

February 1998

DRUG CONTROL

U.S. Counternarcotics Efforts in Colombia Face Continuing Challenges





**United States
General Accounting Office
Washington, D.C. 20548**

**National Security and
International Affairs Division**

B-278692

February 12, 1998

The Honorable Charles E. Grassley
Chairman, Caucus on International
Narcotics Control
United States Senate

The Honorable Benjamin A. Gilman
Chairman, Committee on International Relations
House of Representatives

The Honorable J. Dennis Hastert
Chairman, Subcommittee on National Security,
International Affairs, and Criminal Justice
Committee on Government Reform and Oversight
House of Representatives

As you requested, we reviewed the status of drug control efforts in Colombia and the impact of the 1996 and 1997 U.S. decisions to decertify Colombia as a drug-fighting ally. Specifically, we examined (1) the nature of the drug-trafficking threat from Colombia; (2) the political, economic, and operational implications of the decertification decisions; and (3) U.S. efforts to plan and manage counternarcotics activities in Colombia.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies to appropriate congressional committees, federal agencies discussed in the report, and other interested parties.

This report was prepared under the direction of Jess T. Ford, Associate Director, International Relations and Trade Issues, who may be contacted on (202) 512-4268 if you or your staff have any questions. Other major contributors to this report are listed in appendix III.

Benjamin F. Nelson
Director, International Relations
and Trade Issues

Executive Summary

Purpose

The Foreign Assistance Act of 1961, as amended, requires the President to annually certify that major drug producing and transit countries have cooperated fully with the United States or have taken adequate steps on their own to achieve full compliance with the goals and objectives established by the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. If the President determines that a country is not meeting these standards, most forms of U.S. economic and military assistance must be terminated. On March 1, 1996, and again on February 27, 1997, the President determined that Colombia was not fully cooperating with the United States or taking adequate steps on its own to combat drug-trafficking activities. As a result of these decisions, the United States implemented mandatory economic sanctions and canceled or delayed millions of dollars worth of U.S. counternarcotics assistance to Colombia.

The Chairmen, Subcommittee on National Security, International Affairs, and Criminal Justice, House Committee on Government Reform and Oversight; the House Committee on International Relations; and the Senate Caucus on International Narcotics Control, asked GAO to review the efforts of U.S. and Colombian agencies, principally the Colombian police and military, to conduct counternarcotics activities in Colombia. Specifically, GAO examined (1) the nature of the drug-trafficking threat; (2) the political, economic, and operational implications of the U.S. decertification decisions; and (3) U.S. efforts to plan and manage counternarcotics activities in Colombia.

Background

Colombia is the world's leading producer and distributor of cocaine and a major source of heroin consumed in the United States. For the past two decades, the United States has supported Colombia's efforts to reduce drug-trafficking activities and to stem the flow of illegal drugs to the United States. As part of a national strategy for reducing the production of and trafficking in illegal drugs worldwide, the United States set counternarcotics objectives for Colombia that include increasing Colombia's political will and capabilities to destroy major drug-trafficking organizations, eradicate drug crops, conduct enforcement efforts, and strengthen its institutions to support a full range of counternarcotics activities. To meet these objectives, the U.S. Embassy in Colombia, through its various components, including the State Department's Narcotics Affairs Section, law enforcement agencies, the Department of Defense, and various other components, established an annual program plan.

The Department of State funds most of the specific plan activities as part of its International Narcotics Control Program. In addition, the Department of Defense has provided some types of assistance and equipment. Since fiscal year 1990, the United States has programmed approximately \$731 million in assistance and equipment to support Colombian police and military units involved in counternarcotics activities.

Results in Brief

The narcotics threat from Colombia remains and may be growing, and U.S. efforts in Colombia continue to face major challenges. The challenges GAO identifies in this report are similar to those it has identified over the past 10 years. The United States has had limited success in persuading the Colombian government to take aggressive actions to address corruption within the government, which limits its ability to arrest and convict traffickers. This lack of political will led to the President's decision to decertify Colombia in 1996 and 1997. For its part, the United States has had difficulty implementing a well-planned and coordinated strategy to assist Colombian authorities. Decisions on the provision of U.S. assistance and equipment have been delayed for a number of reasons, and coordination both within the Department of State and between State and other involved federal agencies has often been poor or lacking. These problems have hampered U.S. efforts to combat illegal narcotics trafficking in Colombia.

According to recent State Department and Drug Enforcement Administration reports, the cultivation of coca leaf in Colombia increased by 50 percent between 1994 and 1996, and the prevalence of Colombian heroin on the streets of the United States has steadily increased. Significant obstacles, including widespread corruption and extensive violence, impede U.S. and Colombian counternarcotics efforts. Colombian insurgent groups have further complicated the situation, as they are increasingly involved in drug-trafficking activities, making it difficult for Colombian police and military forces to reduce drug-trafficking activities within their borders.

Since the initial decertification decision in March 1996, Colombia has taken several actions to address U.S. concerns, including passing laws to hinder drug-trafficking and signing a maritime agreement with the United States to allow greater pursuit of drug-trafficking suspects. It has also continued to eradicate illicit drug crops and interdict drug-trafficking activities. U.S. officials believe Colombia must now fully implement newly

passed laws on asset forfeiture, money-laundering, and trafficker sentencing and show a willingness to investigate and punish corruption. Decertification had little effect on Colombia's economy because the President chose not to apply discretionary sanctions against the country. However, mandatory economic sanctions required by the decertification decisions led to the termination of some U.S. economic aid and may have hurt some U.S. businesses.

At the initial decertification decision in March 1996, the State Department was not prepared to determine whether some programmed assistance intended for the Colombian police and military could continue to be provided. It took State, in conjunction with other executive branch agencies, about 8 months to decide what could be provided. As a consequence, about \$35 million in programmed counternarcotics assistance was canceled or delayed. However, the overall operational implications of the cutoff on U.S. and Colombian counternarcotics program is not clear. The Colombian police and military were able to maintain or increase some types of operations by purchasing parts and equipment on the commercial market that were once available through the Department of Defense. Also, the U.S. Embassy helped fund some of the activities with resources taken from other projects. However, Colombian police told GAO that some operations could not be conducted because certain types of assistance were not available.

The U.S. counternarcotics effort in Colombia has continued to experience management challenges. For example, State and the U.S. Embassy were unprepared for the financial consequences of a 1996 decision to expand aerial crop eradication. Due to unplanned expenditures to support the eradication effort, other Embassy counternarcotics activities, including interdiction efforts, demand reduction within Colombia, and efforts to strengthen Colombian law enforcement institutions, were scaled back or lost support. Moreover, State did not take adequate steps to ensure that equipment included in a 1996 \$40-million assistance package from Defense Department inventories could be integrated into the Embassy's plans and strategies to support the Colombian police and military counternarcotics forces. As a result, the assistance package contained items that had limited immediate usefulness to the Colombian police and military and will require substantial additional funding to become operational. Moreover, the military assistance was also delayed for 10 months because State and the Embassy could not reach agreement with the government of Colombia over acceptable end-use provisions to ensure that the assistance was not being provided to units suspected of human rights violations.

Principal Findings

Drug-Trafficking Activities Are Expanding in Colombia

The narcotics threat from Colombia continues and may be expanding. Colombia provides almost three-quarters of the cocaine consumed in the United States. In addition, according to a September 1996 Drug Enforcement Administration report, increases in the amount of Colombian heroin seized in the United States have been significant. The Department of State reported in March 1997 that the amount of coca under cultivation in Colombia increased from 44,700 hectares to 67,200 hectares, or about 50 percent, between 1994 and 1996. U.S. officials attribute this increase partially to successes in reducing drug-trafficking activities in Peru, where coca cultivation decreased by 18 percent.

According to the Drug Enforcement Administration, new cartels and drug-trafficking groups have emerged as major drug-trafficking organizations in Colombia. Furthermore, insurgent groups have increasingly funded their activities through drug-trafficking. The two groups posing the most serious threats to internal security are the Colombian Revolutionary Armed Forces and the National Liberation Army, with a combined strength of 10,000 to 15,000 personnel. According to a 1997 U.S. interagency report, Revolutionary Force units are involved in growing coca, protecting coca fields from eradication, and providing security for drug-processing facilities of various drug-trafficking organizations. Recent reports also indicate that the two insurgent groups are enhancing their capabilities and are gaining strength throughout the country.

The Political, Economic, and Operational Implications of U.S. Decertification of Colombia

Colombia Has Taken Some Actions to Address U.S. Concerns

Since the initial presidential decertification decision in March 1996, Colombia has taken steps to address some U.S. concerns, including (1) enacting a new law allowing for the seizure of drug traffickers' assets, (2) approving legislation increasing sentences for drug-trafficking and money-laundering activities, (3) signing a maritime agreement allowing the United States to pursue suspected drug traffickers, and (4) passing a new

extradition law. However, State Department and U.S. law enforcement officials say that Colombia must demonstrate greater political will by taking certain actions, of which the key ones are

- addressing the pervasive public corruption that continues to weaken the government and undermine law enforcement activities;
- taking additional steps to improve prison security; and
- fully implementing the newly passed laws on asset forfeiture, money-laundering, and trafficker sentencing.

According to State officials, these factors will be considered as part of the 1998 certification process.

Economic Sanctions May Have Hurt U.S. Commercial Interests

The mandatory sanctions from decertification required the termination of official U.S. export and investment support of certain transactions and may have resulted in business losses. The Foreign Assistance Act of 1961 and the Narcotics Control Trade Act of 1974 contain both mandatory and discretionary sanctions when the President denies certification to a drug-producing or drug-transiting nation. Mandatory sanctions include the termination of most forms of foreign assistance and bilateral loans, and a U.S. vote against multilateral development bank loans to the decertified country. Counternarcotics assistance provided through State's International Narcotics Control Program and disaster and humanitarian aid are not subject to the restrictions. Discretionary sanctions include the loss of trade preferences, the suspension of sugar quotas, tariff penalties, and the curtailment of transportation arrangements. According to State and U.S. Embassy officials, there was no intent to use discretionary economic sanctions to harm Colombia's economy because the Colombian private sector is viewed as a positive influence in strengthening the government of Colombia's resolve to combat drug-trafficking activities.

The mandatory sanctions required by decertification have been cited as harming U.S. business activity in Colombia. The State Department reported that the 1996 decision required the Overseas Private Investment Corporation and the Export-Import Bank to freeze about \$1.5 billion in investment credits and loans for U.S. companies investing in Colombia. Also, a 1996 survey by the Council of American Enterprises—an American business consortium in Colombia—indicated that its member companies lost \$875 million in sales because of the sanctions. State officials indicated they have not conducted any in-depth assessment of the economic consequences of decertification and could not validate the information in the survey by the Council of American Enterprises.

Overall Operational Impact of
Delays of Assistance Is Unclear

As a result of the initial decertification decision in March 1996, approximately \$35 million in U.S. counternarcotics aid was delayed or canceled. The State Department, in conjunction with other executive branch agencies, took about 8 months to decide how much of this aid could continue to be provided. During this period, the United States did not provide Colombia with some aviation spare parts, vehicles, or ammunition and funding to repair a Colombian counternarcotics aircraft. The overall impact of the assistance delays on Colombian counternarcotics operations is unclear. According to U.S. and Colombian officials, most counternarcotics operations were maintained by relying on other resources. However, Colombian police officials indicated that they could not conduct some planned operations due to the U.S. aid cutoff and that some equipment purchased from the commercial market was more expensive than equipment that could have been purchased through U.S. military assistance channels.

The aid canceled or delayed included

- up to \$30 million in counternarcotics Foreign Military Financing grant assistance (helicopter spare parts, ammunition, and explosives);
- about \$1.4 million in planned U.S. International Military Education and Training assistance for Colombian police and military units involved in counternarcotics operations; and
- about \$3.6 million in counternarcotics assistance to the Colombian police and military to be provided under the Foreign Military Sales program and the State Department International Narcotics Control program.

The Foreign Military Sales and State assistance was released in October 1996, but the Foreign Military Financing grant aid and some military training was frozen until August 1997, when the President released it as part of a national security waiver.

According to U.S. Embassy and Colombian officials, the delays in U.S. assistance prevented the Colombian police and military units from receiving some U.S.-funded military training and from conducting some planned counternarcotics activities. However, data from the Colombian National Police shows that they were able to operate their interdiction and eradication helicopters at higher levels from March 1996 to June 1997, compared to the 2 months before decertification. U.S. military reports indicated that each of the services conducted more counternarcotics operations and seized more narcotics during 1996 than in 1995. The U.S.

Embassy reported in February 1998 that cocaine seizures have increased and that 42,000 hectares of coca were sprayed during 1997.

The impacts from assistance delays were minimized because the Departments of State and Defense and the Colombian police and military used other funding and procurement sources to obtain critical support necessary to continue operations. Both the Colombian police and military purchased spare parts directly from various commercial sources and used their existing inventories to maintain their operational readiness rates. These spare parts, however, were substantially more expensive than they would have been had the Colombians had access to U.S. military assistance. For example, the Colombian police reported that certain helicopter parts bought commercially cost 150 percent more than parts obtained through U.S. military sources. In addition, the U.S. Embassy used some State and Defense funds to support Colombian police and military eradication and interdiction efforts.

U.S. Embassy officials said that while the use of commercial and other sources had enabled the Colombian police and military to continue counternarcotics operations after the suspension of U.S. assistance, the higher expenditures for items and effectiveness of operations could not be sustained over a long period.

Planning and Management Problems Hamper U.S. Counternarcotics Efforts in Colombia

State and the U.S. Embassy Were Not Prepared to Manage Increases in Aerial Eradication

In October 1996, the State Department, through its Bureau of International Narcotics and Law Enforcement Affairs, decided to significantly increase the level of U.S. support for and participation in Colombia's aerial eradication of coca and opium poppy, primarily to improve upon the eradication results of 1995 and 1996. However, the Narcotics Affairs Section at the U.S. Embassy was unprepared for the escalation in costs to support this effort and was unable to fully support other planned counternarcotics programs meant to achieve all of the Embassy's counternarcotics objectives.

During fiscal year 1997, State increased the number of aircraft and U.S. contractor personnel involved in the aerial eradication program. The

contractor personnel's role also changed from being primarily responsible for training Colombian pilots and mechanics to directly maintaining aircraft and actively participating in planning and conducting eradication operations.

Throughout fiscal year 1997, the Narcotics Affairs Section continually adjusted its estimates for the amount of funding needed to support its program efforts from about \$19 million in the beginning of the fiscal year to \$34 million by July 1997. According to various U.S. Embassy reports, these changes were caused by unforeseen costs that the Embassy incurred as the result of the State Department's decision to increase support for aerial eradication. For example, the Narcotics Affairs Section identified \$3 million to \$4 million needed to upgrade security for contractor personnel that was not included in the Embassy's original budget.

In July 1997, the Embassy's Narcotics Affairs Section informed the State Department that because of the expanded aerial eradication effort, it had to reallocate \$11 million from other planned counternarcotics programs. The Section went on to report that it could not continue to support programs for Colombian police interdiction units, demand reduction, and efforts to strengthen Colombian law enforcement institutions. Each of these programs supports the Embassy's program plan to fulfill U.S. counternarcotics objectives in Colombia.

Drawdown Assistance Package Was Poorly Planned

On September 30, 1996, the President, in accordance with section 506(a)(2) of the Foreign Assistance Act, notified Congress that Colombia would be provided about \$40 million in assistance from Defense Department inventories. However, the package was hastily developed and did not include sufficient information on specific Colombian requirements, the ability of the host country to operate and maintain the equipment, or the funding necessary from the United States or Colombia to support it. For example, Defense Department and Embassy officials said they were given little time by the National Security Council to determine what equipment was best suited to meet the needs of the Colombian police and military counternarcotics forces. The package contained several items (C-26 aircraft, patrol boats, and utility landing craft) that did not meet the priority needs of the Colombian police and military. In addition, because much of the equipment was not operationally ready for use, substantial unbudgeted funding would be required for the equipment to be of value to the Colombians. For example:

-
- Five C-26 aircraft included in the package could cost at least \$3 million each to modify to perform the surveillance mission desired by the Colombian police and another \$1 million to operate and maintain annually.
 - Twelve UH-1H helicopters, delivered in May 1997, had an average of only 10 hours of available flying time left before substantial maintenance was required. By July 1997, the Colombian police reported that only 2 of the 12 helicopters were operational.
 - Six patrol boats required \$600,000 to make them operational, and two of the boats were missing key parts and operational panels.

In addition to these shortcomings, the military assistance was delayed for 10 months while the State Department and Embassy negotiated end-use monitoring agreements with the government of Colombia to ensure that the aid was not being provided to units suspected of human rights violations. According to Embassy officials, State took 4-1/2 months to provide guidance to the Embassy on the terms to be presented to the Colombian government. The delay after that was partially due to the Colombian government's unwillingness to finalize an acceptable end-use agreement.

Recommendation

GAO recommends that the Secretary of State, in close consultation with the Secretary of Defense and the National Security Council, take steps to ensure that future assistance authorized under section 506(a)(2) of the Foreign Assistance Act of 1961 is, to the maximum extent possible, compatible with the priority requirements identified in U.S. counternarcotics programs and that adequate support resources are available to maximize the benefits of the assistance.

Agency Comments and Our Evaluation

In written and subsequent oral comments to a draft of this report, the Department of State said GAO's report was generally fair and well-balanced. State believed the report could be improved by recognizing that the results of its programs were very effective, as shown by the higher rates of eradication, more seizures, and more support for key Colombian institutions. State indicated that the section 506(a)(2) assistance program to Colombia involved extensive interagency consultation prior to the 1996 decision. However, State officials subsequently told GAO that some items, such as the C-26 aircraft, were added to the package at the last minute and that adequate planning for equipment support requirements was not done prior to the decision. State officials supported GAO's recommendation and

acknowledged that better planning of Defense drawdown assistance is desirable. (State's comments are reprinted in app. I.)

GAO acknowledges in the report that State has reported increases in coca eradication and cocaine seizures in 1997. However, management problems between Washington and the U.S. Embassy might have been avoided if State and other agencies had better planned eradication and assistance efforts. GAO continues to believe that better planning and coordination of Defense drawdown assistance and support requirements are needed to optimize assistance provided to Colombia.

In written comments, the Department of Defense concurred with the content of the report and agreed with GAO's recommendation that steps be taken to ensure future assistance authorized under section 506(a)(2) is compatible with priority counternarcotics programs in Colombia (see app. II).

Contents

Executive Summary		2
Chapter 1		14
Introduction	The U.S. Counternarcotics Strategy for Colombia	14
	U.S. Agencies Involved in Counternarcotics Programs in Colombia	16
	Colombian Organizations Involved in Counternarcotics Activities	18
	Certification of Drug-Producing Countries	18
	Prior GAO Reports Identify Numerous Obstacles to U.S. and Colombian Antidrug Programs	20
	Objectives, Scope, and Methodology	21
Chapter 2		22
Drug-Trafficking Activities Are Expanding in Colombia	Drug Cultivation and Trafficking Activities Are Increasing	22
	Involvement of Insurgent Groups in Drug-Trafficking Is Increasing	23
	Conclusion	25
Chapter 3		26
Political, Economic, and Operational Implications of the U.S. Decertification of Colombia	Colombia Has Made Some Progress but Has Not Fulfilled All U.S. Counternarcotics Objectives	26
	Economic Sanctions May Have Hurt U.S. Commercial Interests	27
	Operational Implications of Assistance Delays Are Unclear	28
Chapter 4		33
Planning and Management Problems Hamper U.S. Counternarcotics Efforts in Colombia	The State Department and the U.S. Embassy Were Not Adequately Prepared to Manage the Consequences of Increases in Aerial Eradication	33
	Drawdown Assistance Package Was Poorly Planned	35
	Conclusions	40
	Recommendation	40
Appendixes	Appendix I: Comments From the Department of State	42
	Appendix II: Comments From the Department of Defense	50

Contents

	Appendix III: Major Contributors to This Report	51
Tables	Table 1.1: Sources of Funding for Counternarcotics Assistance Programs	15
	Table 1.2: U.S. Counternarcotics Support for Colombian Police and Military (fiscal years 1990-97)	16
	Table 3.1: U.S. Assistance Canceled or Delayed by the March 1996 Decertification Decision	29
	Table 4.1: Section 506(a)(2) Counternarcotics Assistance Planned for Colombia	37
Figure	Figure 2.1: Areas Where Illicit Drug Crops Are Grown and Insurgents Operate	24

Abbreviations

DEA	Drug Enforcement Administration
ELN	National Liberation Army
FARC	Colombian Revolutionary Armed Forces
FMF	Foreign Military Financing
FMS	Foreign Military Sales
IMET	International Military Education and Training
INC	International Narcotics Control

Introduction

Colombia is the world's leading producer and distributor of cocaine and a major source of heroin consumed in the United States. For the past two decades, the United States has supported Colombia's efforts to reduce drug-trafficking activities and to stem the flow of illegal drugs to the United States. Various U.S. agencies, including the Departments of State and Defense and the Drug Enforcement Administration (DEA), are responsible for programs through which counternarcotics assistance is provided to Colombian police and military units. From fiscal year 1990 through fiscal year 1997, the United States provided or planned to provide these units with assistance worth approximately \$731 million.

The U.S. Counternarcotics Strategy for Colombia

The United States has supported counternarcotics activities in Colombia since the 1970s. Recently, the United States established three major counternarcotics objectives to increase Colombia's political will and capabilities to (1) destroy major drug-trafficking organizations, (2) reduce the availability of drugs through the eradication of illicit drug crops and enforcement efforts, and (3) strengthen Colombian institutions to enable them to support a full range of interdiction activities. These objectives support the international goals in the U.S. national drug-control strategy. The U.S. Embassy program plan for fiscal years 1996 and 1997 focused on the eradication of illicit drug crops, the interdiction of narcotics and precursor chemicals, justice sector reform, the reduction of money-laundering activities and the seizure of drug-related assets, drug awareness and drug use reduction within Colombia, and infrastructure development.

Data provided by the Departments of State and Defense indicated that during fiscal years 1990-97 the United States provided Colombia approximately \$731 million in counternarcotics assistance to support Colombia's eradication and interdiction efforts. As shown in table 1.1, various sources of funding were used to program this assistance.

**Table 1.1: Sources of Funding for
Counternarcotics Assistance
Programs**

Source of assistance	Type of assistance
International Narcotics Control (INC) Program	The Foreign Assistance Act of 1961 authorizes this State Department program, which provides assistance to countries to combat the production and trafficking of illicit narcotics overseas.
Foreign Military Sales (FMS) Program	The Arms Export Control Act authorizes the Defense Department to sell U.S. defense articles and services to eligible countries. The countries may procure items using their own funds, U.S. grant funds, or U.S. loan funds.
Foreign Military Financing (FMF) Program	The Arms Export Control Act authorizes the Defense Department to provide grant and loan funds to friendly countries to improve their defense capabilities through the acquisition of U.S. defense articles and services.
International Military Education and Training (IMET) Program	The Foreign Assistance Act of 1961 authorizes the provision of grants for professional military education and management and technical training to students from allied and friendly nations.
Section 506 (a)(2)	The Foreign Assistance Act of 1961 authorizes the President to approve the provision of U.S. military goods and services to a foreign country for counternarcotics assistance when it is in the U.S. national interest.
Excess defense articles	The Foreign Assistance Act of 1961 authorizes the Defense Department to provide excess equipment to the governments of major drug-producing countries.

Table 1.2 presents the funding for these programs.

Table 1.2: U.S. Counternarcotics Support for Colombian Police and Military (Fiscal Years 1990-97)

Dollars in millions

Fiscal year	INC Program ^a	FMS Program	FMF Program	IMET Program	Section 506	Excess defense articles	Total
1990	\$20.0	\$3.7	\$71.7	\$1.5	\$20.0	\$3.8	\$120.7
1991	20.0	10.2	47.0	2.6	0	7.1	86.9
1992	23.4	14.3	47.0	2.3	7.0	3.2	97.2
1993	25.0	14.6	26.0 ^b	3.0	0	0	68.6
1994	20.0	67.6	7.7 ^b	0.9	0	0	96.2
1995	18.9	21.9	10.0 ^c	0.6	0	0	51.4
1996	22.9	10.4	0	0.1	40.5	0	73.9
1997	46.6	75.0	0	0.6	14.2	0	136.4
Total	\$196.8	\$217.7^d	\$209.4	\$11.6	\$81.7	\$14.1	\$731.3

^aFigures for fiscal years 1990-94 do not include State-supported aviation costs.

^bPart of this assistance was frozen until August 1997.

^cAll of this assistance was frozen until August 1997.

^dFigures may include some FMS financed by the government of Colombia for other than counternarcotics purposes.

Source: Departments of State and Defense.

U.S. Agencies Involved in Counternarcotics Programs in Colombia

The Office of National Drug Control Policy is responsible for developing the President's national drug control strategy and coordinating the funding of the federal agencies that implement programs to support the strategy. In Colombia, the primary federal agencies involved in counternarcotics programs are the Departments of State and Defense and DEA. Other agencies that implement portions of the U.S. national drug control strategy in Colombia are the U.S. Agency for International Development and various U.S. intelligence agencies.

Department of State

In the State Department, the Assistant Secretary for International Narcotics and Law Enforcement Affairs is responsible for formulating and implementing the international narcotics control policy, coordinating the narcotics control activities of all U.S. agencies overseas, and overseeing the INC Program. In 1996, the State Department incorporated

counternarcotics assistance that had been provided from other sources, such as the FMF Program and economic development assistance provided by the U.S. Agency for International Development, into the INC Program. The State Department's Bureau of International Narcotics and Law Enforcement Affairs manages an air wing program through which it provides funds to support eradication and interdiction operations in several countries, including Colombia. The Bureau has contracted with Dyncorp to provide logistical, operational and training support for these operations.

The Narcotics Affairs Section at the U.S. Embassy manages the INC Program. The Section provides equipment and training, operational support, and technical assistance and coordinates with Colombian agencies involved in counternarcotics activities.

Congress appropriated \$230 million for State's worldwide INC program for fiscal year 1998. Of that amount, an estimated \$30 million will be used to support counternarcotics activities in Colombia, and an estimated \$50 million will be used to provide the Colombian police with new and upgraded helicopters.

Department of Defense

In the Defense Department, the Coordinator for Drug Enforcement Policy and Support and the Director of the Defense Security Assistance Agency are primarily responsible for planning and providing equipment and training to Colombia's military and law enforcement agencies. The U.S. Southern Command is the Defense Department's principal liaison with Colombia for coordinating the administration of U.S. counternarcotics aid. In Colombia, the Department's aid is primarily managed by the Embassy's U.S. Military Group. The Group's responsibilities include coordinating security assistance programs with the Colombian military and other U.S. agencies involved in counternarcotics operations and monitoring assistance provided to Colombian military units to ensure that it is being used for counternarcotics purposes.

Drug Enforcement Administration

DEA is the principal federal agency responsible for coordinating drug enforcement intelligence overseas and conducting all drug enforcement operations. DEA's objectives are to reduce the flow of drugs into the United States through bilateral criminal investigations; collect intelligence on organizations involved in drug-trafficking; and support worldwide narcotics investigations covering such areas as money-laundering, control

of chemicals used in the production of illicit narcotics, and other financial operations related to illegal drug activities. DEA also provides training to Colombian law enforcement personnel through State's INC Program.

Colombian Organizations Involved in Counternarcotics Activities

Most U.S. counternarcotics assistance has been used to assist both Colombian National Police units and various military units involved in operations to interdict drugs and eradicate drug crops and to support other Colombian governmental entities that implement money-laundering and asset forfeiture laws and investigate drug-trafficking organizations.

The Colombian National Police is the primary organization responsible for interdiction and eradication operations, primarily through its Directorate for Anti-Narcotics. The Colombian armed forces also support counternarcotics activities, primarily in support of police counternarcotics operations.

Certification of Drug-Producing Countries

The counternarcotics certification process, as mandated by section 490 of the Foreign Assistance Act, has been a legal requirement since 1986.¹ Congress created the process out of concern that the executive branch was not being tough enough in eliciting cooperation in the antinarcotics effort from countries that were either the main source of illicit drugs or through which drugs transited to the United States. A primary intent of the certification process is to strengthen the political will of a country to combat illegal drug-trafficking activities. Section 490 requires the President to certify by March 1 of each year which major drug-producing and transit countries cooperated fully with the United States or took adequate steps on their own to achieve full compliance with the goals and objectives established by the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances during the previous year. If a country has not met the statutory objectives, the President can either deny certification and impose sanctions or grant a vital national interests certification, which recognizes that the requirement to use sanctions against a noncooperating country would threaten the vital national interests of the United States.

Since the certification process was first established in 1986, the number of nations subject to the certification process has ranged from 24 to 31. The number of nations denied certification has ranged from 3 to 6 annually, and the number of nations granted a vital national interest certification has

¹Foreign Assistance Act of 1961, as amended (22 U.S.C. 2291j).

ranged from 1 to 6. In every year prior to 1995, Colombia received full certification. However, Colombia was granted a vital national interests certification in 1995 and was denied certification in 1996 and 1997. The March 1, 1996, decision to deny certification to Colombia was unique in that it was the first time certification was denied to a major U.S. counternarcotics partner and aid recipient.

Mandated sanctions imposed against countries denied certification include the termination of most forms of foreign assistance, and the United States is required to vote against multilateral development bank loans to that country. Types of aid affected include sales and financing under the Arms Export Control Act; nonfood assistance under Public Law 480; financing by the U.S. Export-Import Bank; and most other foreign assistance, with the exception of counternarcotics assistance provided through State's INC Program and humanitarian aid.

The President is also authorized to invoke discretionary trade sanctions against decertified countries. These sanctions include the removal of trade preferences under the Andean Trade Preferences Act and the Generalized System of Preferences, the suspension of sugar quotas, tariff penalties, and the curtailment of transportation arrangements.

To determine whether a country is fully cooperating with the United States, the State Department establishes goals that it expects each country to address in meeting U.S. counternarcotics objectives. The goals are provided to each affected country through diplomatic exchanges in either late spring or early summer of the year preceding the certification decision. In 1995 and 1996, the United States provided Colombia with goals it used in assessing whether Colombia would be certified on March 1, 1996, and again on February 28, 1997. In both instances, the President determined that Colombia was not fully cooperating with the United States in meeting U.S. counternarcotics drug objectives.

The President reached his decisions to decertify Colombia primarily because of the following factors:

- Throughout the Colombian government, corruption undermined the counternarcotics efforts of law enforcement and judicial officials.
- Colombia did not take sufficient steps to strengthen its prison security. As a result, captured cartel members continued to manage their activities from prison.

- The Colombian government took no legislative steps to safeguard the confidentiality of U.S.-provided investigative information.
- The Colombian government had not passed legislation to implement the extradition treaty it signed with the United States in 1979 and did not respond to the U.S. request for the extradition of four major drug traffickers.
- The Colombian government could not reach agreement with the United States on testing and using a more effective granular herbicides to eradicate coca.

Prior GAO Reports Identify Numerous Obstacles to U.S. and Colombian Antidrug Programs

Over the past 10 years, we have reported on various elements of the U.S. counterdrug effort in Colombia.² For example, we reported on major obstacles within Colombia that hinder U.S. antidrug programs. These obstacles include the limited ability of some Colombian agencies to plan and implement an effective counternarcotics strategy, the increasing insurgency and narcoterrorism activities that limit Colombia's ability to maintain a presence in some narcotics-producing and -processing areas of the country, the expansion of drug cartel operations into the production and distribution of heroin, and widespread corruption in the Colombian government.

We also reported on various U.S. management problems that hindered the implementation of effective counternarcotics programs in Colombia. Specifically, we reported that U.S. officials lacked data needed to evaluate program effectiveness in Colombia. Further, we reported that the Departments of State and Defense were not coordinating their efforts with each other and did not have complete oversight over U.S. counternarcotics programs because they had not developed an adequate end-use monitoring system to ensure that U.S.-provided counternarcotics assistance was being used as intended. Finally, we reported that even though U.S. legislation prohibits counternarcotics aid from being provided to Colombian units engaged in human rights abuses, it was difficult to implement because the United States had not established procedures to make such a determination.

²Drug Control: U.S.-Supported Efforts in Colombia and Bolivia ([GAO/NSIAD-89-24](#), Nov. 1, 1988); Drug War: Observations on Counternarcotics Aid to Colombia ([GAO/NSIAD-91-296](#), Sept. 30, 1991); The Drug War: Colombia Is Undertaking Antidrug Programs, but Impact Is Uncertain ([GAO/NSIAD-93-158](#), Aug. 10, 1993); and Drug War: Observations on the U.S. International Drug Control Strategy ([GAO/T-NSIAD-95-182](#), June 27, 1995).

Objectives, Scope, and Methodology

The Chairmen, Subcommittee on National Security, International Affairs, and Criminal Justice of the House Committee on Government Reform and Oversight; the House Committee on International Relations; and the Senate Caucus on International Narcotics Control asked us to review the efforts of U.S. and Colombian agencies, principally the Colombian police and military, to conduct counternarcotics programs in Colombia. Specifically, we examined (1) the nature of the drug-trafficking threat; (2) the political, economic, and operational impact of counternarcotics activities in Colombia since the initial U.S. decertification decision; and (3) U.S. efforts to plan and manage counternarcotics activities in Colombia.

To address the threat issue, we received briefings from U.S. law enforcement, intelligence, and military officials and reviewed documentation in Washington, D.C., and at the U.S. Embassy in Colombia. To address the impact of the 1996 and 1997 decertification decisions on Colombia and U.S. efforts to plan and manage counternarcotics activities, we visited various agencies in Washington, D.C.; Panama; and Colombia. In Washington, D.C., we interviewed officials and reviewed planning, implementation, and other related documents at the Office of National Drug Control Policy, the Departments of State and Defense, DEA, and other federal agencies. In Panama, we interviewed U.S. officials at the U.S. Southern Command and reviewed documents related to counternarcotics activities in Colombia. In Colombia, we interviewed Embassy officials, including the Ambassador, and analyzed reports and other documents from various U.S. agencies that were responsible for implementing counternarcotics programs in Colombia. While in Colombia, we also interviewed Colombian military, police, and civilian officials to obtain their views on the issues discussed in this report. We analyzed Colombian police reports and other documents to determine operational readiness. We also analyzed information provided by the U.S. Embassy and the State Department pertaining to all counternarcotics operations during 1996 and 1997. We did not validate any of the data found in the Embassy's reporting on the economic impacts of decertification.

Our review was conducted between March and December 1997 in accordance with generally accepted government auditing standards.

Drug-Trafficking Activities Are Expanding in Colombia

Despite U.S. and Colombian efforts to reduce drug-trafficking activities, Colombian drug-trafficking organizations remain the center of the cocaine trade and are becoming increasingly active in the heroin trade in the United States. Furthermore, Colombian insurgent groups are becoming more actively involved in drug-trafficking activities and are becoming more powerful, making it more difficult for Colombian police and military forces to reduce these activities within their borders.

Drug Cultivation and Trafficking Activities Are Increasing

Three-quarters of the world's cocaine is produced in Colombia. In addition, U.S. law enforcement agencies believe that Colombian drug-trafficking organizations are becoming increasingly active in the heroin trade. According to U.S. government estimates, Colombia produces 6.5 metric tons of heroin per year and about 600 to 700 metric tons of cocaine.

Although Colombia was historically the world's third largest cultivator of coca leaf, behind Peru and Bolivia, it recently surpassed Bolivia as the number two cultivator, with an estimated 67,200 hectares of coca under cultivation in 1996. In March 1997, the State Department reported that Colombian coca cultivation had increased by about 50 percent since 1994. U.S. officials attributed this increase to the successful reduction of about 50 percent of the known air-related drug-trafficking activities between Colombia and Peru between 1992 and 1996. According to U.S. reports, this reduction led to a glut of cocaine base in Peru, which in turn led to a plunge in the price of cocaine base and a subsequent reduction in coca cultivation. In March 1997, the State Department reported that coca cultivation in Peru declined by 18 percent between 1995 and 1996. According to U.S. officials, drug-trafficking organizations thus began to increase coca cultivation in Colombia to ensure a constant supply of coca leaf.

The Colombian government has disrupted the activities of two major drug-trafficking organizations, the Medellin and Cali cartels, by either capturing or killing their key leaders. However, this disruption has not reduced drug-trafficking activities. For example, in June 1996, a U.S. law enforcement agency reported that a new generation of relatively young drug traffickers was emerging in the North Coast, Northern Valle del Cauca, and newer Cali cartels. In July 1997, a U.S. interagency report stated that hundreds of Colombian criminal organizations are engaged in cocaine-trafficking.

U.S. and Colombian efforts to reduce drug-trafficking activities are made more difficult by the ability of illicit drug organizations to change their trafficking routes and methods of operations. Various U.S. officials stated that since drug-trafficking activities by air between Colombian and Peru were reduced, more activity is occurring on Colombian rivers. However, there is no accurate information on the extent to which this is happening.

Involvement of Insurgent Groups in Drug-Trafficking Is Increasing

Colombia's ability to reduce coca cultivation and related drug-trafficking is complicated by the presence of active insurgent groups and their involvement in drug-trafficking activities throughout a large portion of the country. The most active insurgent groups are the Colombian Revolutionary Armed Forces (FARC) and the National Liberation Army (ELN). These two groups, with an estimated strength of about 10,000 to 15,000 personnel, have increasingly hindered the Colombian government's counternarcotics efforts.

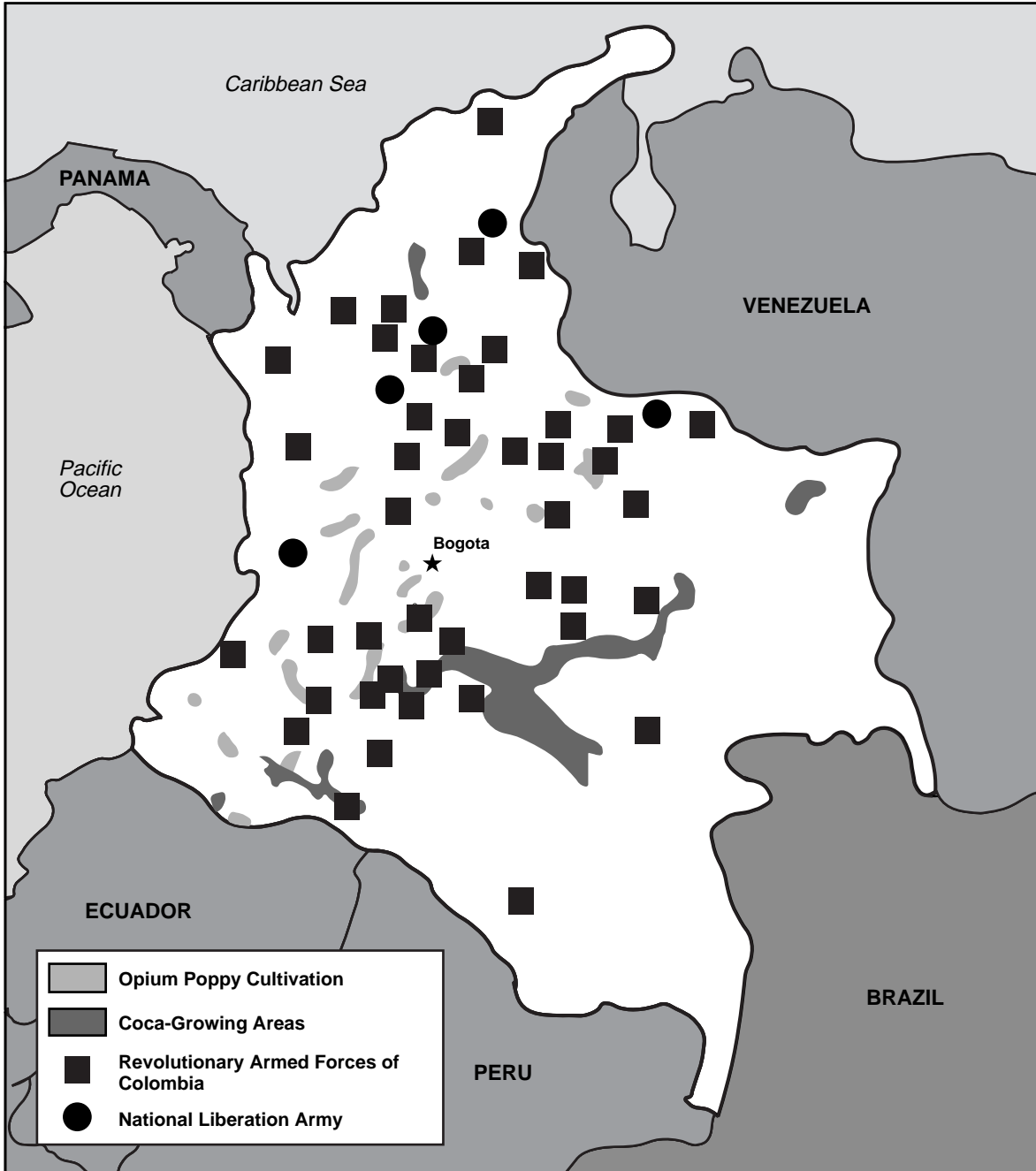
In 1993, we reported that both these groups were involved in drug-related activities and that they controlled or influenced large sections of Colombia, particularly in the sparsely populated south.¹ Since that time, our discussions with U.S. and Colombian officials and review of reports indicated that the groups are more actively involved in drug-related activities and are gaining more control throughout Colombia.

Figure 2.1 shows the major coca-producing and opium poppy-producing areas and the locations of the two insurgent groups most actively involved in drug-trafficking activities in Colombia during 1996.

¹The Drug War (GAO/NSIAD-93-158, Aug. 10, 1993).

**Chapter 2
Drug-Trafficking Activities Are Expanding in
Colombia**

Figure 2.1: Areas Where Illicit Drug Crops Are Grown and Insurgents Operate



According to U.S. officials, insurgent groups are in virtually all regions where traffickers operate and have become more actively involved in drug-related activities since the termination of Soviet and Cuban financial support after the Soviet Union collapsed. In February 1997, a U.S. interagency assessment of the role of the insurgents in drug-related activities concluded that the insurgents, primarily the FARC, were diversifying their involvement in several ways. For example, insurgents provide security to assist traffickers in processing and transporting narcotics in exchange for money and weapons. Furthermore, a few insurgent groups are involved in localized, small-scale drug cultivation and processing. In March 1997, the Commander in Chief of the U.S. Southern Command testified before the Senate Armed Forces Committee that the FARC's narcotics-related income for 1995 reportedly totaled \$647 million.

According to U.S. officials, the task of conducting counternarcotics operations is made more difficult for the Colombian police and military because of the increasing strength of the insurgent groups. These officials stated that the insurgents are strengthening their control in certain sections of Colombia. An October 1997 Defense Department analysis concluded that the groups are becoming more sophisticated and pose a greater threat to the Colombian military. In addition, narcotics-related violence in Colombia has traditionally been extensive. For example, in February 1997, the Director of the Colombian National Police and the General Commander of the Military Forces of Colombia testified before the House of Representatives that 366 Colombian police and military personnel were killed in 1996 and that since 1980 more than 3,000 Colombian policemen have died.

Conclusion

The narcotics threat from Colombia continues and may be expanding. Drug-trafficking activities by Colombian organizations continue and Colombian insurgent groups are becoming more actively involved in supporting the drug-trafficking activities of these organizations. Coca cultivation has increased significantly in recent years, and Colombian heroin is becoming more prevalent in the United States. The continuing narcotics threat presents significant challenges to U.S. and Colombian counternarcotics agencies.

Political, Economic, and Operational Implications of the U.S. Decertification of Colombia

Since the initial decision to decertify Colombia in 1996, the State Department has reported that Colombia has made some progress in strengthening its political will to work with the United States to achieve U.S. counternarcotics objectives. To show its commitment, Colombia passed antidrug legislation, signed a maritime agreement to help coordinate the apprehension of drug traffickers, and continued to conduct counternarcotics operations. However, State Department officials believe that Colombia must do more to fully cooperate with U.S. counternarcotics efforts.

Decertification had little effect on Colombia's economy, as the President chose not to apply discretionary sanctions against the country. However, economic sanctions mandated by decertification may have adversely affected U.S. investment and business activity in Colombia.

When Colombia was initially decertified, the State Department was unprepared to determine whether some programmed assistance intended for the Colombian police and military could be provided. It took State, in conjunction with other executive branch agencies, about 8 months to decide what could be provided. As a consequence, approximately \$35 million in U.S. counternarcotics assistance was canceled or delayed. The overall implications of the assistance delays are unclear. Colombia has generally been able to mitigate the loss of assistance by using alternative funding sources to purchase needed equipment, some of which was provided by the Departments of State and Defense. Colombian police officials indicated that some operations could not be conducted because certain types of assistance were not available.

Colombia Has Made Some Progress but Has Not Fulfilled All U.S. Counternarcotics Objectives

As we noted earlier, Colombia was decertified in 1996 and 1997, primarily because political corruption within the government of Colombia had undermined the counternarcotics efforts of Colombia's law enforcement and judicial officials. Despite the fact that Colombia was decertified, U.S. officials believe that Colombia has made some progress in meeting various U.S. counternarcotics objectives. Examples of Colombia's positive actions follow:

- The government passed various laws to assist counternarcotics activities, including money-laundering and asset forfeiture laws in February 1997, and reinstated the extradition of Colombian nationals to the United States in November 1997.

- The government signed a maritime agreement, along with a bilateral ship-boarding agreement, with the United States in February 1997 that provides for coordinated pursuit and apprehension of suspected drug traffickers.
- Colombian law enforcement efforts resulted the capture or surrender of six of the seven top echelon members of the Cali cartel in 1995 and 1996, the reduction in the use of San Andres Island as a way station for drug shipments, and the pursuit of an ambitious crop eradication program in 1997 by the Colombian police.

State Department officials believe that Colombia must take additional actions to show its commitment to U.S. counternarcotics efforts. In March 1997, the State Department informed the Colombian government that to achieve certification from the United States, it would have to take the following actions:

- Test and apply a more effective, safe, reasonably priced granular herbicide.
- Amend legislation to allow for the unconditional extradition of Colombian nationals involved in illegal narcotics activities.
- Fully and effectively implement newly passed laws on asset forfeiture, money-laundering, and sentencing.
- Take all appropriate steps to stop drug traffickers from directing their organizations from prison.
- Make every effort to support investigations and prosecutions to ensure that corrupt officials are brought to justice.

According to State Department officials, these factors will be considered as part of the next certification determination in early 1998.

Economic Sanctions May Have Hurt U.S. Commercial Interests

The Foreign Assistance Act of 1961 and the Narcotics Control Trade Act of 1974 require certain mandatory sanctions and allow discretionary sanctions when the President denies certification to a drug-producing or transit nation.¹ Mandatory sanctions include suspension of U.S. economic assistance, such as Export-Import Bank and Overseas Private Investment Corporation financing, and voting against multilateral economic assistance from organizations such as World Bank and the Inter-American Development Bank. Discretionary sanctions include the removal of trade preferences under the Andean Trade Preferences Act and the Generalized

¹The Foreign Assistance Act of 1961, as amended (P.L. 87-195) and the Narcotics Control Trade Act of 1974 (19 U.S.C. 2491 et. seq.).

System of Preferences, the suspension of sugar quotas, tariff penalties, and curtailment of air transportation arrangements. The President chose not to apply discretionary sanctions against Colombia in either 1996 or 1997. On the other hand, the mandatory sanctions under decertification may have hurt U.S. businesses in Colombia.

State and U.S. Embassy officials said they did not conduct a detailed analysis of the impact that economic sanctions would have had on Colombia. However, they pointed out that in 1996 and 1997, they did not recommend imposing discretionary sanctions because the United States did not want to hurt sectors of the Colombian economy that were pressuring the Colombian government to strengthen its counternarcotics laws.

On the other hand, the State Department reported that the 1996 decertification decision required the Overseas Private Investment Corporation and the Export-Import Bank to freeze about \$1.5 billion in investment credits and loans, including about \$280 million for a U.S. company to invest in Colombia's oil industry. State also reported that a 1996 survey by the Council of American Enterprises, an American business consortium in Colombia, concluded that because its U.S. member companies could not receive financing from the Export-Import Bank under decertification, they lost \$875 million in potential sales, mostly to Asian and European competitors. According to a State Department official, State did not validate the information in the Council's survey. According to the Foreign Commercial Service Attache at the U.S. Embassy, however, anecdotal information indicated that Colombian businesses were considering the development of joint ventures with European and Asian companies because decertification sanctions had made the U.S. business environment uncertain.

Operational Implications of Assistance Delays Are Unclear

After the decertification decision on March 1, 1996, the Departments of State and Defense canceled or delayed about \$35 million worth of assistance to the counternarcotics units of the Colombian police and military. The impact of this delay and the cancellation of assistance on Colombian counternarcotics operations is unclear. Our review of U.S. and Colombian records and discussions with various U.S. and Colombian officials indicated that most counternarcotics operations were maintained despite the aid cutoff. However, the Colombian police and military were generally able to mitigate the loss of U.S. grant assistance by relying on other resources, but at greater cost. According to Colombian officials, they

**Chapter 3
Political, Economic, and Operational
Implications of the U.S. Decertification of
Colombia**

could have conducted more counternarcotics operations if the assistance had not been delayed.

**Assistance Affected by
Decertification Decision**

Table 3.1 shows the source and amount of the \$35 million worth of assistance and training that was either canceled or delayed because of the March 1996 decertification decision.

Table 3.1: U.S. Assistance Canceled or Delayed by the March 1996 Decertification Decision

Dollars in millions		
Source of funding	Amount	Status
Counternarcotics FMF grant assistance	\$30.0	Delayed until August 1997
Counternarcotics assistance provided under the FMS Program	2.5	Delayed until November 1996
IMET Program	1.4 ^a	Canceled
Department of State INC Program	1.1	Delayed until November 1996

^aIncludes approximately \$800,000 in fiscal year 1996 funds that were canceled due to decertification. The \$600,000 in fiscal year 1997 funds had to be canceled because the funding was released too late in the fiscal year for Colombia to adequately meet its training needs.

Sources: Departments of Defense and State.

According to Defense Department officials, up to \$30 million in FMF grant aid that was delayed included items such as spare parts for vehicles, fixed-wing aircraft, and helicopters; explosives and ammunition; publications; and individual clothing items. The canceled training for Colombian police and military officials in U.S. schools was in a variety of areas, including human rights. On August 16, 1997, the President issued a national security waiver, allowing the \$30 million in grant aid and \$600,000 in IMET assistance to be released to Colombian police and military units. Without this waiver, the assistance could not have been provided because of the decertification requirement.

The assistance delayed by State until November 1996 (about \$2.5 million in FMS and \$1.1 million in its own funds) included items such as aviation spare parts, vehicles, ammunition and funding to repair a Colombian police DC-3 aircraft and to provide a flight simulator to train police pilots. None of this assistance would have been delayed had State been adequately prepared to judge whether the aid could have continued to be provided on March 1, 1996. As early as February 1995, State's Bureau of International Narcotics and Law Enforcement Affairs had prepared a

preliminary analysis of the types of assistance that could continue to be provided in the event a country was decertified. State officials cited interagency legal concerns as well as differences within the State Department regarding policy concerns to explain why it took them 8 months to issue their final guidance on the types of assistance that could be provided.

**U.S. and Colombian Efforts
to Maintain
Counternarcotics
Operations**

According to U.S. Embassy and Colombian officials, the delays in U.S. assistance prevented the Colombian police and military units from receiving some training funded under the IMET Program and conducting some planned counternarcotics efforts. However, these officials indicated that most counternarcotics operations were not drastically affected because alternative funding sources were available. They did note that some equipment was more heavily used than it would have been had the assistance been available.

According to U.S. and Colombian officials, the cancellation of U.S. military assistance and training hurt efforts to improve military-to-military relationships and to provide human rights training to Colombian military officers. They also indicated that the delay in other assistance had some impact on the ability of the Colombian police and military units to expand counternarcotics operations. For example, Colombia's Chief of the Counternarcotics Police stated that because of the cutoff of U.S. assistance, certain types of explosives could not be provided. As a result, he stated, the police could destroy only 80 of the 210 airstrips they had planned to destroy in 1996.

The impacts from assistance delays were minimized because the Departments of State and Defense and the Colombian Ministry of Defense used other funding and procurement sources to continue to provide critical logistics, spare parts, and training to Colombia's counternarcotics forces to sustain operations. Both the Colombian police and military purchased spare parts directly from various commercial sources and used their existing inventories to maintain their operational readiness rates. These parts, however, were substantially more expensive than they would have been had U.S. grant assistance been available. For example, the Colombian police reported that certain helicopter parts bought commercially cost 150 percent more than parts purchased through U.S. military assistance channels. In addition, the U.S. Embassy used some State INC funds and some Defense Department funds to support Colombian police and military eradication and interdiction efforts.

As a result of these actions, the Colombian police reported improvements in operational rates for their helicopters. Police reports showed that helicopter operational rates for counternarcotics operations were about 60 percent for the 2 months prior to the March 1, 1996, decertification decision. However, from March 1996 to June 1997, the police helicopter operational rates were consistently in the 70-percent range. In addition, according to an Embassy report, the Colombian air force increased the number of flying hours dedicated to counternarcotics activities from 10,182 in 1995 to 10,605 in 1996.

State Department data also indicates that Colombian police units were able to continue conducting counternarcotics operations. For example, in March 1997, the State Department reported that the number of cocaine laboratories destroyed by the Colombian law enforcement agencies more than doubled, from 396 in 1995 to 861 in 1996. During this same period, the amount of cocaine seized increased from about 22 metric tons to 24 metric tons. The U.S. Embassy reported that during 1997 the Colombian national police seized about 31 metric tons of cocaine.

U.S. and Colombian officials stated that they were forced to rely much more heavily on available equipment. For example, one of two DC-3 aircraft, cargo aircraft essential for supporting eradication and interdiction operations of the Colombian police, was grounded by a serious accident in August 1995. About 4 months after the accident occurred, the Colombian police forwarded a request to the Narcotics Affairs Section to repair it. The U.S. Embassy approved the request 2 days later. As a result of the March 1996 decertification decision, the State Department could not decide if it could provide funds to repair the aircraft. In July 1996, the U.S. Embassy made the decision to repair the aircraft commercially, and repairs were completed by the contractor in December 1996. A primary reason for the delay in repairing the aircraft was that State Department officials were unable to determine whether the repairs were allowed under decertification. Because this aircraft was not available during this time, the U.S. Embassy reported that the police had to double the use of the remaining DC-3 to conduct operations. Even so, it was impossible for the Colombian counternarcotics police to make up for the lost time, according to Narcotics Affairs Section officials. Furthermore, according to the Section, the counternarcotics police could not conduct additional activities because of the inoperative DC-3.

**Concerns Over
Sustainment of
Counternarcotics Activities**

At the time of our visit in May 1997, U.S. Embassy officials said that while the use of commercial and other sources had enabled the Colombian police and military to continue counternarcotics operations after the interruption in U.S. assistance, the higher expenditures for items and the effectiveness of operations could not be sustained over a long period. In May 1997, the U.S. Embassy reported that the government of Colombia, as part of an overall budget reduction decision, had reduced the 1997 budget for the Ministry of Defense by 30 percent less than the 1996 budget. U.S. and Colombian officials stated that operations could not continue at their current rate unless the United States provides additional assistance in the future.

Part of the sustainment concerns may have been addressed when the President issued a national security waiver in August 1997 that allowed the release of counternarcotics assistance. Defense officials stated that this assistance is now available for use by the Colombian air force and navy. However, according to State officials, equipment for the Colombian army is pending because the Colombian army has not complied with the agreement it signed regarding the use of the assistance.

Planning and Management Problems Hamper U.S. Counternarcotics Efforts in Colombia

As we noted earlier, for the past 10 years we have reported on a number of management problems associated with U.S. counternarcotics activities in Colombia. Some of these problems continue. For the past 2 years, U.S. counternarcotics activities in Colombia have been hampered because the State Department did not effectively plan and manage funding and assistance to support the numerous and varied U.S. counternarcotics objectives in Colombia. State and the U.S. Embassy could not fully support planned counternarcotics activities because they were not well prepared for the consequences of expanding the coca aerial eradication program. Funding used to support the aerial eradication effort came at the expense of other counternarcotics activities. Moreover, State did not take steps to ensure that equipment included in a \$40 million assistance package from Defense Department inventories was consistent with the priority needs of the counternarcotics forces of the Colombian police and military or with the Embassy's counternarcotics plan. As a result, the assistance package included equipment that may be of limited benefit to the Colombian police and military and will require additional funding not budgeted for in Embassy plans. Moreover, the military assistance was delayed for 10 months because State and the Embassy could not reach agreement with the government of Colombia over acceptable end-use provisions to ensure that the assistance was not being provided to units suspected of human rights violations.

The State Department and the U.S. Embassy Were Not Adequately Prepared to Manage the Consequences of Increases in Aerial Eradication

Beginning in October 1996, the State Department, through its Bureau of International Narcotics and Law Enforcement Affairs, decided to significantly increase the U.S. level of support and participation in Colombia's aerial eradication operations against coca and opium poppy. According to State officials, the decision was made primarily to improve upon the results achieved in 1995 and 1996 in eradicating coca and opium poppy. However, State had not developed an operational plan and had not fully coordinated with the Narcotics Affairs Section in the Embassy to implement the program increase. As a result, the Section was unprepared for the escalation in costs to support this effort and was unable to fully support other programs meant to achieve the Embassy's counternarcotics objectives. In addition, other components at the Embassy, including DEA and Defense representatives, complained that the State Department was not adequately supporting their activities to help meet the Embassy's counternarcotics objectives.

During fiscal year 1997, State increased the number of aircraft and U.S. contractor personnel involved in the aerial eradication program. As of

July 1997, 112 contractor personnel—9 management and administrative staff, 56 pilots and operations staff, and 47 maintenance staff—were in Colombia. The contractor personnel's role also changed from being primarily responsible for training Colombian pilots and mechanics to directly maintaining aircraft and actively participating in planning and conducting eradication operations. The State Department estimates that the direct costs of supporting the contractor in Colombia increased from about \$6.6 million in fiscal year 1996 to \$14 million in fiscal year 1997.

Throughout fiscal year 1997, the Embassy's Narcotics Affairs Section continually adjusted its estimates of the amount of funding needed to support eradication efforts, from about \$19 million in the beginning of the fiscal year to \$34 million by July 1997. According to various Embassy reports, these changes were caused by unforeseen costs incurred as the result of the State Department's decision to increase support for aerial eradication. For example, in April 1997, the Narcotics Affairs Section reported that it would require an additional \$1.4 million for unanticipated costs associated with providing adequate security for contractor personnel at several remote eradication locations and that this estimate did not include costs associated with other major sites used to conduct eradication missions. According to the Section Director, an additional \$3 million to \$4 million to upgrade security at these locations was not included in the Embassy's program budget. Furthermore, the Section reported that it had to reallocate \$11 million from other projects to support various aspects of the increased eradication efforts. As a result, by July 1997, the Section reported to State that it could not fully support activities such as interdiction efforts, demand reduction, and other efforts designed to strengthen the law enforcement institutions of Colombia. The Section also reported its concerns about adequate funding for these activities in fiscal years 1998 and 1999.

Various components at the U.S. Embassy also raised concerns about State's emphasis on eradication at the expense of their programs. For example, U.S. military personnel in Colombia stated that the State Department's emphasis on eradication hurt their efforts to support the Colombian armed forces' ability to conduct their own counternarcotics operations and to provide ground and air support to the Colombian police when they are conducting eradication or interdiction missions, particularly in areas where insurgent groups are active. DEA officials indicated that State's focus on coca eradication displaced support for opium poppy eradication and other drug-related law enforcement activities. DEA officials

also stated that the proposed coca eradication program failed to respond to key elements of the U.S. counternarcotics objectives for Colombia.

State officials agreed that the Embassy was not well prepared to manage the escalation of costs associated with the increase in support for aerial eradication. However, they pointed out that the spray program has been successful, with about 42,000 hectares of coca sprayed by the end of December 1997. They indicated that State may not have adequate funding support for all its programs in Colombia in fiscal year 1998 because State will spend about \$50 million to help the Colombians purchase three new Blackhawk helicopters and upgrade UH-1H helicopters, in addition to the regular INC Program. State officials told us the fiscal year 1998 INC Program for Colombia is currently under review.

Drawdown Assistance Package Was Poorly Planned

On September 30, 1996, the President, under section 506(a)(2) of the Foreign Assistance Act, announced that he intended to provide Colombia with about \$40 million in counternarcotics assistance from Defense Department inventories. This action was justified on the basis that important programs would grind to a halt without the aid and that past investments in counternarcotics programs would suffer due to the deterioration of equipment, training skills, and goodwill on the part of those Colombians who daily put their lives at risk.

According to officials from the Departments of State and Defense and the U.S. Embassy, key elements of the 1996 assistance package were hastily developed, and some of the equipment in the package was not the best suited to meet the priority needs of the Colombian counternarcotics forces. In addition, support requirements were not fully assessed. Defense Department and Embassy officials have expressed concern that using this type of assistance without other sources of funds for the additional support costs may not be the best method for meeting critical counternarcotics needs of the Colombian police and military units.

Limited Planning and Coordination Hampered the Delivery of Counternarcotics Equipment and Resulted in Additional Costs

According to Defense Department officials, an assistance package should be developed with extensive input from the Departments of State and Defense. This input includes information about specific requirements of the recipient country, the ability of the recipient country to operate and maintain the equipment provided, and the ability of the U.S. military to meet its own needs without the equipment included in the assistance package.

Chapter 4
Planning and Management Problems
Hamper U.S. Counternarcotics Efforts in
Colombia

Beginning in July 1996, the State Department, in conjunction with the U.S. Embassy, began developing an initial list of equipment needed by the Colombian police for inclusion in a possible section 506(a)(2) drawdown assistance package. The U.S. Embassy prepared an initial list of equipment for the Colombian police on July 29, 1996. Because this list did not contain equipment for the Colombian military, the U.S. Embassy had to prepare an expanded listing to include all counternarcotics equipment for both the Colombian police and military. This list was sent to the Departments of State and Defense on August 15, 1996. Defense Department and Embassy officials stated that even though this expanded list was developed, they were given insufficient time to assess the requirements for the Colombian police and military and to identify the costs associated with operating and maintaining the equipment. Furthermore, Defense Department officials stated that they were given less than 2 weeks to conduct an analysis on the availability of the equipment on the expanded list or the impacts that withdrawing the equipment from defense inventories would have on the readiness of U.S. forces. Finally, U.S. officials stated that some items, such as the C-26 aircraft, were added by the National Security Council only 3 days before the list was provided to the President for his approval.

Table 4.1 summarizes the type of counternarcotics assistance provided and planned for delivery to the Colombian police and military forces.

**Chapter 4
Planning and Management Problems
Hamper U.S. Counternarcotics Efforts in
Colombia**

**Table 4.1: Section
506(a)(2) Counternarcotics Assistance
Planned for Colombia**

Dollars in millions	
Recipient/type of equipment	Value ^a
Colombian National Police	
C-26 aircraft (2)	\$6.0
UH-1H helicopters (12)	1.8
Rations and commodities	1.7
Ammunition	0.4
Communications equipment	0.3
Subtotal	\$10.2
Colombian military forces	
C-26 aircraft (3)	\$9.0
UH-1H helicopters (20)	3.0
Aircraft and helicopter spare parts	6.0
Utility landing craft (1)	1.5
River patrol craft (9)	0.7
Communications equipment	4.7
Field equipment	1.4
Training	2.5
Utility vehicles (15)	0.9
Subtotal	\$29.7
Total	\$39.9

^aFigures do not include transportation costs.

Source: Defense Security Assistance Agency.

Limited planning and coordination of the package resulted in the delivery of some assistance that did not meet the most pressing counternarcotics needs of the Colombian police and military and added substantial unanticipated support costs to operate and maintain, as illustrated in the following four examples.

Example 1

The U.S. Embassy identified a requirement to provide Colombian police and military units with an aircraft capable of performing surveillance missions. According to officials from the Departments of State and Defense, the National Security Council decided to address this requirement by including five C-26 aircraft (two C-26 for the police and three C-26 for the military) in the assistance package.¹ U.S. Embassy and

¹The C-26 aircraft is a military version of the Fairchild metro 10-passenger turboprop aircraft used by the Air National Guard.

Colombian officials stated these aircraft would not meet the surveillance needs of the Colombian police and military as currently configured. According to Department of State and Defense officials, no decision has been made on how many of the aircraft will have to be modified to perform the surveillance mission, but modifying each aircraft selected for this mission will cost at least \$3 million. According to U.S. Embassy officials, the C-26 was not included in any requirement plan for either the Colombian police or military, and other types of aircraft would have been more desirable. In addition, both State and Defense have estimated that operating and maintaining the aircraft will cost the Colombian police and military at least \$1 million annually.

The State Department has agreed to provide up to \$1 million to support the two C-26 aircraft assigned to the Colombian police. However, State has no plans to provide support for the three C-26 aircraft assigned to the Colombian military. Both U.S. and Colombian military officials stated that it would be more expensive to maintain the logistics capability for such aircraft because of the small number that have been provided. They indicated that U.S. assistance should, to the maximum extent possible, provide equipment to minimize expensive logistics.

Example 2

The 12 UH-1H helicopters in the assistance package were delivered to the Colombian police in May 1997 with an average of less than 10 hours of flying time available before substantial maintenance would have to be done on them to meet performance standards. Two months after the Colombian police received the helicopters, the Narcotics Affairs Section reported that according to the Colombian police, only 2 of the 12 helicopters were operational and that unless sufficient funds were provided to meet maintenance requirements, parts would be removed from these helicopters to maintain its existing fleet of 38 helicopters. The Section estimated the cost of the repairs at about \$1.2 million. In August 1997, the State Department said that it would provide additional assistance to make the helicopters operational.

Example 3

The package listed a utility landing craft valued at \$1.5 million to support Colombian military operations against the transport of narcotics on rivers. Defense Department officials stated that if they had been consulted earlier, the craft would not have been listed in the package because not enough of the craft were available for U.S. Army units. According to U.S. military personnel, a smaller vessel with more limited range was offered to Colombia as an alternative, but the Colombian military said the boat did not meet its needs.

Example 4

The six patrol craft included in the assistance package may be of limited utility to the Colombian navy. The Defense Department reported that the craft had been taken out of service in 1993 and required an estimated \$600,000 in maintenance to make them operational. However, the U.S. Navy cautioned that even if the necessary repairs were made, the craft might be of marginal utility due to their age. Additional costs will have to be incurred before the craft will be useful to the Colombian navy. After the boats were delivered, U.S. military officials discovered that at least two of them were missing parts and that the electrical panels on others were open, making the boats' operational condition suspect. Furthermore, although the boats were intended to serve as command and control platforms, radios and other equipment had been removed prior to their delivery. U.S. Embassy officials do not know the total amount of funding needed to make the boats operational and to improve their combat capabilities but stated that Colombia would have to use its own resources to make them operational and combat ready.

U.S. Embassy and Defense officials also expressed concern about the heavy reliance on the use of drawdown assistance for counternarcotics activities in Colombia. They stated that equipment provided under section 506(a)(2) of the Foreign Assistance Act usually requires substantial support and additional funding for operations and maintenance. They stated that such assistance was a poor substitute for a well-thought out counternarcotics assistance program and could be harmful if complementary funding was not provided.

Negotiations Over an
End-Use Monitoring
Agreement Delayed the
Delivery and Use of
Critically Needed
Equipment

In September 1996, Congress prohibited the obligation of INC funds to assist units of foreign security forces when the Secretary of State has credible evidence to believe that these units have committed gross violations of human rights.² Therefore, the State Department decided that no assistance would be provided to the military until Colombia signed an acceptable end-use monitoring agreement to ensure that the assistance was not being provided to units suspected of human rights violations. However, State did not provide guidance to the Embassy on applying human rights provisions to U.S. counternarcotics assistance until February 13, 1997, almost 4-1/2 months after the legislation was enacted. In the meantime, U.S. Embassy officials signed a preliminary end-use monitoring agreement with the Colombian Ministry of Defense on February 11, 1997. The U.S. Ambassador believed that this agreement

²Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1997 (P.L. 104-208).

would be acceptable to the State Department. However, because of the new guidance, he stated that he had to reopen negotiations with the Colombians.

In February 1997, the U.S. Embassy determined that there were no human rights concerns about the Colombian police and satisfactory progress was being made in negotiating an end-use monitoring agreement with the Colombian navy and air force. The 12 helicopters in the drawdown assistance package were shipped to the Colombian police in May 1997. Even though the 6 boats and 20 UH-1H hulks for the Colombian navy and air force were also shipped in May, the State Department did not grant approval for use of the equipment until the Colombian navy and air force signed the end-use monitoring agreement in August 1997. According to State Department officials, the lengthy negotiations occurred because three different Colombian Ministers of Defense were involved in negotiations during this period. State Department officials told us that assistance to the Colombian army has still not been released because the Colombian army has not fulfilled terms of the agreement.

Conclusions

Implementation of U.S. counternarcotics activities in Colombia has been hampered by a lack of planning and management coordination both within the Department of State and between State and other involved federal agencies. The State Department and the U.S. Embassy in Colombia were not well prepared to implement an expanded aerial eradication program and to support other counternarcotics activities. In addition, State did not take adequate steps to develop and integrate a \$40-million assistance package for Colombian counternarcotics police and military units. Officials from the Departments of State and Defense and the U.S. Embassy said they had spent little time consulting on the makeup and appropriateness of items in the package. However, in our view, the State Department, in conjunction with the Defense Department and key elements of the U.S. Embassy, should have taken adequate time to prepare a priority list of available equipment and associated support costs before the assistance package was finalized.

Recommendation

We recommend that the Secretary of State, in close consultation with the Secretary of Defense and the National Security Council, take steps to ensure that future assistance authorized under section 506(a)(2) of the Foreign Assistance Act of 1961 is, to the maximum extent possible, compatible with the priority requirements identified in U.S.

Chapter 4
Planning and Management Problems
Hamper U.S. Counternarcotics Efforts in
Colombia

counternarcotics programs and that adequate support resources are available to maximize the benefits of the assistance.

Comments From the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.




United States Department of State

Bureau of International Narcotics
and Law Enforcement Affairs

Washington, D.C. 20520

January 22, 1998

TO: Benjamin Nelson
Director
International Relations and Trade Issues Group
General Accounting Office

FROM: Jane E. Becker 
Deputy Assistant Secretary

SUBJECT: State Department Comments on GAO Report on
U.S. Counternarcotics Efforts in Colombia

Attached are State Department comments on GAO's draft report on USG counternarcotics efforts in Colombia. In general, we found your report to be fair and constructive. However, we did want to address what we see as several inaccuracies or misdirected criticisms in our comments. I hope you find them useful in putting together your final product.

Appendix I
Comments From the Department of State

Department of State Comments on the GAO Draft Report
U.S. Counternarcotics Efforts in Colombia Face Continuing
Challenges, GAO/NSIAD-98-

SUMMARY

While the Department of State finds the GAO Draft Report on U.S. counternarcotics efforts in Colombia to be generally fair and well-balanced, we do have some issues to raise and areas in which we believe the report could be improved and made more accurate. We believe from the results achieved over the period, it is clear that U.S. policies and programs were very effective. We responded to changing circumstances in Colombia's difficult political and operating environment to achieve higher rates of eradication, more seizures, and more support for key institutions in Colombia engaged in the fight against narcotics trafficking. The comments are provided below in bullet format, organized by section of the report. In many cases, identical comments apply to both the main body of the report and to the executive summary.

Chapter One: Introduction

- o The chart on p. 19 has some factual errors. Updated and corrected information has since been provided to GAO. In addition, we note that the \$750 million figure includes FMS sales financed by Colombia's own money, not generally considered to be foreign assistance. Within both the FMF and FMS programs, we note that not all of the items purchased were for counternarcotics purposes, but are listed as such. This has the tendency to exaggerate the level of U.S. counternarcotics support to Colombia in the 1990s.

Chapter 2: Drug Trafficking Activities Are Expanding in Colombia

- o On p. 28, the report misuses data from DEA's 1996 Heroin Signature Program (HSP) to imply that 62% of all heroin imported into the United States comes from Colombia. The HSP is not a direct measure of U.S. market share by heroin source of origin and is not meant to be used as such. In fact, the 1996 results were skewed by large seizures in Miami and New York, where the majority of Colombian heroin enters the U.S. While Colombia is becoming an increasingly important player in the U.S. heroin market, the 62% figure is misleading and not credible.

Chapter 3: Political, Economic, and Operational Implications of U.S. Decertification of Colombia

Now on p. 16.
See comment 1.

Now on p. 14.
See comment 2.

Appendix I
Comments From the Department of State

Now on p. 26.

See comment 3.

See comment 4.

Now on p. 28.

Now on p. 29.

See comment 5.

Now on p. 30.

See comment 6.

See comment 7.

Now on p. 31.

See comment 8.

- On p. 34, in discussing the effects of decertification on assistance to Colombia, the report states that Colombia has been able to mitigate the loss by finding alternative funding sources. Due recognition should be given to the fact that the primary alternative funding source was the the State Department's INC funds. Our funding for Colombia more than doubled in 1997, in part to make up for shortfalls caused by the cutoff of FMF.
- The same section quotes Colombian police officials as indicating that some operations could not be conducted because certain types of assistance were not available. We are unaware of any operations which could not be conducted. In reality, operational tempo increased in both 1996 and 1997. This statement would be more credible if a specific example could be provided. If none are available, it should be stricken. The same comment applies to language on p. 38, which although acknowledging that the impact is unclear, still repeats unproven assertions.
- The chart on p. 39 should be amended to indicate that the \$30 million figure is an "up to" figure, not an absolute. It should also be noted that it is difficult to tell how much of the FMF was "delayed", as the money is only spent gradually, usually over a period of several years. Only a small percentage would have been spent during the 8 months in which a decision was delayed.
- In the final paragraph of p. 39, it should be highlighted that the delay had no significant impact on operations. This is really the bottom line.
- We object to the characterization that it "took State 8 months to issue its final guidance" on the types of assistance that could be provided. The process of developing this guidance was an interagency one. The largest obstacle to issuing final guidance was a fundamental disagreement between State Department lawyers and DSAA general counsel. To lay all blame for delay on one agency in an interagency process is neither accurate nor fair.
- On p. 42, in discussing the issue of the DC-3 grounding, no mention is made of the significant GOC role in the delay of the repair.
- On that same page, we approve of your mention of the 1997 reduction in the Ministry of Defense budget, and believe it should be further highlighted. This funding cut created a need for additional assistance.

Appendix I
Comments From the Department of State

Obviously, the Government of Colombia bears a major portion of the blame for any lack of support for their counternarcotics forces.

- o The final section on p. 42 is speculative, and lacks any hard data to back it up. Its inclusion in the report is prejudicial.

Chapter 4: Planning and Management Problems Hamper U.S. Counternarcotics Efforts in Colombia

- o We note that, contrary to the impression left by the report, Colombian counternarcotics equipment needs and how to address them had been reviewed at length. Based initially on a request from the Colombian National Police, the Department was in constant contact with the Embassy in Bogota between mid-July and September to review and address the most important police and military requirements. Extensive interagency consultation took place during this period. The final content of the 506 package for Colombia was heavily dependent on availability from existing stocks, as determined by the Defense Department. We acknowledge that 506 is a blunt instrument, but it was the only one available to us.

- o Later in that same paragraph, the report completely ignores the large Colombian role in delaying the signing of an acceptable EUM agreement. Colombian obstinance, inconsistency, and the need to negotiate with three different Defense Ministers over that ten months was the primary cause for the delay in concluding negotiations on the EUM. The Government of Colombia twice backed away from agreements which had been reached on the EUM issue. The same comment applies to the discussion on p. 53.

- o We also note a contradiction in logic in being criticized for withholding assistance while working out an EUM agreement, when GAO writes in the same report that it has criticized us for the last ten years for not having such a system in place.

- o On p. 47, the report also quotes DEA officials alleging that the increase in eradication displaced support for other drug law enforcement activities. This is demonstrably untrue. Our large increase in funding for the CNP in FY97 not only permitted an increase in eradication, it also led to an increase in interdiction missions. We note that Colombian seizure figures in 1997 were significantly higher. Virtually every interdiction mission is conducted with logistical support provided by the State Department.

Now on p. 31.
See comment 9.

See comment 10.

See comment 11.

Now on p. 39.

See comment 12.

Now on p. 33.
See comment 13.

Appendix I
Comments From the Department of State

See comment 14.

- Throughout the report, the increased cost of an expanded aerial eradication program is criticized without being balanced by a clear picture of why it was necessary to increase support for this program and that much of the increase was dictated by price increases for fixed operating costs such as aviation fuel.

- In the next paragraph, criticism of the State Department is implied, when the statement is made that adequate funding for all programs in Colombia may not be possible because "State will spend" about \$50 million to purchase new Blackhawks for the CNP. Nowhere is it mentioned that this spending is at the direction of Congress.

See comment 10.
Now on p. 36.

- We also dispute the accuracy of the portrayal of the 506 drawdown process ascribed to the Defense Department on p. 48. The process was far more deliberative than this paragraph implies and elements of DoD were involved in every step. DoD's input into determining the final package was substantial -- in fact, DoD availability was probably the most important factor to the package's final content.

The following are GAO's comments on the Department of State's letter dated January 22, 1998.

GAO Comments

1. We modified the table to reflect State's comment regarding Foreign Military Sales (FMS). However, according to Defense Department records, all Foreign Military Financing (FMF) funds were justified for counternarcotics purposes.
2. We deleted the sentence containing the 62-percent figure.
3. We modified the text to reflect that alternative funding sources were provided by both the Departments of State and Defense.
4. As our report states, Colombia's Chief of the Counternarcotics Police stated the Colombian police could destroy only 80 of the 210 airstrips it had planned to destroy in 1996 because certain types of explosives could not be provided as a result of the cutoff of U.S. assistance.
5. We modified the report to address State's concern regarding the amount of FMF grant aid that was delayed. We note, however, that aid was delayed for over 17 months until the President issued a waiver in August 1997.
6. As we note in our report, the overall operational implications of the cutoff on U.S. and Colombian counternarcotics activities is not clear. The Colombian police and military were able to maintain or increase some types of operations, but Colombian police told us that some operations could not be conducted because certain types of assistance were not available.
7. We modified the report to recognize that the decertification policy was developed by State in conjunction with other executive branch agencies.
8. We have added information on the nature of the delay in repairing the DC-3. As our report notes, the Colombian police were partially to blame for the delay. However, the State Department was responsible for most of the delay because it had difficulty making a decision on whether the aircraft could be repaired under decertification.
9. We modified the report to recognize that some of the sustainment concerns may have been addressed by the President's August 1997

national security waiver that allowed the release of counternarcotics assistance.

10. We clarified our report in response to State's comment. However, as our report states, some items were added late in the approval process, and the requirements of Colombia's counternarcotics forces and the long-term support costs associated with U.S. assistance were not fully considered. After providing their written comments, State officials told us that the planning of section 506(a)(2) assistance should be improved, as we recommended. They said that Defense Department involvement in the process was the most critical element in identifying the necessary assistance.

11. We modified the text to reflect State's comment.

12. We do not believe our report is contradictory. We agree with the State Department that an end-use monitoring agreement is essential to ensure that U.S. counternarcotics assistance is being used as intended. Our criticism is directed at the time spent to develop criteria. As our report points out, it took State almost 4-1/2 months to develop criteria for the Embassy's use in negotiating an acceptable end-use monitoring agreement with the government of Colombia.

13. Our report recognizes that the Embassy had reported increases in the amount of coca sprayed and drug seizures in 1997. However, documents and interviews with Embassy officials did not support State's comment that increasing the funding for the counternarcotics police eradication operations in 1997 had no impact on other drug enforcement activities. According to these sources, support for law enforcement assistance and institutional development; drug awareness and drug demand reduction; and support for the Colombian armed forces were reduced during this period.

14. Based on cable traffic, other documents, and discussions with Embassy and State officials, it is clear that the Embassy was not well prepared to manage the costs associated with the increase in support for aerial eradication. As our report indicates, throughout fiscal year 1997, the Narcotics Affairs Section continually adjusted its estimates of the amount of funding needed to support eradication efforts, from about \$19 million at the beginning of the fiscal year to \$34 million by July 1997. Furthermore, according to the Narcotics Affairs Section Director, an additional

Appendix I
Comments From the Department of State

\$3 million to \$4 million needed to upgrade security at several locations was not originally budgeted for.

Comments From the Department of Defense



**DEPARTMENT OF DEFENSE
COORDINATOR FOR DRUG ENFORCEMENT
POLICY AND SUPPORT**

WASHINGTON, DC 20301-1510

JAN 13 1998

Mr. Benjamin Nelson
Director
International Relations and Trade Issues
National Security and International Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Nelson:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "Drug Control: U.S. Counternarcotics Efforts in Colombia Face Continuing Challenges," dated December 23, 1997 (GAO Code 711260/OSD Case 1513)."

After a close review by my staff and the appropriate collateral action points of contact, DoD concurs with subject report on technical accuracy and has no substantive comments. The document reflects DoD's position on subject matter and needs no amplification. DoD concurs with GAO recommendation that steps need to be taken to ensure future assistance authorized under section 506 (a) of the FAA is compatible with priority requirements identified in U.S. counternarcotics programs for Colombia, and that adequate support resources are available to maximize the benefits from the aid.

In order to address the increasing narco trafficking threat to U.S. national interests in Colombia, DoD will continue to work with the Department of State, the National Security Council, the U.S. Mission in Colombia and other involved federal agencies to ensure that actions will be taken to adequately address the underlying problem.

If you need more information, questions may be directed to my point of contact on this matter, Mr. Salvador Enriquez, (703) 697-5656.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Sheridan".

Brian E. Sheridan
Principal Deputy

Major Contributors to This Report

**National Security and
International Affairs
Division, Washington,
D.C.**

Jess T. Ford, Associate Director
Allen Fleener, Senior Evaluator
Ronald D. Hughes, Senior Evaluator
James T. Strus, Senior Evaluator
Jose Pena, Evaluator
Nancy Ragsdale, Managing Editor

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

