the Defense Evaluation Support Activity and submitted to congress in January, 1993. The results of this test and evaluation indicated that even though a role existed for use of the LAV in counterdrug support operations, the frequency of use did not justify the investment in the vehicles. Both the Fiscal Year 1993 and 1994 Defense Authorizations Bills directed the purchase of twelve LAVs. Recently, the National Guard Bureau submitted the $12 million in dedicated procurement funds provided to purchase the LAVs to be reprogrammed for other purposes. The reprogramming as submitted was turned down by Congress and the National Guard is proceeding with the LAV procurement process. The Congress has directed the procurement of the LAVs on several occasions and we do not agree with the recommendation that the DoD Coordinator for Drug Enforcement Policy and Support request that the law requiring their purchase be repealed.

COMMENTS ON DRAFT AUDIT REPORT ON NATIONAL GUARD SUPPORT TO DRUG INTERDICTION

2. *We recommend that the Chief, National Guard Bureau, use alternative vehicles already in the National Guard inventory for counterdrug missions.*

This recommendation is addressed to the National Guard and will be answered by same.

3

National Guard Bureau Comments

DEPARTMENTS OF THE ARMY AND THE AIR FORCE
NATIONAL GUARD BUREAU
WASHINGTON, D.C. 20310-2500

RECEIVED
OFC. ASST. SECY ARMY (I.L.&E)
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NGB-IR-C

10 August 1994

MEMORANDUM THRU

~~Director of the Army Staff~~ 5/8/94 NOTED DIRECTOR OF THE ARMY STAFF

Assistant Secretary of the Army, ILE KAC 8/23/94

SAAG-PRF-E

FOR The Inspector General, Department of Defense (Auditing)

SUBJECT: Draft Audit Report on National Guard Support to Drug Interdiction (Project 3RF-0055)

1. Reference SAAG-PRF-E memorandum with attachments (Encl 2) dtd 23 June 1994, SAB.

2. Per your request, we reviewed the Draft Audit Report and our response is at Enclosure 1.

3. The point of contact for this action is Mr. Lane G. Haskew, NGB-IR-C, 703,756-5988.

FOR THE CHIEF, NATIONAL GUARD BUREAU.

2 Encls

ROBERT W. BARNHART
Director, Internal Review and Audit Compliance

XO
AUG 2 4 1994
INIPA

National Guard Bureau Counterdrug Task Force
Comments for Draft Audit Report
DoD IG Project No. 3RF-0055 dated 20 June 1994

Finding A. Allocation of Counterdrug Support Funds

Recommendations for Corrective Action:

1. *We recommend that the DoD Coordinator for Drug Enforcement Policy and Support establish specific criteria for allocating funds annually from the Counterdrug Support Program and for evaluating the success of National Guard support.*

Nonconcur: The establishment of specific criteria and the allocation of funds annually should be a coordinated and joint responsibility of both OSD and NGB. The National Guard is in the best position to determine the level of support needed by individual states. OSD should provide guidance relating to the National Drug Strategy and how it relates to the various state strategies.

2. *We recommend that the Chief, National Guard Bureau, require the National Guard in each state, territory, and the District of Columbia to provide an annual combined National Guard and law enforcement agency assessment that documents overall effectiveness of use of National Guard resources in support of specific criteria established by the DoD Coordinator for Drug Enforcement Policy and Support.*

Concur with comments: The National Guard Counterdrug Program monitors each completed mission in support of Drug Law Enforcement Agencies with an after action survey. This survey provides feed back to the state providing the support and to the NGB Counterdrug Task Force. An additional assessment as determined by the DoD Coordinator for Drug Enforcement Policy and Support will assist the states and the NGB Counterdrug Task Force in maintaining high levels of support to Drug Law Enforcement Agencies.

Finding B. Management and Administration of the Counterdrug Support Program

Recommendations for Corrective Action:

1. *Establish guidelines for the cost of administering the Counterdrug Support Program for each Guard Component with a goal of reducing the overall average cost of management and administration to a maximum of 15 percent of pay and allowances.*

Partially Concur: The NGB Counterdrug Task Force does not concur that the target goal of overall management costs for the administration of the state counterdrug programs should be targeted to 15 %. We non-concur that the recommended limitation be based on pay and allowances. We strongly feel that the administration of state programs must be keyed to the overall program which combines pay and allowances with operation and maintenance funds.

National Guard Bureau Counterdrug Task Force Comments for Draft Audit Report DoD IG Project No. 3RF-0055 dated 20 June 1994, continued

The 15% of total funding should be a target and guideline, not an arbitrary limit which could impede some states in properly implementing or managing their respective programs. The National Guard Bureau should manage the administrative cost of each state plus its own personnel to average out to a desired 15% target/goal.

2. *Reduce the authorized grade level for the Counterdrug Coordinators for each Guard Component to a level commensurate with Counterdrug Support Program responsibilities and funding provided.*

Partially concur with comments: We are conducting a study to establish standards to develop a grade level policy. Additionally, we will decentralize the funding for the Counterdrug Coordinator, and make the funding part of the state's counterdrug target. This will provide incentive to the states to implement staffing levels consistent with their particular needs.

3. *Require the Office of Counterdrug Review and Evaluation to verify that established guidelines for cost of administering the Counterdrug Support Program are reasonable and that the Guard Components comply with the guidelines.*

Concur.

4. *Reduce Counterdrug Support Program funding for Guard Components that continue to exceed the recommended funding for management and administration of the Counterdrug Support Program.*

Concur with comments: There could be exceptions to this administrative funding target in some states due to geographical or mission differences. Exceptions to this policy will only be considered when complete and thorough justification is made, on a case by case basis by the Counterdrug Task Force Director.

Finding C. National Interagency Counterdrug Institute

1. *Modify the National Interagency Counterdrug Institute concept of operations to reduce waste. At a minimum:*

a. Reduce staffing requirements to equate to the mission-essential work load.

Partially Concur: The National Guard Bureau believes that the current staffing requirement already reflects on the mission essential workload. The auditors' concept of "essential" is too narrow and does not agree with the Institute's evolving mission to support the entire counterdrug community to include supply reduction, demand reduction and internal

National Guard Bureau Counterdrug Task Force Comments for Draft Audit Report DoD IG Project No. 3RF-0055 dated 20 June 1994, continued

control. This mission requires the Institute to absorb some of the costs for its students' agencies, perform "services" tasks to enable students to focus on the instruction and networking opportunities and provide a quality training environment.

b. Eliminate unnecessary travel and per diem for staff to attend mobile training courses.

Concur with comments: The institute has already enacted procedures to reduce export travel staff by one third and further review current practice with the intent to reduce the number of people and cost.

c. Use existing Government training facilities and State National Guard resources for mobile training classes to reduce the cost of transportation and equipment rental.

Concur with comments: The Institute will use existing facilities and resources when available and suitable, yet should not be limited to existing facilities when they do not meet the appropriate standards.

2. *Reduce costs of National Guard support to the National Interagency Counterdrug Institute. At a minimum:*

a. Develop a cost-sharing program that would allow funding sources outside the National Guard Bureau to help pay the operating costs for conducting training.

Concur with comments: The Institute has initiated actions to develop such cost-sharing arrangements. U.S. Army South is paying the Institute's travel costs to conduct a class in Panama. The U.S. Marine Corps Reserve is helping to fund the Institute's cost of adding a class to the FY 1994 schedule to accommodate a class for the Marines. San Antonio Fighting Back is paying the travel and per diem costs for Institute staff to facilitate a drug demand reduction conference in San Antonio.

b. Relocate the National Interagency Counterdrug Institute to an existing training facility as recommended by Standard Technology, Incorporated.

Nonconcur: The Standard Technology study did not take into account that the National Guard Professional Education Center (PEC) charges civilians for billeting. They mention that military housing is available for staff members at a near by Air Force base in Little Rock, however did not highlight the same capability at Vandenburg AFB in California, at which several members of the Institute now reside. The report also wrongly assumes that the program would not be charged for utilities at PEC, and incorrectly states there would be no charge for

National Guard Bureau Counterdrug Task Force Comments for Draft Audit Report DoD IG Project No. 3RF-0055 dated 20 June 1994, continued

vehicle maintenance. The input overestimated building cost at Camp San Luis Obispo by $207,000. Because of the flaws in the STI study, conclusions about cost savings are not valid. That combined with the high level of support NICI receives at San Luis Obispo, leads us to conclude that there is no reason to relocate at this time. We will re-evaluate this position if additional data becomes available.

Finding D. Procurement of Light Armored Vehicles

1. *We recommend that the DoD Coordinator for Drug Enforcement Policy and Support request that Congress repeal item 762 of Public Law No. 101-139 to eliminate the requirement to procure light armored vehicles for counterdrug missions.*

The recommendation is addressed to the DoD Coordinator for Drug Enforcement Policy and Support and will be answered by same.

2. *We recommend that the Chief, National Guard Bureau, use alternative vehicles already in the National Guard inventory for counterdrug missions.*

Nonconcur: In Fiscal Year 1991 the Congress directed that the Department of Defense make available twelve Light Armored Vehicles to the Army National Guard to determine if a need existed for Light Armored Vehicles in counterdrug support operations. A test and evaluation was done by the National Guard and the Defense Evaluation Support Activity in the four states as directed by the Congress. The results of the Test and Evaluation were submitted to the Congress in January 1993. The results of the Test and Evaluation indicated that even though a role existed for use of the Light Armored Vehicle in Counterdrug Support Operations, the frequency of use did not justify the investment in the same. Both the FY 93 and FY 94 Defense Authorization Bills directed the purchase of the 12 Light Armored Vehicles. Recently, the National Guard Bureau submitted the $12 million in dedicated procurement funds provided to purchase the Light Armored Vehicles to be reprogrammed for other purposes. The reprogramming as submitted was turned down.

Audit Team Members

This report was prepared by the Readiness and Operational Support Directorate, Office of the Assistant Inspector General for Auditing, Department of Defense.

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INTERNET DOCUMENT INFORMATION FORM

A . Report Title: National Guard Support to Drug Interdiction

B. DATE Report Downloaded From the Internet: 03/10/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #): **OAIG-AUD (ATTN: AFTS Audit Suggestions)**
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ **Preparation Date 03/10/99**

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.