Audit Report

OFFICE OF THE INSPECTOR GENERAL

NATIONAL GUARD SUPPORT TO U.S. DRUG INTERDICTION EFFORTS

Report Number 91-107 **July 2, 1991**

Department of Defense

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
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July 2, 1991

MEMORANDUM FOR DOD COORDINATOR FOR DRUG ENFORCEMENT POLICY AND SUPPORT
CHIEF, NATIONAL GUARD BUREAU
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on National Guard Support to U.S. Drug Interdiction Efforts (Report No. 91-107)

This is our final report on the Audit of National Guard Support to U.S. Drug Interdiction Efforts. This audit is a segment of the Audit of DoD's Support to U.S. Drug Interdiction Efforts. We made this segment of the audit from October 1989 through June 1990. The overall objective was to determine if the National Guard (the Guard) properly planned and managed its drug mission responsibilities. Specific audit objectives were to determine whether the Guard's counternarcotics support to the law enforcement agencies (LEA's) was adequate and if the Guard's counternarcotics activities met the intent of the Congress. We also evaluated the adequacy of applicable internal controls.

Overall, the National Guard Bureau was adequately managing the Guard Components' counternarcotics activities. The initial counternarcotics plans developed by the Components were generally adequate and attempted to maximize the use of Guard resources for counternarcotics activities. The Components we visited coordinated with the appropriate LEA's before developing their counternarcotics plans, adequately supported the LEA's, and conducted activities that met the intent of the Congress. However, there were areas where specific improvements in the Guard's Drug Enforcement Support Program were needed. The results of the audit are summarized in the following paragraphs, and the details, audit recommendations, and management comments are in Part II of this report.

The Guard Components had not fully identified their counternarcotics work load, sought feedback on counternarcotics operations from the LEA's, measured the effectiveness of support provided, or conducted long-term planning on counternarcotics operations. Without standardized reporting of information regarding performance and mission accomplishments, National Guard Bureau managers will be hindered in making informed plans for future counternarcotics support to the LEA's (page 5).

The requirement for a National Guard Nationwide Drug Interdiction Training Center (the Training Center) was not justified. The Training Center is being incrementally funded in the California National Guard's annual counternarcotics plan and could result in unnecessary costs totaling approximately $11.1 million (page 11).

The Guard had not implemented an internal management control program for its Drug Enforcement Support Program. As a result, National Guard Bureau and Component personnel responsible for the Drug Enforcement Support Program were generally unaware of its vulnerability to potential fraud, waste, and abuse (page 19).

A draft of this report was provided for comments to the Assistant Secretary of the Army (Financial Management) on January 31, 1991, and the DoD Coordinator for Drug Enforcement Policy and Support on February 12, 1991. Comments on the draft were received from the National Guard Bureau on April 10, 1991, and from the DoD Coordinator for Drug Enforcement Policy and Support on April 29, 1991. Complete texts of the Guard's response is included in Appendix D and the Drug Coordinator's in Appendix E.

Regarding the general concern over the period of audit expressed in the reply from the Guard, there apparently is confusion over the two distinct segments of the audit in which the Guard was involved. The audit work for the segment discussed in this report, as stated in the Objectives and Scope section, was completed in June 1990. During June 1990, the second segment of the audit that involved funding of the counternarcotics program was under way. The Guard was informed on repeated occasions that for statistical validity, the Guard had to be included in the DoD universe of recipients of counternarcotics funds.

The Guard concurred with Finding A and with Recommendations A.1.a., A.1.b., A.1.c., A.2., and A.3. Based on follow-up discussions with the Guard on details that were not provided on planned actions for Recommendations A.1.a. and A.1.c., we determined that the intent of those recommendations would be met by the June 1990 reporting requirement referred to in the Guard's response.

The Guard nonconcurred with Finding B and Recommendation B.1. to cancel plans for the Training Center. For the reasons cited in the audit response section in Part II of the

report, we maintain that the Guard's proposal for the Training Center, now operational and referred to as the "National Interagency Counternarcotics Institute (NICI)," is still not adequately justified and that sufficient research has not been performed to demonstrate a recurring need for a unique Guard counternarcotics training institute. We have revised Recommendation B.1. to reflect that the NICI is currently operational. We believe that implementation of Recommendation B.3., which was revised in the final report to clarify our intent, will satisfy training needs more efficiently. Therefore, we ask that the Guard reconsider its position and provide comments on revised Recommendations B.1. and B.3. in response to the final report.

The Guard concurred with Recommendation B.2., but the comments were not fully responsive. The Guard did not indicate an estimated completion date for developing training oriented toward regional needs of its Components. Therefore, we ask that the Guard provide an anticipated completion date for this planned action in response to the final report.

The Guard concurred with Finding C and Recommendations C.1.a., C.1.b., and C.1.c. to implement an internal management control program for counternarcotics efforts within the Guard. The Guard nonconcurred with Recommendation C.2. to report the lack of an internal management control program for its Drug Enforcement Support Program as a material internal control weakness in the annual assurance statement in accordance with DoD Directive 5010.38. Because of the significance of the Drug Enforcement Support Program in the Guard and its acknowledgment of the lack of an internal control program, we request that the Guard reconsider its position on this recommendation in response to the final report.

The DoD Coordinator for Drug Enforcement Policy and Support (Drug Coordinator) concurred with Findings A and C and related recommendations. The Drug Coordinator nonconcurred with Finding B and related recommendations because the concept of the training institute was "neither tested nor approved" during the time of the audit, and the finding and recommendations were premature. The Drug Coordinator also stated that the training institute pilot course request from the California National Guard was approved because of the "need for an upper- and mid-level manager training course that would enhance the interoperability of military with federal, state, and local law enforcement

counternarcotics operations." For reasons described above and in Part II of the report, we request that the Drug Coordinator reconsider his position in response to the final report.

The Guard nonconcurred with the estimated monetary benefits. Based on the Guard's new funding estimates for the NICI, the counternarcotics program has been scaled down from more than $23 million to about $16.8 million. Therefore, we revised our computation of monetary benefits to $11.13 million (See Appendix C) to include the Guard's new 5-year cost estimate for the NICI. We also revised our estimate of monetary benefits (see Appendix F) to reflect the new funding estimates for the NICI. We request that the Guard comment on the revised monetary benefits in response to the final report. If you nonconcur with the estimated monetary benefits or any part thereof, you must state the amount you nonconcur with and the basis for your nonconcurrence.

The audit identified internal control weaknesses as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. These weaknesses were primarily caused by a lack of established procedures in the areas of workload planning and management, as described in Finding A. Also, the Drug Enforcement Support Program had not been included in the Guard's internal management control program, as identified in Finding C. The Guard nonconcurred that these weaknesses constituted a material control weakness. We consider the lack of an internal management control program a material control weakness that should be reported in accordance with DoD Directive 5010.38. We request that the Guard reconsider its position on this recommendation in response to the final report. Implementation of Recommendations A.1. through A.3. and C.1. in this report will correct the internal control weaknesses. Therefore, a copy of this final report will be provided to the senior official responsible for internal controls within the National Guard Bureau.

DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, we request that the Guard and the Drug Coordinator provide comments on the unresolved recommendations and monetary benefits within 60 days of the date of this memorandum. Recommendations and potential monetary benefits are subject to resolution in accordance with DoD Directive 7650.3 in the event of nonconcurrence or failure to comment.

If you have any questions concerning this audit, please call Mr. Charles M. Santoni at (703) 693-0139 or Mr. Wayne B. Winkler at (703) 693-0117 (DSN 223-0117). The courtesies and cooperation extended to the audit staff are appreciated. Copies of the final audit report will be distributed to the activities listed in Appendix H.

Robert J. Lieberman

Robert J. Lieberman
Assistant Inspector General
for Auditing

cc:
Secretary of the Army
Secretary of the Air Force

NATIONAL GUARD SUPPORT TO
U.S. DRUG INTERDICTION EFFORTS

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Prepared by:
Readiness and Operational
Support Directorate
Project No. 9RC-0052.03

NATIONAL GUARD SUPPORT TO U.S. DRUG INTERDICTION EFFORTS

PART I - INTRODUCTION

Background

The peacetime mission of the National Guard (the Guard) is to protect life and property and to maintain peace, order, and public safety. As part of its peacetime mission, the Guard has been involved in support of counternarcotics activities since 1977. Over the past decade, the Guard has increased its emphasis on counternarcotics activities as concerns about illicit drug use in the United States have grown. The Guard began to quantify its support to counternarcotics efforts in 1983. In 1983, four states were involved in counternarcotics missions. By 1988, 32 states were involved in 456 marijuana eradication missions. These missions were accomplished by the Guard incidental to training and without Federal funding.

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

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

In compliance with the Law, 54 Guard Components from 50 states, 3 territories, and the District of Columbia were requested by the National Guard Bureau to prepare plans to incorporate drug interdiction missions into each Component's proposed training and exercises. The National Guard Bureau planning guidance issued to

the Components emphasized that the role of the Guard was to support the law enforcement agencies (LEA's) in counternarcotics operations.

The plans submitted by the Components focused on providing personnel and equipment to support the LEA's mission of eradicating domestically grown marijuana and on interdicting illicit drugs entering the United States. The plans described the types of counternarcotics missions the Components intended to conduct during the year and provided details on staff use, flying hours, and equipment to be used. The Component plans covered a wide range of activities including aerial reconnaissance, radar surveillance, and cargo inspection at ports of entry. The estimated costs for executing the plans were supplied by the Components with final costs determined by the DoD Coordinator for Drug Enforcement Policy and Support.

For FY 1989 and FY 1990, Component plans were submitted to the National Guard Bureau, which validated the plans and forwarded them to the Secretary of Defense for approval. The Secretary of Defense allocated funds to the Guard Components based on the geographic priority of the state or territory and its corresponding counternarcotics plan. The highest geographic priorities were assigned to states and territories with coastlines, major seaports, borders with Mexico, and major marijuana growth identified by the Drug Enforcement Administration. Secondary geographic priorities were assigned to states and territories with major international airports, major ground transportation corridors from primary smuggling states, and large marijuana production. Lower priorities were assigned to the northern border states, major population center states, and the remaining marijuana growing states.

Congress appropriated $40 million in FY 1989 and $70 million in FY 1990 to fund the operation and maintenance of the Guard's overall counternarcotics mission. The FY 1989 plans approved by the Secretary of Defense were funded at $37 million. Of the $40 million appropriated, approximately $3 million was not distributed, and $12.3 million was not obligated and was turned in at the end of the fiscal year. Of the $70 million appropriated in FY 1990, about $64 million funded the approved Component plans (see Appendix A); approximately $3.7 million was allocated for Guard member retirement; and the remaining $2.3 million was for other counternarcotics items or was unused. In April of FY 1990, Congress authorized an additional $40 million in procurement funds for equipment to support Component counternarcotics activities. Those procurement funds had not been made available to the Components at the time of our audit.

Objectives and Scope

The overall objective of the audit was to determine if the National Guard properly planned and managed its counternarcotics missions. Specific audit objectives were to determine if the counternarcotics support provided by the Components to the LEA's was adequate and if the counternarcotics activities met the intent of Public Law 100-456.

We analyzed the Drug Enforcement Support Program summaries prepared by the Guard Components for FY 1989 and FY 1990. Based on this analysis, we selected the four states that received the largest funds for counternarcotics support: Texas, California, Florida, and New York. In addition, because of a significant funding increase from FY 1989 to FY 1990, we also selected Kentucky for review. For FY 1989 counternarcotics activities, these five states received approximately $14.3 million, 38 percent of the total amount approved by the Secretary of Defense for Guard counternarcotics operations. In FY 1990, these five states received approximately $32.2 million, 50 percent of the funds approved for the Guard. Appendix A includes the amounts funded for each of the five states by fiscal year.

We evaluated the counternarcotics operations of the five states for the period October 1988 through January 1990. We reviewed program documentation, operation plans, after-action reports, funding documents, and criteria included in pertinent DoD and National Guard Bureau guidance. We also interviewed cognizant DoD, National Guard Bureau, Guard Component, and LEA officials involved in the Guard's support to U.S. drug interdiction efforts. A list of activities visited or contacted is in Appendix G. This program results audit was made from October 1989 through June 1990 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD, and accordingly included such tests of internal controls as deemed necessary.

Internal Controls

We assessed the internal controls associated with the management of the Guard's support to the U.S. drug interdiction efforts, concentrating on the internal controls related to our audit objectives. We evaluated internal control techniques such as management plans, written policies and procedures, and various mechanisms for independently reporting counternarcotics program results. We found that some basic elements of management control were lacking. For example, Components did not maintain records of requests for assistance from the LEA's. The National Guard Bureau had not incorporated the counternarcotics budget into the Guard's Planning, Programming, and Budgeting system. Finally,

our review showed that the National Guard Drug Enforcement Support Program had not been subjected to coverage in the internal management control program. Details on these weaknesses are provided in Part II of the report.

Prior Audits and Other Reviews

On October 17, 1989, the General Accounting Office (GAO) testified to Congress on DoD's counternarcotics activities. The testimony provided Congress an assessment of DoD's counter-narcotics activities pursuant to the requirements of the FY 1989 National Defense Authorization Act. Regarding Guard counternarcotics operations, the GAO testified that management needs to be discriminating in those missions it approves, since "not all National Guard efforts will be successful or worthwhile." GAO did not solicit comments from the National Guard Bureau regarding its testimony. Finding A in this report identifies similar problems in the planning for National Guard counternarcotics missions. There have been no prior audits on the specific issues addressed in this report.

PART II - FINDINGS AND RECOMMENDATIONS

A. Management of National Guard Support of Counternarcotics Programs

FINDING

National Guard (the Guard) Components had not fully identified their counternarcotics work load; sought feedback from the Law Enforcement Agencies (LEA's) on Guard counternarcotics operations; measured the effectiveness of the support provided; or conducted long-term planning, programming, and budgeting for counternarcotics operations. These conditions occurred because the National Guard Bureau had not established requisite procedures or directed the Components to compile statistics and report on these areas. As a result, Guard management was precluded from making informed planning decisions regarding future counternarcotics operations. Accordingly, future year plans may not include the most effective or productive operations.

DISCUSSION OF DETAILS

Background. The FY 1989 National Defense Authorization Act gives the National Guard Bureau responsibility for counternarcotics support to the LEA's. The focal point for counternarcotics, within the National Guard Bureau, is the Director of Military Support. On October 14, 1988, the Director of Military Support informed the 54 state and territory Guard Components about the potential use of Guard personnel and equipment for narcotics interdiction and eradication programs. The memorandum requested that each Component provide detailed plans to identify proposed support to the LEA's, including estimated costs. The guidance reflected DoD's intention to allow the Components to be flexible and encouraged efforts supportive of the LEA's. In addition, the guidance required that the Components coordinate the counternarcotics plans with the LEA's.

The Components we visited adequately consulted with the appropriate LEA's before developing plans or initiating support. To evaluate how well the Guard Components were accomplishing their support role, we met with LEA's, identified the support requested, and determined if the requested support was incorporated in the Guard Components' counternarcotics plans.

Identification of Potential Work Load. The Components are involved in various types of counternarcotics activities. These include aerial photographic missions that provide intelligence for interdiction and eradication support, cargo inspection

assistance that supports cocaine or heroin interdiction operations, and missions that support marijuana eradication operations. LEA's can request counternarcotics assistance from the Guard in writing or by telephone.

During our visits to Guard locations in California, Florida, Kentucky, New York, and Texas, we determined that historical records of LEA's requests for Guard assistance were not maintained. Therefore, the number and type of requests for counternarcotics support could not be determined. The lack of historical records of requests for assistance affects the Guard's ability to assess its contributions and to plan for future years. Without information on the number of requests received or the type of support requested, adequate plans cannot be developed, and trends in drug trafficking activity cannot be identified. Analysis of trends in drug trafficking provides a basis for determining where future counternarcotics efforts should be concentrated. As the LEA's become more adept at detecting drug traffickers' operating procedures, drug traffickers will alter or adjust their methods of smuggling drugs and growing marijuana. Analysis of prior trends will assist in forecasting future counternarcotics developments.

Feedback from Operations. Feedback on results of operations allows managers to evaluate operational effectiveness and to determine if objectives are being met. In the case of Guard support to the LEA's, feedback is essential to evaluate the effectiveness and responsiveness of the support provided and to plan future Guard operations. At the time of our audit, the Components we visited did not have formal feedback mechanisms in place. Various Guard officials stated they were in constant contact with the LEA's when missions were being conducted. However, without a feedback mechanism in place to document whether the support provided was adequate and effective, the Components had no formal basis for identifying where improvements in the support were needed or where the most productive results occurred. The Guard needs to develop a standard feedback mechanism to evaluate its responsiveness to the LEA's requests. In determining how effectively the Guard satisfies the LEA's requests, the feedback evaluation should measure the responses to valid requests and the timeliness of the responses.

Measure of Effectiveness. The National Guard Bureau does not have a method for quantifying the effectiveness of counternarcotics efforts. The DoD Coordinator for Drug Enforcement Policy and Support (the Drug Coordinator) is responsible for oversight of the Guard's counternarcotics program. Within the Office of the DoD Drug Coordinator, responsible personnel identified measures of effectiveness as one of their primary interests and as one of the most difficult areas to evaluate.

Because of legislative constraints, the number of arrests or the amount of drugs seized are not valid measures of the Guard's performance. Rather, the Guard acts in support of the LEA's enforcement role.

One technique for measuring the Guard's performance would involve assessing the counternarcotics plans of the Components and determining how successfully the plans were executed. For example, to measure the effectiveness of a plan's execution, a Component needs to periodically assess the completion of priority elements within the plan and the degree to which the objectives were satisfied. The responses to and satisfaction of LEA's requests for assistance can also be measured. A record of counternarcotics requests for assistance and actions taken in response to the requests would help document whether the Guard was responsive and timely. Periodically, assessments of the geographic priority categories need to be made based on the results of historical performance. Further, the LEA feedback on Guard support would also provide measures of effectiveness relating to the productivity of specific Guard operations.

Long-Term Planning. Funding for the Guard's participation in the counternarcotics mission has substantially increased. In FY 1989, Congress appropriated $40 million for the Guard's counternarcotics program. The counternarcotics program increased to $110 million in FY 1990 and is projected to increase to $193 million in FY 1991. This growth rate demonstrates the need for management to develop a long-term plan for the counternarcotics program. Requirements for funds for counternarcotics operations are in competition with other counternarcotics needs of the DoD and the LEA's. To adequately prioritize missions and to provide direction to the overall counternarcotics effort, comparison of future year efforts is necessary. The Planning, Programming, and Budgeting System (PPBS) is part of the DoD process that develops the Future Years Defense Program (FYDP). The FYDP is the official document that summarizes forces and resources associated with programs approved by the Secretary of Defense. The PPBS provides information for decision making on future programs and permits prior decisions to be analyzed from the viewpoint of the current environment and for the time period being addressed.

In his oversight role, the DoD Drug Coordinator decided to include DoD counternarcotics activities in the PPBS. On March 29, 1990, the Drug Coordinator issued a memorandum to multiple addressees including the Chief, National Guard Bureau, providing guidance on the preparation of the FY 1992 through FY 1997 Program Objectives Memorandum (POM) for counternarcotics. The memorandum stated:

> Military Departments and Defense Agencies will be competing for available dollars based on the merits of their respective program proposals. Program proposals for the DoD Drug Coordinator's FY 1992-1997 POM submission should be prepared.

Although the March 29, 1990, guidance indicated that the Drug Coordinator intended for the Guard to include its counternarcotics activities in a POM submission, the Guard officials we interviewed stated that they had not received implementing instructions for the inclusion of counternarcotics program proposals in POM submissions. An example of the effect of the Guard not developing a counternarcotics POM is demonstrated by the California Guard providing a plan to incrementally fund a proposed National Guard Nationwide Drug Interdiction Training Center (Training Center), which is discussed in Finding B. The Training Center proposal estimated a total cost of about $23 million for a 5-year operation; however, total costs associated with the funding of the Training Center were not presented in the California Guard's annual plans. The incremental funding of the Training Center does not comply with the Drug Coordinator's guidance, nor does it provide management a comprehensive estimate of the Training Center's cost in order to fairly evaluate the requirement.

Conclusion. The Guard has made significant contributions to U.S. drug interdiction efforts. However, future management of Guard efforts could be improved with the establishment of historical records of LEA requests and a formal feedback procedure to evaluate operational results. In addition, Guard participation in the PPBS process for the counternarcotics program would assist management in providing a comprehensive picture of the direction and cost of the counternarcotics program.

RECOMMENDATIONS FOR CORRECTIVE ACTION

We recommend that the Chief, National Guard Bureau:

1. Establish policies and procedures that require Guard Components within the various states and territories to:

a. Maintain historical records of all requests from the law enforcement agencies for counternarcotics support to enhance future counternarcotics program plans.

b. Develop feedback mechanisms with the law enforcement agencies for use in evaluating and improving counternarcotics support.

c. Develop criteria to measure the effectiveness of support provided to the law enforcement agencies that encompass responses to and satisfaction of valid requests received, timeliness of support provided, and execution of counternarcotics plans.

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

3. Annually prepare and submit a counternarcotics Program Objectives Memorandum to the DoD Coordinator for Drug Enforcement Policy and Support.

MANAGEMENT COMMENTS

The National Guard Bureau concurred with the finding and each recommendation. The reply stated that the Directorate for Military Support now accumulates and maintains records of Guard support to drug interdiction programs and uses an LEA feedback questionnaire, as of June 1990, to evaluate and improve its counternarcotics support. The response also stated that new National Guard Regulation 500-1/Air National Guard Regulation 55-04, "Military Support to Civil Authorities," requires several reports that provide the mechanisms for quantifying the effectiveness of support provided to the LEA's. In addition, an annual assessment of the geographic priority categories is now part of the Guard's annual planning process, and the Guard has taken steps to prepare and submit an annual counternarcotics POM to the DoD Drug Coordinator.

The DoD Drug Coordinator also concurred with the finding and stated that his observations indicate that the National Guard Bureau has initiated actions that adequately address each recommendation.

AUDIT RESPONSE

After receipt of the Guard's comments, additional discussions were conducted with Guard officials to clarify the comments and to obtain documentation supporting the establishment of the policies and procedures referred to in the response. Based on those discussions and our review of applicable documentation, we concluded that the actions taken by the Guard are responsive to the recommendations.

B. National Guard Nationwide Drug Interdiction Training Center

FINDING

The California National Guard did not justify the requirement for a National Guard Nationwide Drug Interdiction Training Center (Training Center). Component training needs were not identified, and counternarcotics training already in existence within DoD, the LEA's, and the Guard Components was not assessed. As a result, the California National Guard could unnecessarily expend approximately $11.1 million of the $16.8 million projected for continued operations of the Training Center for FY 1992 through FY 1997.

DISCUSSION OF DETAILS

Background. The Guard has historically participated in counternarcotics operations, such as marijuana eradication, aerial reconnaissance, and radar surveillance. Public Law 100-456, dated September 29, 1988, formalized and expanded the drug interdiction and support role of the Guard.

The expansion of the Guard's counternarcotics mission mandated by Congress generated new training needs for Guard personnel. In July 1989, the Chief, National Guard Bureau, suggested that the California Guard submit a proposal for establishing the Training Center at Camp San Luis Obispo, California. The purpose of the Training Center was to instruct Guard managers and planners in the techniques of applying military resources to counternarcotics activities. In addition, the proposed Training Center was to standardize procedures for using military personnel in drug interdiction operations and to develop efficient and effective interoperability between the Guard and the LEA's during operations. In FY 1990, the California Guard prepared and submitted a proposal for a Training Center dedicated to the Guard's counternarcotics mission.

Funding the National Guard Training Center. According to the FY 1990 California Guard proposal for the Training Center, total costs associated with establishing and operating the Training Center from FY 1990 to FY 1994, excluding student temporary duty costs, were estimated at approximately $23.4 million (see Appendix B).

In lieu of approving the total concept of the Training Center, the DoD Drug Coordinator approved a pilot class to be held in September 1990. Funding provided for other counternarcotics activities in the California Guard's approved FY 1990 plan were authorized to be reprogrammed to support the pilot class as long as ongoing or planned missions were not degraded and the funding

level of $1,088,000 was not exceeded. In addition to approving the pilot class, the DoD Drug Coordinator requested that a detailed proposal for establishing a permanent training center be submitted with California's FY 1991 anti-drug support plan.

Our review of the California Guard's counternarcotics plan for FY 1991 disclosed that more than $3 million had been requested in FY 1991 to incrementally fund the Training Center. However, the detailed proposal that the California Guard submitted to the DoD Drug Coordinator with its FY 1991 counternarcotics plan did not identify funding requirements for the Training Center beyond FY 1991. As mentioned in Finding A of this report, the National Guard Bureau has not included the projected costs of the Training Center in its Program Objectives Memorandum. Based on the California Guard's FY 1991 submission, which did not show the total cost of the Training Center, we believe that the California Guard intends to fund the Training Center on a year-by-year basis in its annual counternarcotics plan.

Proposed Training. The curriculum outlined in the Training Center proposal included subject matter on the drug problem, drug system and organization, enforcement policies, overview of the Federal enforcement agencies, military support capabilities, intelligence and application techniques, operational security, and operational planning. The Guard, in its peacetime missions, should have already attained satisfactory proficiency levels in some of the areas included in the Training Center's proposed curriculum. For example, the Components should be knowledgeable in military support capabilities, intelligence and application techniques, operational security, and operational planning. Likewise, interoperability with Federal, state, and local LEA's should be an integral part of normal Guard operations. Also, the coordination techniques the Guard uses while conducting operations with the LEA's during riots and natural disasters should not significantly differ from counternarcotics activities. Based on the strong correlation of the Guard's counternarcotics mission with its normal peacetime mission, we concluded that the California Guard had not adequately demonstrated the need for specific counternarcotics-related training nor justified the dedicated counternarcotics Training Center.

Identification of Training Needs. The proposed curriculum of the Training Center did not correlate the percentage of effort by missions, based on counternarcotics plans, to a percentage of training related to the area of effort. For example, there was no mention of cargo inspection training in the Center's proposed curriculum. However, the majority of counternarcotics activity in the high priority border states is cargo inspections. Texas

Guard officials informed us that training for cargo inspections is accomplished by the U.S. Customs Service on-site using a 30-minute video cassette.

We found no indication that the California Guard, in developing the Training Center requirement, assessed the range of counternarcotics courses already available within DoD, the LEA's, and other Guard Components. The California Guard did not solicit the other Guard Components for their counternarcotics training needs, nor conduct a study to quantify voids in counternarcotics capabilities. Further, several of the Guard Components we visited stated that their states' geographic locations caused them to have unique counternarcotics environments that could not be adequately addressed in a generic training program.

Existing Training. To determine the availability of other sources of counternarcotics training, we selectively reviewed the course objectives of the curriculum taught at the Drug Enforcement Agency (DEA). Several of the courses that DEA conducts for state, local, and military police personnel could be utilized by the Guard to satisfy course objectives outlined in the Training Center proposal. For example, the DEA offers two courses that provide instruction in fighting the war on drugs. One of the courses provides instruction on techniques associated with narcotic and other dangerous drug awareness. The Training Center intends to provide similar coverage in a course segment entitled "The Drug Problem." The other DEA course addresses narcotic and other dangerous drug search and seizure, surveillance, undercover techniques, drug identification, and survival. The Training Center proposal covers these topics in a course segment entitled, "The Drug System, Drug Enforcement Policy." The DEA offers a controlled substance seminar to assist in familiarizing personnel with controlled drugs by title. In addition, the DEA has an advanced intelligence analyst course that provides insight into new trends and developments in the anti-drug enforcement arena. The Training Center plans to cover those topics in a course segment entitled, "Intelligence and Application of Technology."

LEA's shared an interest in jointly addressing counternarcotics training needs. Based on our discussions with the training coordinators at the U.S. Customs Service (USCS), the DEA, and the Coast Guard, there was a consensus that a joint DoD/LEA counternarcotics training venture would be beneficial. USCS has already provided its intelligence counternarcotics training requirements to the Defense Intelligence Agency (DIA) and has stressed that USCS can use training the DIA can develop in special counternarcotics interdiction applications. The Guard should also coordinate with the DIA in developing counternarcotics interdiction applications.

RECOMMENDATIONS FOR CORRECTIVE ACTION

We recommend that the Chief, National Guard Bureau:

1. Cancel plans for continuation of the National Guard Nationwide Drug Interdiction Training Center (subsequently renamed the National Interagency Counternarcotics Institute).

2. Develop counternarcotics training requirements based on operational needs that are commensurate with each National Guard Component's unique geographic priorities, and identify related courses within the DoD and the law enforcement agencies that can be used to support the counternarcotics mission.

3. Establish procedures to provide for National Guard instructors to participate in DoD or law enforcement agency counternarcotics training at existent training facilities or to conduct interagency training using mobile training teams.

MANAGEMENT COMMENTS

The National Guard Bureau did not agree that the requirement for the Training Center, which has subsequently been renamed the National Interagency Counternarcotics Institute (NICI), was inadequately justified. Therefore, the Guard nonconcurred with Recommendation B.1. to cancel plans for establishing the Training Center. The Guard also nonconcurred with the associated monetary benefits of $23 million. In support of the NICI, the Guard indicated that the rapid growth and scope of the military counter-drug program exceeds the scope of normal Guard training and has demonstrated the need for extensive interagency coordination at the local, state, and Federal level. The Guard also stated that interaction with three sectors of Government requires knowledge in dealing with the legal complexities of Posse Comitatus, joint operations by Title 10 and Title 32 soldiers, and oversight of intelligence-gathering activities; all of which pose new interoperability requirements on Guard operational activities. Since drug law enforcement interoperability is multifaceted and involves agencies with which the Guard normally does not deal, the NICI targets middle and upper level managers, who need training in planning and conducting interagency counter-drug operations utilizing Guard military resources.

The Guard concurred in Recommendation B.2. and stated that it is working on developing training tailored to the particular needs of Components in different regions of the country. It indicated, however, that it has examined the other agencies' courses and has not found any common applicability to NICI's training, which emphasizes the Guard's unique identity and capabilities in support of counter-drug operations.

The Guard nonconcurred with Recommendation B.3. in the draft report to establish procedures for Guard personnel to participate in DoD or LEA counternarcotics training courses. It also nonconcurred with a subsequent portion of the recommendation relating to sending Guard personnel to existing training facilities as well as having courses conducted by qualified instructors at Component activities. The Guard stated that the "NICI's training objective is to teach the management of diverse agencies as task forces functioning together with Guard support in the unified goal of a successful counternarcotics mission." The Guard stated that although some segments of the other agencies' training programs may have some relevance, the courses would be a waste of Guard training funds and of training spaces that could be better used by law enforcement personnel. In addition, courses cannot be taught easily and effectively at Component activities or by a mobile training team because of a lack of sufficiently qualified instructors.

The DoD Drug Coordinator nonconcurred with Finding B and related recommendations stating that they were premature because the Training Center was neither tested nor approved during the time of audit. Further, in FY 1991, Congress authorized and specifically recommended that the California National Guard conduct the training.

AUDIT RESPONSE TO MANAGEMENT COMMENTS

The training proposal we addressed in our audit finding concerned the Guard's plan to establish a facility to provide counternarcotics training courses to Guard and LEA personnel. Our major concern was that the Guard proposal for a Training Center would be approved before a determination of the Guard Components' and LEA's training needs and the unique geographic priorities of certain Guard Components and the applicability of existing counternarcotics training courses to interoperability issues.

The Guard's response to the draft report discusses the need for a facility to train civilian agency managers and military officers how to integrate their efforts in counternarcotics operations. The Guard's comments repeatedly referenced the counternarcotics manager's course. The Guard's response correctly stated that "the auditors do not, in this report, dispute the need for such training, only the original $23.4 estimate for such training, under the purview of the National Guard."

We do not dispute that interagency training is necessary. However, we are concerned about the cost of the vehicle chosen to provide such training, and we have reservations concerning whether the training that has been developed takes into consideration the needs of the target audience. The Guard stated that its original estimate of $23.4 million for the Training Center was incorrect. Based on the input received from the Guard addressing costs for FY 1992, we estimated that the cost of the Training Center from FY 1992 through FY 1997 will be approximately $16.8 million. A portion of the reduction in cost is due to a decrease in staff, from 55 to 35. Even with this significant reduction in staff, approximately 83 percent of the billets are for support and noninstructor personnel. In addition, more than $6.8 million in requirements for new construction was dropped. The one-third reduction in overall NICI cost is certainly a positive step. However, we maintain that the establishment of a dedicated training center and corresponding infrastructure to conduct interagency training has not been justified as the most cost-effective alternative. We have revised Recommendation B.1. to acknowledge that the NICI is conducting a training course.

We agree with the Guard that training areas addressing legal complexities, joint operations, and intelligence-gathering are bonafide programs of instruction. However, none of those training needs are specifically mentioned in the seven objectives included in the NICI Counternarcotics Planning Worksheet dated June 1, 1990. Furthermore, the Guard has not surveyed the LEA's and Guard Components to identify specific concerns relating to the generic areas of legal complexities, joint operations, and intelligence-gathering requirements. The refinement of these training requirements and an assessment of potential student interest, in terms of quantity, organizational alignment, and geographic location, are essential to properly develop course material for the maximum benefit of participants.

We continue to be concerned about the adequacy of the justification of need for the NICI. Based on our analysis of the evolution of the NICI, it appears that the Guard may have been remiss by not adequately recognizing the training forums already in existence within DoD and the law enforcement community and by not adequately addressing the possibility of incorporating the Guard's programs of instruction into existing training organizations. The Guard's response to the draft report indicates the perception that Recommendation B.3. was directed to Guard personnel as students in law enforcement agency courses; therefore, we modified Recommendation B.3. to clarify our intent. As course instructors definitize programs of instruction, the Guard should utilize the LEA and DoD training centers to integrate Guard training material into existing

training or to use mobile training teams to conduct the training. We believe that approximately $11.1 million in monetary benefits would result if mobile training teams were used in lieu of the Training Center (see Appendix C).

Regarding the Drug Coordinator's comments referencing Congressional intent, we see no conflict between the actions recommended in our revision to Recommendation B.3. and the interests of the Drug Coordinator and Congress in providing needed training to accomplish interoperability between the Guard and the LEA's.

C. Management Controls

FINDING

The National Guard (the Guard) did not comply with DoD Directive 5010.38 in implementing an internal management control program for the Drug Enforcement Support Program. The Guard did not identify its counternarcotics program as an assessable unit to measure inherent risk and adequacy of control procedures. As a result, National Guard Bureau and Component personnel responsible for the Drug Enforcement Support Program were generally unaware of its vulnerability to potential fraud, waste, and abuse.

DISCUSSION OF DETAILS

Background. Federal agencies have been required to establish and maintain adequate systems of internal control since the Budget and Accounting Procedures Act of 1950. The Act was amended by the Federal Managers' Financial Integrity Act of 1982 (U.S.C., title 31, sec. 3512) to require periodic evaluations and reports on the adequacy of the systems of internal controls for administrative and functional areas of responsibility. The Office of Management and Budget (OMB) issued Circular A-123, "Internal Control Systems," (revised August 4, 1986) to establish Government policy on internal control and to assign management the responsibility for establishing, maintaining, reviewing, and improving internal control systems in each agency. DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987, provides guidance for implementing the Federal Managers' Financial Integrity Act and OMB Circular A-123 and assigns responsibilities for internal management control within the DoD.

Essential Concepts. DoD Directive 5010.38 defines the essential concepts of the Internal Management Control Program. To implement the Internal Management Control Program, an activity is broken down into assessable units. An assessable unit is a program, function, system, or other entity that can be assessed for inherent risk and adequacy of control procedures. A risk assessment is a documented review by management of an assessable unit's susceptibility to fraud, waste, or mismanagement; loss or unauthorized use; errors in reports and information; illegal or unethical acts; or the perception that such situations may exist. From this review, the manager rates the vulnerability of an assessable unit as high, medium, or low. A management control review is a detailed examination of an assessable unit by the responsible manager to determine the adequacy of controls and to identify and correct deficiencies and weaknesses using methodology specified by OMB or DoD. An alternative management

control review uses the results of audits, computer security reviews, financial system reviews, inspections, investigations, internal review studies, and management or consulting reviews to determine overall compliance with the General Accounting Office internal control standards. In addition to the review, the manager must perform and document tests of controls present in the program. Within the Guard, the manager responsible for performing these reviews is the United States Property and Fiscal Officer of each state, territory, and the District of Columbia.

Internal Management Control Program. The National Guard Bureau had not identified the Drug Enforcement Support Program as an assessable unit under an internal management control program. As a result, internal management control programs were generally not implemented by Component personnel responsible for the Drug Enforcement Support Program. Of the five Components we visited, only the New York Guard identified its Drug Enforcement Support Program as an assessable unit and conducted risk assessments. Because the National Guard Bureau and the Components did not assess their Drug Enforcement Support Program for inherent risk, potential material control weaknesses could remain undetected and uncorrected resulting in the loss, waste, or abuse of assets.

RECOMMENDATIONS FOR CORRECTIVE ACTION

We recommend that the Chief, National Guard Bureau:

1. Implement an internal management control program for the Drug Enforcement Support Program that:

a. Identifies the Drug Enforcement Support Program as an assessable unit.

b. Requires the Director for Military Support, National Guard Bureau; and the Plans, Operations, and Military Support Officer of each state, territory, and the District of Columbia National Guard to perform risk assessments for the Drug Enforcement Support Program in compliance with DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987.

c. Requires the United States Property and Fiscal Officer of each state, territory, and the District of Columbia to perform an internal management control review of the Component's involvement in the Drug Enforcement Support Program in compliance with DoD Directive 5010.38.

2. Report the lack of an internal management control program for the Drug Enforcement Support Program as a material internal control weakness in the annual assurance statement in

accordance with DoD Directive 5010.38, and track the status of corrective actions until the identified weakness is resolved.

MANAGEMENT COMMENTS

The National Guard Bureau concurred with the finding and Recommendations C.1.a., C.1.b., and C.1.c. The Guard stated that internal control programs at the state level are being refined to ensure that management of the counternarcotics program is in accordance with applicable laws and regulations. Interim guidance has been provided to the states in a memorandum entitled, "Strengthening Internal Controls of the Army National Guard's Counter-Drug Program in CONUS." In addition, the state Internal Review offices have been encouraged to conduct internal reviews of the counternarcotics programs, concentrating on financial expenditures. An audit program will be provided to all states and territories by May 31, 1991.

The Guard nonconcurred with Recommendation C.2. to report the lack of an internal management control program for the Drug Enforcement Support Program as a material control weakness. The Guard stated that since sufficient safeguards have been or are being instituted, the recommendation is no longer valid.

The DoD Drug Coordinator concurred with Finding C and stated that his observations indicate that the National Guard Bureau has initiated actions that adequately cover all of the recommendations identified in Finding C.

AUDIT RESPONSE

The management actions taken to improve the internal management control program for the Guard's Drug Enforcement Support Program are responsive to Recommendations C.1.a., C.1.b. and C.1.c. However, we do not agree with the Guard's contention that the actions initiated to implement these recommendations alleviate the need to disclose the lack of an internal management control program for the Drug Enforcement Support Program as a material internal control weakness in the Guard's annual assurance statement.

Congress appropriated approximately $110 million for the Guard's FY 1990 Drug Enforcement Support Program. The lack of a framework for determining whether sufficient internal controls have been established over a program of this magnitude constitutes a weakness that satisfies the dollar threshold for materiality established in DoD Directive 5010.38. Although the Guard is in the process of establishing the requirements and procedural framework for implementing an internal management control program for its Drug Enforcement Support Program,

corrective action will not be achieved until the individual Guard Components have implemented the program, conducted risk assessments, and performed internal management reviews. Therefore, we contend that the weakness should be reported in the Guard's annual assurance statement until the identified weakness is either resolved or no longer meets the dollar threshold for materiality based on the extent of compliance demonstrated by the Guard Components.

COUNTERNARCOTICS FUNDS DISTRIBUTED TO THE NATIONAL GUARD COMPONENTS IN FY 1989 AND FY 1990*

Component	FY 1989	Component	FY 1990
Texas	$4,395,695	Texas	$10,797,700
California	3,894,822	California	9,306,400
Florida	3,719,421	New York	4,265,900
District of Columbia	2,467,215	Florida	4,219,000
New York	1,864,756	Kentucky	3,629,500
Puerto Rico	1,289,833	Arizona	1,973,900
Pennsylvania	1,218,965	Alabama	1,863,800
Louisiana	1,205,610	Louisiana	1,730,700
Arizona	1,084,685	North Carolina	1,635,000
Alabama	1,053,959	Georgia	1,619,700
Oregon	1,002,156	South Carolina	1,364,000
South Carolina	796,715	Oregon	1,307,700
Missouri	784,271	Pennsylvania	1,201,000
North Carolina	671,128	District of Columbia	1,082,100
New Jersey	642,936	Tennessee	995,000
Tennessee	621,353	Washington	992,000
Oklahoma	608,177	New Jersey	985,000
Virginia	577,988	Mississippi	960,900
Mississippi	532,537	New Mexico	950,700
Utah	507,071	Arkansas	936,800
Nevada	495,633	Puerto Rico	881,000
Georgia	485,212	Massachusetts	797,000
Ohio	416,979	Maryland	769,700
Arkansas	408,279	Nebraska	761,800
Kansas	403,563	Virginia	738,700
Minnesota	399,453	Hawaii	644,700
Kentucky	396,177	Maine	620,500
Montana	393,106	Alaska	576,100
Washington	370,086	Oklahoma	570,100
Idaho	360,684	Minnesota	520,200
New Mexico	347,178	Michigan	474,700
Alaska	317,799	Kansas	446,000
Indiana	299,093	Missouri	424,800
Wisconsin	298,629	Indiana	409,600
Hawaii	288,430	Wisconsin	393,400
Nebraska	249,966	Ohio	359,300
Iowa	247,489	Utah	342,300
Illinois	233,065	Iowa	303,400
Maryland	233,012	Montana	246,500
Massachusetts	220,091	Illinois	230,700
Rhode Island	206,612	Colorado	213,400
Maine	191,881	Guam	204,900
Colorado	187,631	Nevada	198,300
Michigan	170,767	Idaho	147,700
Virgin Islands	126,706	Rhode Island	140,400

COUNTERNARCOTICS FUNDS DISTRIBUTED TO THE NATIONAL GUARD COMPONENTS IN FY 1989 AND FY 1990* (Continued)

Component	FY 1989	Component	FY 1990
South Dakota	116,483	West Virginia	136,000
Delaware	110,227	South Dakota	111,900
West Virginia	109,068	North Dakota	111,500
Guam	93,320	Virgin Islands	109,900
Connecticut	78,657	New Hampshire	78,300
North Dakota	73,106	Connecticut	58,300
Wyoming	73,056	Delaware	58,000
Vermont	14,529	Vermont	57,200
New Hampshire	9,870	Wyoming	23,900
Total Funding	$37,365,080	Total Funding	$63,963,900

*Funding information is from the National Guard Bureau's approved Guard Component Counternarcotics Plans.

THE NATIONAL GUARD'S INITIAL PROJECTION OF FUNDING FOR THE NATIONAL GUARD NATIONWIDE DRUG INTERDICTION TRAINING CENTER [1]

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	Total
Pay and Allowance	$2,558,119	$2,558,119	$2,558,119	$2,558,119	$2,558,119	$12,790,595
Operation and Maintenance						
Communications	$ 43,000	$ 36,000	$ 36,000	36,000	36,000	187,000
GSA Leased Vehicles [2]	41,000	41,000	41,000	41,000	41,000	205,000
Contract Lodging	477,000	477,000	477,000			1,431,000
Contract Meals	90,000	90,000	90,000	90,000	90,000	450,000
Student Materials	36,000	36,000	36,000	36,000	36,000	180,000
Utilities	45,000	45,000	45,000	65,000	65,000	265,000
Service Contracts	15,000	15,000	15,000	15,000	15,000	75,000
Office Furniture	57,000			37,000		94,000
Office Equipment	33,000					33,000
Audio Visual Equipment	67,000		37,000			104,000
ADP Computers [3]	83,000		41,000			124,000
Building Renovation	370,000					370,000
Classroom, Dining, Quarters Furniture				230,000		230,000
Military Construction						
Design and Inspection	$1,370,000					1,370,000
Construction		$5,444,000				5,444,000
Totals	$5,285,119	$8,820,119	$3,298,119	$3,108,119	$2,841,119	$23,352,595

1/ The figures for this chart were extracted from the California National Guard Proposal for a National Guard Drug Interdiction Training Center (Draft)

2/ GSA - General Services Administration

3/ ADP - Automatic Data Processing

COMPUTATION OF MONETARY BENEFITS RELATED TO USING MOBILE TRAINING TEAMS IN LIEU OF THE NATIONAL INTERAGENCY COUNTERNARCOTICS INSTITUTE[1/]

(Millions)

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	TOTAL
Recurring Costs							
Military Pay	1.673	1.673	1.673	1.673	1.673	1.673	10.038
Travel	.459	.459	.459	.459	.459	.459	2.754
Other	.668	.568	.568	.568	.568	.568	3.508
Non-recurring Costs	.500						.500
Total[2/]	3.300	2.700	2.700	2.700	2.700	2.700	16.800
Allowance for Mobile Training Team (Instructors) and Research and Evaluation Division							
Military Pay	.706	.706	.706	.706	.706	.706	4.236
Travel[3/]	.239	.239	.239	.239	.239	.239	1.434
Total[4/]	.945	.945	.945	.945	.945	.945	5.670
Total Savings	$2.355	$1.755	$1.755	$1.755	$1.755	$1.755	$11.130[5/]

1/ Data for the computation were extracted from the California National Guard Counternarcotics Planning Worksheet, dated June 1, 1990.

2/ Total annual operating costs estimated for the National Interagency Counternarcotics Institute (NICI).

3/ Travel costs of the mobile training team will be more than offset by reductions of costs for students to travel to NICI. Also, support costs should be absorbed by existing infrastructure within the National Guard and law enforcement agencies.

4/ Estimated alternative costs for recommended training options.

5/ Resultant savings if the NICI is canceled.

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

NGB-IR-C (36-5d) 10 April 1991

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT)

SUBJECT: Draft DoD IG Audit Report on National Guard Support to U.S. Drug Interdiction Efforts (Project No. 9RC-0052.3)

1. This is the National Guard command reply to the draft audit report.

2. The NGB responses to specific findings and recommendations follow.

Finding A: Management of National Guard Support to Counternarcotics Programs: CONCUR.

The National Guard Bureau wishes to call attention to the fact that, while we concur with Finding A, the audit was begun in the fall of 1989, languished for several months, and was restarted in the summer of 1990 with significantly changed scope and objectives, of which we were not informed in writing. As late as 13 July 1990 the auditors were still attempting to audit Maryland and Virginia National Guard activities. We note this fact to highlight the long period of time covered by this audit, not all of which was in an active status. During this time the National Guard took steps to make improvements in administration of this program. The audit began while this was a fledgling program, and seemingly ended without reexamining the steps taken by NGB independently or in response to this and other audit observations. This does not in and of itself invalidate the findings and recommendations, but does lessen our confidence in their basis in present verifiable facts. The NGB position on specific recommendations under Finding A follow.

a. Recommendation: Maintain historical records. CONCUR. The Directorate for Military Support (NGB-MS) accumulates and maintains records of NG support to drug interdiction programs.

b. Recommendation: Develop feedback mechanisms with law enforcement agencies. CONCUR. The National Guard has, from the inception of this program, utilized several reports (e.g. the Initial Operations, Daily Operational Situation [SITREP], Operation Termination, National Guard Assisted Seizure, After Action and Monthly Operational/Financial reports) as part of the feedback methodology for evaluating and improving counter-drug support. Additionally, NGB-MS began to use Law Enforcement Agency (LEA) feedback questionnaires in June 1990. Now NGB-MS

also uses an In-Process report to cover those long-term operations through the year which may not otherwise be reported on the other reports as an on-going effort. Thus NGB-MS has sufficient reporting mechanisms in place to provide adequate feedback for evaluating and improving counter-narcotics support.

c. Recommendation: Develop criteria to measure the effectiveness of support provided to the law enforcement agencies. CONCUR. The several reports now required by the new NGR 500-1/ANGR 55-04 provide the mechanisms which quantify the effectiveness of the Counter-Drug Program.

d. Recommendation: Annually assess the geographic priority categories based on measures of effectiveness. CONCUR. This is now part of the annual planning process.

e. Recommendation: Annually prepare and submit a Counternarcotics Program Objectives Memorandum to the DoD Coordinator for Drug Enforcement Policy and Support. CONCUR. The Bureau has taken steps to do so.

Finding B: National Guard Nationwide Drug Interdiction Training Center: NONCONCUR.

The DoD IG reports that the California National Guard did not justify the requirement for the National Interagency Counternarcotics Institute (NICI), did not identify training needs, nor assess DoD or LEA counternarcotics training already in existence, which could mean the CANG might spend $23 million unnecessarily.

The National Guard does not agree that the need for the NICI has not been justified. The rapid growth and scope of the military counter-drug program exceeds the scope of normal National Guard training, and the "War on Drugs" has demonstrated the need for extensive interagency coordination at the local, state and Federal level. Agencies in all three sectors of government have functions and operations in which they interact, and must deal with the legal complexities of Posse Comitatus restrictions, joint operations by Title 10 and Title 32 soldiers, and oversight of intelligence-gathering activities. Such operations require Guard operational activities significantly different from the normal "interoperability" achieved in military training exercises.

a. Interoperability with civil authorities is not necessarily an integral part of routine Guard operations, in fact, it is more the exception. The coordination techniques employed in Guard and LEA riot control and disaster relief are significantly different from counter-drug operations.

Furthermore, most states have not had any riots, while those which have, experienced very few in the last decade. Also, many states may not suffer a major disaster requiring large-scale Guard call-ups for years and even decades. Therefore, in any one locale such Guard participation may be unlikely, if ever, to have occurred. Even if such events were common, there are enormous differences between coordinating with LEAs in a riot or disaster, and when supporting a counter-drug operation.

b. Drug law enforcement interoperability is multifaceted and involves agencies with which the National Guard normally does not deal, and which have different concerns, methods of operation and procedures. These agencies (e.g. the DEA, USCS and Border Patrol) rarely would participate in riots or state disasters. Thus, there is little likelihood that the Guard will have developed interoperability with these agencies in any way beforehand.

c. While the report is correct in noting that the proposed NICI curriculum did not show correlation between the missions shown in counternarcotics plans and the training emphasis, the inference that the NICI program of instruction (POI) is superfluous is not correct, since it ignores the purpose of NICI training. The NICI target audience is the middle and upper level managers, who need training in planning and conducting interagency counter-drug operations utilizing Guard military resources. Thus the comment that the training fails to address cargo inspections (which can be taught using a 30 minute video) has no more relevance to the course objectives than would training Command and General Staff course majors and lieutenant colonels how to fill sandbags; both are necessary tasks which need to be done, but not by the battalion commander or the interagency task force manager.

d. When one understands the real need, which is to train civilian agency managers and military officers how to integrate their efforts in counter-drug operations, the basis for the existing POI becomes clearer. The mission of the National Guard is <u>support</u> of LEAs in counter-drug operations, not law enforcement. Thus the DEA, USCS and Coast Guard courses, which

are designed for instructing law enforcement personnel in law enforcement issues, are not appropriate. In no other venue does one find the meld of Federal, state and local authorities' training with that of the military officers who will be in support.

e. The report states, without any negating qualification, that the auditors found among the USCS, DEA and USCG training coordinators "...a consensus that a joint DoD/LEA counternarcotics training venture would be beneficial." Thus, the auditors do not, in this report, dispute the <u>need</u> for such training, only the original $23.4 million estimate for such training, under the purview of the National Guard. Our position is that the original estimate was incorrect and has been changed, and as to the second point, we ask what better agency is there to provide such training on the part of DoD than the National Guard, which has long been at the cutting edge of military support activities against drug activities?

f. The National Guard position on the specific recommendations of Finding B follow:

(1) Recommendation: Cancel plans for a National Guard Nationwide Drug Interdiction Training Center: NONCONCUR.

(2) Recommendation: Develop training requirements based on operational needs commensurate with unique geographic priorities and identify related courses within the DoD and law enforcement agencies that can be used to support the counternarcotics mission. CONCUR. The National Guard Bureau is working on developing training tailored to the particular needs of different regions of the country. The Bureau has also examined the other agencies' courses and has not found any common applicability to NICI's training emphasizing the Guard's unique identity and capabilities in support of counter-drug operations.

(3) Recommendation: Establish procedures to provide for National Guard personnel to participate in DoD or law enforcement agency counternarcotics training courses. NONCONCUR. The NICI training objective is to teach the management of diverse agencies as task forces functioning together with Guard support in the unified goal of a successful counter-narcotics mission. The goal is not to teach law enforcement. While some segments of the other agencies' POI may have relevance, to enroll Guard personnel in these courses would be a waste of Guard training funds and of training spaces better used by law enforcement personnel. Nor can this easily and effectively be taught at home station, even

were there sufficient qualified instructors available to do so. While some future regional training given by a mobile training team is a possibility, the present reality is that the few qualified instructors are required for ongoing classes at NICI.

Finding C: Management Controls: CONCUR.

Internal control programs at the state level are being refined to insure that management of the counter-drug program is in accordance with applicable laws and regulations. An appropriate checklist will be included in the forthcoming revision of Army/Air National Guard Regulation NGR 500-1/ANGR 55-04, with a target date of completion by mid-calendar year 1991. Interim guidance has been provided the states in an All States Memorandum, Subject: Strengthening Internal Controls of the Army National Guard's Counter-Drug Program in CONUS. The Bureau will develop, establish and operate an NGB Counter-Drug Inspection and Monitoring Program.

In addition, the Internal Review offices at the state level have been encouraged to conduct internal reviews of the counter-drug programs, concentrating on financial expenditures for both operations and pay and allowance categories. The NGB Office of Internal Review and Audit Compliance will provide an All States Memorandum with an Audit Program to all states and territories by 31 May 1991.

Specific NGB responses to recommendations under Finding C follow.

a. Recommendation: Implement an internal control program which identifies the Drug Enforcement Support Program as an assessable unit: CONCUR.

b. Recommendation: Implement an internal control program which requires risk assessments in compliance with DoD Directive 5010.38, 'Internal Management Control Program', April 14, 1987: CONCUR.

c. Recommendation: Implement an internal control program which requires the USP&FOs to perform an internal management control review in compliance with DoD Dir 5010.38: CONCUR.

d. Recommendation: Report the lack of an internal management control program for the Drug Enforcement Support Program as a material internal control weakness in the annual

assurance statement in accordance with DoD Dir 5010.38, and track the status of corrective actions until the identified weakness is resolved: NONCONCUR. The position of the National Guard Bureau is that sufficient safeguards have been or are being instituted so that this recommendation is no longer valid.

3. The National Guard Bureau does not concur with the projected monetary benefits of $23 million.

a. The amount of $23.4 million was a 1989 initial estimate of funding necessary for the five years from FY 1990 through FY 1994 for establishing and operating the facility, based on the assumption that the center would be a permanent facility. Thus it included construction costs for separate classrooms, offices, student housing and dining facilities.

b. Current funding, placed in the FY91 Congressional appropriations language, is for $3.2 million. California's proposal for FY92 is approximately $2.8 million, a reduction made possible because some of the FY91 costs were nonrecurring fixed costs, not necessary in subsequent years.

c. California continues to include NICI in its counter-drug operating budget, and to provide for long-range planning and funding the National Guard Bureau has requested that the Department of Defense provide a five year commitment for funding the Institute.

3. The NGB-IR point of contact for this issue is MAJ Gruenbaum, Audit Compliance and Liaison Officer, DSN 223-4126, Comm (202) 693-4126 (Mon, Wed & Fri), or DSN 584-3081/2943, Comm (301) 671-3081/2943 (Tues & Thurs).

FOR THE CHIEF, NATIONAL GUARD BUREAU:

Thomas L. Link

THOMAS L. LINK
Director, Joint Staff
National Guard Bureau

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DEPARTMENT OF DEFENSE
COORDINATOR FOR DRUG ENFORCEMENT
POLICY AND SUPPORT

WASHINGTON, DC 20301-1510

APR 29 1991

Mr. William F. Thomas
Director, Readiness and
Operational Support Directorate
Inspector General
Department of Defense
Arlington, VA 22202-2884

Dear Mr. Thomas:

I am responding to your memorandum dated January 31, 1991, concerning the Inspector General "Draft Audit Report on National Guard Support to U.S. Drug Interdiction Efforts (Project No. 9RC-0052.03)." The National Guard Bureau is responding with additional detailed comments by separate correspondence.

I concur with your findings identified in "A. Management of National Guard Support to Counternarcotics Programs," and in "C. Management Controls." The Office of the DoD Coordinator for Drug Enforcement Policy and Support constantly monitors the counternarcotics program for compliance with the intent of Congress and DoD policy. My observations indicate that the National Guard Bureau has initiated actions that adequately cover all the recommendations identified in Findings A and C.

I nonconcur with your finding and recommendations identified in "B. National Guard Nationwide Drug Interdiction Training Center." Because the National Guard's concept was neither tested nor approved during the time of your audit, your finding and recommendations were premature. On March 15, 1990, I approved a request from the California National Guard to assemble a staff to complete a detailed proposal to establish an Interagency Counternarcotics Training Center and to conduct a pilot course in September 1990. Subsequently, a very successful pilot course was conducted. Representatives of the agencies attending the course unanimously acknowledged the need for such a training program. Recognizing the need for an upper- and mid-level manager training course that would enhance the interoperability of military with federal, state, and local law enforcement counternarcotics operations, I approved a 16-class program for FY 1991. In the FY 1991 authorization process, Congress also recognized the need for a National Guard Training Program and specifically recommended that

it be conducted by the California National Guard. To date, 243 attendees have completed the Counternarcotics Managers' Course. It is evident by the comments of those attending the course that the institute is achieving its initial objectives. I will conduct a mid-year review of the institute later this month to consider continuation of the course beyond FY 1991.

Performance of the National Guard in the counterdrug program during FY 1990 was noteworthy. Collectively, they executed almost 533,000 operational mandays and performed over 5,100 separate missions in support of law enforcement agency counterdrug operations. The combined Army National Guard and Air National Guard budget process achieved a 98% obligation rate. I applaud their support of the program and look forward to greater accomplishments in the future as we advance towards our mutual goal of a "Drug Free America." I appreciate the opportunity to comment on the draft audit report.

Sincerely,

Stephen M. Duncan

Stephen M. Duncan

SUMMARY OF POTENTIAL MONETARY AND OTHER BENEFITS RESULTING FROM AUDIT

Recommendation Reference	Description of Benefits	Amount and/or Type of Benefit
A.1.a.	Program Results. Requires National Guard (the Guard) Components to maintain logs of all requests for counter-narcotics support received from the law enforcement agencies (LEA's). Aids in future planning.	Nonmonetary
A.1.b.	Program Results. Requires National Guard Components to develop feedback mechanisms with the LEA's to aid in determining how effectively the Guard satisfied the LEA requests.	Nonmonetary
A.1.c.	Program Results. Requires Guard Components to develop criteria to measure the effectiveness of support provided to the LEA's to aid in determining how effective the Guard support was to the LEA's.	Nonmonetary
A.2.	Program Results. Will assess the geographic priority categories of Guard Components based on measures of effectiveness of support provided to the LEA's.	Nonmonetary

SUMMARY OF POTENTIAL MONETARY AND OTHER BENEFITS RESULTING FROM AUDIT (Continued)

Recommendation Reference	Description of Benefits	Amount and/or Type of Benefit
A.3.	Program Results. Includes Guard Counter-narcotics activities in the DoD Planning, Programming, and Budgeting System for the DoD Coordinator for Drug Enforcement Policy and Support.	Nonmonetary
B.1.	Economy and Efficiency. Cancels plans for a National Guard Nationwide Drug Interdiction Training Center.	Funds put to better use. ($11.13 million of expenditures for the California National Guard for FY 1992 through 1997). See Appendix C.
B.2.	Program Results. National Guard Bureau action to contact coordinators within each law enforcement agency and the Defense Intelligence Agency to identify courses that could be used or developed as a joint training program for the drug support mission. Should aid in developing more effective counter-narcotics training.	Nonmonetary
B.3.a through B.3.c.	Program Results. National Guard Bureau action to survey the National Guard and the law enforcement community to identify and quantify counternarcotics	Nonmonetary

SUMMARY OF POTENTIAL MONETARY AND OTHER BENEFITS RESULTING FROM AUDIT (Continued)

Recommendation Reference	Description of Benefits	Amount and/or Type of Benefit
	training needs. Based on the results of the training surveyed, make provisions for a mobile training team. Establish procedures to provide for National Guard personnel to participate in DoD or LEA counternarcotics training courses.	
C.1.a. through C.1.c.	Internal Control. Identifies the Drug Enforcement Program as an assessable unit; requires risk assessments for the Drug Enforcement Support Program to be performed; and requires an internal management control review of the Guard's Drug Enforcement Support Program.	Nonmonetary
C.2.	Internal Control. Reports the weakness in the annual assurance statement, and tracks corrective actions to ensure material weakness is corrected.	Nonmonetary

ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Assistant Secretary of Defense (Reserve Affairs), Washington, DC

National Guard Activities

National Guard Bureau, Washington, DC
California National Guard, Sacramento, CA
District of Columbia National Guard, Washington, DC
Texas National Guard, Austin, TX
Kentucky National Guard, Lexington, KY
New York National Guard, Albany, NY
Florida National Guard, St. Augustine, FL

Non-DoD Activities

Drug Enforcement Administration, Washington, DC
Drug Enforcement Administration, Albany, NY
United States Coast Guard, Washington, DC
United States Customs Service, Washington, DC
United States Customs Service, Sacramento, CA
United States Customs Service, Austin, TX
United States Customs Service, Albany, NY
United States Customs Service, Jacksonville, FL

State Activities

Texas Department of Public Safety, Austin, TX
Texas General Counsel to the Governor, Austin, TX
Operation Alliance, Austin, TX
Florida Department of Law Enforcement, Jacksonville, FL
Kentucky State Police Department, Lexington, KY
Kentucky Governor's Drug Task Force, Lexington, KY

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National Guard

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    El Paso Intelligence Center
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  Commissioner, U.S. Customs Service
  Director, Operation Alliance
Office of National Drug Control Policy
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  NSIAD Technical Information Center
Office of Management and Budget

Congressional Committees

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Select Committee on Intelligence
Senate Committee on Armed Services
Senate Subcommittee on Manpower and Personnel, Committee on Armed Services
Senate Subcommittee on Preparedness, Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
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House Subcommittee on Military Personnel and Compensation, Committee on Armed Services
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House Subcommittee on Oversight and Evaluation, Permanent, Select Committee on Intelligence
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