

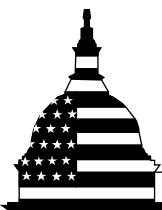
GAO

Report to the Subcommittee on the
Western Hemisphere, Committee on
Foreign Affairs, House of
Representatives

July 2012

COUNTERNARCOTICS ASSISTANCE

U.S. Agencies Have
Allotted Billions in
Andean Countries, but
DOD Should Improve
Its Reporting of
Results



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Accountability * Integrity * Reliability

Highlights of [GAO-12-824](#), a report to the Subcommittee on the Western Hemisphere, Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

Hundreds of metric tons of cocaine flow annually from South America to the United States, threatening the security and well-being of U.S. citizens. South American cocaine production and trafficking is centered in the five countries in the Andean region. State, USAID, DOD, and DEA provide counternarcotics assistance to stem production and trafficking of narcotics in these countries. ONDCP oversees and coordinates this assistance.

In this report, GAO (1) describes the U.S. strategic approaches to counternarcotics assistance in the Andean countries; (2) identifies amounts allotted for such assistance by State, USAID, DOD, and DEA in fiscal years 2006 through 2011; and (3) reviews the agencies' reporting on their performance. GAO reviewed agency and U.S. strategy documents, analyzed available agency data, and interviewed agency officials.

What GAO Recommends

The Secretary of Defense should ensure that DOD submits performance summary reports to ONDCP including the Inspector General's attestation that the reported information is reliable to facilitate good management and oversight. DOD concurred with this recommendation.

View [GAO-12-824](#). For more information, contact Charles Michael Johnson Jr. at (202) 512-7331 or johnsoncm@gao.gov.

COUNTERNARCOTICS ASSISTANCE

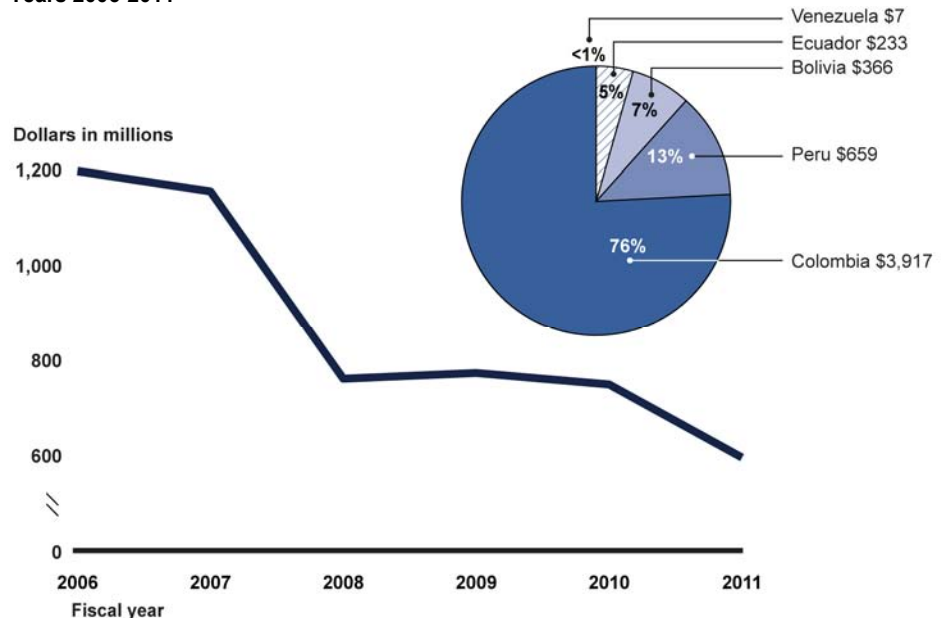
U.S. Agencies Have Allotted Billions in Andean Countries, but DOD Should Improve Its Reporting of Results

What GAO Found

No single U.S. counternarcotics strategy exists for the Andean region. In each country—Bolivia, Colombia, Ecuador, Peru, and Venezuela—the U.S. embassy's mission strategic resource plan, developed in consultation with the country's government, guides counternarcotics assistance provided by U.S. agencies. Department of State (State) officials told GAO that these plans incorporate high-level guidance from the Office of National Drug Control Policy's (ONDCP) annual National Drug Control Strategy.

In fiscal years 2006 through 2011, estimated allotments for counternarcotics assistance to the Andean countries by U.S. agencies—State, the U.S. Agency for International Development (USAID), the Department of Defense (DOD), and the Drug Enforcement Administration (DEA)—totaled about \$5.2 billion. Total allotments declined for each country during this time period.

Total Estimated U.S. Allotments for Counternarcotics Support in Andean Countries, Fiscal Years 2006-2011



Source: GAO analysis of State, USAID, DOD, and DEA data.

Note: Allotments do not sum to total because of rounding.

State, USAID, and DEA reported meeting or exceeding most annual targets for key measures of their counternarcotics activities in the Andean countries since 2007. For instance, State reported assisting in the eradication of illicit crops, USAID reported promoting alternative development, and DEA reported disrupting drug trafficking organizations. In addition, State, USAID, and DEA complied with an ONDCP requirement that each agency's Inspector General (IG) attest to the reliability of annual performance summary reports before submitting the reports to ONDCP. DOD reported tracking several performance measures, but DOD's IG was unable to attest to the reliability of DOD's reporting to ONDCP. As a result, ONDCP lacks assurance of the accuracy of information it receives from DOD and in turn reports to Congress.

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Abbreviations

ACI	Andean Counterdrug Initiative
ACP	Andean Counterdrug Program
CARSI	Central American Security Regional Initiative
CBP	Customs and Border Protection
CBSI	Caribbean Basin Security Initiative
CNP	Colombian National Police
CSDI	Colombian Strategic Development Initiative
CTA	Central Transfer Account for Counternarcotics
DA	Development Assistance
DASD-CN>	Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOD	Department of Defense
DOJ	Department of Justice
ESF	Economic Support Fund
FACTS	Foreign Assistance Coordination and Tracking System
FARC	Revolutionary Armed Forces of Colombia
FBI	Federal Bureau of Investigation
FMF	Foreign Military Financing
ICE	Immigration and Customs Enforcement
ICITAP	International Criminal Investigative Training Assistance Program
IG	inspector general
IMET	International Military Education and Training
INCLE	International Narcotics Control and Law Enforcement
MSRP	mission strategic resource plan
NADR	Nonproliferation, Anti-terrorism, Demining and Related Programs
ONDCP	Office of National Drug Control Policy
PTO	priority target organization
SIU	Sensitive Investigative Unit
State/INL	State Department Bureau of International Narcotics and Law Enforcement Affairs
USAID	U.S. Agency for International Development
USCG	U.S. Coast Guard

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Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

July 10, 2012

The Honorable Connie Mack, IV
Chairman
The Honorable Eliot L. Engel
Ranking Member
Subcommittee on the Western Hemisphere
Committee on Foreign Affairs
House of Representatives

The United States provides assistance to several countries in the Andean region of South America—Bolivia, Colombia, Ecuador, Peru, and Venezuela—to help curb the supply of illicit drugs, primarily cocaine, entering the United States. According to U.S. government estimates, most of the cocaine entering the United States is produced in Colombia, while Peru and Bolivia are also significant producers of coca, the plant used in cocaine production. Ecuador and Venezuela serve mainly as transit routes for criminal drug trafficking organizations transporting drugs into the United States and other parts of the world from neighboring countries.

Several U.S. agencies—the Department of State (State), the U.S. Agency for International Development (USAID), the Department of Defense (DOD), and the Drug Enforcement Administration (DEA)—are primarily involved in planning and executing counternarcotics assistance in the Andean countries, in collaboration with authorities in each country.¹ The agencies' assistance supports, among other things, the disruption of cocaine processing and trafficking and coca cultivation and the promotion of alternative livelihoods for coca farmers. The Office of National Drug Control Policy (ONDCP) coordinates and oversees these efforts to reduce the availability or use of drugs in the United States and abroad and reports on these efforts to Congress.²

¹In this report, "counternarcotics assistance" refers to funds provided in support of interdiction, eradication, alternative development, and counternarcotics-related military and law enforcement training and equipment. See appendix I and appendix V for more information on funding sources included.

²See Pub. L. 105-277, Div. C, Title VII, §704(b)(3), (14), 21 USC 1703(b)(3), (14).

In response to your request concerning the impact of the production and trafficking of illicit drugs from the Andean region on the United States, we undertook a review of U.S. counternarcotics assistance in the region. This report

- (1) describes the U.S. strategic approaches to counternarcotics assistance in the five Andean countries;
- (2) identifies amounts allotted for this assistance by State, USAID, DOD, and DEA in fiscal years 2006 through 2011; and
- (3) reviews State, USAID, DOD, and DEA reporting on their performance of counternarcotics activities in the Andean countries.

To address these objectives, we reviewed U.S. strategy documents related to counternarcotics assistance and analyzed State, USAID, DOD, and DEA budget and financial data. We also reviewed available agency performance data and related documentation, including annual ONDCP reports. To help assess the reliability of the financial and performance data we received, we incorporated questions about the reliability of the agencies' data and information systems, conducted internal reliability checks, and followed up as necessary with agency staff. We determined that the data used in our report were sufficiently reliable for our purpose of presenting estimated allotments of funding for counternarcotics assistance. We also interviewed relevant officials from each agency to corroborate information provided in agency documentation and discuss each agency's management of counternarcotics assistance in the Andean region. (See app. I for a more detailed description of our scope and methodology.) We conducted this performance audit from April 2011 to July 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The five countries in the Andean region—Bolivia, Colombia, Ecuador, Peru, and Venezuela—represent primary sources of or transit routes for cocaine entering the United States.

- **Bolivia.** Bolivia is the world's third largest producer of cocaine as well as a transit zone for cocaine products from Peru, primarily to neighboring countries in South America and to Europe. Although cocaine production is illegal in Bolivia, coca farming is permitted in some parts of the country.
- **Colombia.** Colombia, within 3 hours flying time from Florida, produces 90 percent of the cocaine entering the United States and much of the heroin in the eastern United States. Several terrorist organizations in Colombia, which commit wide-scale violence and human rights abuses, engage in drug trafficking as a source of income.
- **Ecuador.** Ecuador is a major transit route for cocaine produced primarily in neighboring Colombia and Peru. Since it uses the U.S. dollar as its currency, Ecuador is also an attractive venue for money laundering by individuals and organizations engaged in criminal activities.
- **Peru.** Peru is the world's second largest producer of cocaine.³ Drug trafficking also generates a significant amount of money laundering in Peru.
- **Venezuela.** Venezuela is one of the major drug transit countries in the Western Hemisphere. Cocaine produced in Colombia is trafficked through Venezuela; transported to locations in the Caribbean, Mexico, or Central America; and then subsequently brought to the United States and other locations.

The map in figure 1 shows the locations of the five Andean countries.

³According to ONDCP, as of 2010, Peru was the world's largest producer of potentially pure cocaine.

Figure 1: Countries in the Andean Region



Source: Map Resources (map).

Several U.S. departments and agencies are involved in planning and executing counternarcotics assistance in the Andean countries.⁴

⁴State, USAID, DOD, and DEA provide funding for counternarcotics assistance in the Andean region. Other agencies and programs—such as the Department of Homeland Security’s Customs and Border Protection (CBP) and the Department of Justice’s International Criminal Investigative Training Assistance Program—manage counternarcotics-related training efforts in the region using funding transferred from State or DOD. In addition, the Federal Bureau of Investigation (FBI) collaborates with DEA in Colombia through an agreement known as Resolution 6, whereby FBI agents posted in DEA’s office in Colombia jointly conduct investigations of multijurisdictional and international drug-trafficking activities. Because the Resolution 6 program is primarily intended to pursue evidence for domestic U.S. court cases, rather than to provide counternarcotics assistance to Colombia, we have excluded this program from the scope of our review.

-
- **State.** State manages and funds eradication, interdiction, and law enforcement assistance, including programs implemented by a variety of other U.S. agencies. State also funds security assistance programs generally implemented by DOD, including Foreign Military Financing and International Military Education and Training programs, which are intended to strengthen the overall capacity of foreign forces to address security threats such as the narcotics trade. In addition to these activities, State provides limited funding to the Department of Homeland Security (DHS) to implement counternarcotics assistance in the Andean region. DHS components that implement this assistance include Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and the U.S. Coast Guard (USCG).⁵ State also provides funding for the Department of Justice's (DOJ) International Criminal Investigative Training and Assistance Program (ICITAP), which supports prosecution of members of paramilitary groups in Colombia.
 - **USAID.** USAID supports the U.S. counternarcotics effort through its rule-of-law and alternative development programs in several of the Andean countries.
 - **DOD.** DOD, primarily through its Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD-CN>), provides oversight and funds for counternarcotics activities in the Andean region.
 - **DEA.** DEA works, primarily through its Sensitive Investigative Unit (SIU) program, to dismantle and disrupt drug trafficking organizations that are active in the Andean region. DEA maintains SIU programs in three of the five Andean countries.

For more information about each agency's counternarcotics assistance in the Andean countries, see appendixes II and III.

⁵According to DHS officials, CBP implements counterdrug port security programs in Colombia, Peru and Ecuador. ICE provides financial investigation training in Bolivia, Colombia, Ecuador, and Peru to disrupt the ability of transnational narcotics trafficking organizations to operate effectively. USCG provides training to the Colombian Navy and collaborates with Colombia, Ecuador and Peru for maritime drug interdiction operations. DHS reported that its components also receive funding from DOD, the U.S. Treasury, and the Organization of American States for counternarcotics activities in the region.

ONDCP produces the National Drug Control Strategy, which outlines the administration's initiatives to reduce illicit drug use, manufacturing and trafficking, drug-related crime and violence, and drug-related health consequences. ONDCP is also responsible for evaluating, coordinating, and overseeing U.S. agencies' counternarcotics activities. In December 2006, Congress directed ONDCP to produce an annual report describing the national drug control performance measurement system and identifying the efforts of agencies carrying out activities under the National Drug Control Program. In May 2007, ONDCP issued guidance requiring these agencies to submit annual performance summary reports to the ONDCP Director.⁶ According to the guidance, these reports must describe, among other things, performance measures used by the agency to assess its counternarcotics activities; the prior year's performance targets and results; current fiscal year performance targets and methodology used to establish those targets; and procedures used to ensure that performance data are accurate, complete, and unbiased. Prior to submitting these reports to ONDCP, agencies must provide the reports to their Inspector General (IG) for attestation to the reliability of each assertion made in the report.

As part of its counternarcotics efforts in the Western Hemisphere, the United States has launched several regional initiatives outside the Andean region—the Mérida Initiative, the Caribbean Basin Security Initiative (CBSI), and the Central American Regional Security Initiative (CARSI)—to combat rising drug-related crime in Mexico, the Caribbean, and Central America. See appendix IV for additional information about these regional initiatives.

⁶ONDCP, *ONDCP Circular: Drug Control Accounting* (Washington, D.C.: May 1, 2007). Section 7 of the circular contains the requirements of a performance summary report.

Mission Plans Describe Strategic Approaches for U.S. Counternarcotics Assistance to Andean Countries

Although no single comprehensive U.S. counternarcotics strategy exists for the Andean region, mission strategic resource plans (MSRPs) for each of the countries in the region delineate the strategic approaches guiding U.S. counternarcotics assistance. According to State officials, the MSRPs incorporate high-level guidance from ONDCP's annual National Drug Control Strategy, which also includes specific policy guidance for the Western Hemisphere. This strategy presents a broad framework for reducing illicit drug use and its harmful effects on the United States. Included in the strategy is a chapter on international partnerships focused on reducing the supply of illicit drugs in the United States via U.S. cooperative efforts, such as those with Colombia and Peru, the CBSI countries, and the CARSI countries, and initiatives to combat trafficking through transit countries such as Ecuador.

The MSRPs for the Andean countries, developed by interagency teams at U.S. embassies in consultation with host country governments, summarize conditions in each country, specify U.S. foreign assistance goals, and describe in general terms the assistance planned to further those goals.⁷ Following are highlights of the strategic approaches described in MSRPs developed for each of the Andean countries in fiscal years 2007 through 2011.

Bolivia

The MSRPs for Bolivia address counternarcotics assistance as one of the U.S. mission's highest priorities. The MSRPs generally focus on developing the government of Bolivia's capacity to interdict cocaine and precursor chemicals, supporting multilateral cooperation, assisting the government of Bolivia with demand reduction policies, and supporting alternative development programs. Similarly, as part of U.S. public diplomacy efforts to support understanding of U.S. policies, the MSRPs call for U.S. support of drug-awareness programs to communicate the damage done to Bolivian society caused by excess coca production, drug trafficking and consumption, and the benefits of alternative development.

The MSRPs reflect a difficult bilateral relationship between the United States and Bolivia, which has adversely affected counternarcotics operations in that country. Bilateral ties were greatly strained in 2008,

⁷The MSRPs typically contain several elements: a Chief of Mission statement, a summary of the last fiscal year's performance results, goal papers describing each of the mission's strategic goals, and summaries of State operations and foreign assistance provided.

when coca growers expelled USAID from the Chapare region in June, followed by the Bolivian president's declaring the U.S. Ambassador *persona non grata* in September and expelling DEA in November of that year.⁸ Although U.S. counternarcotics assistance in Bolivia has continued, State officials report that resources for interdiction have declined in the years since DEA's departure.

Colombia

The MSRPs for Colombia characterize counternarcotics efforts as the cornerstone of the U.S. bilateral relationship with that country. The U.S. counternarcotics strategy in Colombia has focused on aerial eradication, alternative development, interdiction, counterterrorism, and demobilization of combatants. The MSRPs report a successful partnership with Colombia over a number of years, with Colombian authorities increasingly assuming responsibility for funding and sustaining counternarcotics programs. The MSRPs also note that Colombia has emerged as a provider of counternarcotics assistance to other countries in the region.

Beginning in 2009, the MSRPs reflect the launch of the Colombian Strategic Development Initiative (CSDI). CSDI supports the government of Colombia's National Territorial Consolidation Plan that aims to expand state presence in four priority geographic zones previously dominated by illegal armed groups. Many municipalities in the target areas suffer from weak local institutions, lack of civilian authority, limited police capabilities, and an ineffective or absent justice system, which undermine the rule of law and perpetuate a vicious cycle of drug trafficking and violence. CSDI supports the government of Colombia's efforts by providing economic opportunities once security and basic public services are established. Through CSDI, the U.S. strategy intends to support the transfer of security responsibilities from the Colombian military to the police. The U.S. strategy also seeks to sharply curtail illicit crop cultivation and cocaine production in priority conflict zones, thereby removing a vital source of funding for illegal armed groups.

⁸Since the Ambassador's expulsion from Bolivia, the embassy has been overseen by a Charge-d'Affaires.

Ecuador

The MSRPs for Ecuador describe a strategic approach that, owing to Ecuador's role as a transit country for illicit drugs, has focused on improving security along the northern border with Colombia and other key transport choke points. The MSRPs generally reflect U.S. support in the form of technical and advisory assistance, as well as equipment and training for the Ecuadorian military and police forces to improve detection and interdiction of drug trafficking. The MSRPs also note efforts to provide licit employment opportunities for populations in regions vulnerable to penetration by drug traffickers, as well as advocacy of tougher penalties for money laundering. Until 2009, a key element of the U.S. counternarcotics strategy for Ecuador and the Andean Region was the Forward Operating Location at the Ecuadorian Air Force base at Manta.⁹ This facility allowed detection, monitoring, and tracking of drug trafficking activities in the Eastern Pacific Ocean. According to agency officials, since 2009 U.S. monitoring of drug trafficking has been moved to other locations in the region. For example, detection and monitoring are now primarily focused on areas of arrival in Central America rather than areas of departure in South America.

Peru

The MSRPs for Peru note a number of factors affecting the strategy for counternarcotics assistance. Foremost among these factors is the cross-border nature of drug trafficking throughout the Andean region, where successes in Colombia, for example, increase pressures on Peru. In addition, these documents highlight the lack of a Peruvian government presence in the principal areas of the country where coca production and trafficking takes place, which has allowed narcotics traffickers to move in to fill the vacuum.

Under the strategic goal of combating terrorism, the United States has supported the government of Peru's efforts against domestic terrorists, who fund their operations and recruitment through drug production and trafficking. U.S. assistance also has targeted efforts to bring greater government control to border areas where Colombian terrorist organizations have obtained a foothold. The most recent MSRPs identify Mexican and Colombian drug cartels among the entities that benefit from drug trafficking in Peru. Funding support for the Peruvian government's drug strategy is designated a priority. The Peruvian strategy focuses on

⁹In July 2009, the lease for U.S. use of the Manta air base expired and was not renewed.

preventing and reducing consumption, disrupting production and trafficking, and promoting alternative development, including helping farmers grow licit, rather than illicit, crops. According to the MSRPs, the eradication program combined with sustained alternative development supported by USAID over the last several years has reduced coca cultivation to nearly insignificant levels in San Martin department, once one of the key coca growing areas of the world, and replaced it with licit, high-value crops such as cacao, coffee, and oil palm. The U.S. strategy seeks to replicate that model in other areas of Peru and to encourage Peruvian authorities to assume greater responsibility for sustaining counternarcotics programs. The MSRPs also reflect concerns over the role that efforts to combat drug trafficking play in stemming other illicit activities, such as money laundering, illegal logging, and trafficking in wildlife.

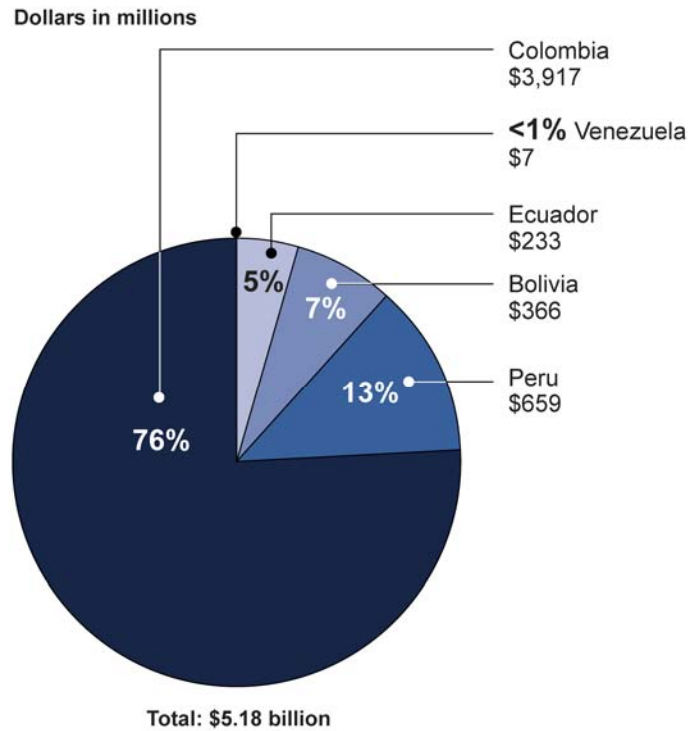
Venezuela

The MSRPs for Venezuela reflect continuing concern over increased trafficking of cocaine from neighboring Colombia, which apparently has led to rising cocaine consumption in Venezuela. The MSRPs note that the U.S. counternarcotics strategy for that country is constrained by the Venezuelan government's antagonism toward the United States. The U.S. strategy has therefore aimed primarily at reducing demand for cocaine, primarily through cooperation with local and regional law enforcement.

U.S. Agencies Allotted Billions to Andean Countries for Counternarcotics Assistance in Fiscal Years 2006-2011

State, USAID, DOD, and DEA allotted a combined estimated total of nearly \$5.2 billion in counternarcotics assistance to Andean countries in fiscal years 2006-2011. Of this amount, about \$366 million (7 percent) was allotted for Bolivia; \$3.92 billion (76 percent) for Colombia; \$233 million (5 percent) for Ecuador; \$659 million (13 percent) for Peru; and \$7 million (less than 1 percent) for Venezuela (see fig. 2).

Figure 2: Total Estimated Allotments for U.S. Counternarcotics Assistance in Andean Countries, Fiscal Years 2006-2011

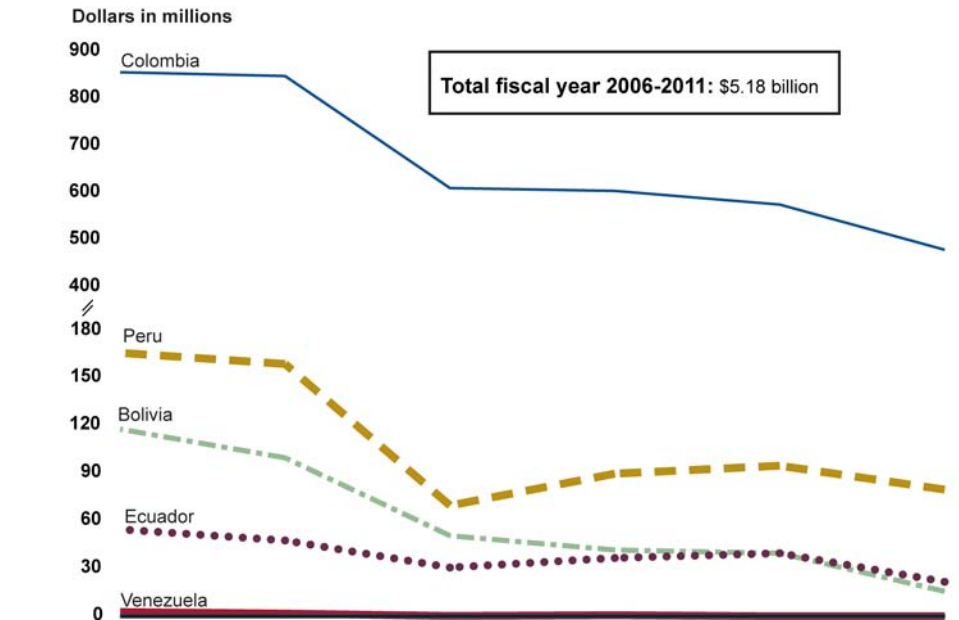


Sources: GAO analysis of State, USAID, DOD, and DEA data.

Note: Percentages do not sum to 100 because of rounding. Amounts have been rounded to the nearest million. The primary funding sources used for counternarcotics support in Andean countries include the following foreign assistance accounts: Andean Counterdrug Program (ACP); Development Assistance (DA); Economic Support Fund (ESF); Foreign Military Financing (FMF); International Military Education and Training (IMET); International Narcotics Control and Law Enforcement (INCLE); and Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR). According to State, the FMF, IMET, and NADR accounts contribute to counternarcotics efforts, but are also used for broader activities. In addition, DOD receives an annual appropriation for counternarcotics activities and uses some of these funds to support operations in the Andean region, and; DOD also provided an allotment from the Section 1207 Assistance program. DEA supports its Sensitive Investigative Unit program from its annual appropriation. See appendix V for details on sources of funding included in our analysis.

Total estimated allotments for counternarcotics assistance programs in the Andean countries declined overall by about 51 percent from fiscal year 2006 to fiscal year 2011. Allotments for Bolivia declined by about \$103 million (87 percent); for Colombia, by \$377 million (45 percent); for Ecuador, by \$32 million (59 percent); for Peru, by \$87 million (52 percent); and for Venezuela, by \$2 million (88 percent). In fiscal year 2008, allotments for counternarcotics assistance programs declined in all Andean countries. (See fig. 3.)

Figure 3: Total Estimated Allotments for U.S. Counternarcotics Assistance in Andean Countries, Fiscal Years 2006-2011



	2006	2007	2008	2009	2010	2011	2006-2011 total
Colombia	847	839	601	595	566	470	3,917
Peru	166	159	70	90	95	80	659
Bolivia	118	100	51	42	40	16	366
Ecuador	55	48	31	37	40	22	233
Venezuela	3	2	.54	1	0.33	0.33	7
Total	1,189	1,147	753	765	741	588	5,182

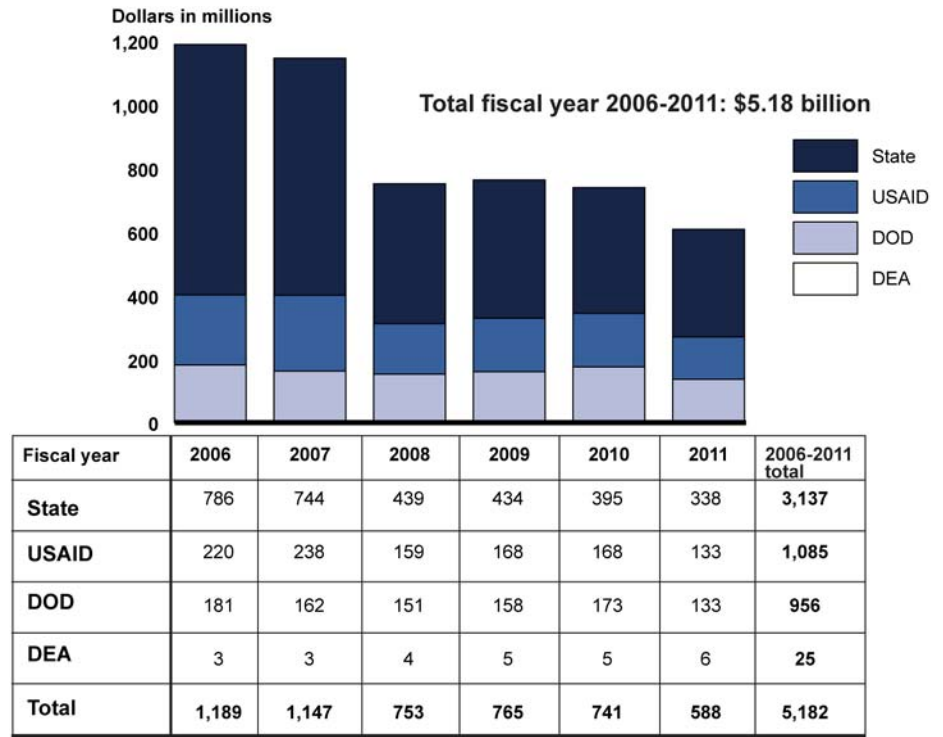
Sources: GAO analysis of State, USAID, DOD, and DEA data.

Note: Amounts have been rounded to the nearest million and thus may not sum totals shown. Amounts of less than \$1 million were rounded to nearest 2 decimal places. The primary funding sources used for counternarcotics support in Andean countries include the following foreign assistance accounts: Andean Counterdrug Program (ACP); Development Assistance (DA); Economic Support Fund (ESF); Foreign Military Financing (FMF); International Military Education and Training (IMET); International Narcotics Control and Law Enforcement (INCLE); and Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR). According to State, the FMF, IMET, and NADR accounts contribute to counternarcotics efforts but are also used for broader activities. In addition, DOD receives an annual appropriation for counternarcotics activities and uses some of these funds to support operations in the Andean region; DOD also provided an allotment from the Section 1207 Assistance program. DEA supports its Sensitive Investigative Unit program from its annual appropriation. See appendix V for details on sources of funding included in our analysis.

Of the agencies' combined estimated assistance in fiscal years 2006 through 2011, State provided about \$3 billion (60 percent), USAID provided \$1 billion (21 percent), DOD provided \$956 million (19 percent), and DEA provided \$25 million (less than 1 percent). As figure 4 shows, each agency's allotments decreased during this time period. State's allotments for counternarcotics assistance declined the most, dropping by about 60 percent from fiscal year 2006 to fiscal year 2011. According to agency officials, this decline in funding for counternarcotics assistance could be attributed to factors such as the ongoing nationalization of U.S. counternarcotics programs and assets in Colombia as well as a general reduction in available resources across the federal government in recent fiscal years.¹⁰

¹⁰ "Nationalization" refers to the transfer of operations and funding responsibilities for U.S.-supported programs to the host country governments.

Figure 4: Total Estimated Allotments for U.S. Counternarcotics Assistance in Andean Countries, Fiscal Years 2006-2011



Source: GAO analysis of State, USAID, DOD, and DEA data.

Note: Amounts have been rounded to the nearest million and thus may not sum to totals shown. The primary funding sources used for counternarcotics support in Andean countries include the following foreign assistance accounts: Andean Counterdrug Program (ACP); Development Assistance (DA); Economic Support Fund (ESF); Foreign Military Financing (FMF); International Military Education and Training (IMET); International Narcotics Control and Law Enforcement (INCLE); and Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR). According to State, the FMF, IMET, and NADR accounts contribute to counternarcotics efforts, but are also used for broader activities. In addition, DOD receives an annual appropriation for counternarcotics activities and uses some of these funds to support operations in the Andean region; DOD also provided an allotment from the Section 1207 Assistance program. DEA supports its Sensitive Investigative Unit program from its annual appropriation. See appendix V for detail on sources of funding included in our analysis. DEA amounts are not visible due to the scale of the chart.

State, USAID, and DEA Reported Meeting or Exceeding Many Targets, but DOD's Reporting Has Been Unreliable

State, USAID, and DEA reported meeting or exceeding most of their annual targets related to key counternarcotics performance measures in the Andean countries, and each complied with the ONDCP requirement that each agency obtain its IG's attestation to the reliability of the agency's performance summary reports before submitting the reports to ONDCP.¹¹ DOD also reported tracking counternarcotics performance measures, but we could not confirm the reliability of its performance data. Moreover, DOD did not comply with ONDCP's requirement that the IG attest to the reliability of reported data.

State, USAID, and DEA Reported Meeting or Exceeding Targets for Key Measures

State, USAID, and DEA reported meeting or exceeding many performance targets related to key measures since 2007, when ONDCP called for these targets to be set.¹² Performance measures are important in helping managers assess progress toward goals and promoting accountability by communicating agency performance to Congress and the public. In addition, in compliance with ONDCP's 2007 requirement, each agency submitted IG attestations to the reliability of the data reported.

State Department

State reported meeting or exceeding more than half of its annual targets for two key measures of its counternarcotics activities: (1) hectares of illicit crops eradicated and (2) kilos of narcotics seized.¹³ State reported meeting or exceeding a total of 16 of 28 annual targets related to these measures. State reported assisting in the eradication of about 915,000 hectares of illicit crops in Bolivia, Colombia, and Peru in fiscal years 2006 through 2010, meeting or exceeding its annual targets in those countries about half the time in the 4 years for which data are available.¹⁴ State also reported assisting in the seizure of approximately 2,300,000 kilos of

¹¹ONDCP, *ONDCP Circular: Drug Control Accounting* (Washington, D.C.: 2007).

¹²In fiscal year 2007, State's Bureau of Foreign Affairs began reporting State's and USAID's performance targets, and DEA began reporting its performance targets. Prior to this year, the agencies reported results but not targets.

¹³Although State has several counternarcotics performance measures, the two key measures that State reports to the ONDCP for the Andean countries are hectares of coca eradicated and kilos of narcotics seized.

¹⁴State reported assisting the Bolivian government in eradicating 32,462 hectares of illicit crops in 2006 through 2010. State's results for fiscal year 2011 have not yet been finalized.

narcotics in Bolivia, Colombia, Ecuador, and Peru in fiscal years 2006 through 2010, meeting or exceeding more than half of its annual interdiction targets in the four years for which data are available.¹⁵ State is currently revising its performance measurements. Officials told us that they are making efforts to develop more performance measures that do not focus on eradication, because eradication is not the sole factor influencing cultivation levels. State is also making efforts to develop metrics that demonstrate progress toward turning over control of counternarcotics programs to partner countries. (See app. II and app. III for further details of State's counternarcotics efforts in each of the Andean countries.) State's IG attested to the reliability of the department's reporting of performance results for fiscal years 2007 through 2010, in accordance with ONDCP's requirement.

In January 2010, State's Bureau of International Narcotics and Law Enforcement Affairs [State/INL] issued guidelines for program monitoring and evaluation. These guidelines were intended to help program managers determine whether projects are achieving their goals and adjust projects as necessary; plan effective programs; report program results to key stakeholders and oversight entities; justify resource requests; promote necessary changes in partner support, and contribute to constructive policy dialogue within the U.S. government and internationally. Departmentwide program evaluation guidance followed in November 2010, when State announced its first-ever evaluation policy for improving program management.

USAID

USAID reported generally exceeding annual targets related to two key measures for its counternarcotics efforts in the Andean countries: (1) hectares of land devoted to cultivating licit crops in areas receiving USAID assistance and (2) number of jobs created by alternative development projects each year.¹⁶ USAID reported exceeding a total of 26 of 32 annual targets related to these measures. According to USAID data, 804,314

¹⁵In fiscal years 2006 and 2007, State reported assisting with the seizure of approximately 550,000 kilos of narcotics in Bolivia but reported no interdiction assistance after fiscal year 2008.

¹⁶These two measures are the key performance measures that USAID reports to ONDCP for the Andean countries. USAID monitors a range of additional metrics that vary by country, such as sales of licit farm and non-farm products, number of families benefited by alternative development, and number of municipalities strengthened by U.S. government programs.

hectares were devoted to alternative crops and 761,031 full-time jobs were created in Bolivia, Colombia, Ecuador, and Peru in fiscal years 2006 through 2010.¹⁷ (See app. II and app. III for further details of USAID's counternarcotics efforts in each of the Andean countries.) In accordance with ONDCP's 2007 requirement, USAID's IG attested to the reliability of the agency's reporting of performance results for fiscal years 2007 through 2010.

USAID conducts evaluations of its counternarcotics and development programs in the Andean countries. These evaluations provide historical and regional context for USAID projects, detailed descriptions of program activities and results, findings, conclusions, recommendations, and lessons learned. Some of the achievements reported in these evaluations include the following:

- USAID's alternative development program has met and surpassed annual targets for voluntary eradication of illicit crops in Peru.
- USAID contributed to Plan Colombia, which reduced opium poppy cultivation by 50 percent and improved security by suppressing illegally armed groups.
- USAID's activities in Bolivia have contributed to improved poverty indicators, and hectares of principal alternative crops—such as bananas and citrus—have increased more than coca.

DEA

DEA reported generally exceeding regional targets related to two key performance measures for its international counternarcotics efforts: (1) number of drug trafficking organizations, or priority target organizations (PTO), disrupted and (2) number of PTOs dismantled.¹⁸ DEA reported

¹⁷USAID reported supporting the cultivation of 39,834 hectares of alternative crops and the creation of 22,386 jobs in Bolivia in fiscal years 2006 through 2010. USAID's results for fiscal year 2011 have not yet been finalized.

¹⁸DEA defines PTOs as drug trafficking organizations with an identified hierarchy engaged in the highest levels of drug trafficking or drug money laundering operations, having a significant international, national, regional, or local impact upon drug availability. DEA defines disrupting as significantly interfering with the normal and effective operation of a targeted organization, as indicated by changes in, for example, organizational leadership, trafficking patterns, and drug production methods. DEA defines dismantling as destroying the organization's leadership, financial base, and supply network such that the organization is incapable of operating or reconstructing itself.

meeting or exceeding 8 of 10 annual targets related to these measures. DEA reported disrupting 73 PTOs and dismantling 144 in Colombia, Ecuador, Peru, and Venezuela in fiscal years 2006 through 2011,¹⁹ meeting or exceeding its regional targets for every year except 2007 and 2011.²⁰ (See app. II and app. III for country-level details on the results of DEA's counternarcotics activities in Colombia, Ecuador, Peru, and Venezuela.) DOJ's IG attested to the reliability of DEA's reporting of its performance results for 2007 through 2010, in accordance with ONDCP's requirement.

DOD Reported Various Performance Measures, but Its Reporting Has Not Been Reliable

DOD reported a number of performance measures for its counternarcotics efforts in the Andean countries in fiscal years 2007 through 2011, such as training and military support. However, we could not confirm the reliability of the counternarcotics performance data DOD reported during these years. DOD is working to improve its counternarcotics performance measurement system, but DOD officials have reported challenges in measuring the performance of its counternarcotics activities, such as difficulty in creating performance measures that assess program outcomes, as well as dependence on host nations and third parties for the collection and reporting of data related to these results.

DOD's efforts to develop counternarcotics performance measures are long-standing. We reported in 1999 that DOD had taken initial steps to develop better counternarcotics performance measures.²¹ In a subsequent review, we found that DOD did not have an effective performance measurement system to track the progress of its

¹⁹According to DEA, although all formal counterdrug investigations between DEA and the government of Venezuela were discontinued in 2005, the agency has continued to disrupt and dismantle Venezuelan PTOs through efforts in other countries. DEA reported that no data for its activities in Bolivia were available because its Bolivia offices were closed by January 2009.

²⁰DEA measures its performance in each country but sets performance targets at the regional level rather than the country level.

²¹See GAO, *Drug Control: Assets DOD Contributes to Reducing the Illegal Drug Supply Have Declined*, [GAO/NSIAD-00-9](#) (Washington, D.C.: Dec. 21, 1999).

counternarcotics activities.²² ONDCP also reported holding, since 2006, numerous consultations with DOD regarding the department's development of a performance measurement system for its counternarcotics efforts. In 2010 we recommended that (1) DOD review the department's performance measures for counternarcotics activities and revise the measures, as appropriate, to include the key attributes of successful performance measures that we had previously identified and (2) apply practices that we had identified to facilitate the use of performance data.²³ In response to these recommendations, DOD issued standard operating procedures for the development and documentation of counternarcotics performance metrics.²⁴ This guidance outlines procedures for selecting and evaluating counternarcotics performance measures, setting performance targets, and assessing the reliability and limitations of performance data with the purpose of using this information to provide oversight and guide management decisions about the allotment of counternarcotics resources. According to ONDCP, as a result of this standard operating procedure, DOD revised its performance measurement system in fiscal year 2011 to improve the system's quality and usefulness. According to DOD officials, the department is currently developing its counternarcotics performance measures and plans to transition to a web-based system for reporting its performance metrics by fiscal year 2013.

DOD did not submit IG statements attesting to the reliability of the department's performance data as required by ONDCP. DOD IG cited a number of reasons for not attesting to the reliability of DOD's performance data. For example, according to the IG, DOD's performance reports for fiscal years 2007 through 2009 did not meet ONDCP requirements that the reports clearly describe the meaning and relevance of performance measures and explain why any targets were not met. In addition, according to information we obtained during a 2010 interview with the IG, DOD's 2008 performance report did not include 4 consecutive years of data required for tracking improvements. Further, targets for several

²²GAO, *Drug Control: DOD Needs to Improve Its Performance Measurement System to Better Manage and Oversee Its Counternarcotics Activities*, [GAO-10-835](#) (Washington, D.C.: July 21, 2010).

²³[GAO-10-835](#).

²⁴DOD, *Counternarcotics and Global Threats Performance Metrics System Standard Operating Procedures* (Washington, D.C.: 2012).

performance measures in the 2008 report appeared to have been set after the actual results for these measures were determined, therefore throwing the reliability of all the data into question. DOD IG saw no changes in DOD's 2009 performance report and therefore decided not to dedicate resources to conducting a review for the 2009 report. ONDCP confirmed that DOD again failed to comply with the IG review requirement in fiscal year 2010. In June 2012, DOD IG stated that it was unable to attest to the reliability of DOD's fiscal year 2011 performance report.

Conclusions

Given the strategic importance of reducing drug production and trafficking in the Andean countries—the source of more than 95 percent of the cocaine seized in the United States and much of the heroin available east of the Mississippi River—accurate and reliable information on the results of this assistance is essential. State, USAID, and DEA have reported the required information, with attestations of its reliability, regarding the combined \$4 billion in assistance that they provided in fiscal years 2006 through 2011. However, lacking attestations by DOD's IG, ONDCP has minimal assurance of the reliability of DOD's reporting on its estimated \$956 million in counternarcotics assistance in those years. Without reliable information, ONDCP may be limited in its ability to carry out its responsibility for coordinating and overseeing implementation of the policies, goals, objectives, and priorities established by the national drug control program and to report accurately to Congress on counternarcotics assistance provided by agencies under ONDCP's purview. Moreover, without reliable information, Congress and other decision makers, including ONDCP, may lack information that is essential to assessing progress toward the U.S. goal of curtailing illicit drug consumption in America, making decisions on the allocation of resources, and conducting effective oversight.

Recommendation for Executive Action

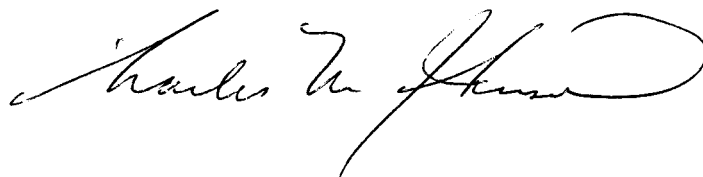
To strengthen ONDCP's ability to coordinate, oversee, and report to Congress on U.S. counternarcotics assistance in the Andean countries, we recommend that the Secretary of Defense ensure that DOD complies with the ONDCP requirement to submit to ONDCP performance summary reports that are accompanied by IG attestations of the reliability of the information reported.

Agency Comments and our Evaluation

We provided a draft of this report to State, USAID, DOD, DEA, and ONDCP. State, DOD, DEA, ONDCP, and DHS provided technical comments, which we incorporated as appropriate. USAID and DOD also provided written comments, which are reproduced in appendixes VI and VII, respectively. In its written comments, DOD stated that it concurred with our recommendation.

As discussed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Secretary of State, the USAID Administrator, the Secretary of Defense, the Attorney General, and the Director of National Drug Control Policy. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>

If you or your staff members have any questions about this report, please contact me at (202) 512-7331 or johnsoncm@gao.gov. Contact points for our Offices of Public Affairs and Congressional Relations may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VIII.



Charles Michael Johnson, Jr.
Director
International Affairs and Trade

Appendix I: Scope and Methodology

To identify U.S. agencies that provided counternarcotics assistance in the Andean region during fiscal years 2006 through 2011, we reviewed past GAO reports and relevant legislation. To identify counternarcotics assistance activities, we reviewed funding amounts reported to us by agencies, congressional budget submissions, agency annual reports, and other program documents. We also interviewed officials from the Department of State (State), the Department of Defense (DOD), the U.S. Agency for International Development (USAID), and the Drug Enforcement Administration (DEA).

To describe the U.S. strategic approaches to counternarcotics assistance in the five Andean countries, we examined multiple U.S. government documents and interviewed U.S. government officials. Specifically, we obtained and analyzed State's mission and bureau performance plans to understand U.S. foreign policy and security goals and priorities and the executive branch's approach to formulating those goals. We also obtained State's and USAID's joint strategic 5-year plan, DOD's Counternarcotics and Global Threats strategy, and DEA's agency strategic plan. We interviewed officials from State, USAID, DOD, and DEA in Washington, D.C., who are responsible for administering and implementing the assistance programs to the five Andean countries. We reviewed department and agency planning, reporting, and budgeting documents and obtained and reviewed the various strategy documents produced by the United States that are the basis for overall drug control efforts, such as the Office of National Drug Control Policy's (ONDCP) annual *National Drug Control Strategy* and the U.S. embassy's mission strategic resource plans for fiscal years 2007 through 2011.

We defined "counternarcotics assistance" as all funding provided primarily for the purpose of eradicating drug crop cultivation, interdicting trafficked narcotics, supporting alternative livelihoods and alternative crop cultivation, or training and equipping military and law enforcement for counternarcotics operations. In addition, we included small amounts of funding for assistance efforts in the region intended to support U.S. counternarcotics goals in the region, such as legal sector reform and drug demand reduction programs in Andean countries. The funding information presented in this report is based on allotment data. We used GAO's definition of "allotment" as funds authorized by the head of an agency to be used for obligations. Each agency provided their funding amounts using internal, agency-specific budget terminology. This terminology varied among agencies; for example, some agencies referred to their funding amounts as 'budget levels' where other agencies referred to their funding amounts as 'allocations.' We discussed our definition of the term

“allotment” with cognizant officials at each agency. At each agency, those officials stated that the funding amounts they provided could be characterized using our definition of allotment and thus could be presented in this report as funds available for obligation in support of counternarcotics efforts in each of the Andean countries.

To identify the amounts of U.S. government funding allotted for counternarcotics, we requested funding data for counternarcotics assistance in the Andean region for fiscal years 2006 through 2011. We also interviewed cognizant agency officials and examined past GAO reports and congressional budget submissions, including State’s Bureau of International Narcotics and Law Enforcement Affairs (State/INL) program and budget guides for fiscal years 2006 through 2011. In addition, we obtained technical comments from DHS to confirm that all DHS counternarcotics efforts in the region are implemented using funds from other U.S. agencies and international organizations. We collected data for fiscal years 2006 through fiscal year 2011 to show trends in counternarcotics assistance funding in the region. Each agency provided funding data organized by country (Bolivia, Colombia, Ecuador, Peru, and Venezuela) and by fiscal year (2006-2011). Based on our review of the data and discussions with agency officials, we determined that the data were sufficiently reliable for a broad estimate of U.S. government counternarcotics program allotments the Andean region, and to provide an indication of general trends over time as well as differences in funding provided by country and agency.

The agencies took different steps and queried different systems to provide the funding data we requested.

- **State.** Officials from State’s Office of the Director of Foreign Assistance provided data from the Foreign Assistance Coordination and Tracking System (FACTS) database, which houses funding data on U.S. foreign assistance programs.¹ The FACTS funding data included amounts from fiscal year 2006 through 2011 from the following foreign assistance accounts: Andean Counterdrug Initiative (ACI); Foreign Military Financing (FMF); International Military Education and Training (IMET); International Narcotics Control and

¹FACTS is used to collect foreign assistance planning and reporting data, including plans for implementing current-year appropriated budgets and performance planning and reporting data.

Law Enforcement (INCLE); and Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR). We requested the funding amounts for these accounts after determining, through discussions with State officials, that these accounts were the most relevant to our scope. In addition, we requested specific amounts allotted for security sector reform and combating transnational crime in the region from the Development Assistance (DA) and Economic Support Fund (ESF) accounts. In addition, State's Bureau of International Narcotics and Law Enforcement (INL) provided records on appropriations, allotments, obligations, expenditures, and other budget categories. We used these records to provide data on funding allotted for assistance in Ecuador through DOD's Section 1207 Assistance program; we did not obtain any additional data on 1207 program funding in the region.

- **USAID.** USAID's Office of Latin America and the Caribbean consulted internal records and submitted a spreadsheet that combined (1) amounts of ACI assistance provided in fiscal years 2006 and 2007, which were not included in the State/F data and (2) data pulled by a query of the FACTS database to provide amounts allotted for counternarcotics assistance through the DA and ESF accounts for fiscal years 2008 through 2011.
- **DOD.** DOD's Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD-CN>) provided a document with funding data from the CTA for Counternarcotics. DASD-CN> provides oversight of CTA funding through a Web-based database. DASD-CN> compiled funding data from this database— which tracks funds by project code— and then asked knowledgeable officials to provide estimated amounts of funds used in support of each Andean country.
- **DEA.** DEA reviewed interagency agreement documents with State to obtain data on allotments for DEA's SIU program. DEA provided a spreadsheet with detail from those agreements on funding provided in support of the program.

We combined the funding data provided by State, USAID, DOD, and DEA to obtain total estimated U.S. government funds allotted. These amounts are estimates because, according to agency officials, funding databases may have imperfect or incomplete information, and some agencies relied on manual estimates or manual review of agency documentation rather than a central data management system to provide funding information. Because State's FACTS database was in the process of being created

and launched in fiscal years 2006 and 2007, some data may be missing for those years. In addition, State officials told us that although assistance provided through the FMF and IMET accounts is often used for counternarcotics purposes, the main intent of these accounts is to provide assistance to partner nation militaries. Some of the FMF and IMET assistance included in this report may not have provided direct support to counternarcotics efforts of Andean countries. In addition, State/INL's records on the allotments for the 1207 program may not be complete, because the program was originally managed by DOD; authority for the 1207 program expired on September 30, 2010. According to State, because State does not maintain separate records for the uses of funds in the ACI account, State was not able to provide complete data specific to this account. According to USAID, USAID's Office for Latin America and the Caribbean relied on internal records that had been maintained by the staff since 2006 to provide GAO with data on ACI funding amounts allotted by USAID in each country for counternarcotics programs. Similarly, DOD provided manual estimates of amounts by country, because according to DOD, the department tracks CTA funding by project code—which indicates the general purpose of the funding—rather than by country. According to DOD, there is no standard procedure for estimating these amounts by country. Unlike funding data provided by other agencies, DEA amounts were obtained by a manual review of agency documentation, not pulled by query from a data management system, according to DEA officials.

To assess State, USAID, DOD, and DEA reporting on their performance of counternarcotics activities in the Andean countries, we reviewed agency planning and reporting documents related to counternarcotics performance measures and targets. We also met with State, USAID, DOD, and DOJ officials to identify the most significant performance measures for their counternarcotics activities in the Andean countries. For the focus of our review, we selected two key measures for each agency that were identified by agency officials as significant indicators of the results of their counternarcotics activities, included in the agencies' annual performance reports to ONDCP, and consistently reported to ONDCP over the past 5 years for all Andean countries. We assessed the reliability of agency performance data for these key measures by interviewing cognizant agency officials about the methods used to gather and verify this data. We also reviewed related documents, such as independent data quality assessments and statements from agency Inspector Generals (IG) attesting to the reliability of agency performance data. We found limitations with some of the performance data for these key measures, including (1) lack of available State and USAID data in

Venezuela, and of DEA data in Bolivia, due to limited U.S. presence in these countries; (2) reliance on partner nations and third parties for collection and reporting of certain performance data; and (3) lack of IG authentication of DOD's reported performance data. We used these data to describe each agency's counternarcotics performance measures and the results related to these measures, as reported by the agencies, in relation to their counternarcotics performance targets. With the exception of DOD's performance data, we determined that the performance data provided by the agencies were sufficiently reliable for our purposes.

We conducted this performance audit from April 2011 through July 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our work objectives.

Appendix II: Agency Allotments and Program Goals for Counternarcotics Assistance

Bolivia

Bolivia: Counternarcotics Assistance

Department of State (State)

In fiscal years 2006 through 2011, State allotted about \$237 million for counternarcotics assistance in Bolivia, despite the deterioration of diplomatic relations (see fig. 5). This assistance supported manual eradication efforts and an aviation program. The program's aircraft are used to provide transportation for manual eradication teams and interdiction operations. State also supports eradication and interdiction in Bolivia through logistics support to law enforcement.

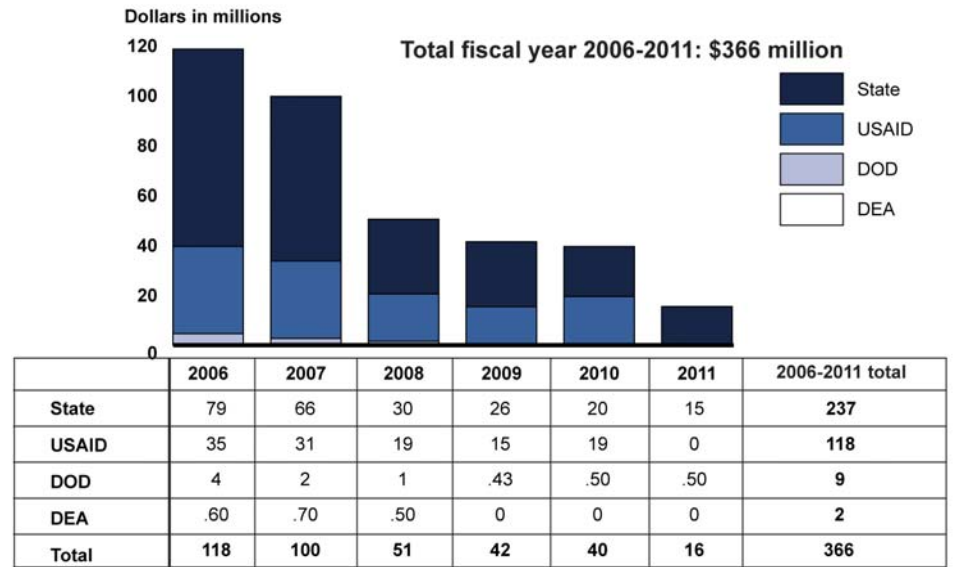
Since fiscal year 2006, State has reported assisting the Bolivian government in eradicating 32,462 hectares of illicit crops (see fig. 6). State began setting annual eradication targets for Bolivia in 2007 but first met its target in 2010. State reported assisting the government of Bolivia in seizing 550,024 kilos of narcotics in 2006 and 2007.

U.S. Agency for International Development (USAID)

In fiscal years 2006 through 2011, USAID allotted about \$118 million for alternative development assistance to Bolivia (see fig. 5). Alternative development assistance provides opportunities for farmers to transition from coca production to other viable products. USAID provides support to farmers who are vulnerable to entering into the coca economy. USAID also partners with Bolivian government agencies to address infrastructure needs.

Since fiscal year 2006, USAID has reported supporting the cultivation of 39,834 hectares of alternative crops in Bolivia, exceeding annual targets in 2007 and 2010 (see fig. 7). USAID reported that its alternative development activities created 22,386 jobs, exceeding USAID's annual targets every year except 2007.

Figure 5: Total Estimated Allotments for U.S. Counternarcotics Assistance in Bolivia, Fiscal Years 2006-2011



Note: Allotments may not sum to totals because of rounding.

The extent of U.S.-Bolivia counternarcotics cooperation varied in fiscal years 2006 through 2011. In 2006, State, USAID, DOD, and DEA all supported counternarcotics efforts in the country; however, by 2011, only State reported providing significant assistance. U.S. assistance to Bolivia has supported manual eradication and has been used to develop the investigative and interdiction capacities of the national police and military. U.S. agencies also collaborate with Bolivian authorities on programs to improve access to basic services and provide economic alternatives to coca cultivation. From fiscal year 2006 through fiscal year 2011, State, USAID, DOD and DEA allotted a total of about \$366 million for these types of assistance in Bolivia (see fig. 5).

According to agency officials, coca cultivation in Bolivia is protected as an indigenous cultural practice, and coca can be grown legally in the Yungas and Chapare regions (see map). In Yungas, production of coca leaves is subject to legal limits on the area cultivated, and in Chapare, on the amount grown. Coca cultivation beyond the legal limits is subject to manual eradication, because aerial eradication spraying is illegal in Bolivia. In March 2009, Bolivia officially requested that the requirement to outlaw coca-leaf chewing be removed from



Coca-growing regions in Bolivia

the United Nations Single Convention on Narcotic Drugs (1961). In official communication to the United Nations Secretary General, Bolivian President Morales stated that chewing coca leaf is part of the socio-cultural practices and rituals of indigenous Andean populations. Bolivia officially denounced the UN convention in June 2011.

Source: GAO analysis of State, USAID, DOD, and DEA data; Map Resources (map).

**Bolivia:
Counternarcotics Assistance**

Department of Defense (DOD)

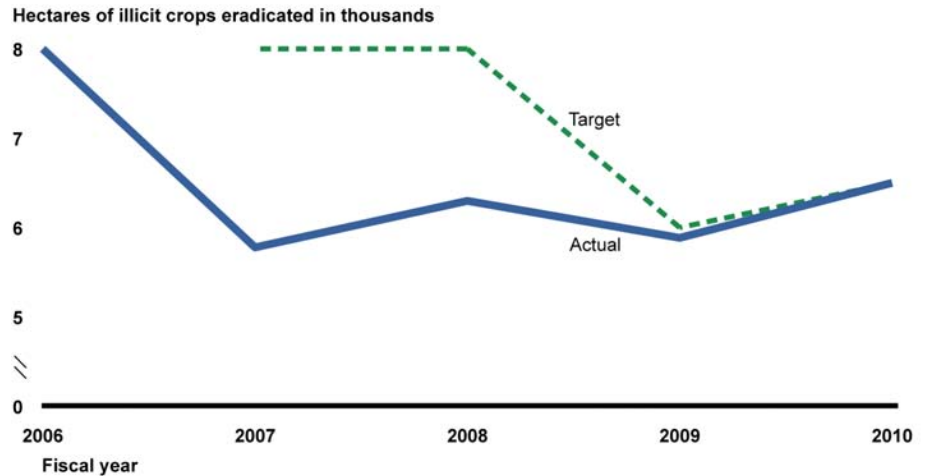
In fiscal years 2006 through 2011, DOD allotted about \$9 million for counternarcotics-related security assistance in Bolivia (see fig. 5). Most funding has supported training for individuals who are sent to receive instruction at U.S. military service schools. This has included training in counterdrug operations and equipment maintenance, as well as officer professional development.

Drug Enforcement Administration (DEA)

In fiscal years 2006 through 2011, DEA allotted about \$2 million to support the Sensitive Investigative Unit (SIU) program in Bolivia, which maintained a team of vetted counterdrug investigative and intelligence experts (see fig. 5). In November 2008, the SIU program ended and DEA staff were expelled from the country on the order of President Morales.

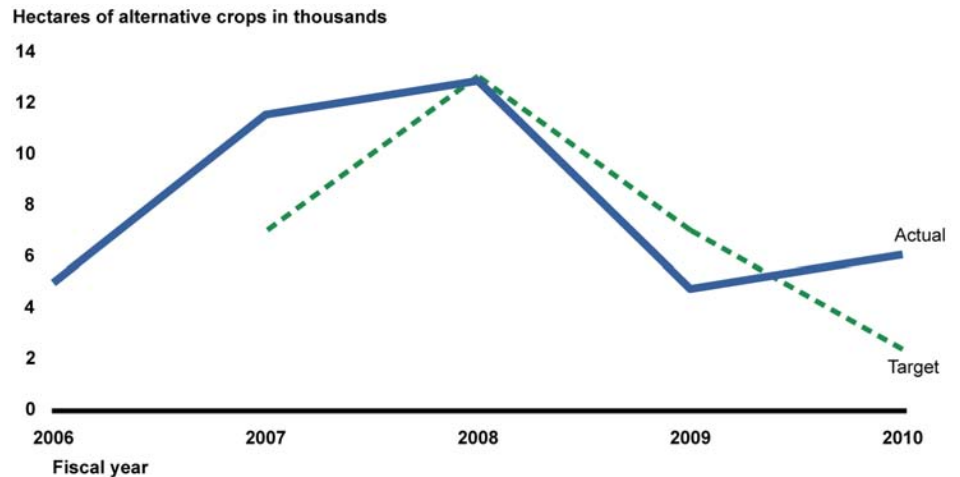
DEA performance data for Bolivia are not available.

Figure 6: Hectares of Illicit Crops Eradicated in Bolivia, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Figure 7: Hectares of Alternative Crops Cultivated in Bolivia, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Appendix II: Agency Allotments and Program Goals for Counternarcotics Assistance

Colombia

Colombia: Counternarcotics Assistance

State

In fiscal years 2006 through 2011, State allotted about \$2.4 billion for counternarcotics assistance in Colombia (see fig. 8). This assistance supported aerial and manual coca eradication, including aviation support. State maintains a fleet of fixed-wing aircraft that are used for aerial eradication. State also maintains rotary-wing aircraft that provide security for manual eradication teams and support interdiction missions. In addition, State provides support to an elite interdiction force within the Colombian National Police (CNP) and supports police in rural areas

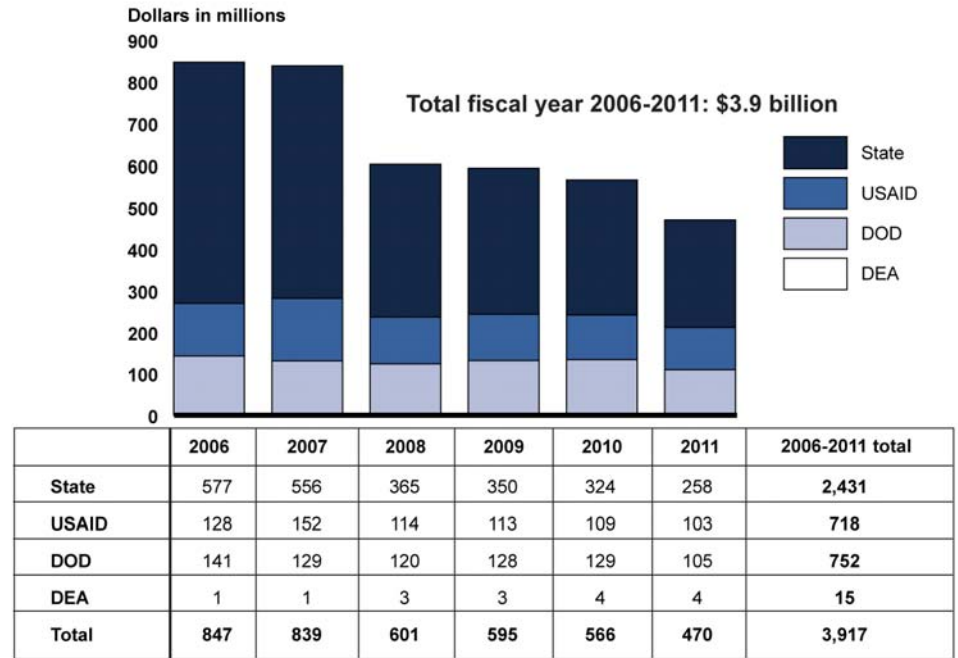
Since fiscal year 2006, State has reported assisting the government of Colombia in eradicating 832,395 hectares of illicit crops and seizing 1,649,561 kilos of narcotics, exceeding half of its annual eradication targets and all of its interdiction targets in Colombia since 2007 (see fig. 9).

USAID

In fiscal years 2006 through 2011, USAID allotted about \$718 million for alternative development and local government support programs (see fig. 8). These programs were intended to strengthen linkages among governmental institutions, markets, and local producers and to strengthen the government's legitimacy in target areas (see map).

Since fiscal year 2006, USAID has reported supporting the cultivation of 502,645 hectares of alternative crops in formerly coca growing areas of Colombia, exceeding its annual targets every year except 2007 (see fig. 10). USAID also reported that its alternative development activities created 584,803 jobs in Colombia, exceeding annual targets every year except 2007.

Figure 8: Total Estimated Allotments for U.S. Counternarcotics Assistance in Colombia, Fiscal Years 2006-2011



Note: Allotments may not sum to totals because of rounding.

Colombia has been the primary focus of U.S. counternarcotics efforts in the Andean region. U.S. assistance to Colombia has supported aerial and manual eradication and has been used to develop the interdiction capacities of the national police and military. U.S. agencies also collaborate with Colombian authorities on programs to strengthen government institutions and provide economic alternatives to coca cultivation. In fiscal years 2006 through fiscal year 2011, State, USAID, DOD, and DEA allotted an estimated total of about \$3.9 billion for these types of assistance in Colombia. (see fig. 8).

Through the Colombian Strategic Development Initiative (CSDI), U.S. agencies support the Colombian government's National Consolidation Plan and promote government capacity building and security in select municipalities affected by the narcotics trade (see map).



CSDI focuses on seven priority regions.

Source: GAO analysis of State, USAID, DOD, and DEA data; Map Resources (map).

**Colombia:
Counternarcotics Assistance**

DOD

In fiscal years 2006 through 2011, DOD allotted about \$752 million for counternarcotics-related security assistance in Colombia (see fig. 8). DOD has provided training and equipment for the Regional Helicopter Training Center and pilot training program in Melgar. DOD has also provided rotary-wing aircraft support to the Colombian Joint Task Force-Omega, which is the main Colombian task force charged with confronting the Revolutionary Armed Forces of Colombia (known by its Spanish acronym, FARC). DOD counternarcotics funds have also developed maritime interdiction capacity through the purchase of boats and construction of related infrastructure in Santa Marta, Cartagena and other locations.

DOD reported training helicopter pilots and mechanics in Colombia and supporting the government in maintaining the operational readiness of its air assault division.

DEA

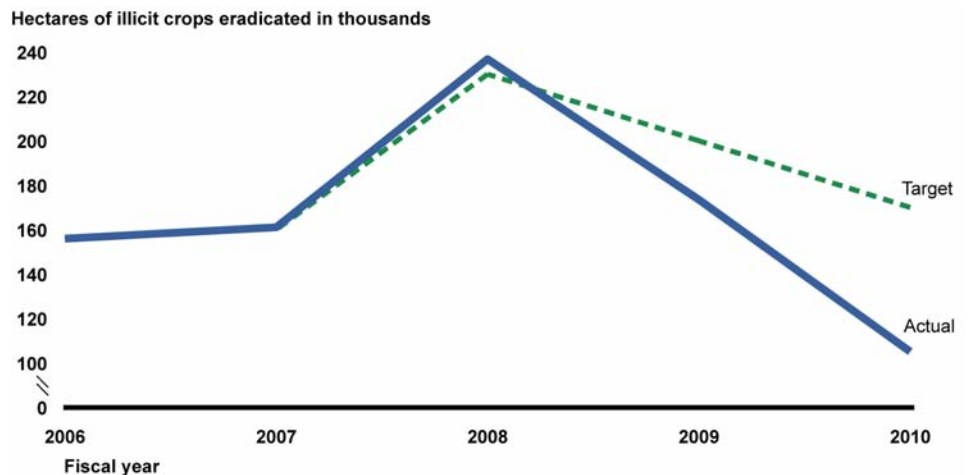
In fiscal years 2006 through 2011, DEA allotted about \$15 million to support the Sensitive Investigative Unit (SIU) program in Colombia (see fig. 8). The program maintains a team of vetted counterdrug investigative and intelligence experts in the national police.

Since fiscal year 2006, DEA has reported disrupting 31 priority target organizations in Colombia and dismantling 121.

Each U.S. agency involved in CSDI has a designated area of responsibility. State focuses on eradication, USAID focuses on land reform and restitution, and DOD focuses on anti-insurgency support. DEA's SIU program is not part of CSDI but provides training and equipment to a vetted unit within the Colombian National Police (CNP). State, USAID, DOD, and DEA coordinate counternarcotics efforts in country.

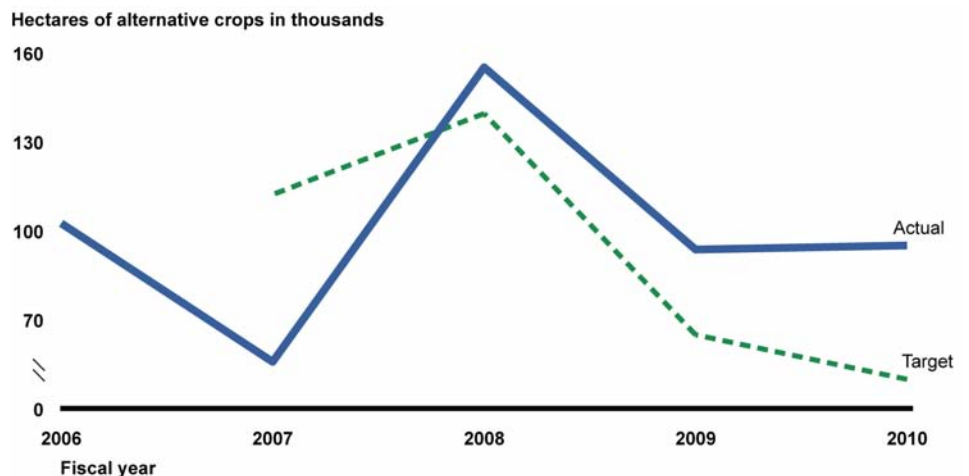
Some counternarcotics programs and assets are being transferred to Colombian control. For example, State's Plan Colombia Helicopter Program, initiated in 2002, provides rotary-wing aircraft to develop Colombian Army aviation. State officials estimated that the last aircraft provided by the program would be transferred to the government of Colombia by the end of 2012. Similarly, State's Colombian National Police Aviation program has nationalized the cost of fuel to the CNP and plans for the nationalization of rotary-wing aircraft in 2012. The CNP also plans to assume financial responsibility for the purchase, transport, and mixing of glyphosate, the chemical used in aerial eradication, in 2011 and 2012.

Figure 9: Hectares of Illicit Crops Eradicated in Colombia, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Figure 10: Hectares of Alternative Crops Cultivated in Colombia, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Appendix II: Agency Allotments and Program Goals for Counternarcotics Assistance

Ecuador

Ecuador: Counternarcotics Assistance

State

In fiscal years 2006 through 2011, State allotted about \$64 million for counternarcotics assistance (see fig. 11). This assistance focused on improving the institutional capabilities of Ecuador's police and military to combat narcotics trafficking and money laundering. In addition, State provided port security assistance.

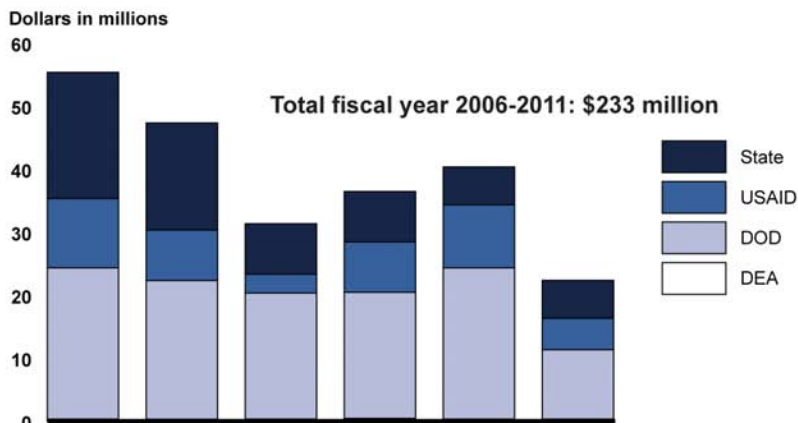
Since fiscal year 2006, State has reported assisting the government of Ecuador in seizing 45,897 kilos of narcotics (see fig. 12). Actual seizures exceeded State's annual target only in 2009.

USAID

In fiscal years 2006 through 2011, USAID allotted about \$45 million for alternative development assistance in Ecuador (see fig. 11). This assistance, focused in part on Ecuador's border areas (see map), has included water and sanitation infrastructure improvements as well as technical assistance, training, and small grants to stimulate agricultural investment.

Since fiscal year 2006, USAID has reported supporting the cultivation of 81,682 hectares of alternative crops in formerly coca growing areas of Ecuador, exceeding its annual targets for Ecuador every year since 2007 (see fig. 13). According to USAID, alternative development activities have created 55,304 jobs in Ecuador, exceeding USAID's annual targets in 2007 through 2010, the years for which data were available.

Figure 11: Total Estimated Allotments for U.S. Counternarcotics Assistance in Ecuador, Fiscal Years 2006-2011



	2006	2007	2008	2009	2010	2011	2006-2011 total
State	20	17	8	8	6	5	64
USAID	11	8	3	8	10	5	45
DOD	24	22	20	20	24	11	121
DEA	.40	.38	.40	.51	.40	.40	2
Total	55	48	31	37	40	22	233

Note: Allotments may not sum to totals because of rounding.

Because Ecuador is not a major producer of narcotics but is a primary drug transit zone, U.S. assistance to Ecuador has supported the investigative and interdiction capacities of the counternarcotics police and the military. U.S. assistance has also supported improvements to infrastructure and programs to create licit employment opportunities. In fiscal years 2006 through fiscal year 2011, State, USAID, DOD and DEA allotted an estimated total of about \$233 million for these types of assistance in Ecuador (see fig. 11).

Although Ecuador does not produce large quantities of narcotics, some production takes place along the northern border with Colombia (see map). This area is also used by Colombian armed groups, who use Ecuador for refuge and trafficking purposes. The United States has provided assistance in the provinces of Esmeraldas, Carchi, and Sucumbios (see map).



U.S. assistance to Ecuador has targeted regions along the border with Colombia.

Source: GAO analysis of State, USAID, DOD, and DEA data; Map Resources (map).

**Ecuador:
Counternarcotics Assistance**

DOD

In fiscal years 2006 through 2011, DOD allotted about \$121 million for counternarcotics-related security assistance in Ecuador (see fig. 11). DOD has focused on providing military training and equipment to enhance interdiction capacity, particularly along the northern border with Colombia.

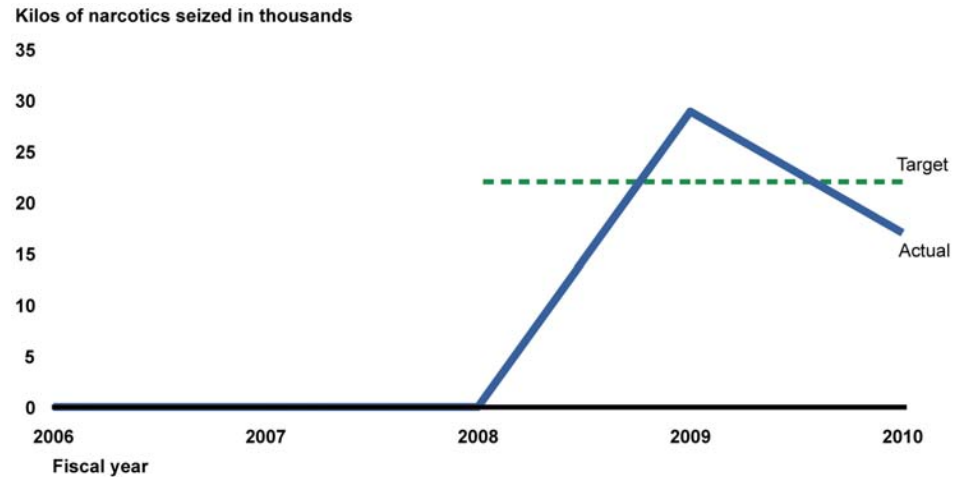
DOD reported supporting Ecuador in maintaining the operational readiness of its tactical vehicles and river boats.

DEA

In fiscal years 2006 through 2011, DEA allotted about \$2 million to support the Sensitive Investigative Unit (SIU) program in Ecuador, which maintains a team of vetted counterdrug investigative and intelligence experts in Ecuador (see fig. 11).

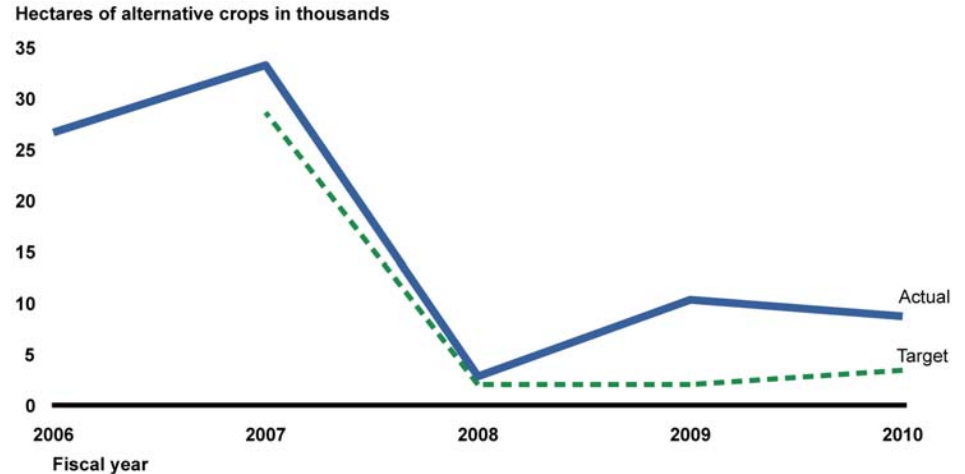
Since 2006, DEA reported disrupting 15 priority target organizations in Ecuador and dismantling 10.

Figure 12: Kilos of Narcotics Seized in Ecuador, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Figure 13: Hectares of Alternative Crops Cultivated in Ecuador, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Appendix II: Agency Allotments and Program Goals for Counternarcotics Assistance

Peru

Peru: Counternarcotics Assistance

State

In fiscal years 2006 through 2011, State allotted about \$379 million for counternarcotics assistance in Peru (see fig. 14). This assistance included coca eradication, interdiction support. In addition, State provided aviation support, maintaining a fleet of State-owned helicopters for interdiction and eradication missions.

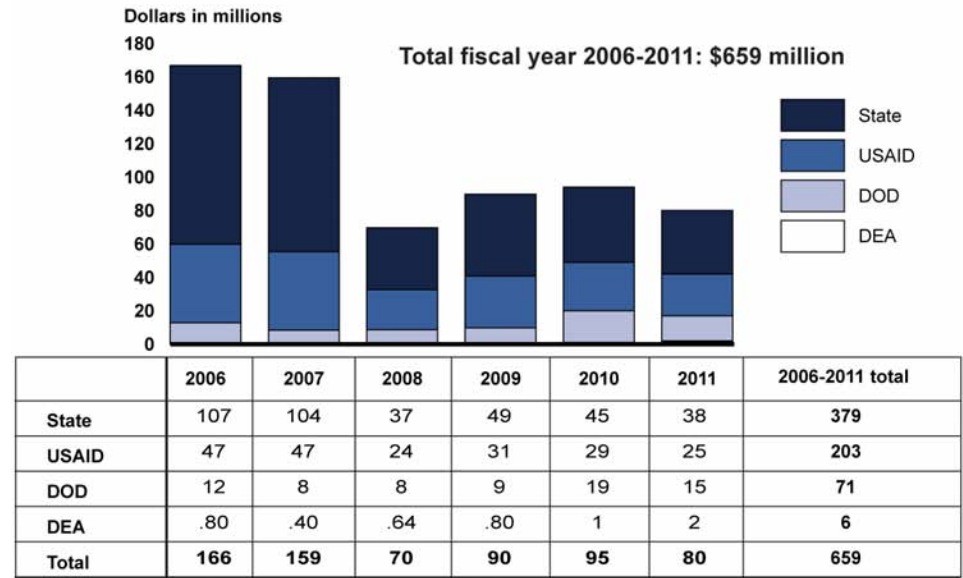
Since fiscal year 2006, State has reported assisting in eradicating 50,387 hectares of illicit crops in Peru, exceeding its annual eradication targets in Peru in 2008 through 2010 (see fig. 15). Although State assisted the government of Peru in seizing 82,311 kilos of narcotics since 2006, annual narcotics seizures in Peru have remained below State's interdiction targets every year since 2007.

USAID

In fiscal years 2006 through 2011, USAID allotted about \$203 million for alternative development in Peru (see fig. 14). USAID's alternative development program provides assistance to help coca-producing communities transition to cultivating licit crops. Licit crops fostered by USAID programs include cacao, palm oil, and coffee.

Since fiscal year 2006, USAID has reported supporting the cultivation of 180,153 hectares of alternative crops in formerly coca growing areas of Peru, exceeding its annual alternative-development targets for Peru in 2007, 2008, and 2010 (see fig. 16). USAID also reported that its alternative development activities created 98,538 jobs in Peru, exceeding its annual targets every year, according to USAID.

Figure 14: Total Estimated Allotments for U.S. Counternarcotics Assistance in Peru, Fiscal Years 2006-2011



Note: Allotments may not sum to totals because of rounding.

U.S. counternarcotics efforts in Peru focus on eradication of illicit coca cultivation and developing law enforcement capacity to investigate and interdict cocaine trafficking. In addition, U.S. agencies collaborate with Peruvian authorities in promotion of alternative development opportunities for farmers involved in coca cultivation. From fiscal year 2006 through fiscal year 2011, State, USAID, DOD and DEA allotted a total of about \$659 million for these types of assistance in Peru (see fig. 14).

The United States combats illicit coca cultivation in the Upper Huallaga Valley (see map). State funds a manual eradication program in the region, managed by the Peruvian drug control agency. USAID also supports alternative development in this area. DOD provides training and equipment to enhance river patrols in the Huallaga Valley and a second illicit coca production region further south. DEA supports efforts to disrupt drug trafficking through a vetted unit within the Peruvian national police.

According to agency officials, in Peru, coca cultivation is legal within certain limits. A state corporation is authorized to purchase



U.S. assistance has focused on illicit coca-growing regions in Peru.

and process legally produced coca leaf from licensed growers. The licit coca leaf crop is used to manufacture tea and other products.

Source: GAO analysis of State, USAID, DOD, and DEA data; Map Resources (map).

**Peru:
Counternarcotics Assistance**

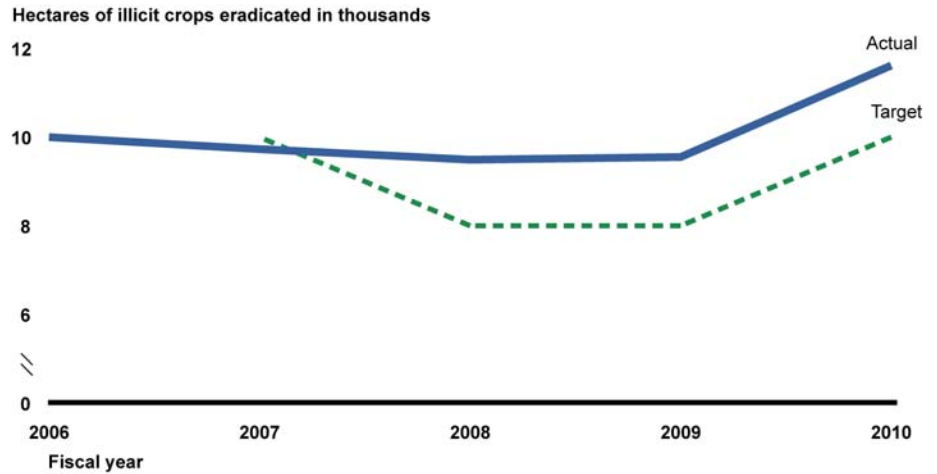
DOD

In fiscal years 2006 through 2011, DOD allotted about \$71 million for counternarcotics-related security assistance in Peru (see fig. 14). DOD has supported maritime drug interdiction efforts of the Peruvian coast guard, and has provided equipment and training to Peru's special forces to enhance their ability to combat narcoterrorism along rivers in illicit coca growing regions.

DEA

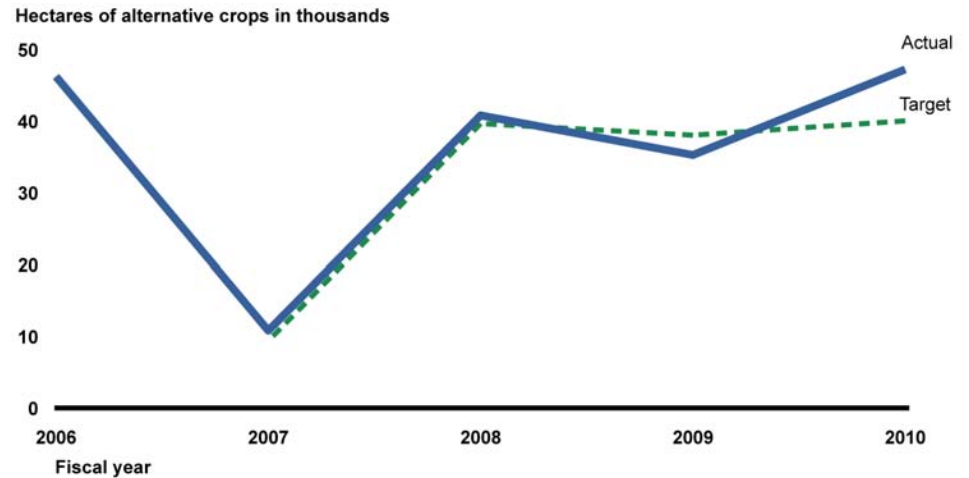
In fiscal years 2006 through 2011, DOJ allotted about \$6 million to support DEA's Sensitive Investigative Unit program in Peru (see fig. 14). DEA maintains a team of vetted counterdrug investigative and intelligence experts in the Peruvian national police. During this time period, DEA reported disrupting 19 priority target organizations in Peru and dismantling 11.

Figure 15: Hectares of Illicit Crops Eradicated in Peru, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Figure 16: Hectares of Alternative Crops Cultivated in Peru, Fiscal Years 2006-2010



Source: GAO analysis of State data.

Appendix II: Agency Allotments and Program Goals for Counternarcotics Assistance

Venezuela

Venezuela: Counternarcotics Assistance

State

State allotted about \$4 million for counternarcotics and related security assistance in Venezuela in fiscal years 2006 through 2011 (see fig. 17). This assistance has provided port security measures and law enforcement training.

USAID

USAID did not provide counternarcotics assistance to Venezuela in fiscal years 2006 through 2011.

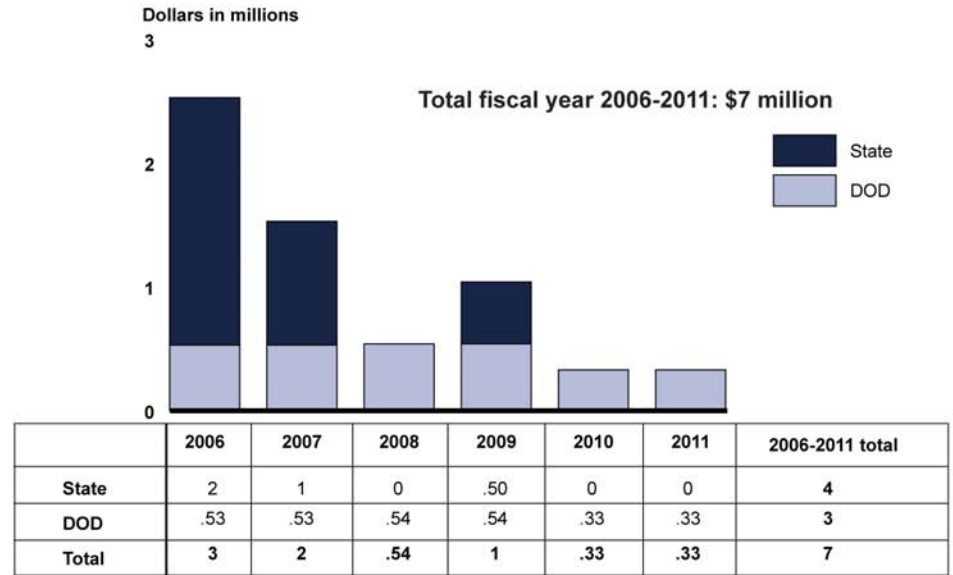
DOD

DOD allotted about \$3 million for counternarcotics and related security assistance in Venezuela in fiscal years 2006 through 2011 (see fig. 17). Through 2009, this assistance was used in part to provide tactically actionable intelligence to both US and select Venezuelan law enforcement agencies.

DEA

DEA did not maintain a Sensitive Investigative Unit in Venezuela in fiscal years 2006 through 2011. However, during this time period, the agency reported disrupting eight, and dismantling two, Venezuelan priority target organizations through efforts in other countries.

Figure 17: Total Estimated Allotments for U.S. Counternarcotics Assistance in Venezuela, Fiscal Years 2006-2011



Note: Allotments may not sum to totals because of rounding.

In fiscal years 2006 through 2011, Venezuela received the smallest amounts of counternarcotics and related security assistance of any country in the Andean region. In 2006, both State and DOD supported counternarcotics efforts in the country; by 2011, only DOD still reported providing any assistance. U.S. assistance to Venezuela supported port security programs (2006) and law enforcement training (2006-2008). In fiscal years 2006 through 2011, State and DOD allotted a total of about \$7 million to Venezuela for counternarcotics assistance (see fig. 17). State is closing its Narcotics Affairs Section (NAS) office in Caracas.

Venezuela, although not a major producer of cocaine, is a drug trafficking hub for the Andean region (see map). The United States is a primary destination of cocaine trafficked through Venezuela. Cocaine produced in Colombia is moved into Venezuela and then transported through the Caribbean, Central America, and Mexico, and then brought into the United



Narcotics are trafficked from Colombia across Venezuela's border provinces.

States. Cocaine is trafficked out of Venezuela to the United States aboard aircraft or maritime vessels.

Source: GAO analysis of State, USAID, DOD, and DEA data; Map Resources (map).

U.S. Counternarcotics Assistance Activities

Funding allotted by State, USAID, DOD, and DEA in the Andean countries primarily supported, respectively, eradication and interdiction, alternative development, military assistance, and law enforcement capacity building in Andean countries in fiscal years 2006 through 2011.

State Department: Eradication and Interdiction

State leads drug crop eradication efforts in Bolivia, Colombia, and Peru and supports law enforcement in each of these countries with training and equipment to enhance drug interdiction capacity. State’s primary effort in Ecuador supports training and equipment for Ecuador’s counternarcotics police. State provided limited assistance in Venezuela in fiscal years 2006 through 2011. However, State has used recently reprogrammed funds for administrative costs associated with closing its counternarcotics programs in Venezuela.

Appendix III: U.S. Counternarcotics Efforts in Andean Countries

Department of State

Bolivia

State supports manual eradication efforts in Bolivia by providing training and equipment to military and police and through aviation programs that provide aircraft with related training and maintenance to support transportation and logistics.¹ State also makes aviation assets available for interdiction purposes, transporting manual eradication teams, supplies, and equipment to otherwise inaccessible regions of the country.

Colombia

State supports aerial and manual eradication in Colombia and provides assistance to enhance the country’s interdiction capacity. State supports aerial eradication primarily by hiring a private U.S. contractor to aerially spread herbicide over areas of coca cultivation. State supports manual eradication, planned by the Colombian government, by providing protective equipment for manual eradicators. State has also provided helicopters and related training and equipment to both the Colombian Army and the Colombian National Police to enhance the eradication and interdiction capabilities of those institutions.²

Ecuador

Because Ecuador is a major transit route for narcotics passing from Colombia and Peru to the United States, State’s counternarcotics assistance in Ecuador focuses on interdiction efforts and law enforcement training. State supports programs to improve the institutional capabilities of Ecuador’s military, police, and judicial sectors to combat narcotics trafficking, money laundering, and other transnational crimes.

Peru

State supports manual drug crop eradication in Peru, including providing training and equipment for the Peruvian National Police, which protects manual eradication teams.³ State’s interdiction assistance in Peru provides the

counternarcotics directorate with equipment and training. This training includes both classroom instruction and tactical practice for operations to destroy outdoor laboratories for cocaine production. At Peru’s air and sea ports of entry, State provides funding to enhance interdiction capacity. This support includes the purchase of port surveillance and inspection equipment, used to scan incoming vessels and parcels for drugs (see photo).



U.S.-Purchased Port Surveillance Equipment, Port of Callao, Peru

Source: GAO.

¹ Bolivia does not allow aerial eradication.

² These State efforts include the Plan Colombia Helicopter Program and the Colombian National Police Aviation Program.

³ Peru does not allow aerial eradication.



U.S. Counternarcotics Assistance Activities

The funding allotted by State, USAID, DOD, and DEA in the Andean countries primarily supported, respectively, eradication and interdiction, alternative development, military assistance, and law enforcement capacity building in Andean countries in fiscal years 2006 through 2011.

USAID: Alternative Development

USAID focuses on alternative development in Bolivia, Ecuador, and Peru and leads stabilization and alternative development programs in Colombia. Alternative development programs provide assistance to individuals and communities to facilitate the transition away from drug crop cultivation as a source of income. CSDI, the stabilization program in Colombia, supports the counternarcotics efforts of the government of that country. USAID reported that it did not provide assistance in Venezuela in fiscal years 2006 to 2011.

Appendix III: U.S. Counternarcotics Efforts in Andean Countries

U.S. Agency for International Development

Bolivia

USAID works with the government of Bolivia to diversify the economies of coca-growing regions, strengthen productive capacities, improve access to essential social services, and improve rural road infrastructure. USAID's alternative development program provides opportunities for farmers to transition from production of coca to other viable productive activities.

Colombia

In Colombia, USAID's primary focus is supporting the stabilization efforts of the Colombian government to establish and reinforce the government's credibility and legitimacy in regions where illegal armed narcotics-trafficking organizations are active. At the U.S. embassy in Bogotá, USAID leads CSDI, which coordinates U.S. programs in Colombia to support the Colombian government in establishing control over high-priority areas of the country that have been affected by drug-related conflict. This effort includes providing support to improve the management of Colombian institutions, such as the land-titling system.⁴

Ecuador

In Ecuador, USAID's counternarcotics effort includes a local business development program to generate licit employment and increase income for families along Ecuador's northern and southern borders by supporting a market-driven expansion of private enterprises linked to rural producer groups and associations. Through local business development projects, USAID provides technical assistance, training, and small grants to stimulate investment in agribusinesses that are linked to both small producers and larger markets.

Peru

USAID supports efforts to help communities to transition from growing coca to cultivating licit crops. According to USAID, approximately 1 to 3 months after eradication of illicit crops in an area, communities are offered the opportunity to sign agreements with the government of Peru, in which the communities commit to remaining coca free. USAID and DEVIDA, the Peruvian drug control agency, commit to support the coca-free communities with a package of assistance tailored to each community's priorities and needs. This assistance includes planting new crops, increasing farmers' access to financial services, and strengthening producer associations and cooperatives to facilitate access to local and international markets.

⁴ USAID supports land titling as a way to consolidate government control over areas previously controlled by drug trafficking groups, enhance security, and promote investment.



U.S. Counternarcotics Assistance Activities

The funding allotted by State, USAID, DOD, and DEA in the Andean countries primarily supported, respectively, eradication and interdiction, alternative development, military assistance, and law enforcement capacity building in Andean countries in fiscal years 2006 through 2011.

DOD: Military Support and Training

DOD leads counternarcotics-related military support and training programs in all countries in the region. DOD reported minimal engagement with the armed forces of Bolivia. In Colombia and Peru, DOD provides support to fight armed groups that engage in narcotics production and trafficking in these countries. In Ecuador, DOD works jointly with the military to counter transnational criminal organizations operating in the Ecuador-Colombia border region. DOD reported minimal engagement with the armed forces of Venezuela.

Appendix III: U.S. Counternarcotics Efforts in Andean Countries

Department of Defense

Bolivia

DOD reported providing minimal counternarcotics-related military support to members of the Bolivian armed forces since 2006. Generally, this support has been provided as training for selected members of the armed forces who receive instruction at U.S. military service schools.

Colombia

DOD counternarcotics funding in Colombia supports development of military air, maritime, river-based, and ground capabilities. For example, DOD provides funding for the Regional Helicopter Training Center pilot training program in Melgar, which has provided helicopter pilot training to counternarcotics forces throughout Latin America. DOD has also supported the helicopter capability of the Colombian Joint Task Force – Omega, responsible for countering the FARC. Similarly, DOD has purchased and funded the maintenance infrastructure necessary for boats used in the Colombian military's maritime interdiction operations.

Ecuador

DOD counternarcotics funding supports the Ecuadorian military in their operations against transnational criminal organizations, principally in the country's northern border region with Colombia. DOD funding provides spare parts and tools to support a fleet of tactical vehicles used in operations to destroy narcotics processing locations. DOD also provides support for efforts to improve river-based patrol capabilities in the same northern border region.

Peru

The U.S. Military Assistance Advisory Group focuses DOD counternarcotics support in the interior of Peru and along the northern coast. In the interior, DOD has provided communications and surveillance equipment to improve Peruvian forces' ability to deploy for counternarcotics patrols. DOD's assistance in these regions is intended to enhance the Peruvian military capacity to conduct operations against criminal and terrorist organizations in the region. Along the coast, DOD provides fuel, information sharing, training, and equipment to enhance detection and monitoring capabilities in Peru's coastal areas.

Venezuela

DOD reported providing limited counternarcotics support to Venezuela since 2006. Until 2009, this support included a tactical analysis team that provided actionable intelligence to both U.S. and select Venezuelan law enforcement agencies. Since 2009, DOD resources in the area have been used primarily in support of U.S. law enforcement.

U.S. Counternarcotics Assistance Activities

The funding allotted by State, USAID, DOD, and DEA in the Andean countries primarily supported, respectively, eradication and interdiction, alternative development, military assistance, and law enforcement capacity building in Andean countries in fiscal years 2006 through 2011.

DEA: Sensitive Investigative Unit (SIU) Program

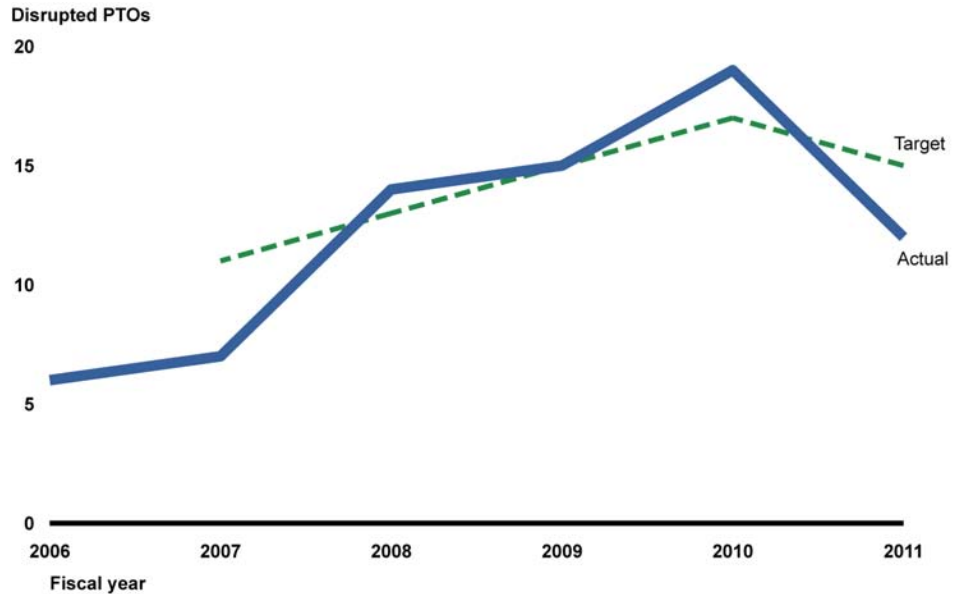
The SIU program, an international drug enforcement initiative managed by DEA, is currently active in three countries of the Andean region—Colombia, Ecuador, and Peru. SIU members work with the relevant DEA country office to disrupt and dismantle drug-trafficking organizations. DEA operated the SIU program in Bolivia through 2008 but ended the program after DEA was expelled from the country by a declaration of President Morales. DEA has had no formal relationship with Venezuela since 2005.

Appendix III: U.S. Counternarcotics Efforts in Andean Countries

Drug Enforcement Administration

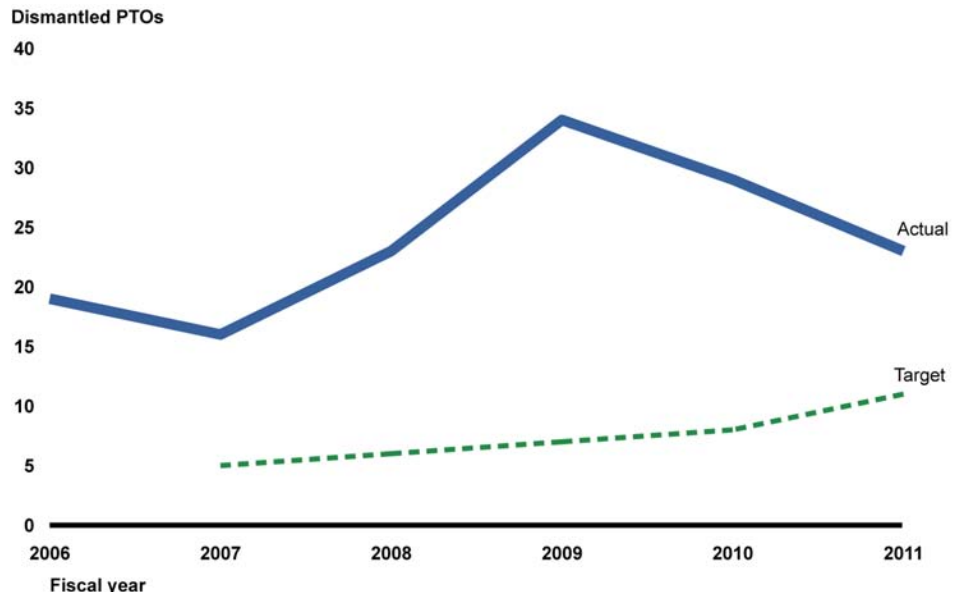
Figures 18 and 19 show DEA's targets for disrupting and dismantling priority target organizations (PTOs) as well as the actual numbers of PTOs disrupted and dismantled in the Andean region from fiscal year 2006 through 2011.

Figure 18: Disrupted Priority Target Organizations (PTOs), Fiscal Years 2006-2011



Sources: GAO analysis of DEA data.

Figure 19: Dismantled Priority Target Organizations (PTOs), Fiscal Years 2006-2011



Sources: GAO analysis of DEA data.



Appendix IV: Western Hemisphere Initiatives to Combat Narcotics Trafficking and Related Crimes

Coordinator of Citizens Security Initiatives in the Western Hemisphere

State describes the Coordinator for Citizens Security Initiatives in the Western Hemisphere as being responsible for coordination of four initiatives: the Merida Initiative, the Caribbean Basin Security Initiative (CBSI), the Central American Security Initiative (CARSI), and the Colombian Strategic Development Initiative (CSDI).

According to State, the Coordinator presides over a series of interagency executive committee meetings focused on counternarcotics efforts in the Hemisphere, including the four initiatives, as well as programs and activities in the Andean countries (see map.) The Coordinator has no dedicated staff or budget. Although the coordination meetings may result in adjustments in the implementation of programs, they do not determine policy, which is the purview of the National Security Council.

The National Drug Control Strategy includes information on the coordination of the regional initiatives as well as efforts in Colombia.

State reported that since 2008, it has allocated more than \$1.6 billion for the Merida Initiative in law enforcement support for Mexico. The Merida Initiative guides U.S.-Mexico collaboration against violent drug trafficking organizations. The initiative aims to increase Mexican counter-drug capacity and to institutionalize the partnership focused on four goals or pillars: (1) disrupt organized criminal groups, (2) strengthen law enforcement and judicial institutions, (3) advance global competitiveness while providing for security along the U.S.-Mexico border, and (4) build strong and resilient communities.

CBSI is an initiative focused on citizen safety that brings all member countries of the Caribbean Community (CARICOM) and the Dominican Republic together to collaborate on regional security with the United States as a partner. To date, Congress has appropriated \$203 million to CBSI. CBSI aims to strengthen Caribbean partner nations' capabilities, including maritime security, law enforcement, information sharing, border and migration control, transnational crime, and criminal justice.

CARSI seeks to address the corrosive impact of narcotics and weapons trafficking, gangs, and organized crime that exist in many Central American countries. Congress has appropriated \$491 million for CARSI to integrate U.S. security efforts from Guatemala to Panama. The pillars of CARSI include (1) fostering streets free of violence and crime; (2) disrupting the movement of criminals and contraband; (3) supporting strong and accountable governments willing to combat the drug threats with trained and resourced law enforcement; and (4) building state presence in communities at risk.

Beginning in 2009, U.S. counternarcotics assistance to Colombia has focused on supporting the Colombian government's National Consolidation Plan through CSDI. The plan represents the centerpiece of Colombian regional development and reform programs by responding to issues of rural poverty, violence, human rights, the needs of vulnerable groups, and the country's internally displaced population. CSDI provides integrated support for civilian institution-building, rule of law, and alternative development programs coupled with security and counternarcotics efforts in Colombia. The initiative is intended to support the Colombian government's goal of establishing and building state presence in areas contested by terrorist groups linked to narcotics trafficking, thereby integrating these priority regions into the country's broader political, economic, social, and institutional fabric.



Appendix V: Sources of Funding for U.S. Counternarcotics Assistance in the Andean Region

Counternarcotics Assistance in the Andean Region

U.S. agencies use a variety of funding sources to provide counternarcotics support to countries in the Andean region.

State Department

State's primary funding sources for counternarcotics assistance in the Andean region include the ESF, FMF, IMET, INCLE, and NADR foreign assistance accounts. State also allotted about \$600,000 from the DA account for counternarcotics assistance to combat transnational crime in Ecuador in fiscal years 2009 and 2010.

USAID

USAID's primary funding sources for counternarcotics assistance in the Andean region included the DA, ESF, and ACP accounts.

Department of Defense

DOD's primary funding source for counternarcotics assistance in the Andean region is the Central Transfer Account for counternarcotics. DOD also allotted funds for stability assistance in Ecuador in fiscal year 2010 through the Section 1207 Assistance program.

Drug Enforcement Administration

DEA's primary funding source for counternarcotics assistance in the Andean region is annual agency appropriations used to support the Sensitive Investigative Unit (SIU) program.

Agency	Funding source	Primary uses	Andean region allotments, FY2006-2011
State	Economic Support Fund (ESF)	Used for stabilization operations and security sector reform in Colombia	\$55 million
	Foreign Military Financing (FMF)	Facilitates the acquisition of U.S. defense equipment by partner nations	\$391 million
	International Military Education and Training (IMET)	Provides professional training to partner nations' militaries	\$14 million
	Andean Counterdrug Program (ACP) International Narcotics Control and Law Enforcement (INCLE)	Supports eradication, interdiction, and partner nation law enforcement training	\$2,625 million
USAID	Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	Provides anti-terrorism training to partner nation law enforcement	\$30 million
	Andean Counterdrug Program (ACP) Development Assistance (DA) Economic Support Fund (ESF)	Provide technical and infrastructure assistance to support cultivation of licit crops; also used for strengthening government capacity in post-conflict areas of Colombia	\$1,085 million
	DOD	Central Transfer Account (CTA) for Counternarcotics Section 1207 Assistance	Support training and equipment for counternarcotics and security assistance purposes
DEA	Annual agency appropriation Sensitive Investigative Unit (SIU)	Supports equipment and salary bonuses for SIU members	\$25 million

Source: GAO analysis of State, USAID, DOD, and DEA data.

Notes:

Totals have been rounded to the nearest million.

Licit crops supported in the Andean region include cacao, coffee, and oil palm.

Appendix VI: Comments from the U.S. Agency for International Development



June 20, 2012

Charles Michael Johnson, Jr.
Director, International Affairs and Trade
Government Accountability Office
Washington, DC 20548

Dear Mr. Johnson:

I am pleased to provide the U.S. Agency for International Development's formal response to the GAO draft report entitled "DRUG CONTROL: U.S. Agencies Have Allotted Billions in Andean Countries, but DOD Should Improve Its Reporting of Results" (Engagement Code 320835).

As the GAO draft report notes, U.S. taxpayers through USAID have provided over \$1 billion in assistance between 2006 – 2011 to reduce coca production in order to decrease the flow of hundreds of metric tons of cocaine from the Andean region to the U.S. We are particularly pleased that the GAO draft report does not present any recommendations for USAID, especially in light of the scale of this challenge and the level of resources invested. While no further action is required from USAID, we would like to take this opportunity to underscore our ongoing commitment to ensuring that alternative development (AD) programs implemented by USAID are effective and are achieving maximum impact as part of an integrated U.S. government counternarcotics effort in the Andean region.

We are proud of the results that USAID has been able to achieve, some of which are highlighted in the draft report, such as the creation of hundreds of thousands of jobs and support for hundreds of thousands of hectares of licit crops. We also are proud of the rigorous performance management procedures we have in place in order to help us establish targets, continuously monitor progress, evaluate our programs, and determine how we can further improve our efforts. However, we appreciate that neither aggregated performance data nor our performance monitoring systems fully convey the impact of U.S. government assistance on the ground in supporting families who are working to transform their lives, leaving coca production behind. For example, in Bolivia, USAID supported a former coca grower who now grows specialty coffee. After learning techniques on how to improve the coffee quality through the AD program, this individual was able to improve his coffee and earned second place in the Cup of Excellence coffee competition in Bolivia in 2005. This prize allowed him to sell his coffee at a price that was six times higher than the national market price. Now, this farmer has a four-year contract with the Boston-based INVALSA coffee company.

While our monitoring and evaluation activities have enabled us to identify best practices and key components for successful AD activities, there is no formula or solution that works in every case. AD is a high-risk venture, as the very objective of these activities requires us to undertake them in areas that are fractured by narco-trafficking and violence. We will continue to monitor and learn from our successes and challenges, especially as we increasingly focus our

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efforts on working with our government counterparts to replicate successful approaches while reducing U.S. assistance levels.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this audit review.

Sincerely,

Angelique M. Crumbly /s/
Acting Assistant to the Administrator
Bureau for Management

Appendix VII: Comments from the Department of Defense



SPECIAL OPERATIONS/
LOW-INTENSITY CONFLICT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
2500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2500

JUN 22 2012

Mr. Charles Michael Johnson, Jr.
Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Johnson:

This letter is the Department of Defense (DoD) response to the GAO Draft Report, GAO-12-824, "DRUG CONTROL: U.S. Agencies Have Allotted Billions in Andean Countries, but DoD Should Improve Its Reporting of Results," dated June 8, 2012 (GAO Code 320835).

DoD acknowledges receipt of the draft report and appreciates the opportunity to respond to it. DoD's official written comments have been adequately included in the report. The report does identify one recommendation for the Department:

- The GAO recommends that the Secretary of Defense ensure that DoD complies with the Office of National Drug Control and Strategy (ONDCP) requirements to submit to ONDCP performance summary reports that are accompanied by Inspector General (IG) attestations of the reliability of the information reported.

DoD concurs with the GAO recommendation that the DoD Inspector General (IG) should review and validate the annual DoD performance summary report submitted to the Office of National Drug Control Policy (ONDCP) prior to submission.

My point of contact is LTC Elliot Harris, who can be reached at (703) 692-0618 or elliot.harris@osd.mil.

A handwritten signature in black ink, appearing to read "W. Wechsler".

William F. Wechsler
Deputy Assistant Secretary of Defense
Counternarcotics and Global Threats

Appendix VIII: GAO Contact and Staff Acknowledgments

GAO Contact

Charles Michael Johnson, Jr., (202) 512-7331 or johnsoncm@gao.gov

Staff Acknowledgments

In addition to the contact named above, key contributors to this report were Juan Gobel (Assistant Director), Claude Adrien, Joshua Akery, Martin de Alteriis, Bruce Kutnick, Reid Lowe, and Cristina Ruggiero. Etana Finkler, Ernie Jackson, and Jena Sinkfield provided technical support.

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