

Registry
78-965



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

OLC 78-692/B

GAO

B-175425

March 29, 1978

The Honorable Stansfield Turner
Director, Central Intelligence Agency

Dear Admiral Turner:

Enclosed is a copy of our report to the Congress entitled "Drug Control in South America Having Limited Success--Some Progress But Problems Are Formidable." The report briefly notes the Central Intelligence Agency's role in the drug control program.

The report discusses the problems and achievements of the U.S. South American drug control program, Drug Enforcement Administration efforts to comply with legislative restrictions on its overseas activities, and some lingering deficiencies in the Department of State's international narcotic control assistance program.

Sincerely yours,

Comptroller General
of the United States

Enclosure

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

UNCLASSIFIED CONFIDENTIAL SECRET
Approved For Release 2004/08/30 : CIA-RDP81M00980R001600040003-8

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	<i>Leg Council</i>		
2			
3	<i>C/PCS/DDO</i>		
4			
5			
6			

<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> PREPARE REPLY
<input type="checkbox"/> APPROVAL	<input type="checkbox"/> DISPATCH	<input type="checkbox"/> RECOMMENDATION
<input type="checkbox"/> COMMENT	<input checked="" type="checkbox"/> FILE	<input type="checkbox"/> RETURN
<input type="checkbox"/> CONCURRENCE	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE

Remarks:

DATE	<i>30/11/01</i>
------	-----------------

Approved For Release 2004/08/30 : CIA-RDP81M00980R001600040003-8

STAT

BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Drug Control In South America Having Limited Success--Some Progress But Problems Are Formidable

Large quantities of cocaine and marijuana come to the United States from South America. Despite efforts to stop this flow, it is increasing. Program officials believe the real key to controlling the drug flow is a stronger commitment by South American governments. Without this commitment the problem will probably continue to exist.





COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-175425

To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the problems and achievements of the U.S. South American drug control program, Drug Enforcement Administration efforts to comply with legislative restrictions on its overseas activities, and some lingering deficiencies in the Department of State's international narcotic control assistance program.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Attorney General, the Secretary of the Treasury, the Secretary of State, and the Director, Central Intelligence Agency.

A handwritten signature in black ink, reading "Luther B. Stacks".

Comptroller General
of the United States

Approved For Release 2004/08/30 : CIA-RDP81M00980R001600040003-8

Approved For Release 2004/08/30 : CIA-RDP81M00980R001600040003-8

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

DRUG CONTROL IN
SOUTH AMERICA HAVING
LIMITED SUCCESS--SOME
PROGRESS BUT PROBLEMS
ARE FORMIDABLE

D I G E S T

Nearly all of the cocaine and most of the marijuana entering the United States come from South America. Peru and Bolivia are the major producers of coca--from which cocaine is made. Colombia is the primary processing and transmitting country for cocaine and has surpassed Mexico in marijuana production.

Disrupting and intercepting the flow of drugs into the country is a major U.S. law enforcement objective and an important part of the worldwide U.S. drug control program. President Carter has supported this program, and particularly the effort to reduce international illicit drug production and trafficking. In South America this effort is multifaceted and involves several agencies, including the Drug Enforcement Administration, the Department of State, the Agency for International Development, the Central Intelligence Agency, and the U.S. Customs Service. The program has been active in most South American countries since 1973, and funding for the fiscal year 1977 program was \$9.8 million.

Concerned about certain Drug Enforcement Administration activities in Bolivia, Senators Javits, Church, Tower, and Bentsen and Representative Chisholm requested that GAO review several aspects of the international drug control program in South America.

DRUG CONTROL PROGRAM IN SOUTH AMERICA
HAS HAD A MINIMAL EFFECT ON THE DRUG FLOW

International drug control program officials believe that the cocaine flow into the United States is increasing. Accurate information on the amount is not available--estimates range from 15 to over 100 tons annually. The drug

GGD-78-45

program in South America has had a minimal effect on the flow of narcotics. Although the Drug Enforcement Administration says that since October 1977 progress in seizures and trafficker arrests has been encouraging, GAO believes such efforts are important but will not solve the problem.

One problem hampering enforcement efforts-- which the Drug Enforcement Administration recognizes--is a paucity of systematically analyzed intelligence. As a result, U.S. and host country enforcement efforts to eliminate major trafficking networks may not have been as effective as they could have been.

U.S. officials said the real key to program success is a stronger commitment by South American governments to control the drug flow. Without that commitment, U.S. efforts will not achieve desired results. Officials believe that the United States must continue to try to reduce the drug flow while encouraging South American governments to become more involved in drug control. They also believe, however, such a possibility is limited by corruption within many South American countries, particularly Colombia, and a lack of host government resources that can be allocated to drug enforcement. (See ch. 2.)

CROP SUBSTITUTION PROGRAM-- SUCCESS IN DOUBT

Crop substitution is one approach to reducing the flow of cocaine to the United States. However, pilot projects to identify adequate alternative crops have so far been unsuccessful. Drug Enforcement Administration and State Department officials in Peru and Bolivia doubt that such programs will succeed. Their counterparts in Washington, D.C., on the other hand, believe that U.S.-financed rural development projects combined with efforts of the Governments of Bolivia and Peru to limit coca production will ultimately reduce the cocaine flow to the United States. They point out that success or failure depends on these governments' willingness and ability to limit production. Bolivia has promised to limit coca production, but Peru has not.

GAO believes that prospects for limiting coca production in South America are unfavorable because

- no adequate alternative crop that can match coca's economic return has as yet been found,
- coca has become ingrained in the local culture after centuries of wide use, and
- coca can be grown easily in many areas.
(See ch. 3.)

PROHIBITIONS PLACED ON THE DRUG ENFORCEMENT
ADMINISTRATION'S OVERSEAS ACTIVITIES

To control the illegal drug flow in South America, the Drug Enforcement Administration participates with host government police in a variety of activities, including undercover surveillance, training, and interviewing arrestees.

Because of concerns over American involvement in sensitive internal law enforcement operations in other countries, the Congress in June 1976 amended the Foreign Assistance Act to define the scope of allowable activities. Drug Enforcement Administration agents in South America appear to have generally complied with the amendments. However, GAO identified one instance in which, while reportedly pursuing authorized activities Drug Enforcement Administration agents were confronted with and participated in an arrest action to protect a host country police officer from potential danger. The Foreign Assistance Act prohibits Drug Enforcement Administration participation in direct foreign police arrest actions. Such a situation, in which routine performance of authorized drug enforcement activities unexpectedly leads to participation in prohibited direct arrest actions, could happen again. (See ch. 4.)

MONITORING OF NARCOTICS CONTROL
EQUIPMENT STILL A PROBLEM

From fiscal year 1973 through fiscal year 1977, the United States has provided \$7.8 million worth of law enforcement equipment to 10 South American countries. In 1973 and 1974 legislation was enacted that placed prohibitions on

providing U.S. financial assistance to foreign police. These prohibitions in general do not apply to narcotics control. Since then the Congress has been concerned about foreign police diverting equipment to unauthorized uses.

In a February 19, 1976, report (ID-76-5) GAO recommended that the Department of State develop an "end-use" monitoring system to control the use of narcotics control equipment. In two of the three countries GAO visited during this review, no such system was established. In the third country such a system had been developed but was considered ineffective. The Department of State has recently taken action to improve the monitoring activities. (See ch. 5.)

AGENCY COMMENTS

Because of urgent congressional need for the information in this report, GAO did not request formal written comments from the Departments of Justice or State; however, the Drug Enforcement Administration, the Department of State, and the Central Intelligence Agency reviewed the report and their comments and suggestions were considered.

The Drug Enforcement Administration told GAO that the report did not adequately reflect the value of its drug control efforts and accomplishments in South America. Drug Enforcement Administration officials said that their South American operations form an integral part of the overall drug control program.

The Department of State generally agreed with the report, but did not agree with GAO conclusions on the crop substitution program. The Department said that it was too early to judge the impact of these efforts.

The Central Intelligence Agency said the report was accurate overall. It made several suggestions which were incorporated in the appropriate sections of the report. (See ch. 6.)

C o n t e n t s

	<u>Page</u>
DIGEST	i
CHAPTER	
1 INTRODUCTION	1
The international drug control program	2
DEA's enforcement program	2
The international narcotics control assistance program	2
Program funding	3
Scope of review	5
2 THE INTERNATIONAL DRUG CONTROL PROGRAM IN SOUTH AMERICA HAS HAD A MINIMAL EFFECT ON THE DRUG FLOW	6
Cocaine flow into the United States is increasing	6
Seizures and arrests--what is their impact?	8
Current impact	8
DEA believes recent efforts are encouraging	10
Future impact	11
Key problems restricting progress	11
Intelligence efforts need strengthening	11
Other obstacles	13
U.S. officials believe the program is showing some results	14
Conclusions	15
3 CROP SUBSTITUTION PROGRAM--SUCCESS IN DOUBT	16
Coca--a short history	16
U.S. programs to limit coca production	16
Conclusions	18
4 MANSFIELD AMENDMENT PLACED PROHIBITIONS ON DEA'S OVERSEAS ACTIVITIES	20
DEA's mission in South America	20
Actions prohibited by Mansfield Amendment	20

CHAPTER		<u>Page</u>
	Agents' participation in authorized activities can lead to amendment violations	22
	U.S. embassies aware of DEA's activities	24
	Opinions vary on value of DEA activities	25
	Conclusions	26
5	PROBLEMS PREVIOUSLY NOTED IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM STILL EXIST	27
	Formal program to monitor end-use of equipment still does not exist	27
	The training program needs a followup system	29
	Department of State officials say reorganization will help correct past problems	32
6	AGENCY COMMENTS	33
APPENDIX		
I	Host government commitments to drug control	34
II	Equipment provided to South American countries	35
III	Principal officials responsible for administering activities discussed in this report	36
<u>ABBREVIATIONS</u>		
AID	Agency for International Development	
CIA	Central Intelligence Agency	
DEA	Drug Enforcement Administration	
GAO	General Accounting Office	
INC	international narcotics control	

CHAPTER 1

INTRODUCTION

Concerned about the role of the Drug Enforcement Administration (DEA) in the arrest of U.S. citizens in Bolivia, Senators Javits, Church, Tower, and Bentsen and Representative Chisholm requested that we review several aspects of the international drug control program in South America. Because other legislative and executive branch groups were studying the specific issue of the American prisoners in Bolivia, it was agreed with the requestors that our review would concentrate on DEA and Department of State international narcotics control programs in South America.

Reducing the flow of drugs to the United States is a major American foreign policy objective. In June 1971, President Nixon called for an all-out attack on the drug problem, focusing on both the supply and demand aspects. To control the supply, a program of technical, financial, and commodity assistance was started, helping foreign countries to strengthen their drug interdiction efforts. Several agencies are involved in the effort, with the Department of State having overall responsibility for the program.

President Carter recently reiterated the need for a strong U.S. program against international illicit drug production and trafficking. In August 1977 he directed the Secretary of State to give greater emphasis to this task.

In South America, a central goal of the drug control program is the control of cocaine. Nearly all illegal cocaine reaching the United States originates in Bolivia and Peru, with other South American countries, particularly Colombia, used as transshipment points. Past U.S. policy lists the control of cocaine as a fourth priority behind control of heroin and other dangerous drugs, barbiturates, and amphetamines. However, according to a draft policy paper, the control of the flow of cocaine to the United States will soon receive a higher priority. Although cocaine abuse has not been shown to be as harmful to society as heroin abuse, cocaine use is increasing. According to the draft policy paper, cocaine interdiction is important because

--cocaine has high abuse potential,

--profits from cocaine trafficking can be used to finance organizations trafficking in more dangerous drugs, and

--the huge flow of money generated by illicit production and trafficking undermines a nation's social, economic, and political integrity.

THE INTERNATIONAL DRUG CONTROL PROGRAM

The U.S. drug control effort in South America is multifaceted, but essentially consists of an enforcement program aimed directly at traffickers and an assistance program which is designed to develop host country narcotics control capabilities. The U.S. effort involves several Government agencies. Key agencies implementing the program are the Department of State and DEA. Others involved are the Central Intelligence Agency (CIA), responsible for development of narcotics intelligence; the U.S. Customs Service, responsible for giving customs training to foreign officials; and the Agency for International Development (AID), responsible for implementing development programs in drug-crop-growing areas.

DEA's enforcement program

A key feature of the international drug control program is enforcement. DEA was designated by a 1973 reorganization plan as the Federal agency to deal with foreign drug law enforcement officials. In doing so it receives policy guidance from the Office of Drug Abuse Policy in the Executive Office of the President, from the Secretary of State, and from the U.S. Ambassador assigned to each country. Since many of the important drugs of abuse in the United States originate in foreign countries, DEA places a high priority on encouraging other governments to commit themselves to controlling all aspects of illicit drug production and distribution. Primarily this involves assisting foreign government officials in preventing supplies of illicit drugs from entering the United States.

To accomplish this in South America, DEA has assigned 35 agents and intelligence analysts to 11 countries. The agents seek to develop narcotics trafficking cases jointly with host country police. This method not only is intended to immobilize the traffickers; it provides "on the job" training for host country police. Joint efforts like this are termed "institution building."

The international narcotics control assistance program

The other key feature of the U.S. effort besides enforcement is the international narcotic control (INC) assistance program, which is designed to encourage foreign

countries' cooperation in drug control and to assist foreign governments and international organizations in augmenting their own antidrug capabilities. The INC program is administered by the Senior Advisor to the Secretary of State and Coordinator for International Narcotics Matters.

Until fiscal year 1978, various aspects of the program were implemented by AID, DEA, and the U.S. Customs Service under the guidance of the Department of State. AID was responsible for programs in individual countries, which consisted primarily of providing equipment to the host country's narcotics police and developing crop substitution projects. DEA and the U.S. Customs Service were responsible for narcotics control training programs for foreign officials. In addition, DEA was responsible for a small amount of INC funds used to support the host country's police in their narcotics control operations.

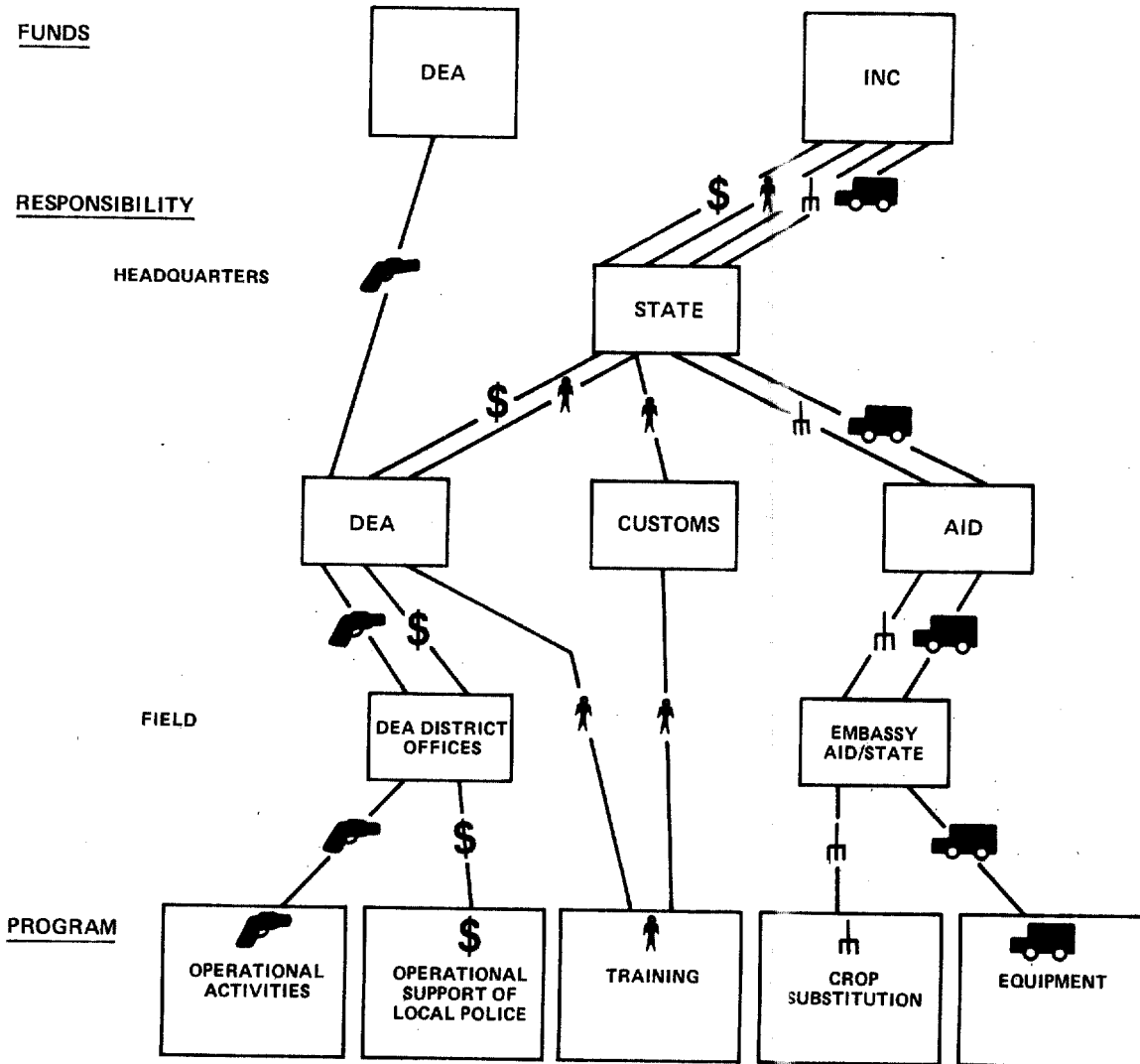
During fiscal year 1978, the INC program will be reorganized to centralize more program functions under the Senior Advisor; most components formerly implemented by AID will be the Senior Advisor's direct responsibility. The Department of State will also be responsible for administering operational support funds for local police. DEA and the U.S. Customs Service will still provide narcotics control training, but the Senior Advisor will monitor this activity more closely than was done in the past.

PROGRAM FUNDING

Funding for the drug control program in South America has come from two major sources: INC funds and DEA funds. Beginning in fiscal year 1974, INC funds were appropriated by sections 481 and 482 of the Foreign Assistance Act. Before that date AID funds were used to implement the program. The chart on the next page shows the flow of DEA and INC funds for various program components.

DEA AND INC PROGRAMS IN SOUTH AMERICA

Funding Flow and Responsibility^{1/}



^{1/} Responsibility for some programs is being shifted to the Department of State during Fiscal Year 1978 as described on p. 3.

The chart below shows DEA and INC expenses in South America since fiscal year 1975.

	<u>Fiscal year</u>		
	<u>1975</u>	<u>1976</u> <u>(note a)</u>	<u>1977</u>
	----- (000 omitted) -----		
DEA:			
Personnel costs	\$1,877	\$1,887	\$2,312
Other costs	<u>831</u>	<u>1,560</u>	<u>1,799</u>
Total, DEA	<u>\$2,708</u>	<u>\$3,447</u>	<u>\$4,111</u>
INC:			
Country programs (note b)	\$2,060	\$6,301	\$3,888
Training (note c)	<u>1,700</u>	<u>1,824</u>	<u>1,794</u>
Total, INC	<u>\$3,760</u>	<u>\$8,125</u>	<u>\$5,682</u>
Total, DEA & INC	<u>\$6,468</u>	<u>\$11,572</u>	<u>\$9,793</u>

a/Includes transition quarter.

b/Includes equipment, crop substitution, and operational support costs.

c/This figure is our estimate based on the average amount allocated for each participant.

SCOPE OF REVIEW

Our review was directed toward assessing the effectiveness of the international drug control programs in South America. We analyzed DEA activities with regard to the "Mansfield Amendment" (see ch. 4), the Department of State's management of the INC program, and implementation of crop substitution projects. We reviewed DEA investigative reports, planning documents, and statistical data and held discussions with field and headquarters personnel. We analyzed Department of State documents, including INC program plans, crop substitution reports, equipment lists, and training statistics and held discussions with pertinent U.S. agencies' headquarters, district offices, and Embassy personnel. Our review was conducted at

--DEA, Department of State, AID, and CIA headquarters in Washington, D.C., and

--U.S. Embassies and DEA district offices in Bolivia, Peru, and Colombia.

CHAPTER 2

THE INTERNATIONAL DRUG CONTROL PROGRAM IN
SOUTH AMERICA HAS HAD A MINIMAL
EFFECT ON THE DRUG FLOW

The primary target of the U.S. international drug control program in South America is cocaine. Marijuana and opium are also targets. The U.S. effort to control these drugs includes an enforcement program against traffickers and an assistance program to help develop host countries' narcotic control capabilities.

It is difficult to tell whether this effort is reducing the quantity of these drugs that reaches the United States. Reliable data is unavailable. However, intelligence, statistical reports on availability, and arrest and seizure statistics suggest that the program has had a minimal effect on the availability of cocaine and marijuana in the United States.

Nevertheless, DEA officials informed us that they are encouraged by the increased commitments to drug control of host governments in South America and by recent increases in drug seizures and arrests of major traffickers.

COCAINE FLOW INTO THE
UNITED STATES IS INCREASING

Nearly all of the cocaine flowing to the United States comes from South America. For the most part the coca is grown in Peru and Bolivia, and processed into cocaine in Colombia. Data on the amount of cocaine reaching the United States is inadequate--estimates of coca production and cocaine flow are varied. Some recent estimates of annual production are as follows:

--DEA officials in South America estimate that Bolivia could produce up to 88 tons of cocaine annually and Peru's potential annual production of cocaine is 26 tons.

--DEA officials in Colombia estimate that up to 69 tons of cocaine could be produced from Peruvian and Bolivian coca and that from 28 to 46 tons of cocaine processed in Colombia are reaching the United States.

--A November 1977 report of the Select Committee on Narcotics Abuse and Control said: "There is a potential of 100 tons (of cocaine) available for the United States and Europe."

--DEA and Department of State headquarters officials said that the "official U.S. Government estimate" of cocaine available in the United States is between 15 and 17 tons.

We did not try to determine which of these estimates was the most accurate. The situation was probably best summed up by a Department of State official who said that any estimate of cocaine availability in the United States is "imprecise under the best conditions." This position is supported in part by information furnished by a DEA official, which indicates that estimates of Bolivia's production of coca are substantially understated.

Even though the estimates of production and flow vary, officials generally agree that the amount of cocaine coming to the United States is increasing. A 1977 National Institute on Drug Abuse study supports this; it found that cocaine use in the United States was growing. DEA and Department of State officials said that a similar growth was occurring in Europe. In line with these increases, coca-growing areas have expanded in South America. DEA officials in both Peru and Bolivia said that coca production in those two countries is increasing rapidly.

A DEA report on the availability of cocaine in the United States as of September 1977 stated:

"Cocaine availability, as measured by retail purity has shown little change, although prices have continued to exhibit a gradual increasing trend. * * * All available evidence suggests that illicit suppliers of cocaine remain capable of meeting the demand for this drug."

Marijuana, the only other drug of any significance in South America, is primarily grown in Colombia. DEA now estimates that Colombia has surpassed Mexico as the principal supplier of this drug to the United States.

SEIZURES AND ARRESTS--
WHAT IS THEIR IMPACT?

Current impact

Seizures of drugs and arrests of traffickers appear to have had little effect on the current availability of cocaine and marijuana in the United States.

DEA's "foreign cooperative" seizures of cocaine and marijuana in South America are shown below:

<u>Fiscal year</u>	<u>Cocaine (pounds)</u>	<u>Marijuana (tons)</u>
1973	477	-
1974	859	1
1975	847	125
1976	2,416	89
Transition quarter	206	-
1977	1,990	10
1978 (1st quarter)	2,472	23
1978 (2nd quarter) (note a)	1,242	165

a/Data through Mar. 7, 1978.

The cocaine statistics shown above, when compared with the most conservative estimates of cocaine availability, indicate that less than 7 percent was seized in fiscal year 1977.

Although seizures of cocaine in South America have been limited, they are greater than the seizures in the United States. For example, in fiscal year 1977 domestic cocaine seizures by all Federal agencies totaled only 1,380 pounds, while during the same period 3,136 pounds were seized in foreign countries (of this total 1,990 pounds were seized in South America). This gives credence to the major reason for the U.S. international drug control program: that the drug flow can be more effectively controlled at its source.

There has been little increase in the number of DEA foreign cooperative narcotic arrests in South America during the past 5 years. In fiscal year 1973, 444 individuals were arrested for narcotics trafficking and in fiscal year 1977 the number arrested was 498. In addition, the majority of those arrested were classified by DEA as low-level traffickers. DEA has established categories for individuals arrested for narcotics trafficking. For example, a class I trafficker, the highest classification, could be the head of a major trafficking organization known to deal in large quantities of narcotics. The lowest category, class IV, could be an individual arrested with less than 4.4 pounds of cocaine.

In fiscal year 1977, 84 percent of DEA's foreign cooperative arrests in South America involved class III or IV traffickers. In the three countries visited, from 82 to 84 percent of those arrested during the period January 1976 to October 1977 were low-level traffickers. DEA foreign cooperative arrests 1/ in South America are shown below:

Fiscal year	Arrests				Total
	Major traffickers (note a)		Others		
	Number	Percent	Number	Percent	
1973	(b)	(b)	-	-	444
1974	(b)	(b)	-	-	310
1975	111	25	328	75	439
1976	108	19	469	81	577
Transition quarter	24	19	102	81	126
1977 (note c)	78	16	420	84	498
1978, 1st quarter	14	10	128	90	142

a/DEA classifications I and II.

b/Classification data not available.

c/Beginning in fiscal year 1977 DEA's criteria for classifying traffickers were changed. This change increased the requirements needed for designation as a major trafficker.

1/Arrests made by foreign police officials based on intelligence provided by DEA.

DEA points out that agents in South America spend more time on major trafficking cases than the arrest figures on major traffickers indicate. They said the disruption of a major trafficking organization may result in many arrests, of which only two or three would be classified as arrests of major traffickers. They pointed out that during the first quarter of 1978 even though only 10 percent of those arrested were major traffickers, almost one-third of the cases and 44 percent of the arrests involved major trafficking organizations.

In addition, DEA commented that special task forces have been established to concentrate on specific major traffickers. Two such task forces have operated in South America with some success. For example, one task force operation resulted in the arrest of 142 traffickers, with 58 percent of these being classified as in class I or class II. While these task forces are concentrating on major trafficking organizations, they represent a very small portion of DEA's effort in South America. A DEA official said that these task force operations depend greatly on the information and evidence gained from other DEA operations.

DEA believes recent efforts
are encouraging

DEA officials said that since October 1977 significant progress has been made in disrupting South American cocaine and marijuana trafficking. Several major trafficking organizations have been disrupted in Colombia and Peru. The officials cite the following examples:

- In October 1977, alleged major Colombian trafficker Jamie Cardona-Vargas and several of his associates were arrested and 432 kilograms of cocaine base were seized. Followup action resulted in the seizure of 299 kilograms of hydrochloride and arrest warrants being issued for two other alleged major Colombian traffickers.
- In November 1977, Peruvian investigative police arrested Vicente Guzman-Zuniga, an alleged major Colombian cocaine trafficker, and several of his Colombian and Peruvian associates. They seized 234 kilograms of cocaine base and \$400,000 in negotiable checks.

In addition DEA officials stated that about 40 cocaine labs have been seized, and that a joint U.S.-Colombia program has resulted in U.S. domestic seizures of over 425 tons of marijuana.

Future impact

In foreign countries DEA primarily assists host governments in preventing supplies of illicit drugs from entering the illicit traffic into the United States. DEA believes that the host government must have some capability and a real commitment to drug enforcement, and feels that its efforts to develop this capability and/or commitment have contributed significantly to institution building in the South American countries.

DEA recognizes that enforcement efforts alone will not greatly reduce the availability of illicit drugs in the United States. In order to bring about a large reduction, producing nations will have to limit the production and distribution of these drugs. Enforcement efforts will be necessary to assure that producers comply with such program.

DEA believes that if producing nations adopt such programs through the diplomatic efforts of the United States, DEA's current efforts will be a positive factor in the success of these programs. DEA recognizes, however, that this will be a long-term effort.

KEY PROBLEMS RESTRICTING PROGRESS

Several obstacles were hampering U.S. drug control efforts in South America. A major problem was the limited effort devoted to producing operational 1/ intelligence which could be used in identifying major narcotics traffickers. Other problems identified by U.S. officials included corruption within South American governments and the lack of host country resources to devote to drug control programs.

Intelligence efforts
need strengthening

The U.S. drug control program in South America depends heavily on the development of intelligence--ranging from estimates of drug crop production to identification of drug smuggling routes and traffickers. Both DEA and the CIA have

1/At the operational level, intelligence concentrates on an overview of trafficking groups and their operations in order to discover patterns, routes, and modes of operations, to assess vulnerabilities of those involved, and ultimately to develop leads for potential conspiracy investigations.

responsibilities in this area. We found that drug intelligence at DEA offices in South America had not been systematically analyzed.

CIA's primary focus is on the collection of strategic intelligence information for use in the formulation of narcotics control policies. The Agency also provides tactical narcotics information to DEA concerning foreign traffickers and their supporting networks.

DEA agents as a part of their enforcement duties routinely gather drug intelligence information by various means, including undercover surveillance, payments to informants, and interrogation of prisoners.

DEA has not systematically analyzed this data. ^{1/} As a result, the U.S. and host country enforcement efforts to eliminate major trafficking may not have been as successful as they could have been. In addition, as noted earlier, the great majority of DEA's foreign cooperative arrests and cases in South America involved low-level traffickers. The paucity of usable operational-level intelligence may be contributing to this situation.

DEA has not been able to systematically analyze intelligence data because it has not assigned personnel trained in intelligence development and analysis to South America. Of the 35 professional DEA staff members assigned to the South America region, only 1 is an intelligence analyst. In addition, DEA has designated five of its agent positions in South America as intelligence specialists. Three of those five were in the countries we visited: Bolivia, Peru, and Colombia. These positions were not being used effectively for intelligence development:

--One was vacant.

--Another was filled by an agent who had not been trained by DEA in intelligence.

--The third was filled by an agent who had received DEA's intelligence training, but was not allowed to concentrate on intelligence development because of other priorities.

^{1/}CIA told us that CIA and DEA are currently working on a joint effort in Washington to analyze and collate all of the available information concerning the most prominent cocaine networks trafficking in South America.

DEA special-agents-in-charge in all three countries visited judged their intelligence capability as inadequate. Even in Colombia, where the intelligence analyst is assigned, officials said they needed at least two additional analysts.

DEA officials recognize this need and point out that the shortage of intelligence analysts is not peculiar to the South American region. Currently only 103 of the 228 agencywide intelligence analyst positions are filled; in fiscal year 1978 DEA hopes to recruit at least 20 intelligence analysts. DEA added that, in an attempt to deal with the intelligence problem, about 50 percent of the agents assigned to South America have recently taken a 2-week DEA course on intelligence gathering.

Other obstacles

There are other obstacles that are restricting program success. According to U.S. officials the most important of these is corruption in South American governments. They said this is especially true in the principal trafficking country, Colombia, where corruption is present at various levels and places in the government, including the judiciary and the police. High-level U.S. officials have discussed this situation with Government of Colombia officials, but note that it still greatly hampers program success.

Corruption is encouraged by the enormous amount of money involved in trafficking. A DEA summary of the drug situation in Colombia states that U.S. retail sales of marijuana and cocaine processed or grown in Colombia are estimated at \$6 billion annually. Illegal drug trafficking reportedly returns an estimated \$1 billion to the Colombia economy every year.

The enormous profits that can be made from trafficking in cocaine can also be illustrated by tracing prices paid for the drug in various stages, from the coca leaf price in Bolivia to the street price of cocaine in the United States. The Bolivian farmer sells the quantity of coca leaves necessary to make 1 pound of cocaine for about \$60. These leaves are converted to cocaine-base having a value of about \$1,000. Conversion to cocaine, the next step, increases the value to over \$2,000 in Bolivia. By the time the cocaine reaches the streets of a city in the United States, the Bolivian farmer's \$60 in coca leaves costs the users over \$100,000.

Other program obstacles also exist. A major problem is that the governments simply do not have adequate funds to devote to narcotics control. Significant internal problems such as terrorism and underdeveloped economies affect

foreign governments' ability to focus on the drug problem. Further, even though some increases in South American government expenditures and personnel dedicated to narcotics control have occurred (see app. I), many U.S. officials believe most South American governments simply are not firmly committed to narcotics control.

The Assistant Secretary of State for Inter-American Affairs considers this lack of commitment and motivation to be the main impediment to drug control program success in South America. He explained in testimony before the House Select Committee on Narcotics Abuse and Control in November 1977 that the lack of commitment to narcotics control of most South American governments

"should not be surprising considering that we are asking these countries to use scarce resources to combat a problem which they may still perceive to be primarily a United States problem, or one that is not a serious or immediate threat to themselves."

U.S. OFFICIALS BELIEVE THE
PROGRAM IS SHOWING SOME RESULTS

DEA and Department of State officials said that the effectiveness of the international drug control program cannot be judged solely by cocaine flow or drug arrest and seizure statistics; other factors need to be considered. These officials said that the countries of Bolivia, Peru, and Colombia now are more committed to narcotics control than they were several years ago. Narcotics units have been established and increasing host country funds are being allocated to the programs. (Available data on host country funds allocated to narcotics control and personnel strengths of local narcotics units is shown in app. I.)

Department of State officials said that in addition to increasing host government allocations of personnel and funds, there are other signs that the U.S. drug control program in South America may be achieving some success. Some of these signs are:

- Bolivia's plans to prohibit future increases in coca production.
- Peru's willingness to start considering limiting coca production to licensed areas.
- Colombia's reorganization of its narcotics control enforcement activities.

DEA and Department of State officials acknowledge that there are many obstacles to program success. Department of State officials said that success in limiting the cocaine flow may take another 5, 10, or even 20 years. Recognizing that the key to a successful program rests with the host governments, the United States must continue to encourage these governments to increase their commitments to drug control programs. In the interim the U.S. effort must be to disrupt as much of the drug traffic as possible.

CONCLUSIONS

The international drug control program in South America has had a minimal effect on the drug flow. Seizures and trafficker arrests are important but will not solve the problem, though DEA says that since October 1977 progress in this area has been encouraging.

One problem hampering enforcement efforts--which DEA recognizes--is a paucity of systematically analyzed intelligence. As a result, U.S. and host country enforcement efforts to eliminate major trafficking may not have been as effective as they could have been.

U.S. officials said the real key to program success is a stronger commitment by South American governments to control the drug flow. Without that commitment, U.S. efforts will not achieve desired results. Officials believe that the United States must continue to try to reduce the drug flow while encouraging South American governments to become more involved in drug enforcement. However, such a possibility is limited by alleged corruption within many South American countries, particularly Colombia, and a lack of host government resources that can be allocated to drug enforcement.

CHAPTER 3

CROP SUBSTITUTION PROGRAM--SUCCESS IN DOUBT

Many U.S. officials believe that enforcement activities to control cocaine flow can have only limited success. The Department of State believes that "ultimately, the only fully effective solution would be the reduction and eventual elimination of illicit cultivation at its source." In furtherance of this belief, part of the INC program in South America consists of projects designed to encourage local farmers to substitute other crops for coca. Still, many officials believe that coca substitution programs in South America have little chance for success.

COCA--A SHORT HISTORY

The coca bush is generally grown on the eastern curve of the Andes Mountains at elevations ranging from 1,500 to 7,100 feet. The bush needs little care and grows where other plants cannot survive. The plants grown from seed are ready to harvest in 18 months and are productive for 50 years.

The leaves of the coca bush have been chewed and used in religious ceremonies by Andean civilizations for at least 3,000 years. Today, estimates indicate that 90 percent of the males and 20 percent of the females living in the Peruvian and Bolivian Andes chew coca leaves daily. Coca leaves are chewed by the villagers to relieve fatigue, hunger, and cold. In most of these regions, coca is the only cash crop grown and the sole source of income for the farmers.

U.S. PROGRAMS TO LIMIT COCA PRODUCTION

Coca production can be limited through eradication or substitution projects. Because coca has been used for centuries and provides Andean farmers with their only source of income, eradication projects in Bolivia and Peru are not considered to be acceptable. This leaves substitution as a potential solution: a program is needed which will substitute alternative crops or nonfarming activities for coca production but will maintain or approximate the income coca production provides.

Programs to identify suitable alternative crops, or crop substitution programs, are being developed by AID using INC

funds. 1/ AID has supported crop substitution projects in Bolivia and has offered to initiate a pilot crop substitution project in Peru. According to AID, the search for suitable substitute crops will take several years. It involves finding marketable crops that will grow in the coca areas and solving transportation, storage, and other marketing problems.

In fiscal year 1975, a pilot program for coca crop substitution was initiated in Bolivia. As of October 1977, AID had disbursed \$668,000 for the crop substitution program; fiscal year 1978 funding is expected to be \$1.6 million. Activities to date include research to identify potential alternative crops and registration of coca growing areas.

Recognizing that simple crop substitution programs alone cannot encourage coca farmers to switch to alternative crops, the Bolivia program emphasizes basic rural development. The basic rural development program (including water systems, improved cultivation of existing crops such as coffee, marketing structures for other crops, education, and health) is designed to improve the quality of life of the farming population. Its aim is to mitigate the effects on the coca growers of a phased ban by the Bolivian Government on coca growing beyond that required for legal and traditional use. In June 1976, the Secretary of State promised up to \$45 million to support Bolivia's crop substitution and related economic development program.

A crop substitution program has not been implemented in Peru. In 1975, U.S. officials offered to provide \$20,000 for a pilot crop substitution project. The Government of Peru has never responded to the U.S. offer.

U.S. officials in both Peru and Bolivia generally were pessimistic about the success of crop substitution. Even with the large amount of funds promised to Bolivia for economic development of coca growing areas, the officials point out that the program will probably not achieve desired results. The key to crop substitution, either with or without related economic development projects, is finding a suitable alternative marketable crop. To date, the pilot project has

1/During fiscal year 1978, the Department of State's Senior Advisor for Narcotics Matters will assume responsibility for pilot crop substitution projects. AID will have responsibility for crop substitution and related economic development programs.

not identified such a crop. Even if one is found, a distribution and marketing system will have to be developed.

DEA and Department of State officials in Bolivia and Peru said crop substitution probably will not be successful because

- coca has been grown and used in Bolivia and Peru for centuries;
- coca growing requires little work, while potential alternative crops require much attention; and
- no alternative crop can match the economic return of coca, especially considering the unlimited amounts of funds available to encourage production. As discussed in ch. 2, the difference between what the farmer currently receives for the coca needed to produce a pound of cocaine (\$60) and the value of that cocaine (\$100,000) demonstrates the potential funds available.

However, State Department and DEA officials in Washington, D.C., believe the key to success does not hinge on the results of research on other crops. They are now looking toward a basic rural development program in the coca growing areas designed to improve the quality of life of the farming population. They believe such a program will allow the governments to embark on a phased ban on coca growing. The Washington officials pointed out that Bolivia has already banned new coca cultivation on unregistered lands. They said success or failure in limiting coca production depends upon Bolivia's willingness and ability to enforce such a ban.

CONCLUSIONS

Crop substitution is one approach to reducing the flow of cocaine to the United States. However, pilot projects to identify adequate alternative crops have so far been unsuccessful. DEA and State Department officials in Peru and Bolivia doubt that such programs will succeed. State Department and DEA officials in Washington, D.C., on the other hand, believe that U.S.-financed rural development projects combined with efforts to limit coca production by the Governments of Bolivia and Peru will ultimately reduce the cocaine flow to the United States. They point out that success or failure depends on these Governments' willingness and ability to limit production. Bolivia has promised to limit coca production, but Peru has not.

We believe the prospects for limiting coca production in South America are unfavorable. Programs to limit coca production probably will not be successful because

- no adequate alternative crop that can match coca's economic return has as yet been found,
- coca has become ingrained in the local culture after centuries of use, and
- coca can be grown easily in many areas.

CHAPTER 4

MANSFIELD AMENDMENT PLACED PROHIBITIONS

ON DEA'S OVERSEAS ACTIVITIES

DEA agents in South America have generally complied with 1976 legislation (Mansfield Amendment) ^{1/} designed to limit their foreign enforcement activities. Nevertheless, we noted several instances in which DEA's participation in activities not prohibited by the amendment could result in active involvement in a situation in which violence could occur. One situation culminated in DEA participation in a direct arrest action, an activity prohibited by the Mansfield Amendment. DEA agents in this case participated in the arrest to protect a host country police officer from potential danger.

DEA'S MISSION IN SOUTH AMERICA

Many of the U.S. domestic and international drug control efforts are aimed at supply reduction. This includes attempts to disrupt the entire chain of production and distribution through eradicating crops in illegal growing areas abroad, interdicting illicit shipments, arresting and jailing important traffickers, and seizing and confiscating the equipment and fiscal resources needed to operate trafficking networks.

In foreign countries DEA primarily assists host government officials in preventing supplies of illicit drugs from entering the United States. DEA agents assigned to South America are integral to the U.S. effort to stem the flow of cocaine and marijuana. They participate with host government police in a variety of drug enforcement and intelligence activities.

ACTIONS PROHIBITED BY MANSFIELD AMENDMENT

Concerned about U.S. officials' involvement in sensitive foreign internal law enforcement operations, the Congress moved to limit such activities overseas by adopting the Mansfield Amendment, which provides:

^{1/}International Security Assistance and Arms Export Control Act of 1976, P.L. No. 91-329, title V, section 504(b), 90 Stat. 729, 764.

"Notwithstanding any other provision of law, no officer or employee of the United States may engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts."

In adopting the legislation restricting U.S. involvement in foreign enforcement operations, the Congress was seeking to reconcile two important U.S. interests:

- Motivating foreign governments to cooperate to the fullest extent in stopping drugs from reaching the United States.
- Avoiding excessive U.S. intervention in the internal affairs of other nations.

Reports of both the House International Relations Committee and the Senate Foreign Relations Committee included the following explanations of what was meant by the amendment:

"In adopting this provision the committee seeks to insure that U.S. narcotics control efforts abroad are conducted in such a manner as to avoid involvement by U.S. personnel in foreign police operations where violence or the use of force could reasonably be anticipated. By "arrest actions" the committee means any police action which, under normal circumstances would involve the arrest of individuals whether or not arrests, in fact, are actually made. The committee intends that the U.S. Ambassador in any country where U.S. narcotics control activities are being carried out shall exercise close supervision over such activities to insure that U.S. personnel do not become involved in sensitive, internal law enforcement operations which could adversely affect U.S. relations with that country.

"The committee emphasizes that this provision is not intended to prohibit U.S. Government agencies from assisting foreign governments to enforce their own laws on narcotics trafficking by providing such assistance as training, technical equipment, and intelligence." 1/

1/H.R. Rep. No. 94-144, 94th Cong., 2d Sess. 54-55 (1976);
S. Rep. No. 94-876, 94th Cong., 2d Sess. 61 (1976).

After the Mansfield Amendment was adopted, DEA issued guidelines for its foreign operations. The most recent set of guidelines issued in July 1977 includes a general section applicable to all overseas areas and a section with specific guidelines for each country in which DEA either has permanent representatives or conducts liaison activities.

While forbidding active involvement in arrests, the guidelines set forth a number of activities which are allowable if permitted under U.S. and host country laws and U.S. mission policy. Some of the allowable functions indicated in the guidelines are to

- perform in an undercover capacity,
- interview arrested persons or otherwise assist host country officials after the arrest scene has been secured, and
- provide instruction and training in various police techniques.

AGENTS' PARTICIPATION IN AUTHORIZED
ACTIVITIES CAN LEAD TO AMENDMENT VIOLATIONS

DEA agents in South America spend the majority of their time on operational activities related to narcotics traffic. To do this DEA agents, in association with host country police, are involved in undercover surveillance and purchase of information, interviewing drug arrestees, and other actions needed to develop cases against narcotics traffickers. The following examples are representative of DEA actions in South America:

- DEA was contacted by the host country police regarding two suspects entering the country to purchase cocaine. DEA provided the local police with information on the suspects' identity and the hotel where they were registered. The local police later arrested the suspects and found 9,800 grams of cocaine. DEA participated in the interrogation.
- DEA and the host country police participated in a joint investigation. DEA and the local police learned that two suspects had entered the South American country to purchase cocaine. After joint surveillance, the local police arrested the suspects with 2,500 grams of cocaine. DEA reviewed all documents seized and further coordinated the investigation.

--DEA entered a case after the local police had arrested four drug trafficking suspects. DEA participated in the interrogation of the suspects. DEA participated in the surveillance of another suspect and was in the area when the local police arrested the suspect. DEA participated in a search of the premises and interrogation of the suspect.

We identified several instances, since enactment of the Mansfield Amendment, in which DEA agents were in the vicinity of arrests made by host country police. In all but one, DEA agents did not actively participate in the arrest, but usually observed the arrest from a distance, actively participating in surveillance before the arrest and interviewing the suspect after the arrest. Some examples of this type of activity are as follows:

--A DEA agent accompanied host country police to a house in a rural area of a South American country. The DEA agent waited in a car while the host country police entered the house and arrested two foreign nationals. Host country police then signaled for the DEA agent to enter the house. The DEA agent participated in interrogation of the foreign nationals.

--Two DEA agents were at the scene of a roadblock where vehicles and persons were stopped and searched by host country police. At least one foreign national was arrested while the DEA agents were at the roadblock.

While DEA agents did not actively participate in these actions conducted by host country police, their presence in the area of arrests or potential arrests could result in active involvement in an arrest action during which violence could occur. In fact, this has already happened. We identified one example.

Two DEA agents, a host country narcotics agent, and two host country local police units met at a site where an informant was scheduled to meet a drug trafficker. The trafficker arrived, picked up the informant, and drove away. The two local police units followed but lost the trafficker; however, the trafficker was kept under surveillance by the DEA agents and the host country narcotics agent. It was felt that the investigation, including the informant's status, had been compromised. In addition, it was learned that a local policeman, who had earlier been working on the case, had been

found dead. The police counterpart decided to arrest the trafficker before he drove away. The police officer felt that if the trafficker drove away, he would be lost before assistance arrived. There were no other local police officers in the area to assist in the arrest. The DEA agents felt that if the police counterpart attempted to arrest the trafficker alone, his life would be in danger, and the trafficker might kill the informant. The DEA agents covered the police counterpart while he placed the trafficker under arrest.

We discussed this incident with a DEA representative in the country and were told that DEA's involvement was justifiable since a police officer's life was in danger. In addition, he stated that if the agents had not assisted their local counterpart, DEA would have lost the confidence and cooperation of the host country police.

The activity that led to this arrest situation was not prohibited by the Mansfield Amendment. In fact, the amendment's legislative history indicates that surveillance, intelligence, and training activities are allowed and in fact encouraged. It should be recognized, however, that an authorized activity, such as that discussed above, may suddenly escalate to a point where arrest of a suspect becomes imminent. In some of these cases, it may be impracticable to require U.S. agents to avoid any participation in the arresting activity, such as holding a weapon on a suspect to protect the arresting host country police officer from bodily harm. Nevertheless, the Mansfield Amendment prohibits U.S. agents from participating in "any" foreign police arrest action.

U.S. EMBASSIES AWARE OF DEA'S ACTIVITIES

As the committee reports on the amendment indicated, the Congress intended that the U.S. Embassy exercise close supervision over DEA activities. DEA personnel in foreign countries, like most other official U.S. personnel abroad, are under the full authority of the U.S. Embassy. Embassy officials in the three countries we visited were aware of DEA agents' activities. These officials expressed the opinion that DEA's activities were not damaging U.S. relations with the host country. We did not hold discussions with foreign government officials, but U.S. officials pointed out that host governments were also aware of DEA's activities.

In each of the three countries visited, the Embassy used a different method to control DEA activities. The Embassy in Bolivia reviewed DEA's guidelines for foreign

operations in 1976 and issued guidelines for DEA operations in Bolivia to emphasize and modify certain points in DEA's guidelines. In the guidelines, the Embassy directed that DEA obtain advance Embassy approval whenever the agency had a need for passive presence of an agent at an arrest. Although the Embassy in Peru had not issued supplemental guidelines to DEA, it monitors all of DEA's cable traffic. The Embassy in Colombia has a full-time narcotics coordinator who is responsible for keeping the Ambassador informed on all matters concerning narcotics control. He approves all outgoing DEA cables in order to monitor DEA activities.

OPINIONS VARY ON VALUE OF DEA ACTIVITIES

Several Department of State officials responsible for the drug control program believe that DEA should be prohibited from active participation in police actions in foreign countries. Their concerns stem from a desire to be sure the international activities are carried out in a manner consistent with the intent of the Mansfield Amendment. They find it objectionable that "U.S. police" are operating in a foreign country, where their function should be that of liaison and institution building. They believe U.S. interests in the long run would be better served if host government police were able to actively participate in unilateral drug enforcement without relying on DEA's involvement. High-level Department of State officials said further restriction of DEA agents' activities in South America to those outlined above would not significantly affect our overall drug control effort.

However, other officials, principally from DEA, believe that involvement of DEA agents is not only justified but needed if the United States is ever to be successful in controlling drugs flowing into the United States. They believe DEA agents need to be actively involved in drug cases to motivate host country police to pursue drug traffickers and to provide guidance and training in actual police situations. Many DEA agents in South America believe that without active involvement it would be very difficult to develop a close relationship with their foreign counterparts, since the impression may be that DEA agents are not as brave or courageous in the face of potential danger as the local police. According to the agents, this feeling of "macho" or personal pride is deeply ingrained in the Latin culture and a major factor in being able to deal effectively with the local police.

CONCLUSIONS

DEA participates with host government police in a variety of activities, including undercover surveillance, training, and interviewing arrestees. Although the Mansfield Amendment prohibits DEA participation in direct arrest actions, DEA agents were placed in a situation in which the performance of authorized activities unexpectedly led to participation in prohibited direct arrest actions. This could happen again.

Some Department of State officials are concerned about the possible effect some of DEA's activities might have on the U.S. relationships with the countries dealt with in our review, although they could not cite instances in which these activities had any adverse impact. Embassy officials in the three countries reviewed believed DEA's activities were not damaging to United States relations with the host countries. U.S. officials pointed out that host government officials were fully aware of DEA's activities.

Whether or not the drug program's accomplishments have been commensurate with the costs incurred and the potentially adverse impacts in the foreign affairs area is a value judgment that we are unwilling to make.

CHAPTER 5

PROBLEMS PREVIOUSLY NOTED IN
INTERNATIONAL NARCOTICS CONTROL
ASSISTANCE PROGRAM STILL EXIST

In addition to the crop substitution program in South America, which is discussed in chapter 3, the State Department administers an INC program which funds the equipping and training of South American police in narcotics control.

Our review showed that systems to adequately monitor the "end-use" of INC equipment have not been established. Also, a followup system for participants trained under the INC program is needed.

FORMAL PROGRAM TO MONITOR END-USE OF
EQUIPMENT STILL DOES NOT EXIST

The largest portion of the INC program funds provided in South America is used to provide narcotics control equipment to various foreign government units. Through September 1977 AID had primary responsibility for the equipment program. During fiscal year 1978, responsibility for the program will be shifted to the Department of State under the Senior Advisor to the Secretary of State and Coordinator for International Narcotics Matters.

From fiscal year 1973 through fiscal year 1977, \$7.8 million in equipment has been provided to 10 South American countries. In addition, over \$3 million in equipment is planned for fiscal year 1978. Equipment provided to South American countries has primarily consisted of vehicles, aircraft, weapons, 1/ police equipment, and communications equipment. (A summary list of equipment provided to South American countries is shown in app. II.)

In 1973 and 1974, legislation was enacted that placed prohibitions on providing U.S. financial assistance to foreign police. 2/ The area of narcotics control was, in general, not subject to these prohibitions. In March 1975

1/An internal Senior Advisor office policy now prohibits the use of INC funds to procure weapons.

2/Foreign Assistance Act of 1973, Pub. L. No. 93-189, 87 Stat. 714, 716; Foreign Assistance Act of 1974, Pub. L. No. 93-559, 88 Stat. 1795, 1803-1804.

the Senate Committee on Appropriations expressed concern that this narcotics control assistance could be used for purposes unrelated to controlling drug traffic. In its report the Committee stated:

"* * * It is not the purpose of the narcotics program to give the participating governments access to a continuous supply of free police equipment, much of which is possibly being used for purposes unrelated to control of drug traffic. The Committee therefore recommends a sharp reduction in equipment not directly related to increasing the recipients' drug traffic control effort. Congress did not intend that the activity become an international Law Enforcement Assistance program." 1/

We have also reported on the need for a system to monitor end-use of INC equipment. In a February 19, 1976, report to the Congress, "Stopping U.S. Assistance to Foreign Police and Prisons" (ID-76-5), we recommended that the Secretary of State:

"Institute a formal system of end-use monitoring checks of major narcotics control equipment items to insure that the equipment is not being misused."

In April 1977, the Senior Advisor, at a Senator's urging, emphasized in a cable to American ambassadors that they should adopt procedures insuring the INC commodities are not diverted for unauthorized use. Additionally, the Senior Advisor requested that the ambassadors forward copies of their observation procedures to her office when they were formulated.

During our review we found that formal end-use monitoring systems had not been established in Bolivia or Peru. In addition, AID Auditor General reports in 1976 and 1977 identified at least three other South American countries in which formal monitoring systems had not been established. Although such a system had been established in Colombia, program managers did not believe it was adequate to insure that equipment was not being diverted.

We did not determine whether equipment diversion had occurred. AID Auditor General reports of various INC programs in South America during 1976 and 1977 generally found that most INC equipment could be accounted for. AID did identify a few examples of equipment diversion or lack of accountability. For example:

1/S. Rept. 94-39, 94th Cong., 1st. Sess. 8 (1975).

--A May 1976 AID Auditor General report on the program in Paraguay said that vehicles provided under the INC program were primarily being used by a department in the Ministry of Interior not related to narcotics control.

--An April 30, 1976, AID Auditor General report on the program in Bolivia indicated that several items could not be accounted for, including revolvers, carbines, handcuffs, and submachine guns.

Even though AID's Auditor General has not identified significant equipment diversion or misuse, we believe strong end-use controls are needed because of

--the sensitive nature of much of the equipment and

--the fact that much of the equipment could easily be used for nonnarcotic purposes.

Some examples of the types and quantities of equipment provided under the INC program are as follows:

--Since 1973 the Bolivian narcotics police enforcement unit has been provided 99 revolvers, 18 carbines, 7 shotguns, 16 submachine guns, 4 gas guns, 4 tear gas launchers, and 50 gas grenades.

--During the same period, the national civil police and customs units in Ecuador have been given 43 trucks, 31 jeeps, 5 sedans, 500 carbines, 231 revolvers, and 38 shotguns.

We believe that an end-use monitoring system could (1) help assure that the equipment provided was committed to narcotics control, (2) alert program managers to improper maintenance or inadequate utilization of the equipment, and (3) provide valuable information to assess future equipment needs.

THE TRAINING PROGRAM
NEEDS A FOLLOWUP SYSTEM

Another major function of the INC program is the training of foreign police in narcotics control. Training is provided in the United States and foreign countries by DEA and the U.S. Customs Service and is financed with INC funds.

Both training programs are administered from Washington under guidance from the Senior Advisor's office in the Department of State. Funding for the program is centralized and not separated by country, making a precise identification of costs associated with the South American portion of the program impossible. From fiscal year 1972 through fiscal year 1977, INC funds for training worldwide totaled \$20.7 million. During this period about one-third of the participants were from South American countries.

Since fiscal year 1972, 5,070 officials from 13 countries have been trained by DEA and the U.S. Customs Service. The chart below shows the number of participants trained by country, and the agency providing the training, since fiscal year 1972.

INC South American Training Program

<u>Country</u>	<u>Number trained by</u>		<u>Total</u>
	<u>DEA</u>	<u>Customs</u>	
Argentina	544	72	616
Bolivia	250	200	450
Brazil	523	118	641
Chile	225	69	294
Colombia	531	183	714
Ecuador	34	192	426
Guyana	2	-	2
Netherlands Antilles	72	137	209
Panama	258	116	374
Paraguay	86	30	116
Peru	382	142	524
Uruguay	147	195	342
Venezuela	222	140	362
Total	<u>3,476</u>	<u>1,594</u>	<u>5,070</u>

About 10 percent of these participants were trained in the United States, and the remainder in South America.

Customs' and DEA's training concentrate on different aspects of narcotics control: Customs trains officials with border control responsibilities; DEA trains officials with investigative responsibilities. The following types of courses are offered by both agencies:

- In the United States, executive seminars for high-level officials and mid-management courses for mid-level officials.

--In foreign countries, drug control techniques for line officers.

We also attempted to determine if officials trained by DEA or Customs were being used for narcotics control. We found that DEA, Customs, and the Department of State had not systematically evaluated whether trained officials were being used in narcotics work. Some followup of participants trained in the United States by DEA is done on an "ad hoc" basis, but for the most part DEA, Customs, and the Department of State did not know what former participants were doing. This is particularly true for participants trained outside the United States.

In several South American countries it seems likely that many trained participants are not working in narcotics control units. Comparison of the number of participants trained in narcotics enforcement by DEA versus the number working in narcotics enforcement units for countries for which data is available is shown below:

	<u>Trained by DEA</u>	<u>Currently working in narcotics unit</u>
Bolivia	250	130
Chile	225	65
Ecuador	234	250
Peru	382	110

DEA and Department of State officials point out that participants trained by DEA working in other areas are still beneficial to the overall narcotics effort. They explained that, for example, these participants might notice evidence of narcotics trafficking that might otherwise have gone undetected if they had not received this specialized training. In addition, some host country police organizations have a policy of rotating personnel among different police units, including the narcotics control unit. Such rotation is used not only to provide personnel with a variety of police experience, but also as a means to control corruption prevalent in some narcotics units.

We agree that police training in narcotics control can be valuable even if the official is not working in a unit dedicated to narcotics control. However, we believe that a formal followup system would be beneficial. Such a system

could not only be used to evaluate how participants are being used, but also, by obtaining participant feedback, provide valuable information to assess course effectiveness and future training needs.

DEPARTMENT OF STATE OFFICIALS
SAY REORGANIZATION WILL HELP
CORRECT PAST PROBLEMS

Department of State officials pointed out that the INC program has been inadequately coordinated in the past. According to these officials, one of the main reasons for this has been the fragmentation of responsibilities among the agencies involved. This fragmentation probably contributed to problems we noted with the training and equipment portions of the program. To correct this, the INC program is being reorganized. During fiscal year 1978, program components, formerly the responsibility of AID, will be transferred to the Department of State's Senior Advisor office. This will include the equipment and pilot crop substitution projects. Headquarters functions were transferred to the Senior Advisor office in October 1977, field functions will be transferred by April 1978, and support functions (such as auditing) will be transferred by the end of fiscal year 1978.

In addition, Senior Advisor office officials said they will take a more active role in the training program implemented by DEA and the U.S. Customs Service. DEA and the U.S. Customs Service have assigned a full-time liaison directly to the Senior Advisor office. Senior Advisor office officials hope that by centralizing program management many of the past problems can be corrected.

CHAPTER 6

AGENCY COMMENTS

Because of congressional needs for the information in this report, we did not request written comments from the agencies in order to expedite its issuance. However, we did discuss it with DEA, the Department of State, and the CIA, and their comments and suggestions were considered in preparing the final report.

DEA told us that the report did not adequately reflect the value of its drug control efforts and accomplishments in South America. DEA officials said that their South American operations form an integral part of the overall drug control program.

The Department of State generally agreed with the report, but did not agree with our conclusions on the crop substitution program. The Department said that it was too early to judge the impact of its crop substitution efforts.

The CIA said that the report was accurate overall. It made several suggestions which were incorporated in the appropriate sections of the report.

APPENDIX I

APPENDIX I

HOST GOVERNMENT COMMITMENTS TO DRUG CONTROL

	<u>1975</u>	<u>1976</u>	<u>1977</u>
Colombia:			
Personnel	264	524	N/A
Funds	\$2,260,000	\$3,341,000	N/A
Peru:			
Personnel	N/A	N/A	110
Funds	\$ 559,000	\$ 539,000	\$ 658,000
Bolivia:			
Personnel	70	80	130
funds	\$ 273,000	\$1,035,000	\$1,345,000

Note: N/A--data not available. Available data supplied by respective U.S. embassies.

APPENDIX II

APPENDIX II

EQUIPMENT PROVIDED TO SOUTH AMERICAN
COUNTRIES, FISCAL YEARS 1973-1978 (note a)

Country	Fiscal year					Total 1973-77	Planned 1978
	1973	1974	1975	1976	1977		
----- (000 omitted) -----							
Argentina	\$ -	\$ 345	\$ 44	\$ 13	\$ -	\$ 402	\$ -
Bolivia	86	21	69	22	1,013	1,210	1,382
Brazil	-	125	191	178	280	774	-
Chile	-	68	29	-	(b)	98	-
Colombia	332	200	333	2,574	-	3,438	805
Ecuador	406	216	276	179	177	1,255	159
Panama	43	17	-	-	-	60	-
Paraguay	28	14	4	3	-	49	-
Peru	-	195	96	211	-	502	731
Uruguay	19	23	10	-	-	52	-
Total	\$914	\$1,224	\$1,052	\$3,180	\$1,470	\$7,840	\$3,077

Selected examples of items provided:

Country	Description	Amount	Fiscal year
Argentina	2 fixed-wing aircraft	\$120	1974
Bolivia	60 jeeps, trucks, and sedans	602	1973-77
	50 tear gas grenades, 9 revolvers	(c)	1977
	various communications equipment	189	1977
Brazil	Various police equipment	265	1976 & 1977
Chile	8 trucks and sedans	35	1974
	120 tear gas grenades, 25 pistols	(c)	1974
Colombia	98 trucks, jeeps, and sedans	531	1973-76
	4 boats (17-23 feet)	46	1974 & 1975
	3 helicopters	1,700	1976
Ecuador	404 narcotest kits	(c)	1973-76
	81 jeeps, trucks, and sedans	495	1973-77
Panama	500 carbines, 231 revolvers, and 38 shotguns	(c)	1973-76
	4 sedans	14	1973
Paraguay	3 jeeps and station wagons	17	1973
Peru	21 trucks, motorcycles, etc.	112	1975 & 1976
	5 boats (17-23 feet, airboat)	55	1975 & 1976
	120 pairs of handcuffs	(c)	1976
Uruguay	5 trucks, jeeps, sedans, etc.	(c)	1973-75

a/Data provided by the Office of the Senior Advisor for Narcotics Matters. The year refers to the year of the funds used. Data includes only that equipment that has actually been purchased as of Oct. 1977.

b/Amount under \$500.

c/Cost not identifiable.

APPENDIX III

APPENDIX III

PRINCIPAL OFFICIALS RESPONSIBLE
FOR ADMINISTERING ACTIVITIES
DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
<u>DEPARTMENT OF JUSTICE</u>		
ATTORNEY GENERAL:		
Griffin B. Bell	Jan. 1977	Present
Edward H. Levi	Feb. 1975	Jan. 1977
William B. Saxbe	Jan. 1974	Feb. 1975
Robert H. Bork, Jr. (acting)	Oct. 1973	Jan. 1974
Elliot L. Richardson	May 1973	Oct. 1973
Richard G. Kleindienst	June 1972	Apr. 1973
Richard G. Kleindienst (acting)	Feb. 1972	June 1972
John N. Mitchell	Jan. 1969	Feb. 1972
ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION:		
Peter B. Bensinger	Feb. 1976	Present
Peter B. Bensinger (acting)	Jan. 1976	Feb. 1976
Henry S. Dogin (acting)	June 1975	Dec. 1975
John R. Bartels, Jr.	Oct. 1973	May 1975
John R. Bartels, Jr. (acting)	July 1973	Oct. 1973
<u>DEPARTMENT OF STATE</u>		
SECRETARY OF STATE:		
Cyrus Vance	Jan. 1977	Present
Henry A. Kissinger	Sept. 1973	Jan. 1977
William P. Rogers	Jan. 1969	Sept. 1973
Dean Rusk	Jan. 1961	Jan. 1969
SENIOR ADVISOR FOR NARCOTICS MATTERS:		
Mathea Falco	Feb. 1977	Present
Sheldon Vance	Apr. 1974	Feb. 1977
William Handley	May 1973	Mar. 1974
Nelson Gross	Aug. 1971	Jan. 1973

APPENDIX III

APPENDIX III

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<u>CENTRAL INTELLIGENCE AGENCY</u>		
DIRECTOR:		
Admiral Stansfield Turner	Mar. 1977	Present
George Bush	Jan. 1976	Jan. 1977
William E. Colby	Sept. 1973	Jan. 1976
James Schlesinger	Feb. 1973	July 1973
Richard Helms	June 1966	Feb. 1973

AGENCY FOR INTERNATIONAL DEVELOPMENT

ADMINISTRATOR:		
John J. Gilligan	Mar. 1977	Present
Daniel Parker	Oct. 1973	Mar. 1977
John A. Hannah	Mar. 1969	Oct. 1973

DEPARTMENT OF THE TREASURY

SECRETARY OF THE TREASURY:		
W. Michael Blumenthal	Jan. 1977	Present
William E. Simon	May 1974	Jan. 1977
George P. Shultz	June 1972	May 1974
John B. Connally, Jr.	Feb. 1971	June 1972
David M. Kennedy	Jan. 1969	Feb. 1971

COMMISSIONER, U.S. CUSTOMS SERVICE:		
Robert E. Chasen	July 1977	Present
G. R. Dickerson (acting)	May 1977	July 1977
Vernon D. Acree	May 1972	Apr. 1977
Edwin F. Rains (acting)	Feb. 1972	May 1972
Myles J. Ambrose	Aug. 1969	Feb. 1972

(18651)

Copies of GAO reports are available to the general public at a cost of \$1.00 a copy. There is no charge for reports furnished to Members of Congress and congressional committee staff members. Officials of Federal, State, and local governments may receive up to 10 copies free of charge. Members of the press; college libraries, faculty members, and students; and non-profit organizations may receive up to 2 copies free of charge. Requests for larger quantities should be accompanied by payment.

Requesters entitled to reports without charge should address their requests to:

U.S. General Accounting Office
Distribution Section, Room 4522
441 G Street, NW.
Washington, D.C. 20548

Requesters who are required to pay for reports should send their requests with checks or money orders to:

U.S. General Accounting Office
Distribution Section
P.O. Box 1020
Washington, D.C. 20013

Checks or money orders should be made payable to the U.S. General Accounting Office. Stamps or Superintendent of Documents coupons will not be accepted. Please do not send cash.

To expedite filling your order, use the report number in the lower left corner and the date in the lower right corner of the front cover.

GAO reports are now available on microfiche. If such copies will meet your needs, be sure to specify that you want microfiche copies.

AN EQUAL OPPORTUNITY EMPLOYER

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

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE**



THIRD CLASS