

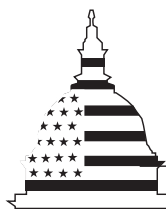
GAO

Report to the Chairman and Ranking Member, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Committee on Government Reform, House of Representatives

October 2000

DRUG CONTROL

U.S. Assistance to Colombia Will Take Years to Produce Results



G A O

Accountability * Integrity * Reliability

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

October 17, 2000

The Honorable John L. Mica
Chairman
The Honorable Patsy Mink
Ranking Member
Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
Committee on Government Reform
House of Representatives

The United States has been providing assistance to Colombia since the early 1970s to help the Colombian National Police and other law enforcement agencies, the military, and civilian agencies in their efforts to reduce illegal drug production and trafficking activities. Despite this assistance, Colombia remains the world's leading producer of cocaine and has become a major source of the heroin being used in the United States. In addition, Colombia faces internal problems, including active insurgent and paramilitary groups that control large sections of the country where most illegal drug activities are occurring. Recognizing that illegal drug activities are a serious problem in Colombia, the Colombian government, in October 1999, announced a \$7.5 billion counternarcotics plan known as Plan Colombia. Among other things, Plan Colombia proposes to reduce the cultivation, processing, and distribution of narcotics by 50 percent over 6 years. To assist in this effort, in July 2000, the United States agreed to provide about \$860 million to Colombia for fiscal years 2000-01, in addition to previously programmed U.S. assistance to Colombia of over \$330 million for the same period. U.S. counternarcotics assistance to Colombia has almost doubled compared to 1999 levels.

Because of congressional concerns over the increasing involvement of the United States in Colombian efforts to control illegal narcotics, you requested that we review U.S. counternarcotics efforts in Colombia. As agreed with your staffs, we determined (1) how the drug threat has changed in recent years; (2) what problems, if any, the United States has had in providing its assistance to Colombia; and (3) what challenges the United States and Colombia face in reducing the illegal drug activities.

During fiscal years 1996-2000, the United States provided Colombia more than \$765 million in assistance to support its efforts to reduce illegal drug activities. Although the United States has no direct role in carrying out Colombia's counternarcotics program, the Departments of State and

Defense manage most of the U.S. assistance. State has primarily supported the National Police in its efforts to eradicate coca and opium poppy and interdiction operations by providing them equipment such as helicopters, fixed-wing aircraft, weapons, ammunition, communications equipment, logistical support, fuel, and training. Moreover, a State-funded U.S. contractor conducts aerial spraying eradication operations. The Department of Defense has supplied equipment, logistics, ammunition, weapons, training, and other support to both the National Police and the military. Other U.S. agencies that provide assistance include the U.S. Agency for International Development, the Drug Enforcement Administration, and other U.S. law enforcement and intelligence agencies.

To address your concerns, we met with cognizant U.S. officials and reviewed pertinent planning, implementation, and related documentation at the Departments of State and Defense, the Drug Enforcement Administration, the U.S. Agency for International Development, and the Office of National Drug Control Policy, Washington, D.C.; the U.S. Southern Command headquarters, Miami, Florida; and the U.S. Embassy in Bogota, Colombia. In Colombia, we interviewed Colombian military, police, and government officials and visited the Colombian aviation brigade located at Tolomaida and operational sites at Larandia and Tres Esquinas.

Results in Brief

Despite U.S. and Colombian efforts, the illegal narcotics threat from Colombia continues to grow and become more complex. From 1995 through 1999, coca cultivation and cocaine production in Colombia more than doubled and Colombia became a major supplier of heroin consumed in the United States. Moreover, over time, the drug threat has become more difficult to address. This is because of the increasing number and types of organizations involved in illegal drug activities, including insurgent groups, and the lack of Colombian government control over more than 40 percent of its territory make eradication and interdiction operations to reduce illegal drug activities more difficult.

Although U.S.-provided assistance has enhanced Colombian counternarcotics capabilities, it has sometimes been of limited utility because of long-standing problems in planning and implementing this assistance. For example, helicopters that State provided to the National Police and the military have not had sufficient spare parts or the funding necessary to operate and maintain them to the extent possible for conducting counternarcotics operations. Moreover, the U.S. Embassy has made little progress implementing a plan to have the National Police

assume more responsibility for the aerial eradication program, which requires costly U.S. contractor assistance to carry out. U.S. Embassy officials also expressed concern that the National Police has not always provided documentation about its use of some counternarcotics assistance.

The governments of the United States and Colombia face continuing and new financial and management challenges in implementing Plan Colombia. At this point, the total cost and activities required to meet the plan's goals remain unknown, and it will take years before drug activities are significantly reduced. U.S. agencies are still developing comprehensive implementation plans, and manufacturing and delivering equipment and finding and placing staff in Colombia to manage activities will take time. As a result, agencies do not expect to have many of the programs to support Plan Colombia in place until late 2001. Moreover, additional funds will be needed to ensure that equipment provided remains operable. State planning documents indicate that it has not budgeted funds to train pilots and mechanics, provide logistical support, and support the operations of certain U.S.-provided helicopters. To date, the Colombian government has not demonstrated that it has the detailed plans, management structure, and funding necessary to effectively implement its programs and achieve stated goals. While Colombia is relying on international donors in addition to the United States to help fund Plan Colombia, much of that support has yet to materialize. Colombia faces continuing challenges associated with its political and economic instability fostered by Colombia's long-standing insurgency and the need to ensure that the Colombian Police and military comply with human rights standards in order for U.S. assistance to continue.

We are making recommendations to the Secretaries of State and Defense to help ensure that U.S. counternarcotics assistance to Colombia is used most effectively and problems in supporting U.S.-provided equipment do not recur. In commenting on a draft of this report, State and Defense generally concurred with the information presented and the recommendations.

Background

For more than two decades, the United States has supported Colombia's efforts to reduce drug-trafficking activities and to stem the flow of illegal drugs into the United States. The U.S. National Drug Control Strategy calls for a 15-percent net reduction in the flow of illegal drugs from source countries, including Colombia, by 2002.¹ The United States hopes to achieve this by assisting Colombia in its efforts to (1) reduce and dismantle drug-trafficking organizations, (2) reduce the availability of drugs through the eradication of crops and enforcement efforts, and (3) strengthen Colombian institutions that support a full range of counternarcotics activities.

U.S. Assistance Provided to Colombia

Table 1 shows the assistance the Department of Defense (DOD), the Department of State, and the U.S. Agency for International Development (USAID) have provided Colombia in terms of counternarcotics equipment, training, logistics, and related support for fiscal years 1996-2000.

¹The strategy is prepared by the Office of National Drug Control Policy, which established five goals to reduce drug demand and supply. The strategy includes two goals for reducing the flow of drugs entering the United States by breaking foreign and domestic drug sources of supply and protecting U.S. air, land, and sea frontiers from the drug threat.

Table 1: U.S. Counternarcotics Assistance to Colombia (fiscal years 1996–2000)

Dollars in millions

| Agency | Fiscal year | | | | | Total |
|--------------------|---------------|---------------|----------------|----------------|-------------------|----------------|
| | 1996 | 1997 | 1998 | 1999 | 2000 ^a | |
| State ^b | \$22.6 | \$ 44.4 | \$83.1 | \$237.7 | \$76.3 | \$464.1 |
| DOD ^c | 14.5 | 53.2 | 61.4 | 80.9 | 72.5 | 282.5 |
| USAID | 0 | 0 | 3.3 | 6.3 | 9.0 | 18.6 |
| Total | \$37.1 | \$97.6 | \$147.8 | \$324.9 | \$157.8 | \$765.2 |

^aWe did not include the \$860 million appropriated through the Emergency Supplemental Appropriations Act, FY 2000 (Division B of P.L. 106-246) in fiscal year 2000 figures because the agencies have not yet allocated the funding between fiscal year 2000 and 2001.

^bIncludes \$173.2 million in Colombia-specific counternarcotics assistance provided to State in the Omnibus Consolidated and Emergency Supplemental Appropriations Act, Fiscal Year 1999 (Division B of P.L. 105-277).

^cIncludes amounts delivered through September 1, 2000, from emergency drawdowns of DOD inventories authorized in fiscal years 1996, 1997, 1998, and 1999. For fiscal year 1996, DOD could not provide funding data on its other assistance programs.

Sources: State, DOD, and USAID.

Further details on U.S.-provided counternarcotics assistance are contained in appendix I.

Plan Colombia and Associated U.S. Support

The Colombian government's \$7.5 billion, 6-year counternarcotics plan, issued in October 1999, represents a significant change from prior efforts. Colombia has pledged to provide \$4 billion to support the plan and called on the international community, including the United States, to provide the remaining \$3.5 billion to assist in this effort. The government recognizes that the program must address the conditions that foster the growth in illegal drug activities. Central to the effort is that the Colombian government must gain control of the drug-producing regions of the country from insurgent and paramilitary groups, increase drug interdiction efforts, provide coca farmers alternative ways to earn a living, and enhance the protection of human rights. As such, Plan Colombia focuses on five key areas: advancing the ongoing peace process with the insurgents, improving the economy, combating narcotics, reforming the judicial system and promoting civil rights, and supporting democratization and social development. All key Colombian ministries, including the Justice and Defense ministries, are assigned roles and specific tasks in the plan.

In July 2000, Congress appropriated over \$860 million for fiscal years 2000-01 to directly support Plan Colombia.² The funds are allocated as follows:

- \$519 million for equipment and training assistance to support Colombian military counternarcotics operations,
- \$123 million for similar assistance to support National Police operations,
- \$69 million for alternative development projects in drug-producing areas,
- \$58 million for judicial reform and rule of law initiatives,
- \$51 million for strengthening human rights organizations within Colombia,
- \$38 million for persons displaced as a result of counternarcotics operations, and
- \$3 million for peace process initiatives.

The Changing Nature of the Drug Threat in Colombia

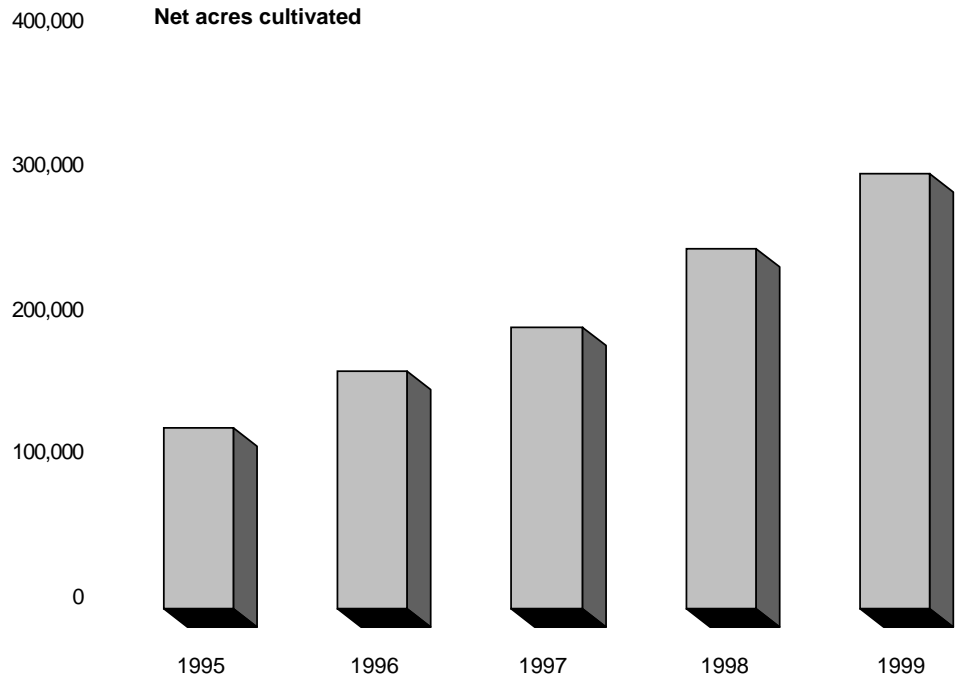
U.S. estimates indicate that the drug threat from Colombia has both expanded and become more complex over the past several years. Drug cultivation and production have significantly increased since 1995. Moreover, the role of insurgent and paramilitary groups in drug-trafficking activities has become more prevalent, severely complicating U.S. and Colombian efforts to reduce illicit drug cultivation and production.

Drug Cultivation and Production Are Increasing

Historically, Colombia has been the world's largest producer of cocaine. However, starting in 1997, Colombia surpassed Bolivia and Peru as the world's largest cultivator of coca, which is used to produce cocaine. As shown in figure 1, the area under coca cultivation in Colombia expanded by over 140 percent during 1995-99. Most of this increase has occurred in the areas of southern Colombia that are controlled by insurgents.

²The act (Division B of P.L. 106-246) provides \$1.3 billion, but about \$440 million was for other Andean countries and for U.S. agencies involved in drug interdiction and law enforcement.

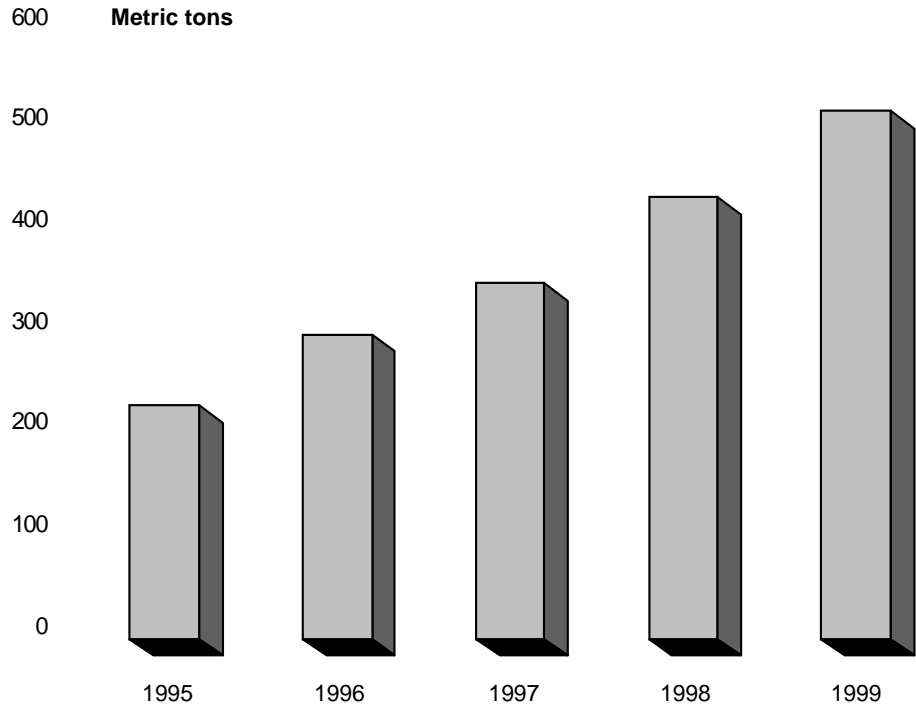
Figure 1: Trends in Colombian Coca Cultivation, 1995-99



Source: Department of State.

In addition, the amount of cocaine produced in Colombia has increased by 126 percent since 1995, from 230 metric tons to 520 metric tons, as shown in figure 2.

Figure 2: Colombian Cocaine Production Potential, 1995-99



Source: Department of State.

According to U.S. law enforcement officials, this increase has occurred not only because of the increase in coca cultivation but also because of the use of higher yielding varieties of coca leaf and more efficiency in processing coca leaf into cocaine.

According to the Drug Enforcement Administration (DEA), Colombia has become a major source of the heroin consumed in the United States. Recent U.S. estimates indicate that Colombia produced approximately 8 metric tons of heroin in 1999, most of which was destined for the United States.

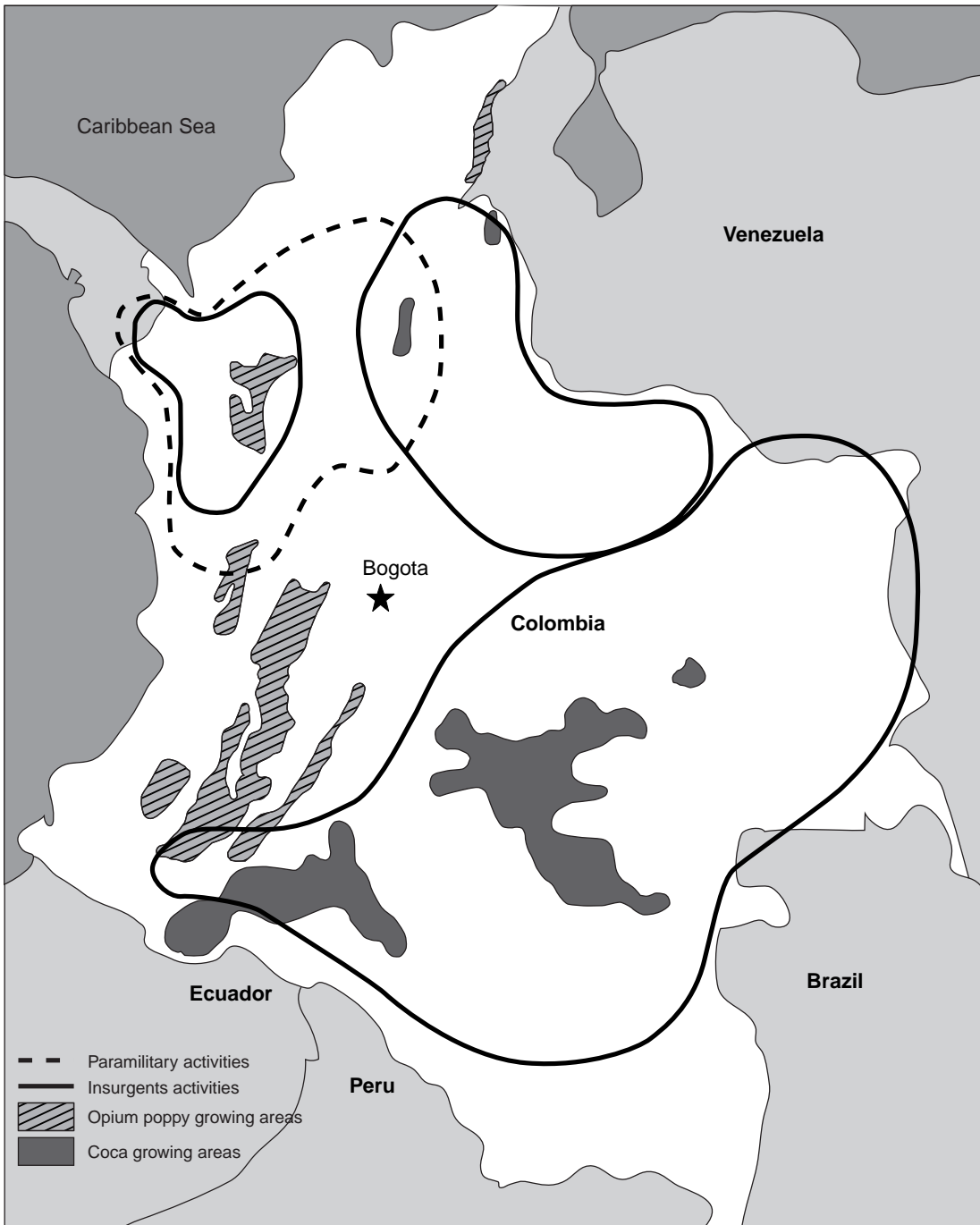
Despite U.S. and Colombian efforts to disrupt drug-trafficking activities, the U.S. Embassy in Colombia has not reported any net reduction in the processing or export of refined cocaine to the United States. Moreover, according to DEA, while two major groups (the Medellin and Cali cartels) dominated drug-trafficking activities during the late 1980s and early 1990s, hundreds of smaller and more decentralized organizations are now

involved in all aspects of the drug trade. According to DEA, several billion dollars flow into Colombia each year from the cocaine trade alone. This vast amount of drug money has made it possible for these organizations to gain unprecedented economic, political, and social power and influence.

Increased Involvement of Insurgent and Paramilitary Groups in Drug-Trafficking Activities

The challenge of reducing drug-related activities has become more difficult as the two largest insurgent groups—the Revolutionary Armed Forces of Colombia and the National Liberation Army—and paramilitary groups have expanded their involvement in drug trafficking. The insurgents exercise some degree of control over 40 percent of Colombia’s territory east and south of the Andes, an area equal in size to Texas (see fig. 3).

Figure 3: Areas of Colombian Insurgent, Paramilitary, and Drug-trafficking Activities



Source: Figure prepared by GAO based on information from various U.S. agencies.

According to U.S. officials, the alliance between the insurgents and the drug traffickers challenges Colombia's ability to conduct effective counternarcotics operations. DEA reported that the presence of units from the Revolutionary Armed Forces of Colombia in Colombia's eastern lowlands and southeastern jungle areas was especially troublesome. According to DEA, these areas include most of the new coca cultivation sites and most of the major drug production facilities.

According to DOD, two-thirds of the Revolutionary Armed Forces of Colombia units and one-third of the National Liberation Army units are involved in some form of drug-trafficking activity. These two insurgent groups are estimated to comprise 20,000 armed people. According to DEA, these groups have assisted drug traffickers in providing security for cocaine-processing laboratories, storing and transporting cocaine within Colombia, and other trafficking-related activities; they also appear to be engaged in opiate trafficking within Colombia. According to U.S. Embassy officials, information over the past 2 years indicates that units of the Revolutionary Armed Forces of Colombia have become more heavily involved in growing coca, establishing coca prices, and transporting cocaine in Colombia. Because of the lack of reliable data, U.S. estimates of insurgent groups' income from narcotics trafficking activities vary widely—from \$30 million to \$600 million annually.

During the 1980s, paramilitary groups emerged as self-defense forces in response to the insurgents' violence. In 1998, DEA reported that certain leaders of some of these groups had become major drug traffickers. Current U. S. estimates indicate that these groups have between 5,000 and 7,000 personnel. However, U.S. officials have no estimates of the income that paramilitary groups derive from illegal narcotics.

In its February 2000 report on international human rights conditions, State noted that Colombian paramilitary and insurgent groups were responsible for the vast majority of political and extrajudicial killings during 1999.³ This report stated that paramilitary groups were the source of 153 massacres that claimed 889 victims, but did not attribute a figure to the insurgents. According to State officials, the paramilitary groups operate with relative impunity in parts of northern Colombia, and according to U.S. Embassy officials, paramilitary groups also appear to have established a permanent

³1999 Country Reports on Human Rights Practices (Washington, D.C.: U.S. Department of State, Feb. 2000).

base in a major coca-growing area in southern Colombia, where the insurgents are heavily concentrated.

Problems in Managing U.S. Assistance to Colombia

The United States has encountered long-standing problems in providing counternarcotics assistance to Colombian law enforcement and military agencies involved in counternarcotics activities. These problems continue. Although State has provided equipment, particularly helicopters and fixed-wing aircraft, to the National Police and military, it has not provided enough financial or logistical support to ensure that the equipment can be operated and maintained as intended. DOD could not provide some equipment that the U.S. Embassy requested for the National Police and the military because it was not available from DOD stocks. In addition, a U.S. program designed to give operational control and responsibility for the aerial eradication program to the National Police has not made much progress. U.S. Embassy officials also expressed concern about their ability to oversee the National Police's use of some U.S.-provided assistance.

Prior Management Problems

In 1998, we reported that planning and management problems hampered U.S. counternarcotics efforts in Colombia.⁴ Specifically, we noted that State and the U.S. Embassy were not prepared for the increases in program costs to support State's 1996 decision to increase the number of aircraft and U.S. contractor personnel involved in the aerial eradication program. We also reported that limited planning and coordination between U.S. agencies hampered the delivery of some counternarcotics equipment, such as 5 fixed-wing aircraft, 12 transport helicopters, and 6 patrol craft, to the National Police and the Colombian military.

We reported that this equipment required substantial funding to make them operational. A list of recent GAO products on drug control issues related to Colombia appears at the end of this report.

State Has Not Provided Support for Some U.S.-Supplied Equipment

According to State and DOD officials, U.S.-provided assistance to Colombia should include not only major equipment but also the spare parts and funding needed to operate and maintain it because the National Police and

⁴*Drug Control: U.S. Counternarcotics Efforts in Colombia Face Continuing Challenges* (GAO/NSIAD-98-60, Feb. 12, 1998).

the military lack adequately trained personnel and financial resources. However, the United States has not always provided the necessary spare parts and funding. As a result, the equipment has not been used to the extent possible to reduce illegal drug activities.

Spare Parts Unavailable for Helicopters

During fiscal years 1996-2000, State provided the National Police with a variety of helicopters for use in eradication and drug interdiction operations without enough spare parts to operate and maintain them.

- In 1998, State and the U.S. Embassy became aware that the National Police did not have enough spare parts to support 6 Bell 212 and 14 UH-1H helicopters. State's Narcotics Affairs Section at the U.S. Embassy planned to provide \$1 million from its fiscal year 1999 budget for helicopter spare parts. However, State did not provide funds to support these helicopters because of budgetary constraints.
- Between October 1998 and August 1999, State provided the National Police with six additional Bell 212 helicopters and six UH-1H helicopters. Because of budget constraints, neither set of aircraft was provided with adequate spare parts or the funds to ensure adequate logistics support.

Recognizing that the National Police could not operate and maintain these aircraft, the Narcotics Affairs Section budgeted \$1.25 million from its fiscal year 2000 program budget to replenish the low supply of spare parts. However, according to a U.S. Embassy official, the Section did not provide this funding to the National Police until March 2000 because of delays in submitting State's plan for using the funds to the Congress. Moreover, the Embassy requested spare parts for some of these helicopters from DOD stocks. While DOD agreed to provide \$3.1 million worth of helicopter spare parts, only \$378,000 worth of parts had been delivered as of September 1, 2000. According to DOD data, it intends to deliver the remainder. However, a DOD official did not know when delivery would be completed.

Inadequate Funding for Helicopter Support

In 1999, State purchased 37 UH-1H helicopters and spare parts from the Canadian government for about \$18 million. In September 1999, State, with assistance from DOD, initiated a plan to provide the Colombian Army 33 of the helicopters to support operations of its three counternarcotics battalions. State retained four of these helicopters for use in State-funded coca eradication missions conducted by a U.S. contractor.

Between November 1999 and February 2000, 18 of the 33 helicopters were delivered to Colombia, and a U.S. contractor trained 24 civilian pilots under a Colombian contract and 28 Colombian Army copilots to operate them. According to U.S. Embassy personnel, the original plan was to begin using these helicopters in May 2000 to support the first counternarcotics battalion, which was ready to begin operations on January 1, 2000.⁵ The helicopters were to move troops into insurgent-controlled areas so they could secure the areas and enable the National Police to conduct eradication or interdiction missions.

At the time State agreed to purchase the aircraft, it had not included the funds necessary to procure, refurbish, and support the UH-1Ns in its fiscal year 1999 and 2000 budgets. As a result, State did not provide the funds needed for the battalion to begin using the helicopters for conducting counternarcotics operations. State officials stated that they decided not to reprogram any more funds from other counternarcotics programs but to wait until the Congress approved the President's request for emergency support for Plan Colombia. This request was enacted into law on July 13, 2000.

Because of the lack of funds, 17 of the 24 contractor pilots trained to fly the 18 UH-1Ns were laid off beginning in May 2000. In August 2000, State reprogrammed \$2.2 million from the U.S. counternarcotics program for Mexico to rehire and retrain additional personnel. According to State and U.S. Embassy officials, it will take about 3 months to commence operations with the counternarcotics battalion.

DOD Has Not Provided Some Equipment Requested by the U.S. Embassy

Drawdowns of defense articles and services under section 506 of the Foreign Assistance Act of 1961, as amended, require that DOD and other agencies support State requests for equipment supplies and services from existing stocks and within current capabilities. The U.S. Embassy requested and the United States agreed to provide Colombia almost \$148 million worth of equipment and services from DOD inventories to support counternarcotics efforts during fiscal years 1996-99. However, as of September 1, 2000, DOD was able to provide only about \$58.5 million.

⁵According to U.S. embassy officials, the remaining 15 helicopters and the training of 25 additional pilots and 22 additional copilots would be provided once State receives congressional approval to allocate the funds recently provided as part of the U.S. support for Plan Colombia.

According to DOD officials, the difference between the amount of assistance that State requested and the amount delivered is the result of a combination of factors—from overvaluing the items when the request was initially developed to the unavailability of some items in DOD inventories and the length of time to obtain and ship the articles. For example, in 1996, DOD agreed to provide the Colombian military and National Police 90 secure radios and supporting communications equipment from DOD stocks. However, according to DOD records, this equipment was not available. Moreover, although DOD did provide the National Police and military with equipment such as minigun ammunition, machine guns, field radios, and helicopter and fixed-wing aircraft spare parts, it provided fewer items than U.S. agencies had agreed to provide because they were not available in the quantities requested.

Colombian National Police Have Not Assumed Control Over Aerial Eradication Operations

In October 1996, State officials decided to significantly increase U.S. support of and participation in Colombia's aerial eradication of coca leaf. State increased the number of aircraft and U.S. contractor personnel involved in the aerial eradication program. State estimates show that the direct costs of supporting the contractor in Colombia increased from about \$6.6 million in fiscal year 1996 to \$36.8 million in fiscal year 1999. According to the State Inspector General, U.S.-provided contractor pilots and mechanics are paid between 2.5 and 4 times more than the Colombian contractors employed by the National Police. For example, the average annual salary cost of a U.S. contractor helicopter pilot is \$110,500, while the Colombian counterpart's annual salary is \$29,000. According to the U.S. Embassy, 111 contractor personnel were in Colombia in August 2000 to plan and conduct aerial eradication missions.

U.S. Embassy officials stated that beginning in 1998, they became concerned with the increased U.S. presence in Colombia and associated costs. At the time, the Embassy began developing a plan to phase out U.S. contractor support of aerial eradication over 3 years by having the National Police assume increased operational control over this program. This would be accomplished by providing the National Police with training, aircraft, and other support needed to develop an infrastructure to enhance their overall abilities to eradicate coca leaf and opium poppy. According to Embassy personnel, the National Police have not formally approved the plan and State has not approved the funding needed to begin the phaseout. Now, according to State officials, implementing Plan Colombia is a higher priority, and they do not know when the phaseout program will be approved.

According to U.S. Embassy officials, despite extensive training and other efforts to have the National Police develop a management program that would ensure a more effective aerial eradication program, little progress has been made.

- In a November 1999 memorandum, the Narcotics Affairs Section stated that the National Police continue to emphasize training high-ranking officers, even though the Section had previously said that the Police should be training junior officers in areas such as logistics, operations, flight instructors, maintenance, and administration. According to U.S. Embassy officials, this has limited the National Police's efforts to better manage its equipment and assets.
- A July 2000 State Inspector General report stated that the National Police rotate more experienced mechanics into other areas for developmental purposes.⁶ The Police are therefore constantly training new personnel, making it difficult to maintain a skilled workforce that is needed to repair the aerial eradication aircraft. According to the Inspector General report, it will take 3 to 4 years before entry level mechanics become productive journeymen.
- U.S. Embassy officials stated that the failure to develop a program to manage the flight hours of aircraft could negatively impact operational readiness. According to the July 2000 State Inspector General report, when the six Bell 212 helicopters were sent to Colombia in October 1998, the Narcotics Affairs Section informed the National Police that it needed to manage the flight hours so that only one of the helicopters would be in maintenance at any time. The National Police instead often placed several aircraft in maintenance at the same time, which constrained its ability to conduct eradication operations.

U.S. Embassy Concerns About Program Oversight Over Some U.S.-Provided Assistance

Department of State policy requires that Narcotics Affairs Sections in each country receiving U.S. counternarcotics assistance provide adequate oversight to ensure that it is being used as intended and that it can be adequately accounted for. This policy requires that U.S. and recipient country officials have the right to (1) examine any property procured through or financed by the United States to ensure that it is being used under the terms of the program; (2) inspect or audit any records and accounts regarding U.S.-provided funds, properties, and contract services;

⁶*Report of Audit: Review of INL-Administered Programs in Colombia, 00-CI-021* (Washington, D.C.: U.S. Department of State, July 2000).

and (3) access available, pertinent information needed to evaluate the effectiveness of U.S.-provided assistance.

However, U.S. Embassy officials stated that the National Police have not always provided necessary documents, such as budgetary and planning documents, to determine if the National Police are using the resources in accordance with eradication and interdiction plans. In two instances, U.S. Embassy officials said they observed the National Police using U.S.-provided helicopters for purposes other than counternarcotics, but the Police did not cooperate in their attempts to clarify how the helicopters were being used.

Also, until recently, neither the U.S. Embassy nor the National Police had conducted independent audits, as required in annual bilateral agreements. Recognizing it may have a problem, the Narcotics Affairs Section requested in early 2000 that the State Inspector General audit the major National Police accounts for the first time in 15 years. In September 2000, the State auditors reported that the National Police could not account for 469,000 of the 2.76 million gallons of fuel provided for counternarcotics missions in 1999. The auditors concluded that the fuel may have been misused. Although the National Police provided several reasons for this discrepancy, the State auditors were unable to verify their authenticity because the information was provided subsequent to their fieldwork.

Financial, Management, and Social Challenges Will Complicate Efforts to Meet Goals of Plan Colombia

The governments of the United States and Colombia face a number of financial and management challenges in implementing Colombia's strategy to reduce the cultivation, processing, and distribution of narcotics by 50 percent in 6 years. At this point, the total cost and activities required to meet the plan's goals remain unknown, and it will likely take years before drug activities are significantly reduced. State, DOD, and other U.S. agencies are still developing implementation plans and do not have sufficient staff in place to support Plan Colombia. As a result, the United States does not expect to have many programs operating until at least late 2001, and much of the U.S. assistance will not be delivered until 2002. Moreover, although the United States has approved \$860 million to support the Plan, additional funds will be needed to support the helicopters included in Plan Colombia.

As for Colombia, its government has not demonstrated that it has the funding, detailed plans, and management structure necessary to effectively implement programs to meet its stated goals. Although Colombia is seeking

support from international donors in addition to the United States for Plan Colombia, such funding has yet to materialize. Colombia faces continuing challenges associated with its political and economic instability fostered by its long-standing insurgency and the need to ensure that the Colombian Police and military comply with human rights standards in order for U.S. assistance to continue.

Financial and Management Concerns Continue to Affect U.S. Efforts

Initially, State documents indicated that the \$860 million (and over \$330 million previously programmed) in U.S. assistance to Colombia for fiscal years 2000-01 would provide the necessary equipment, training, and technical assistance to meet Colombia's urgent need to assert sovereignty over its drug-producing regions, improve its administration of justice, support economic development, and advance the peace process. Plan Colombia seeks to address the illegal drug threat on a broad scale and involves an array of U.S. and Colombian government agencies. However, considering the planning weaknesses and complexity and breadth of the programs, more funding and time will be needed to meet Plan Colombia's goals.

Additional Funding Will Be Needed to Support Equipment Provided Under Plan Colombia

As in the past, State and DOD will have to request additional funding, reprogram funds from other activities, or permit some helicopters to go unused. For example, the act providing funding for Plan Colombia directs State to disburse not less than \$60 million to procure, refurbish, and support up to 30 Huey II helicopters that State plans to provide Colombia. According to a July 31, 2000, report to the Congress,⁷ State will provide training for pilots and mechanics, logistical support, and associated operations and maintenance costs if funds permit.

Moreover, according to State, the funding proposed by the administration and approved by the Congress was not intended to support the equipment scheduled to be provided through the 6-year Plan Colombia. State officials noted that they are developing cost estimates for fiscal year 2002 and beyond but these estimates were in preliminary stages and not yet available for dissemination. However, these officials stated that funding just to sustain the equipment included in the fiscal year 2000-01 assistance for Colombia would be substantial. In addition, officials from State and DOD said that as of September 2000, they did not know if sufficient funding

⁷Report to the Chairman, Committee on International Relations, House of Representatives, from the Department of State, July 2000.

would be available to procure the number of helicopters mandated by the Congress because they had not determined how the helicopters would be equipped and configured.

During our visit to Colombia, Colombian government defense and budgeting officials said that with their already tight defense budget they cannot afford to operate and sustain the new U.S. helicopters by themselves. Colombian and U.S. Embassy officials agreed that Colombia will need to establish a new logistical and support system, including maintenance and repair, for the Huey IIs, which are not currently in the Colombian's inventory. Although U.S. officials stated that this will likely require continuing U.S. support, they have not developed estimates of the funding required.

U.S. Plans to Implement the Counternarcotics Program Have Not Been Finalized

Most of the assistance provided under Plan Colombia is targeted for the Colombian military. However, according to U.S. Southern Command (SOUTHCOM) officials, at the time the administration was developing its assistance package, Colombia did not have a military plan on which to base its needs, and SOUTHCOM did not have sufficient information to determine the actual requirements for the Colombian military. U.S. military officials in the U.S. Embassy stated that they had not compiled this information before because

- U.S. assistance was previously targeted for specific purposes, such as supporting the drug interdiction efforts of the Colombian Marines;
- big increases in the levels of assistance for the military had not appeared likely; and
- the daily management of the current assistance program precluded them from assessing Colombian needs overall.

SOUTHCOM officials said that they provided their input of Colombian needs based on information they had and intuitive assessments of the Colombian military's basic needs.

To better define the Colombian military's needs and requirements, DOD recently undertook two studies. The first specifically targeted the deployment of the helicopters included in the assistance package and addressed issues such as support for mission requirements and the organization, personnel, and logistical support needed. The second addressed how the Colombian military must structure and modernize itself to address the internal threats of narcotics and insurgents. DOD officials said that these two studies provide sufficient information to develop the

operational doctrine, structure, and systems necessary to use U.S. assistance and meet counternarcotics goals effectively.

State is also drafting an implementation plan for U.S. assistance. According to State officials, this plan is necessary to better synchronize all U.S. programs and activities involved in supporting Plan Colombia. These officials also stated that they have presented their draft to the government of Colombia to help them in developing the Colombian strategy for the use of U.S. funds. State officials stated that they expect the U.S. implementation plan to be approved by U.S. agencies in October 2000.

Additional Staff Positions Will Be Needed to Implement U.S. Assistance

U.S. Embassy officials said that the ability to begin implementing programs would hinge on obtaining additional staff to manage programs. At the time of our review, State and other agencies involved were still determining the number of additional personnel needed and ways to address security and other issues associated with increasing Embassy staff. As of September 2000, no decision had been made on the amount of additional staff that would be necessary.

The Narcotics Affairs Section estimated it might need up to 24 additional staff, and USAID estimated it might need 40 to implement programs envisioned under Plan Colombia. The U.S. Ambassador stated that such large-scale increases must be carefully assessed. The Embassy, as configured, cannot house additional staff, but for the Narcotics Affairs Section, State has approved the temporary use of modular office units inside the Embassy walls. These units will not be available for at least a year, however, Embassy officials noted that even if safe space within the Embassy can be found, the dangerous conditions in Colombia often deter staff from moving there.

It Will Take Time to See Results of Assistance

State obligated most of the funds appropriated for Plan Colombia in late September 2000. As a result, DOD will be able to train and provide weapons, ammunition, and communications equipment to the Colombian counternarcotics battalions. However, some U.S. assistance, especially large equipment such as helicopters, will arrive incrementally because of the time involved in its manufacture and delivery. A State official noted that it will take 2 years to deliver the full complement of Huey II helicopters for the counternarcotics battalions with the first Huey II scheduled for delivery in mid-2001. Regarding the Blackhawk helicopters, the State official also said that if a contract with the manufacturer is signed by mid-December

2000, the first Blackhawk helicopters will begin arriving in July 2001, with the full complement in Colombia by the end of the year.

Other projects will also take time to achieve results. State expects to initiate the economic and social development portion of Plan Colombia with pilot projects (such as alternative and economic development and judicial reform) around September or October 2000. However, State and the U.S. Embassy cautioned that it will take years to show measurable results.

Financial and Management Factors May Limit Colombia's Successful Implementation of Plan

To date, the Colombian government has not demonstrated that it can adequately finance and manage the projects and activities required to reduce the country's narcotics threat. Uncertainties regarding international financial support, the potential for a negotiated settlement with the insurgent forces, and an end to human rights violations will affect Colombia's response but to what degree remains unknown.

Colombia Has Not Determined How It Will Fund Its Share

Although the government of Colombia has pledged \$4 billion for Plan Colombia, State and Colombian government officials were pessimistic about Colombia's ability to obtain much new money without cutting other government programs. State noted that Colombia is coming out of the worst recession in recent history, and although economic indicators are positive, U.S. Embassy officials do not know how additional revenue can be raised even in an improved economy. However, these officials expect that Colombia will try to raise \$1 billion from bonds and loans. As of August 2000, it had collected \$325 million from domestic bonds and planned to collect an additional \$325 million from bonds by the end of 2001.

Colombian government officials indicated that at best, most of the funds that will be available are already included in the national budget. However, according to an official with the Planning Ministry, it is difficult to document the purposes of funding in Colombian budgets because Colombian ministries' budget preparation and coordination vary. He noted, for example, that the Defense Ministry can demonstrate how funds will support goals, and he expects that the military can estimate their support for the new counternarcotics program. On the other hand, the planning official did not expect that a clear estimate would emerge from the Justice Ministry. At the time of our review, Ministry officials had not attended any planning sessions to discuss budgeting for Plan Colombia.

The Colombian government is also seeking donations of more than \$2 billion from donors other than the United States to fund the social, economic, and good governance development portions of Plan Colombia. As of July 2000, donors had pledged about \$621 million. However, State officials were optimistic that the remainder could be obtained. They said that many donors responded favorably to Plan Colombia but could not offer firm pledges at the time because most were in the middle of their budget cycles. State officials told us that the international community is ready to assist Colombia on a larger scale than it has in the past and noted that the donors made plans to discuss this issue in the fall.

Colombia Still Developing Detailed Plans to Address Plan Colombia Goals

The Colombian government has not yet finalized the plans necessary for funding, sequencing, and managing activities included in Plan Colombia. In early 2000, State officials began asking the Colombian government for plans showing, step-by-step, how Colombian agencies would combat illicit crop cultivation in southern Colombia, institute alternative means of making a livelihood, and strengthen the Colombian government's presence in the area. In May 2000, State officials provided Colombia extracts from the draft U.S. implementation plan with expectations that the Colombian government would develop a similarly detailed plan. However, according to State officials, Colombia's product, provided in June 2000, essentially restated Plan Colombia's broad goals without detailing how Colombia would achieve them. In response, a U.S. interagency task force went to Colombia in July 2000 to help the Colombians prepare the required implementation plan. In September 2000, the Colombian government provided their action plan, which addressed some of the earlier concerns.

Moreover, according to State, Colombia must also organize the institutions involved with Plan Colombia and integrate them under one authority to coordinate activities, such as initiating alternative crop development projects only after eradicating drug crops and securing the area from insurgents. State noted that this unity of effort is crucial to success. The Colombian government has named a coordinator to oversee activities on a national level but at the time of our review had not yet established how the coordinator would ensure that activities are appropriately integrated, sequenced, and monitored.

Insurgency and Human Rights Conditions Further Complicate Counternarcotics Efforts

According to State, the Colombian government agrees that ending the civil conflict is central to solving Colombia's problems. State reports have noted that a peace agreement would stabilize the nation, speed economic recovery, help ensure the protection of human rights, and restore the authority and control of the Colombian government in the coca-growing

regions. However, unless such an agreement is reached, the continuing violence would limit the government's ability to institute its planned economic, social, and political improvements.

The U.S. Embassy has already reported that initial Plan Colombia activities have been affected because of security concerns. Specifically, the lack of security on the roads in southern Colombia prevented the Justice Ministry from establishing a justice center there. Moreover, indications are that the insurgents have warned farmers in one area not to participate in alternative crop development projects unless they are part of an overall peace plan. The Embassy has reported that the security impediments encountered are probably a small indication of future security problems if peace is not achieved.

Regarding human rights, the Colombian government has stated that it is committed to protecting the human rights of its citizens. State and Defense officials reiterated that they will not assist those who violate the basic tenets of human rights, and State officials said that they will apply the strictest human rights standards before approving assistance under Plan Colombia. For example, until recently, State held up approval for training the second counternarcotics battalion until an individual officer suspected of a violation was removed from the unit, even though the Colombian government had cleared the person of wrongdoing. Nevertheless, human rights organizations continue to allege that individuals in the Colombian armed forces have been involved with or condoned human rights violations and that they do so with impunity. If this is the case, Colombia's failure to adhere to U.S. human rights policies could delay or derail planned counternarcotics activities.

In providing support for Plan Colombia, the Congress required that the President certify that Colombia had met certain human rights standards prior to disbursing the assistance.⁸ The legislation allows the President to waive this certification if providing these funds was deemed in U.S. national security interest.⁹ On August 22, 2000, the President issued such a waiver. According to State officials, this waiver was issued because it was

⁸Section 3201(a)(1) of the Emergency Supplemental Act, FY 2000 (Division B of P.L. 106-246), requires the President to certify that Colombia has met specific human rights criteria.

⁹P.L. 106-246, section 3201(a)(4).

too soon to determine the extent to which Colombia was complying with the requirements set forth in the legislation.

Conclusions

As evidenced by past U.S. counternarcotics assistance programs to Colombia, the United States has not always provided the necessary training, financial, and logistical support for Colombia to operate and maintain the U.S.-provided helicopters and other major equipment items. As a result, the assistance has not been used to the extent possible to help counter the illegal drug activities in Colombia. If these past problems continue, the dramatic increase in U.S. support for Plan Colombia will not be used in the most effective way. Further complicating the situation, the respective governments face a number of new challenges in implementing Plan Colombia.

- The Departments of State and Defense (and other U.S. agencies involved) have not completed their implementation plans to support Plan Colombia. Even without further delay, many U.S. programs to support Plan Colombia cannot begin until at least late 2001, and much of the U.S. assistance—helicopters for instance—cannot all be delivered until at least 2002.
- Colombia has not yet developed the detailed implementation plans necessary to manage, sequence, and fund activities included in Plan Colombia. In addition, although Colombia has pledged \$4 billion to support the plan and Colombia is trying to obtain more than \$2 billion from other international donors, the source of most of this funding has not been identified.

As a result of these challenges, the total costs and specific programs required to meet Plan Colombia's goals remain unknown, and a significant reduction in drug production and trafficking activities will likely take years to materialize. At a minimum, if the United States or Colombia do not follow through on their portion of Plan Colombia, or international donors do not support Colombia's appeals for additional assistance, Plan Colombia cannot succeed as envisioned.

Recommendations for Executive Action

To help ensure that U.S. counternarcotics assistance to Colombia is used most effectively and problems in supporting U.S.-provided equipment do not recur, we recommend that the Secretaries of State and Defense

-
- determine training and logistical support requirements and identify future funding sources to support the U.S.-provided helicopters and other major equipment items already delivered to Colombia and
 - complete U.S. implementation plans and coordinate with Colombian plans for Plan Colombia so that any future U.S. assistance is adequately supported and plans for its use are clearly identified and agreed to.

Agency Comments and Our Evaluation

State, the Office of National Drug Control Policy, and DOD provided written comments on a draft of this report (see apps. II through IV, respectively). All generally concurred with the report's findings and provided technical comments that we have incorporated, as appropriate.

State said that the report is a fair representation of the challenges facing the counternarcotics program in Colombia and concurred with our recommendations.

The Office of National Drug Control Policy agreed with our conclusion that the United States and Colombia face many challenges in successfully implementing Plan Colombia and noted that the United States is acting to address the problems identified. It said, for example, that the U.S. government is aligning its functions and planning to support the Colombian effort because existing management structures were not designed to manage a situation as complex and large as that in Colombia and the Andean region.

Although DOD generally concurred with our findings, it only partially concurred with our recommendation that the Secretaries of State and Defense determine support requirements and identify future funding sources to support the major equipment items already delivered to Colombia. The Secretary of Defense's position is that DOD is not responsible to do so for equipment provided by State. We recognize that State provided much of the counternarcotics assistance, including helicopters, already delivered to Colombia. Our recommendation is intended to help ensure that the Departments work together in determining Colombia's future needs and identifying the necessary training, spare parts, or other assistance needed, regardless of which Department originally provided the equipment. Overall, the recommendation's objective is to help ensure that equipment already provided to both the Colombian National Police and military services is used to the maximum extent possible for counternarcotics activities.

Scope and Methodology

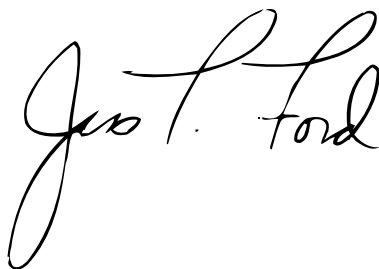
To determine how the drug threat has changed in recent years, we received briefings from U.S. law enforcement, intelligence, and military officials and reviewed documentation in Washington, D.C.; at SOUTHCOM headquarters in Miami, Florida; and at the U.S. Embassy in Bogota, Colombia.

To determine what problems, if any, the United States has had in providing counternarcotics assistance and what challenges the U.S. and Colombian governments face in carrying out Plan Colombia, we visited various agencies in Washington, D.C.; Miami, Florida; and Colombia. In Washington, D.C., we interviewed officials and reviewed planning and implementation documents, and other related documents at State, DOD, DEA, USAID, and the Office of National Drug Control Policy. In Miami, we interviewed SOUTHCOM officials and reviewed documents related to counternarcotics activities in Colombia. In Colombia, we interviewed U.S. Embassy officials, including the Ambassador, and analyzed reports and other documents from various U.S. agencies responsible for implementing counternarcotics programs in Colombia. While in Colombia, we interviewed Colombian military, police, and other government officials to obtain their views on issues discussed in this report. We also visited the Colombian aviation brigade located at Tolemaida and operational sites at Larandia and Tres Esquinas.

Our review was conducted from March through September 2000 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Honorable Madeleine K. Albright, the Secretary of State; the Honorable William S. Cohen, the Secretary of Defense; the Honorable Barry R. McCaffrey, the Director, U.S. Office of National Drug Control Policy; the Honorable Donnie R. Marshall, the Administrator, DEA; and the Honorable J. Brady Anderson, the Administrator, USAID. Copies will also be made available to other interested parties upon request.

If you or your staff have any questions concerning this report, please call me at (202) 512-4268. An additional GAO contact and staff acknowledgments are listed in appendix V.

A handwritten signature in black ink that reads "Jess T. Ford". The signature is written in a cursive, flowing style with a large initial 'J'.

Jess T. Ford, Director
International Affairs and Trade

U.S. Assistance and Support for Counternarcotics Activities in Colombia

During fiscal years 1996-2000, State, DOD, and USAID have provided over \$765 million worth of counternarcotics assistance to Colombia from a variety of funding sources (see table 2).

Table 2: U.S. Counternarcotics Assistance to Colombia (fiscal years 1996–2000)

| Dollars in millions | | | | | | |
|---------------------|---------------|---------------|----------------|----------------|-------------------|----------------|
| Agency | Fiscal year | | | | | Total |
| | 1996 | 1997 | 1998 | 1999 | 2000 ^a | |
| State ^b | \$22.6 | \$ 44.4 | \$83.1 | \$237.7 | \$76.3 | \$464.1 |
| DOD ^c | 14.5 | 53.2 | 61.4 | 80.9 | 72.5 | 282.5 |
| USAID | 0 | 0 | 3.3 | 6.3 | 9.0 | 18.6 |
| Total | \$37.1 | \$97.6 | \$147.8 | \$324.9 | \$157.8 | \$765.2 |

^aWe did not include the \$860 million appropriated through the Emergency Supplemental Appropriations Act, FY 2000 (Division B of P.L. 106-246), in fiscal year 2000 figures because the agencies have not yet allocated the funding between fiscal year 2000 and 2001.

^bIncludes \$173.2 million in Colombia-specific counternarcotics assistance provided to State in the Omnibus Consolidated and Emergency Supplemental Appropriations Act, Fiscal Year 1999 (Division B of P.L. 105-277).

^cIncludes amounts delivered through September 1, 2000, from emergency drawdowns of DOD inventories authorized in fiscal years 1996, 1997, 1998, and 1999. For fiscal year 1996, DOD could not provide funding data on its other assistance programs.

Sources: State, DOD, and USAID.

State Counternarcotics Assistance

The Assistant Secretary for International Narcotics and Law Enforcement Affairs is responsible for formulating and implementing the international narcotics policy, coordinating the narcotics activities of all U.S. agencies overseas, and overseeing State's International Narcotics Control Program. The program uses an air wing, through a U.S. contractor, to support eradication and interdiction operations in several countries, including Colombia. The Narcotics Affairs Section at the U.S. Embassy provides equipment and training, operational support, and technical assistance and coordinates with Colombian agencies involved in counternarcotics activities. Table 3 summarizes counternarcotics aid provided by State to Colombia since 1996.

Appendix I
U.S. Assistance and Support for
Counternarcotics Activities in Colombia

Table 3: State Support for Counternarcotics Activities in Colombia (fiscal years 1996–2000)

Dollars in millions

| Activity | Fiscal year | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|-------------------|
| | 1996 | 1997 | 1998 | 1999 | 2000 ^a |
| Aviation support | \$6.6 | \$10.9 | \$37.8 | \$36.8 | \$31.3 |
| National police support | 13.0 | 26.5 | 40.3 | 21.9 | 36.8 |
| Military counternarcotics support | 0 | 5.0 | 0 | 2.7 | 4.0 |
| Infrastructure support | 0.5 | 0 | 0 | 0 | 0 |
| Demand reduction | 0.5 | 0 | 0 | 0.9 | 2.0 |
| Administration of justice | 0 | 0 | 1.8 | 0 | 0 |
| C-26 aircraft support | 0 | 0 | 1.0 | 0 | 0 |
| Program development and support | 2.0 | 2.0 | 2.2 | 2.2 | 2.2 |
| Total | \$22.6 | \$44.4 | \$83.1 | \$64.5 | \$76.3 |

Note: These figures do not include funds appropriated to State but transferred to USAID for projects to encourage farmers that grow coca and opium poppy to convert to licit economic activities.

^aWe did not include the \$860 million appropriated through the Emergency Supplemental Appropriations Act, FY 2000 (Division B of P.L. 106-246), in fiscal year 2000 figures because the agencies have not yet allocated the funding between fiscal years 2000 and 2001.

Source: Department of State.

DOD Counternarcotics Assistance

Since 1996, more than \$224 million in counternarcotics assistance has been provided to Colombia through DOD-managed programs and activities. Within DOD, the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict is DOD's principal staff assistant and adviser to the Secretary of Defense for drug enforcement policy, requirements, priorities, resources, and programs. SOUTHCOM is DOD's principal liaison with Colombia for coordinating U.S. military counternarcotics support to Colombia. In Colombia, DOD'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.

DOD has two programs for providing counternarcotics assistance to Colombia. The primary program was authorized by section 1004 of the National Defense Authorization Act of 1991.¹ Section 1004 authorizes the Secretary of Defense to support active military units for the counterdrug activities of other federal agencies or of any state, local, or foreign law enforcement agencies. Assistance provided to Colombia under section 1004 has focused on the training of Colombian forces, the construction of facilities, and the provision of intelligence. DOD teams have trained the Colombian Army's 950-man counternarcotics battalion, deployed teams to Colombia to provide specialized small unit and intelligence training, and constructed facilities to house the Joint Intelligence Center in Tres Esquinas and upgraded existing facilities and infrastructure. The Colombian Air Force has received equipment upgrades and air interdiction training from DOD personnel. According to DOD, \$202 million worth of assistance has been provided through section 1004 during fiscal years 1996-2000.

The second DOD program is authorized by section 1033 of the National Defense Authorization Act of 1998 and allows DOD to provide Colombia and Peru with assistance to strengthen their ability to stop drug-trafficking along the rivers of their respective countries.² This aid has included river patrol boats, nonlethal equipment such as night vision equipment, navigation and communications systems, and maintenance and equipment training. According to DOD, \$22 million worth of assistance was provided through section 1033 during fiscal years 1998-2000.

USAID
Counternarcotics
Assistance

Prior to the announcement of Plan Colombia, USAID's program was relatively small and focused on promoting alternative economic development, the administration of justice, and human rights observance (see table 4).

¹P.L. 101-510, Division A, Title X, section 1004, as amended. Congress has extended the program's authority through 2002. See P.L. 105-261, Division A, Title X, section 1021 (Strom Thurmond National Defense Authorization Act for Fiscal Year 1999).

²P.L. 105-85, Division A, Title X, section 1033.

Appendix I
U.S. Assistance and Support for
Counternarcotics Activities in Colombia

Table 4: USAID Support for Counternarcotics Activities in Colombia (fiscal years 1996–2000)

Dollars in millions

| Activity | Fiscal year | | | | |
|--------------------------------------|-------------|----------|--------------|--------------|-------------------|
| | 1996 | 1997 | 1998 | 1999 | 2000 ^a |
| Judicial reform | 0 | 0 | \$2.8 | \$1.0 | \$3.0 |
| Alternative development ^b | 0 | 0 | 0.5 | 5.0 | 5.0 |
| Revitalization of Colombia's economy | 0 | 0 | 0 | 0.3 | 0 |
| Human rights | 0 | 0 | 0 | 0 | 1.0 |
| Total | 0 | 0 | \$3.3 | \$6.3 | \$9.0 |

^aWe did not include the \$860 million appropriated through the Emergency Supplemental Appropriations Act, FY 2000 (Division B of P.L. 106-246), in fiscal year 2000 figures because the agencies have not yet allocated the funding between fiscal years 2000 and 2001.

^bTransferred from State.

Source: USAID.

For Plan Colombia, USAID will be responsible for implementing alternative economic development projects, assisting persons displaced because of counternarcotics operations, and implementing projects to reform Colombia's judicial practices and strengthen its rule of law and democratic system.

The Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999

Enacted on October 21, 1998, the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (P.L. 105-277) provided an additional \$732 million to support antidrug and drug interdiction activities. Of the total amount, \$173.2 million was allocated to State to support counternarcotics activities in Colombia. Most of the funds made available to State were either to procure helicopters and other aircraft or to support the activities of the National Police (see table 5).

Appendix I
U.S. Assistance and Support for
Counternarcotics Activities in Colombia

Table 5: Fiscal Year 1999 Supplemental Funding Specifically for Colombian Counternarcotics Program

Dollars in millions

| Project | Funding |
|---|----------------|
| Procurement and upgrade of UH-1H/1N helicopters for the National Police | \$40.0 |
| Procurement of six UH-60 helicopters for the National Police | 96.0 |
| Operations and support for National Police aircraft | 6.0 |
| Procurement of DC-3 transport for the National Police | 2.0 |
| Procurement of minigun system for National Police aircraft | 6.0 |
| Reconstruction of Miraflores counternarcotics base | 2.0 |
| Base and force security for counternarcotics bases | 6.0 |
| Enhancements to prison security systems | 1.2 |
| Programs to extend the life of interdiction aircraft ^a | 10.0 |
| Podded radar for interdiction aircraft ^a | 4.0 |
| Total | \$173.2 |

^aAmounts have been prorated based on the number of interdiction aircraft in the Colombian and Peruvian inventory.

Source: House Conference Report 105-825 (Oct. 19, 1998).

Section 506(a) (2)
Counternarcotics
Assistance

During a crisis, section 506 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2318), authorizes the President to provide up to \$75 million per year in articles, services, and training from U.S. government—primarily DOD—inventories to friendly countries and international organizations for counternarcotics purposes. Since 1996, Colombia has been the largest recipient of section 506(a) (2) counternarcotics assistance. Table 6 summarizes the counternarcotics assistance authorized and actually provided to Colombia under the act since 1996.

Appendix I
U.S. Assistance and Support for
Counternarcotics Activities in Colombia

Table 6: Section 506 (a)(2) Assistance Allocated and Delivered to Colombia (fiscal years 1996-1999) (as of Sept. 1, 2000)

| Year of drawdown | Allocated^a | Delivered^a |
|-------------------------|------------------------------|------------------------------|
| 1996 | \$40,000,000 | \$14,466,077 |
| 1997 | 14,200,000 | 9,404,619 |
| 1998 | 38,100,000 | 18,841,923 |
| 1999 | 56,000,000 | 15,824,595 |
| Total | \$148,300,000 | \$58,537,214 |

^aAccording to DOD officials, the difference between the amount of assistance requested and the amount delivered is the result of a combination of factors—from overvaluing the items when the request was initially developed to the unavailability of some items in DOD inventories and the length of time to obtain and the ship articles.

Source: Defense Security Cooperation Agency.

Following is a list of the major items of counternarcotics assistance provided to the Colombian government under section 506(a)(2) since 1996 (as of Sept. 1, 2000).

| | |
|--|---|
| Aircraft 12 UH-1H helicopters 7 C-26 A/B aircraft | Ammunition and explosives 5.56mm ammunition 7.62mm ammunition .45 caliber ammunition .50 caliber ammunition 40mm and thermite grenades 40 pound shaped charges |
| Aircraft spare parts UH-1H helicopter spare parts 40 UH-1H helicopter hulks UH-60 helicopter spare parts C-130 spare parts A-37 spare parts OV-10 spare parts | Communications equipment PRC-90 radios PRC-104 radios PRC-112 radios Field telephones and spares |
| Boats and patrol craft 6 MKII patrol boats 3 Boston Whaler patrol boats | Other equipment and support Defensive support equipment Field gear and equipment Flak vests Flight suits and gear 2 ½-ton trucks Fuel |
| Weapons M-16A2 rifles M-60 machine guns M2 .50 caliber machine guns M-1911 .45 caliber pistols M-203 grenade launchers | |

Comments From the Department of State



United States Department of State

Chief Financial Officer

Washington, D.C. 20520-7427

October 13, 2000

Dear Ms. Westin:

We appreciate the opportunity to review your draft report, "DRUG CONTROL: U.S. Assistance to Colombia Will Take Years to Produce Results," GAO Job Code 711503. The Department of State finds the draft report to be a generally fair representation of the challenges facing our counternarcotics program in Colombia. Our response to the report's recommendations follows.

We concur with the report's finding that the increased U.S. counternarcotics assistance will require time to produce meaningful, positive results. The Department of State has maintained that counternarcotics programs in Colombia will require a multi-year effort.

The Department of State concurs with the report's recommendation that training and logistical support requirements, as well as future funding sources, be identified in order to provide the necessary out-year support for those programs funded by the supplemental appropriation. It has been our intent, since the inception of the supplemental proposal, to incorporate those requirements into our annual budgetary process. We are doing so, starting with fiscal year 2002.

In September 2000, the Department of State received the Government of Colombia's Interagency Action Plan for Plan Colombia. We are now finalizing our earlier draft implementation plans and integrating them with the Government of Colombia's document.

If you have any questions concerning this response, please contact Mr. Timothy Hanway, Office of Latin Programs, Bureau of International Narcotics and Law Enforcement Affairs, at (202) 776-8865.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Millette".

James L. Millette, Acting

cc:
GAO/IAT – Mr. Ford
State/INL – Mr. Beers

Ms. Susan S. Westin,
Managing Director,
International Affairs and Trade,
U.S. General Accounting Office.

Comments From the Office of National Drug Control Policy



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D. C. 20503

October 10, 2000

Mr. Jess T. Ford
Associate Director
International Relations and Trade Issues
United States General Accounting Office
Washington, DC 20548

Dear Mr. Ford:

The purpose of this letter is to comment on GAO's draft report on U.S. counterdrug efforts in Colombia (GAO code 711503) forwarded to us in your September 18, 2000 letter. The report contains specific criticisms that are best addressed by the Departments and agencies named in report.

The report notes that successful implementation of Plan Colombia faces many challenges. We agree. Although coca production and cocaine manufacturing have become concentrated in Colombia at explosive levels, total production in the Andean region has continued to decline. combat the Colombia challenge, the level of assistance to Colombia has gone from \$166 million in 1998 to over one billion in FY2000 with the addition of the Supplemental. Colombia is now the third largest recipient of U.S. assistance, after Israel and Egypt. Such rapid program expansion presents critical management challenges to both Colombia and the United States.

Colombia faces an exceedingly complex situation; success will require more than effective management of counterdrug programs. The Government of Colombia has developed a detailed 600-page plan for addressing the drug-trafficking threat, strengthening its democratic institutions, advancing the peace process, and restoring vitality to its economy. Colombia has also established entirely new agencies and coordinating procedures to confront the emergency within its borders, to better coordinate the government response, and to manage the influx of resources, including U.S. aid.

The Administration also realizes the magnitude of the challenge facing us in Colombia, has established appropriate high-level management structures, and continues to refine mechanisms oversee long-term U.S. assistance to the region. President Clinton established the basic policy and management structure for the U.S. effort when he issued direction to make implementation of our Colombia/Andean initiatives a national priority. After careful interagency deliberation, the Administration has also:

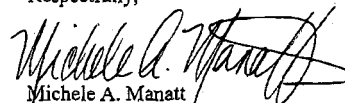
**Appendix III
Comments From the Office of National Drug
Control Policy**

- Worked closely with the Government of Colombia to develop a very detailed implementation plan;
- Restructured the U.S. country team at our embassy in Bogota to better manage expanded U.S. programs; and
- Begun development of the U.S. Colombia Initiative Implementation Plan to better coordinate the U.S. regional effort.

The U.S. Government is committed to a long-term approach in Colombia. In fact, senior Administration officials, including ONDCP Director McCaffrey have made clear in congressional testimony and public statements that this Supplemental was never envisioned as a one-time fix.

The U.S. Government is aligning its functions and planning to support the Colombian effort. Existing management structures, not designed to administer a situation as complex and large as we confront in Colombia and the Andean Region, are undergoing rapid change. Long-term success in the region will require continued bipartisan support in Congress, as well as constructive criticism designed to advance broadly shared U.S. objectives in the region.

Respectfully,


Michele A. Manatt
Director of Legislative Affairs

Comments From the Department of Defense



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

1510 DEFENSE PENTAGON
WASHINGTON DC 20301-1510

October 11, 2000

Mr. Jess T. Ford
Associate Director, International Relations and Trade Issues
National Security and International Affairs Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Ford:

This is the Department of Defense (DoD) response to the GAO draft report, 'DRUG CONTROL: U.S. Assistance to Colombia will take Years to Produce Results,' dated September 18, 2000 (GAO Code 711503/OSD Case 2086). The Department appreciates the opportunity to comment on draft the report, and concurs in part with the recommendation contained at page 29.

The Department fully concurs with the second part of the recommendation, which recommends that the Secretaries of State and Defense:

- complete U.S implementation plans and coordinate with Colombian plans for Plan Colombia so that any future U.S. assistance is adequately supported and plans for its use are clearly identified and agreed to.

Regarding the first part, it is clearly a DoD responsibility to determine training and logistics support requirements and identify funding sources for equipment items DoD is authorized to deliver to Colombia. However, DoD does not agree that the Secretary of Defense has the responsibility to do so for equipment (helicopters) provided under the aegis of another Department. A better formulation would be:

- determine training and logistics support requirements and identify funding sources for equipment items that their respective Departments are authorized to deliver to Colombia.

Some minor language changes are enclosed on a separate sheet. If you have any questions please call Colonel Frothingham, Legal Policy Coordinator, (703) 693-1920.

Sincerely,

Ana Maria Salazar
Deputy Assistant Secretary of Defense for
Drug Enforcement Policy and Support

Enclosures:
As stated



GAO Contact and Staff Acknowledgments

GAO Contact

Albert H. Huntington, III (202) 512-4140

Acknowledgments

In addition to the contact named above, Ronald Hughes, Allen Fleener, Joan Slowitsky, and Nancy Ragsdale made key contributions to this report.

Related GAO Products

Management Letter: Suggested Improvements in IRS' Accounting Procedures and Internal Controls (GAO/AIMD-00-162R, June 14, 2000).

Internal Revenue Service: Results of Fiscal Year 1999 Financial Statement Audit (GAO/T-AIMD-00-104, February 29, 2000).

Financial Audit: IRS' Fiscal Year 1999 Financial Statements (GAO/AIMD-00-76, February 29, 2000).

Standards for Internal Control in the Federal Government (GAO/AIMD-00-21.3.1, November 1999).

Financial Audit: Issues Regarding Reconciliations of Fund Balance with Treasury Accounts (GAO/AIMD-99-271, September 17, 1999).

Internal Revenue Service: Serious Weaknesses Impact Ability to Report on and Manage Operations (GAO/AIMD-99-196, August 9, 1999).

Internal Revenue Service: Custodial Financial Management Weaknesses (GAO/AIMD-99-193, August 4, 1999).

Payroll Taxes: Billions in Delinquent Taxes and Penalties Due But Unlikely to Be Collected (GAO/T-AIMD/GGD-99-256, August 2, 1999)

Unpaid Payroll Taxes: Billions in Delinquent Taxes and Penalty Assessments Are Owed (GAO/AIMD/GGD-99-211, August 2, 1999)

USDA Information Security: Weaknesses at National Finance Center Increase Risk of Fraud, Misuse, and Improper Disclosure (GAO/AIMD-99-227, July 30, 1999)

Management Letter: Suggested Improvements in IRS' Accounting Procedures and Internal Controls (GAO/AIMD-99-182R, June 30, 1999).

Internal Revenue Service: Results of Fiscal Year 1998 Financial Statement Audit (GAO/T-AIMD-99-103, March 1, 1999).

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Major Management Challenges and Program Risks: Department of the Treasury (GAO/OCG-99-14, January 1999).

High-Risk Series: An Update (GAO/HR-99-1, January 1999).

IRS Systems Security: Although Significant Improvements Made, Tax Processing Operations and Data Still at Serious Risk (GAO/AIMD-99-38, December 14, 1998).

Internal Revenue Service: Physical Security Over Taxpayer Receipts and Data Needs Improvement (GAO/AIMD-99-15, November 30, 1998).

Excise Taxes: Internal Control Weaknesses Affect Accuracy of Distributions to the Trust Funds (GAO/AIMD-99-17, November 9, 1998).

Internal Revenue Service: Immediate and Long-Term Actions Needed to Improve Financial Management (GAO/AIMD-99-16, October 30, 1998).

Internal Revenue Service: Composition and Collectibility of Unpaid Assessments (GAO/AIMD-99-12, October 29, 1998).

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Financial Audit: Examination of IRS' Fiscal Year 1994 Financial Statements (GAO/AIMD-95-141, August 4, 1995).

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Financial Audit: Examination of IRS' Fiscal Year 1992 Financial Statements (GAO/AFMD-93-2, June 30, 1993).

Financial Audit: IRS Significantly Overstated its Accounts Receivable Balance (GAO/AFMD-93-42, May 6, 1993).

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