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Report of Inspection

Bureau of International Narcotics and Law Enforcement Affairs

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KEY JUDGMENTS

- In a period of extraordinary challenges, the Bureau of International Narcotics and Law Enforcement Affairs (INL) and its highly professional, dedicated staff have a solid record of achievement in Iraq, Afghanistan, and with its other programs.
- However, INL is, at present, an embattled entity, facing the need to address the bureau's overtaxed resources and organizational weaknesses, while drastically reordering its priorities to deal with burgeoning high priority Iraq and Afghanistan programs. From FY 2003 to FY 2004, overall INL program levels have nearly doubled to \$2.2 billion.
- INL must move promptly to restructure in order to deal effectively with its policy-sensitive Iraq and Afghanistan programs. As an interim step, it should immediately establish individual working groups for the management of INL programs in Iraq and Afghanistan. INL must also proceed with its long delayed bureau reorganization and needed personnel increases to relieve the evident strains within the bureau caused by long term inadequate staffing and the bureau's new pressing demands.
- INL does an effective job of planning and coordinating counternarcotics programs in Latin America, including the Andean Counterdrug Initiative (ACI). However, in its relationships with other Department of State (Department) offices and in the interagency arena overall, the bureau has significant problems. It has been perceived as prone to embroil itself in sterile interagency strife and as ineffective in articulating its positions. INL must work to repair its image, presenting a more proactive, collegial presence.
- The Office of Resource Management adequately provides administrative support for the bureau. During the last 18 months, the Office of Resource Management worked to address weaknesses in its operations and should be commended for recognizing problems and taking corrective action. But there is still room for improvement. INL also achieved significant progress strengthening financial management controls.

- With the major growth of its programs, INL must strengthen its mechanisms for oversight of procurement and contract compliance, particularly regarding the Iraq and Afghanistan programs.

The inspection took place in Washington, DC, between February 7 and April 1, 2005. Ambassador Daniel O'Donohue (team leader), Don Bramante (deputy team leader), Merwin Blust, Maria Cunningham, Linda Erskine, Tim Fitzgerald, Deborah Klepp, Marjorie Lynch, and Mary Grace McGeehan conducted the inspection.

CONTEXT

Established in 1978, INL has as its mission the development of policies and management of programs to combat international narcotics production and trafficking, combating international crime, and strengthening law enforcement and other rule of law institutional capabilities outside the United States. The bureau provides operational support to the Office to Monitor and Combat Trafficking in Persons (G/TIP).

With its own congressionally mandated program funding, plus other agency transfers, INL program funding in FY 2004 was \$2.2 billion. The bureau has 3,957 direct-hire and contractor staff in the Department, at its Office of Aviation in Florida, and at 58 overseas posts, including peacekeeping operations. The FY 2005 projected program level is \$2.4 billion. INL counternarcotics funding is part of the National Drug Control Budget, coordinated by the White House Office of National Drug Control Policy; consequently, INL is required to submit its counternarcotics budget to that office.

In the past two years, INL responsibilities and programs have burgeoned because of pressing demands in the high priority police training/rule of law programs in Iraq and Afghanistan and new counternarcotics challenges in Afghanistan. The impact on the bureau has been dramatic. Overall program levels nearly doubled from FY 2003 to FY 2004. The consequent demands on an overtaxed staff created significant strains, and the bureau found itself enmeshed in inter-agency tensions over its capacity to meet the new challenges. The Iraq police training/rule of law programs are estimated to reach two billion dollars; Afghanistan police/counternarcotics programs are projected to total \$600 million. At the same time, the bureau's ongoing programs - the \$725 million ACI, the Pakistan program, and other country programs - continue to demand attention. In the September 11, 2001, aftermath, the bureau's lead role in international crime/law enforcement coordination and international programs has been expanded to encompass high priority terrorism-related issues.

This inspection covered only the bureau's Washington operations and activities. It did not include overseas Narcotics Affairs Sections (NAS) or programs in the field. A joint Department-Department of Defense (DOD) inspection team was undertaking a joint review of the Iraq police-training program at the same time as this bureau inspection.

BUREAU OVERVIEW

In a period of extraordinary challenges INL has a record of significant achievement. In Iraq, after only two years, the bureau manages a billion dollar program. It has deployed 750 police advisers and trainers and trained over 35,000 Iraqi police. Notably, in less than three months, the bureau established the International Police Center in Jordan that now has 200 trainers from 16 countries and 100 American trainers turning out 3,000 graduates every eight weeks. In Afghanistan, INL early on identified programs to deal with the resurgence of that country as the world's leading producer of opium poppy and trained 37,000 Afghani police. The \$725 million ACI program is crucial in the fight against major Latin American drug producers; it also provides components to six international peacekeeping operations, including Haiti. The bureau also has ongoing programs focused on international law enforcement training, international multilateral cooperation, intellectual property rights and high tech crime, and money laundering/terrorist funding.

Creating and absorbing the high priority Iraq and Afghanistan programs has not been easy. The bureau still struggles under staggering program growth driven by Iraq and Afghanistan police training demands and inadequate staffing, and it has received criticism for shortfalls in managing these programs in the interagency arena and in Congress. The bureau also suffered from periodic leadership vacuums over the past two years and from significant structural management weakness in the bureau front office. Further, INL leadership did not have the full confidence of Department leadership, with consequent significant strains on the bureau.

Through all this, the highly professional bureau staff deserves immense credit for the job it has done. But the INL staff is badly overstressed, and the bureau needs to move quickly in addressing resource and organizational weaknesses. In sum, INL today is an embattled bureau. It faces the need to reorder drastically its priorities from its former primary focus on Latin American counternarcotics programs to significantly strengthening its capacity to deal with major Iraq/Afghanistan programs while effectively managing its other important programs.

BUREAU REORGANIZATION

In 2004, INL leadership recognized the pressing, long overdue need for reorganization of the bureau to cope with the high priority billion dollar Iraq police training program, while efficiently managing significant growth in other programs over the past decade. In FY 1996, for example, INL program levels totaled \$115 million and the permanent staff level was 75; in FY 2004, program levels were \$2.2 billion, a 17-fold increase, but with only 125 permanent staff.

In response, the bureau developed a reorganization plan, which was approved in November 2004 after several months of negotiation with the Bureau of Human Resources and review by the Deputy Secretary, giving the bureau 34 additional permanent positions. Since then the reorganization plan languished, the current obstacle being delay in funding for the new positions. The bureau must press ahead with its effort to reorganize and add more staff. The strains in the bureau are evident; simply put, INL does not have sufficient permanent staff to manage its major programs adequately and needs help now. The Office of Inspector General (OIG) fully concurs with the decision to approve 34 additional positions. The bureau cannot indefinitely sustain the near crisis demands emanating from the Iraq and Afghanistan programs without additional resources now.

The bureau needs to review its present reorganization plan. In effect, INL has been trying to manage two major new programs, Iraq and Afghanistan, and its other responsibilities within an organizational framework which has the police training program running at \$1 billion in programs while still nominally in the Policy, Planning, and Coordination Office (PC) and the \$230 million Afghanistan programs run out of PC and the sprawling Office for Asia, Africa and Europe (AAE). As a stopgap, the bureau has resorted to the use of contractor personnel, *ad hoc* informal organizational adjustments, and excessive demands on the small core of experienced INL officers. That approach has kept the key Iraq and Afghanistan programs afloat but is neither sustainable nor effective over the medium term and has led to a diffusion of responsibilities over individual INL program offices.

As an interim step, OIG recommended that the bureau immediately establish separate intra-bureau working groups for Iraq and Afghanistan, reporting directly to the Acting Assistant Secretary and the Principal Deputy Assistant Secretary. The individual working groups would centralize the direction and coordination of INL programs in each country under a single director. The bureau has accepted this recommendation and is in the process of creating the two working groups.

Recommendation 1: The Bureau of International Narcotics and Law Enforcement Affairs should establish individual working groups for the direction and management of bureau programs in Iraq and Afghanistan. (Action: INL)

In any subsequent reorganization, the bureau should establish Civilian Police Affairs, now nominally a unit in the policy coordination office, as a freestanding office. Also, the complexity and size of the Afghanistan, Pakistan, and other Central/South Asia programs demand the establishment of a permanent office for those programs as well, severing them from the current AAE. Both issues are addressed in more detail below and are illustrative of the need to review the reorganization plan, formulated over a year ago, to reflect present realities.

EXECUTIVE DIRECTION

In addition to the assistant secretary position, the front office has three deputy assistant secretary (DAS) positions. During the inspection, the principal deputy assistant secretary (PDAS) had responsibility for internal management, the Resources Management Office (INL/RM), and the two major programs in Iraq and Afghanistan. One DAS had oversight of the Office of Latin American and Caribbean Programs (LP) and the 162-airplane Aviation Office (INL/A). The other DAS supervised the Office of Crime Programs (INL/C) and dealt with such issues as intellectual property rights, money laundering, and overseas rule of law and law enforcement training. Early in the inspection, the assistant secretary resigned for personal reasons, and one DAS left for another position outside the Department. On March 14, 2005, an acting Assistant Secretary took over the bureau on an interim basis; a senior INL officer became acting PDAS.

As noted earlier, the bureau has had significant leadership and management problems. The assistant secretary position had been vacant for 14 months in 2002-03 and was vacant again at the time of the inspection. For several years, the front office was not adequately organized to manage the bureau effectively, and there were significant personal tensions within the front office and involving individual bureau offices. At the beginning of the inspection, these tensions had subsided but not disappeared. Morale in the bureau was generally poor, with many viewing the front office as structurally dysfunctional. On the positive side the PDAS, who moved into the job five months before the inspection, was given credit for providing leadership and a measure of stability to the bureau, as well as dealing effectively with Department senior offices and Congressional staff. The DAS for LP and INL/A was also given high marks for his management of the large Latin America programs and the Office of Aviation.

In the course of the inspection, OIG pointed out to the new bureau leadership the need for clear lines of communication, coordination, and delineation of responsibilities. The bureau leadership agreed and implemented several significant management improvements. Overall, bureau morale improved visibly, as the bureau began to address aggressively major management issues. Given the expected short tenure of the acting assistant secretary, the staff remains uneasy about the future direction of the bureau.

OIG also informally recommended the elimination of the currently unoccupied staff director position. The bureau had once envisioned that the staff director, not the PDAS, would be responsible for internal bureau coordination. Between vacancies and inexperienced incumbents, that concept never worked, only contributing to the perception of front office organizational confusion.

Bureau Performance Plan

A complex but comprehensive document, the Bureau Performance Plan (BPP) covers the broad range of counternarcotics and law enforcement programs in the bureau's widened areas of responsibility. The BPP addresses bureau funding requests for initiatives and programs but does not fully reflect the enormous effort involved in managing programs, primarily civilian police training and law enforcement, funded from non-INL accounts and supplemental appropriations.

The bureau takes the BPP process seriously and devotes major resources to its preparation. The bureau used the FY 2006 BPP process to secure a major increase in program levels. In preparation for the FY 2007 BPP, the Acting Assistant Secretary meets weekly with an intra-bureau BPP team, ensuring that the process has high-level attention. In FY 2005, the bureau initiated annual guidance to posts on Mission Performance Plan (MPP) preparation to make the NAS posts part of the process and will review the MPPs to identify issues and funding priorities for integration into the BPP. The policy lead for generating the BPP falls to PC, with the INL/RM Strategic Planning unit guiding the resources side. As BPP requirements became more complicated, the bureau strengthened its technical expertise, bringing additional INL/RM personnel into the process.

Equal Employment Opportunity Program

The bureau has an equal employment opportunity counselor and a director of federal women's programs. There were no unresolved equal employment opportunity complaints in INL at the time of the inspection. Before the inspection, bureau leadership referred a highly public dispute to the Office of Civil Rights for resolution; the office determined that the issue did not have an equal employment opportunity component, but nevertheless played an intermediary role. The bureau scored below average on sensitivity to equal employment opportunity issues on the OIG questionnaire, with some employees indicating a desire - also reflected in OIG interviews - for more sensitivity to equal employment opportunity issues by bureau leadership and expressing concern that women and minority groups are under-represented in leadership positions.

Entry-Level Officers

INL had one entry-level Foreign Service officer at the time of the inspection. The responsible DAS has taken a continuing interest in the officer's career development. However, the bureau failed to schedule the officer for the Washington Tradecraft course, mandatory for first-tour Foreign Service officers in the Department. OIG counseled INL front office principals to oversee entry-level officer activities as required by Department regulations, 3 FAM 2242.4.

DEPARTMENT AND OTHER AGENCY RELATIONSHIPS

INL faces significant problems in its relationships with other Department offices and in the interagency arena. In the past, bureau leadership had been perceived as preoccupied with defending its turf, too ready to embroil itself in sterile interagency strife, and as ineffective in presenting its positions in interagency forums, particularly in the National Security Council on Iraq and Afghanistan issues. As a consequence, INL increasingly found itself isolated and marginalized within the Department and without the full confidence of senior Department officers. In contrast, the bureau's relationship with the Bureau of Western Hemisphere Affairs has remained close and constructive.

The most serious strains and criticisms have related to INL involvement in the massive police training programs in Iraq and Afghanistan. There have been significant tensions with DOD over responsibility for Iraq police training, now resolved at the senior governmental levels by placing the Iraq in-country police training activities under direct U.S. military control, funded from the DOD budget. In Afghanistan, a similar debate between the Department and DOD about the extent of DOD control over police training was in the last stage of resolution, essentially again putting INL police programs under military control.

INL also precipitated or found itself caught in abrasive bureaucratic battles with other agencies, particularly the U.S. Agency for International Development (USAID) and the Department of Justice, on occasion leading to a breakdown of communication or to recourse by one or the other to Department principals. In some cases INL had a valid position but overreached itself; in others the bureau seems to have unnecessarily overreached by staking out a bureaucratic fight in pursuit of its perceived mandate to oversee other agency programs funded by INL or to block expansion of other agency activities into the INL sphere of responsibility. Unfortunately, whatever the merits of the INL case, it has tended to lose its

battles, in part because INL has not successfully engaged other Department entities constructively or collegially. Simply put, the bureau did not successfully "work the building," but tended to see itself as possessing its own mandate. Consequently, INL often found itself alone on key Iraq and Afghanistan issues; and on occasion, found itself excluded from interagency discussions on its own issues and programs.

In discussing the problem with OIG, the current interim bureau leadership expressed its awareness of INL isolation and the need to project a more constructive, proactive approach in interagency and Department relationships. It has already started the process, working actively with its regional bureau counterparts and assessing the status of its interagency relationships.

THE BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS/U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT RELATIONSHIP

INL's relationship with USAID should be close, even symbiotic. In many areas, INL and USAID operate closely related programs with a common goal. In the four main target countries within ACI, for example, INL focuses on eradication of coca crops and interdiction of cocaine shipments and sales, while USAID runs alternative development programs aimed at shifting economic activity away from coca cultivation, with FY 2006 funding expected to reach about \$670 million. INL and USAID have had serious disagreements over the years over the degree of oversight INL should exercise over USAID's alternative development programs. In recent years, Congressional appropriations to the Department for alternative development in the ACI region have been apportioned to USAID, allowing USAID direct control over the funds.

The long dispute regarding Section 660 of the Foreign Assistance Act, passed in 1975 to prohibit certain types of assistance to foreign police, is also symptomatic of the larger Department/USAID coordination issue. An INL effort to prepare a policy directive on how the Department and USAID should conduct international law enforcement assistance failed to reach agreement in the Department, and an integrated, overall solution to Department/USAID coordination on law enforcement assistance remains elusive. On one occasion the Under Secretary for Global Affairs had to intervene to defuse and resolve a major INL/USAID confrontation.

The Department and USAID established the Joint Policy Council in October 2003 to ensure that foreign assistance follows foreign policy guidelines in the Department-USAID Strategic Plan and the National Security Strategy. The bureau co-chairs with USAID subgroups on Western Hemisphere Affairs, Security and Regional Stability, and others. Over time, however, the subgroups began to wither away as INL and USAID resorted to other problem-focused meetings outside the council framework. The Joint Policy Council last met in November 2004. In response to the new Department management team, council secretariat directors are producing briefing papers, including an updated timeline of projects into the third quarter of 2005. INL and USAID are deeply engaged in ongoing programs in areas from Latin America to Afghanistan and in projects as diverse as counternarcotics programs and law enforcement.

INL's present interim leadership is aware of the importance of good relations with USAID. During the inspection, the bureau sent a cable to ACI posts advising them how to improve coordination with USAID in the field and noting efforts to improve cooperation in Washington. The bureau's working-level officers generally have good relations with their USAID counterparts. Still, INL needs to examine how it can best coordinate with USAID at the bureau level. OIG has discussed with INL leadership the usefulness of instituting regular coordinating meetings with USAID counterparts.

Recommendation 2: The Bureau of International Narcotics and Law Enforcement Affairs should schedule regular working meetings with the U.S. Agency for International Development counterparts at the Assistant Secretary/deputy assistant secretary level. (Action: INL)

THE OFFICE TO MONITOR AND COMBAT TRAFFICKING IN PERSONS

INL/RM provides G/TIP and its staff of 18 a full range of administrative services, because the office is too small to have its own administrative function. But G/TIP has some concerns about the promptness of INL/RM services and has discussed them with the acting executive director. OIG found the concerns valid but also found that G/TIP is treated no differently than other INL customers. Consequently, the recommendations in the Resource Management section of this report apply also to G/TIP. To date, INL/RM received no additional funds or staffing to handle the workload created by providing G/TIP administrative support.

POLICY AND PROGRAM IMPLEMENTATION

OFFICE OF POLICY, PLANNING, AND COORDINATION

PC has a clear multichromatic character. In many ways, it is a traditional policy planning organization, with a focus on bureau-wide policy and program objectives. For example, it helped plan the bureau reorganization, organizes the BPP, compiles the International Narcotics Control Strategy Review, and coordinates its public release. But besides its policy role, the office has units encompassing civilian police and rule of law, legislative matters, multilateral issues, and public affairs. Overall, it is a fine operation, marked by congeniality, generous management, a skilled and proficient staff, and it generally deals well with a heavy workload and unforgiving deadlines.

Yet there is an organizational ambiguity in the office. The Civilian Police and Rule of Law unit (CIVPOL), managing programs funded at over a billion dollars including Iraq and Afghanistan police training, is bureaucratically a part of PC. But the director has informal guidance to treat the unit as a separate office, which it will become when the bureau reorganization takes effect. Nevertheless, the director provides direction and advice to officers in the unit, still technically his responsibility. This lack of organizational clarity and blurred lines of authority are a source of concern and uncertainty and yet another reason for quick reorganization and restructuring. PC has the lead on coordination with the Office of the Coordinator for Reconstruction and Stabilization (S/CRS). Since many officers, particularly in the civilian police and rule of law unit, are unclear how INL and S/CRS interrelate, OIG informally recommended that the bureau expand coordination with S/CRS.

Congressional Affairs

The bureau is deeply engaged at the highest levels with Congressional committees, which have demonstrated heightened interest and involvement in the bureau's rapidly expanded mission and budget. The office's Congressional affairs unit of two contract officers ably supports bureau efforts, working closely with the

Bureau of Legislative Affairs to monitor and advise the bureau on legislation affecting INL. Among their many tasks, they arrange briefings for bureau principals, reply to inquiries, coordinate Congressional notifications, and deal with Congressional holds on portions of the INL budget. They are fully employed and serve the bureau efficiently and effectively. The bureau is working to ensure continuity in the unit, now staffed solely by contract employees.

Public Affairs

Public outreach increased in importance as bureau responsibilities evolved into high profile, big-budget programs placed high on the national security agenda. The PC public affairs unit has four positions: two public affairs officers, one public diplomacy officer, and an assistant. One Schedule C public affairs officer works primarily on outreach and publicity for the former Assistant Secretary as a special assistant but also reviews the morning press. A part-time officer fills the other public affairs position while the incumbent is out on extended temporary duty; the public diplomacy officer pitches in, somewhat impairing the public diplomacy function. Among other duties, the unit responds to press inquiries, prepares press guidance for the Department spokesman, develops press contacts for the Assistant Secretary, and collects INL-related press clips, overlapping some of the duties of the schedule C officer. The result is a workload imbalance and duplication of effort. The bureau recognizes the need to restructure the unit, releasing the public diplomacy function to the INL regional offices, reducing the unit to two officers and an assistant, and redefining work requirements. OIG made an informal recommendation to that effect.

Multilateral Affairs

The PC multilateral affairs unit also has a bureau-wide function, coordinating the interagency process for U.S. participation on issues of international crime, drugs, and terrorism. Among its many accomplishments, this small but capable unit coordinated U.S. participation in the January 2005 Lyon-Roma Group of Eight¹ meeting in London, managed assistance programs for the UN Office of Drugs and Crime, and is coordinating U.S. participation in the upcoming Drug and Crime Commissions.

Policy Planning

The front office strengthened the PC policy-planning role by signaling its intention to assign greater responsibility for policy formulation and coordinating the bureau's interagency relationships and to attach it to the front office as a policy arm. That presents the bureau with the opportunity to emphasize forward policy planning, using PC to think out and develop future policy alternatives for its varied programs and to align future priorities with human and budget resource requirements. In one sense, the bureau looks forward in the BPP and the narcotics strategy review and action plans, primarily technical coordination efforts, but the bureau's expanded mission calls for the development of well-defined policy options to ensure that bureau programs remain closely aligned to foreign policy objectives. Yet the office is too thinly staffed to carry out the policy formulation function effectively; it needs a two-officer unit to supplement the director and deputy director who spend much of their time managing and assisting office units and staff.

Recommendation 3: The Bureau of International Narcotics and Law Enforcement Affairs should establish a policy unit of two officers in the Office of Policy, Planning and Coordination. (Action: INL)

¹In October 2001, senior representative of G8 Justice and Home Affairs Ministries met in Rome to discuss steps for the G8 to take to combat international terrorism and decided to combine the G8's Lyon Group (fighting transnational organized crime) and the G8's Roma Group (fighting international terrorism). Since that time, the Lyon/Roma Group has met three times annually in joint session. While continuing important work to combat transnational organized crime, the group uses its resources to combat terrorism through such avenues as enhancements to legal systems, transport security, and tools for investigating terrorist uses of the Internet.

CIVILIAN POLICE AND RULE OF LAW UNIT

CIVPOL in PC is responsible for civilian policing and justice sector reform in Iraq and Afghanistan and for supporting international civilian police missions and justice sector reform in Kosovo, Haiti, Liberia, and elsewhere. This high visibility work puts the unit and the bureau at the focus of intense interagency, public, and international scrutiny. CIVPOL's skilled director and dedicated officers are bombarded daily by a staggering range of issues, ranging from highest level interagency discussions and hearings on Iraqi security to determining if contractors in Baghdad have sufficient personnel and armored vehicles after a car bombing.

The unit has managed the expenditure of over a billion dollars on its programs in FY 2004 and administers the largest U.S. government civilian police contract. Yet CIVPOL has only 13 Civil Service and contract staff in Washington, supported by a few officers in the bureau's Office of Resource Management. Staffing gaps aggravated by overwhelming policy and programming demands consumed the director, leaving little time for staff development, office management, or strategic planning. Department and interagency representatives stressed that understaffing in CIVPOL, and the lack of cohesion within the bureau on Iraq and Afghanistan, hampered bureau and CIVPOL responsiveness.

Iraq Civilian Police and Rule of Law

INL and the CIVPOL unit have largely shifted to a support role in Iraq. The May 2004 National Security Presidential Directive 36 gave DOD the responsibility for developing Iraqi security forces, moving INL into an advisory and service provider role to Central Command's Multi-National Security Transition Command-Iraq. The bureau received \$723 million for police training in FY 2004 Iraq Relief and Reconstruction Funds (IRRF) and an additional \$210 million for police development through June 1, 2005, from DOD. With this funding, CIVPOL contracts for the recruitment, deployment, and support of 500 civilian police advisors and over 250 police trainers in Iraq. In addition to police training at four academies within Iraq, CIVPOL also oversees police training with over 100 American trainers and over 200 trainers from 16 countries at the INL-established and run Jordan International Police Training Center. By mid-March 2005, INL contractors had trained over 35,000 police officers and planned to meet the Multi-National Security Transition Command-Iraq goal of 135,000 police trained by mid-2006. Security conditions to date have not permitted field training.

With police training in process, interagency and international attention increasingly turned to strengthening rule of law institutions such as prosecutors, courts and prisons, and CIVPOL coordinates with the interagency on rule of law policy and programs. It has also developed, and is beginning to coordinate and implement, key justice sector and corrections reform programs funded by FY 2004 IRRF in the amounts of \$7 million and \$42 million respectively.

This critical, high profile Iraq work, projected to exceed two billion dollars, is overseen in Washington by CIVPOL's director, who is the contracting officer representative, supported by a personal services contract senior police advisor, a contract senior advisor for rule of law, and two Civil Service program officers. The PDAS has also been actively engaged in senior level dealings with Embassy Baghdad and U.S. military senior officers, traveling numerous times to Iraq and Jordan.

INL/RM also has a contract officer supporting CIVPOL and other programs. Limited coordination with the INL/RM contractor program analyst and other support staff has caused program difficulties. Interagency and Department representatives advocated an increase in CIVPOL staffing to allow it to work more proactively in the interagency community. OIG also found that insufficient CIVPOL staffing and staff training have caused major weaknesses in contract oversight, as discussed later in this report under contract administration. The CIVPOL Iraq team would further boost effectiveness by continuing to develop the management and communication structures it initiated in February.

Iraq Working Group

To provide greater cohesion within INL on Iraq issues and to improve program effectiveness, OIG recommended elsewhere in the report that the bureau form an Iraq Working Group, to include CIVPOL and INL/RM staff handling Iraq contracts and INL/C staff working on Iraq projects. The bureau needs to increase CIVPOL staffing so it can efficiently perform its program administration and oversight responsibilities. When the bureau reorganizes, the working group will be integrated into the new Civilian Policing and Rule of Law Office.

Afghanistan Civilian Police and Rule of Law

The director, supported by a Civil Service program officer, a presidential management fellow, and a contractor, contribute to policy and manage substantial civilian police and justice programs in Afghanistan. FY 2005 funding is projected

to approach \$470 million. In FY 2004, regular and supplemental appropriations and transfers from DOD totaled \$160 million for police training and \$10 million for rule of law. CIVPOL contracted for 30 senior advisors to the Ministry of Interior and 80 police training advisors, training almost 37,000 police by March 2005, with 20,000 trained in time to provide security for the successful October Afghan elections. The bureau plans to train 62,000 police by the end of 2005. CIVPOL staff is also developing and coordinating justice and corrections reform initiatives. Interagency representatives pressed for more CIVPOL staff to allow the bureau to play a more holistic, coordinating role on Afghanistan. The bureau needs a cohesive structure, bringing together the staff in CIVPOL, INL/A, AAE, INL/RM and INL/C who work on Afghanistan. The team recommends elsewhere in this report that the bureau establish and staff an Afghanistan working group, which will become the basis of a future office for South and Central Asia.

International Civilian Police and Rule of Law

Although dwarfed by activities in Iraq and Afghanistan, CIVPOL manages a significant number of traditional civilian policing operations, such as UN or other international civilian police missions providing peacekeeping support in a post-conflict environment. Programming often includes police and rule of law support. CIVPOL currently has 336 American civilian police trainers and advisors deployed in Kosovo, Haiti, Liberia, East Timor, Macedonia, and Serbia and Montenegro, using three contractors to support civilian police officers. Five officers, as time permits, manage these programs, funded at over \$70 million in FY 2004. Because CIVPOL programming often contains important rule of law components, OIG encouraged CIVPOL to regularize informal discussions of rule of law initiatives to include other bureau and Department offices, the interagency, and nongovernmental organizations. CIVPOL also should work with INL regional offices to determine when and how CIVPOL programs should be transferred to the regional office. OIG made informal recommendations to this effect.

Management Issues

Critical staffing and space issues have been festering because the bureau reorganization has stalled. Although the director was given a temporary, one-year promotion to the Senior Executive Service, the CIVPOL deputy position has not yet been approved by the Bureau of Human Resources, Office of Civil Service Human Resources Management. CIVPOL's senior police advisor is in fact the deputy for the Iraq team. In its reorganization plan, the bureau needs to give attention to creating a permanent deputy slot for Iraq as well as a permanent deputy director

slot for the CIVPOL office, given the large amount of policy and programming activity of the non-Iraq part of CIVPOL. The bureau also needs to address space issues. CIVPOL staff sits on two different floors, and not all have designated offices. OIG encouraged the director to expand the steps he has taken to improve management, communication, and responsiveness. These included designating one of his senior program officers as his interim deputy, initiating daily meetings with his team leaders and weekly staff meetings, and establishing a unit calendar. OIG also suggested that CIVPOL continue to develop standard operating procedures and supported program officers' efforts to attend Foreign Service Institute contract and budget training.

OFFICE OF AFGHANISTAN /ASIA, AFRICA, EUROPE

AAE is responsible for INL counternarcotics and law enforcement policy and programming in 120 countries, everywhere except Latin America. Its experienced leadership and motivated staff have performed admirably in overseeing over 200 law enforcement and counternarcotics programs totaling, in FY 2004, over \$165 million in 50 countries including Afghanistan. Since September 11, 2001, AAE programming budgets and locations ballooned, while programming became more complex. But staffing did not keep pace, forcing AAE's director, deputy director, and 13 staff members to put in grueling amounts of overtime. From October 2004 to March 2005, AAE staff increased to 19. But shortages continue to deprive the director and deputy director of the time needed to manage programs proactively and to develop fully new staff.

Afghanistan Counternarcotics

With Iraq, Afghanistan has become one of the bureau's top two priorities. AAE's most important programs have been directed to reducing Afghanistan's illicit poppy cultivation that produces over 90 percent of the world's heroin, establishing an eight-helicopter air wing in Pakistan, building a forward operating base on the Afghanistan and Pakistan border, and fostering Pakistan and Central Asian reform and border security. When poppy production in 2004 increased dramatically, the burden of putting together a complex, high profile \$50 million FY 2004 counternarcotics program fell on the director, supported only by one officer and a skeleton staff in Kabul. This narcotics program is projected to expand to as much as \$350 million in FY 2005. In late 2004/early 2005 the office hired a Foreign Service officer coordinator for Afghanistan and Central Asia, three contractors, and

a contractor INL section head in Kabul. The new coordinator and the section head are continuing to improve operations.

Afghanistan Working Group

The demands, complexity, and sheer size of the bureau's multifaceted work in Afghanistan have placed the bureau under increasing pressure and call for a significantly more integrated approach. Department and interagency officials indicated that the lack of a central bureau focus on Afghanistan reduced its effectiveness. To advance policy and programs, the bureau must work closely with Embassy Kabul, other bureaus, agencies, Congress, as well as with U.S. partners such as Great Britain, Germany and Italy, which have the lead on counternarcotics, police, and justice respectively. But AAE's Afghanistan unit has only loose coordination with the four other bureau offices working on Afghanistan. CIVPOL separately manages a \$170 million program for Afghanistan civilian policing and justice sector reform; INL/C works on important Afghanistan drug demand reduction and counterterrorism programs; INL/A supports the Pakistan air wing; and INL/RM provides contract and budgeting support for the bureau's Afghanistan work.

OIG recommended earlier in the report that the bureau establish an Afghanistan working group to strengthen bureau coordination and centralize bureau policy and program direction. This would entail pulling together officers working on Afghanistan in AAE, CIVPOL, INL/A, INL/RM and INL/C into an integrated group. Given the long-term demands of Afghanistan, Pakistan, and Central Asia, OIG further believes that the bureau's planned reorganization should formalize the de facto division of AAE by retaining the existing office for Asia, Africa and Europe and establishing a new office for South and Central Asia.

Recommendation 4: The Bureau of International Narcotics and Law Enforcement Affairs should retain the existing Office of Asia, Africa and Europe and establish a new office for South and Central Asia. (Action: INL)

Asia, Africa, and Europe

With the office director almost completely involved in Afghanistan issues, the deputy managed the rest of the office, while retaining her previous program duties. Highlights of the \$90 million in non-Afghanistan, Pakistan, and Central Asia programming include advancing law enforcement reform in Georgia, Ukraine, Russia, the former Yugoslavia, South Africa, and Nigeria, reducing poppy

cultivation in Thailand and Laos, and reforming police programs in Indonesia and the Philippines. AAE designs programs with posts, other agencies, implementers, and international partners to address the most compelling law enforcement, justice, counternarcotics, anti-trafficking, and border security training, equipment and infrastructure needs. Most programming is in countries with weak government institutions, nontransparent governance, and complicated operating environments. The non-Afghanistan program officers are in three informal units: four work with International Narcotics Control and Law Enforcement (INCLE) funding on Asia, Africa and some small European projects; two with Support for Eastern European Democracy (SEED) funding, and four with Freedom Support Act (FSA) funding. OIG informally recommended that program officers expand the best practice of regular interagency law enforcement working group meetings to review policy goals and assistance strategy and needs for a given country.

AAE program officer work combines challenging program, policy, substantive, budgeting, diplomatic, and legal elements. Several posts OIG surveyed were dissatisfied with high staff turnover and indicated they need more program officer support to deal with INL's cumbersome procedures. All Afghan program officers and two-thirds of non-Afghan program officers have less than nine months AAE experience. Heavy demands the bureau placed on the director and deputy director have deprived them of the time to shape strategic program management and accelerate staff development. Job requirements for much of the staff are not clearly defined. OIG informally recommended steps to increase office effectiveness and supports AAE's work with the Foreign Service Institute to obtain Washington Tradecraft training, including for key contractors. Program office responsibilities are much greater for posts without an INL officer, and AAE should be staffed accordingly. OIG also recommended that INL conduct a comprehensive review of its overseas staffing.

To take on more sophisticated strategic and coordinating functions, program officers need to be relieved of some of their more burdensome tasks. OIG has recommended separately (Recommendation 21) that INL enforce interagency agreements on reporting requirements. This would lighten the burden on AAE program officers and foster more productive interagency relationships. OIG also informally recommended that the bureau review overhead rates charged by implementing agencies. This review would address post and program officer concerns that limited programming funds be used as effectively as possible. Finally, convening regular regional conferences would provide AAE program officers with an effective way to address policy and programming issues.

Support for Eastern European Democracy and Freedom Support Act Funds

In addition to programming with funds appropriated to INL, AAE programs with \$33 million SEED and \$24 million FSA funds transferred in FY04 to the bureau by the Office of the Coordinator of U.S. Assistance to Europe and Eurasia (EUR/ACE). EUR/ACE actively oversees these programs, and in some cases is also involved in implementation. OIG informally recommended that AAE and EUR/ACE leadership meet more regularly to review strategic planning, deconflict implementation, and agree on programming for deobligated funds. INL's financial systems were not developed to accommodate tracking SEED and FSA funds. So, in addition to their coordinating and program development and management functions, the two SEED and four FSA program officers currently spend from one-quarter to one-third of their time trying to obtain figures of expenditures by posts and interagency implementers and compiling spreadsheets for EUR/ACE. This burden would be lessened by closer coordination with EUR/ACE and INL/RM, full implementation of INL/RM's local financial management system, and additional financial training for staff.

OFFICE OF CRIME PROGRAMS

The Office of Crime Programs (INL/C) focuses on non-narcotics transnational crime threats. It is divided into two divisions, each of which has several units. A Senior Executive Service office director oversees both divisions. The 16-person crime programs division, headed by a Civil Service supervisor, includes units on anticorruption, money laundering, cyber crime, intellectual property crime, and alien smuggling and border security. The nine-person criminal justice programs division, also headed by a Civil Service supervisor, includes a demand reduction unit and another that oversees the International Law Enforcement Academies (ILEAs). INL/C's FY 2004 budget totaled \$30 million. Representatives of other bureaus and agencies praise INL/C staff members for their subject matter expertise.

In some of the office's areas of responsibility, such as anti-corruption, the bureau has a clearly defined role in the interagency community. In other areas, such as intellectual property and terrorist financing/money laundering, the bureau's role within the Department and in the interagency arena is less clearly defined. In recent years, bureau principals have sought leadership within the Department and the interagency community on a number of new and existing initiatives. In some

cases, INL has been successful; for example, the bureau gained the lead on an international anti-corruption initiative launched at the 2003 Group of Eight summit. On other issues, such as intellectual property rights, the bureau continues to seek a stronger role. As a result, the INL/C staff has become somewhat overextended. In addition, tightening budgets have made it difficult for the bureau to carry out some of its commitments. OIG informally recommended that bureau leadership decide, in coordination with INL/C, what role INL intends to play within the Department and in the interagency process on each of INL/C's issues.

INL/C's staff members coordinate with bureau regional offices on an *ad hoc* basis. Because this coordination is not systematic, regional offices occasionally approve activities within INL/C's areas of expertise that are not consistent with INL/C priorities, and INL/C occasionally initiates single-country or regional programs without notifying the bureau's country officer. Other INL offices have expressed particular interest in greater coordination on demand reduction programs. OIG informally recommended that INL schedule formal meetings between INL/C and the bureau's two regional offices, LP and AAE, during the budget planning process to ensure that INL/C can contribute to the bureau's country programs and that the regional offices can provide their perspective on INL/C regional and single-country initiatives.

As a result of tensions between INL/C's former supervising deputy assistant secretary and several office staff members, INL's assistant secretary arranged for a senior employee from the Office of Civil Rights of the Office of the Secretary of State to go to INL/C on detail to serve as a mediator, occupying the vacant position of crime programs division chief. These tensions have subsided following the departure of the deputy assistant secretary, and there is no longer a role for the Office of Civil Rights employee. INL should hire a permanent crime programs division chief.

Recommendation 5: The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with the Bureau of Human Resources, should hire a permanent employee to fill the division director position in the Office of Crime Programs. (Action: INL, in coordination with M/DGHR)

INL/C does not have regularly scheduled staff meetings; instead, the office director convenes the staff as needed, generally about once a month. INL/C could benefit from regularly scheduled staff meetings to improve supervisory management and increase communication among the staff. The international justice programs division, for example, located in an annex, needs more frequent contact

and opportunities for briefings with the office director. OIG informally recommended that INL/C hold regularly scheduled staff meetings every two weeks.

The staff of the criminal justice programs division includes two program analysts, one Civil Service employee, and one contractor, who administer a database on interagency agreements used by other bureau offices. The analysts draft and maintain interagency memoranda of understanding for these agreements, work considered by many in the bureau as indispensable to interagency coordination. Because the analysts provide an administrative service to the bureau as a whole, INL should transfer the function from INL/C to the Office of Resource Management.

Recommendation 6: The Bureau of International Narcotics and Law Enforcement Affairs should transfer responsibility for the administration of the bureau's database on interagency law enforcement agreements from the Office of Crime Programs to the Office of Resource Management. (Action: INL)

International Law Enforcement Academies

The bureau chairs a steering committee for the ILEAs; the committee meets every other month. Faced with budget cuts, the regional law enforcement academies in Botswana, Thailand, and Hungary have identified ways to cut costs with little or no reduction in the number of students. By contrast, the ILEA graduate facility in Roswell, New Mexico, administered by the New Mexico Institute of Mining and Technology through a cooperative agreement with the Department of State, has trained only about a quarter of the number of students envisioned in the original five-year cooperative agreement but has not undergone the same budgetary scrutiny as the other academies.

Human Smuggling and Trafficking Center

Established by law in December 2004 in accordance with 9/11 Commission recommendations, the Human Smuggling and Trafficking Center is operated by the Departments of State, Justice, and Homeland Security, which co-chair, at the under secretary level, a steering group to provide policy and administrative guidance. The center's primary mission is to serve as the focal point for interagency efforts to address terrorist travel and to convert all available U.S. government information on

terrorist travel, migrant smuggling, and trafficking in persons into operational intelligence. A director from the Department of Homeland Security and an INL deputy director supervise the center's 12 employees.

The bureau maintains working level contact with the center through a policy coordinator attached to the front office and program/liaison officer in INL/C. The bureau also funds the center's administrative costs and salaries, excluding the salaries of officers from other agencies; the INL contribution to the center's budget is about \$1.5 million. Seen from the INL viewpoint, the center's intelligence collection and analysis function is not a close fit within the bureau's operational framework, and in its configuration as a stand-alone entity, the center lacks close oversight of its program and budget. The bureau could usefully raise to Department management the question of shared responsibility for supporting the center's work, possibly increasing the participation of other bureaus. OIG informally recommended that INL request an interagency review to assess the center's effectiveness and oversight of its budget and programs.

OFFICE OF LATIN AMERICAN AND CARIBBEAN PROGRAMS

LP oversees the bureau's programs in the Western Hemisphere. The staff includes a Foreign Service office director, a Civil Service deputy director, and three regional teams covering Mexico and Central America, South America, and the Caribbean. The staff also includes two security assistance advisors, liaison officers from the Coast Guard and the Drug Enforcement Administration, and two secretaries. The LP FY 2005 program budget was \$770 million. By far the largest portion, \$725 million, was for ACI, mainly for assistance to Colombia, Peru, Bolivia, and Ecuador, but also to several other countries in the region, for eradication and interdiction of coca and other narcotics.

Although LP's mandate is to oversee all narcotics and law enforcement efforts in Latin America, the office focuses almost exclusively on counternarcotics efforts and rule of law programs that have a close connection to counternarcotics efforts. It pays less attention to other law enforcement programs in Latin America. As noted in the section on INL/C, INL would benefit from more coordination between INL/C and LP.

LP is a well-managed office with a collegial atmosphere and good morale. But office managers have frequently shifted staff members from one portfolio to another to cover personnel gaps, causing a lack of continuity in communication between the office and overseas posts. There have been occasional mismatches

between the importance of a portfolio and the seniority of the staff members working on it. OIG informally recommended a review of portfolio assignments following the Foreign Service transfer season to ensure that the most experienced officers have the key portfolios and to keep portfolio shifts to a minimum.

Andean Counterdrug Initiative

ACI, a multi-million dollar program that became fully operational in 2000, is the cornerstone of the U.S. government's international counternarcotics effort. LP, in coordination with the Bureau of Western Hemisphere Affairs, plans and oversees eradication and interdiction programs in the Andean region. The bureau's aviation office maintains a fleet of helicopters and planes used in counternarcotics efforts in Latin America and elsewhere. USAID, with INL funding, runs alternative development programs to encourage farmers to shift from narcotics cultivation to other economic activities. A portion of this ACI money is made available to the Bureau of Population, Refugees and Migration for assistance to internally displaced persons in Colombia. DOD provides separate funding for counter drug and counterinsurgency efforts through the Foreign Military Financing program and DOD's central counternarcotics account. ACI was originally envisioned as a six-year program, to expire at the end of 2005. But bureau budget planning includes funding for ACI programs beyond that date, reflecting a widespread expectation that ACI will continue beyond 2005. The program has a long-term goal of enabling the countries in the program to assume full control over their counternarcotics programs.

This multi-faceted, multi-agency program requires extensive coordination between INL and other parts of the Department and the interagency arena. LP's relationship with the Bureau of Western Hemisphere Affairs is close, collaborative, and effective, and generally good with other government agencies; the relationship with DOD is particularly effective. Communication between USAID and INL on ACI at the leadership level has not always been smooth, but coordination is adequate at the working level.

Funding for counternarcotics programs in Latin America outside the ACI region has declined sharply in recent years as the bureau redirected funds to new high-priority programs in Afghanistan and Iraq. For example, the bureau's 2005 BPP estimated a FY 2005 budget of \$12 million for Latin American Programs, but the FY 2005 budget for this program is only \$3.2 million. Budgets for single-country programs in the region have also dropped significantly. This gives the bureau a choice between terminating narcotics affairs programs at some embassies and

keeping all programs running, in some cases with levels of funding not much higher than operating costs. So far, INL has opted to do the latter. OIG recommended informally that INL review its programs in Latin America with a view toward terminating programs in countries where program funding is low and unlikely to increase in the near future.

OFFICE OF AVIATION

The office's major activities have been counternarcotics programs in Latin America, but it also has programs in Pakistan and likely in Afghanistan. The office falls within the responsibility of the deputy assistant secretary for Latin America. OIG did not inspect the Office of Aviation in its bureau review, but it did visit office headquarters at Patrick Air Force Base, Florida to assess its relationship with the bureau and to evaluate INL/RM administrative support. The office director has a positive relationship with the deputy assistant secretary overseeing the office and with program officers. The installation of OpenNet in early 2005 improved communication and coordination.

The office experienced a series of problems with INL/RM. Staff members stated administrative support in general was difficult to obtain from Washington, and too often they had to resort to contacting the acting executive director to get results. Staff complained about support in the areas of human resources, information technology, and budget.

Two employees at the Office of Aviation in Florida report directly to the INL/RM office in Washington--a property management specialist and an information technology specialist. Although the information technology specialist provides some support to NAS posts in the region, most of the workload is for the Office of Aviation. The office director does not supervise them, and superiors in Washington are not fully cognizant of their day-to-day activities. For more effective management and to develop a more cohesive team, OIG informally recommended that the property management specialist report to the Office of Aviation, and that the bureau review lines of authority for the information technology specialist. OIG also addressed several significant issues, which affect the Office of Aviation, discussed below in the Resource Management section.

RESOURCE MANAGEMENT

INL BUDGET SUMMARY FOR FY 04-05 (\$ in millions)

<u>Account</u>	<u>ACTUAL</u> <u>FY 03</u>	<u>ACTUAL</u> <u>FY 04</u>	<u>ENACTED</u> <u>FY05</u>
Andean Counter-Drug Initiative (ACI)	\$ 695.5	\$ 726.7	\$ 725.2
International Narcotics Control & Law Enforcement (INCLE)	\$ 195.7	\$ 240.3	\$ 326.2
Foreign Military Financing (FMF)	\$ 113.0	\$ 10.9	
Freedom Support Act (FSA) Transfers	\$ 43.7	\$ 24.0	\$ 25.0
Support for Eastern European Democracies (SEED) Transfers	\$ 76.0	\$ 76.7	\$ 75.0
Drug Enforcement Administration (DEA) Transfers	\$ 14.7	\$ 12.8	\$ 13.0
Economic Support Fund (ESF) Transfers	\$ 30.4	\$ 18.8	\$ 42.0
Iraqi Relief & Reconstruction Fund (IRRF)* ** *** ****	\$ 74.6	\$ 871.4	\$ 558.0
Afghanistan Supplemental*		\$ 220.0	\$ 660.0
Pakistan Supplemental	\$ 25.0		
TOTAL	\$ 1,268.6	\$ 2,201.6	\$ 2,424.4

Note: * indicates FY 05 estimates based on Supplemental Request submitted to Congress and presently under review.

NOT final appropriations.

** Iraqi funds for FY 05 will be transferred to INL from DoD for Civilian Police program

*** Iraqi funds for FY 03 (\$74.6M) and FY 04 (\$871.4M) were directly apportioned to INL from IRRF.

**** Iraqi funds of \$399M in FY 05 estimate for 400 additional IPLO requested by DoD are for FY 05 and FY 06

MAJOR RESOURCE MANAGEMENT ISSUES

In the last 18 months, bureau leadership worked to address longstanding weaknesses in INL/RM operations. The bureau is to be commended for recognizing problems and taking corrective action. Bureau leadership initiated a management improvement program, including analyzing operations and improving financial planning and asset management. The office reconciled about \$270 million of interagency agreements that had remained as obligations for the period FY 1995-03, identifying \$94.8 million of unliquidated obligations. It also published a comprehensive financial management handbook for NAS personnel overseas and developed a standardized local financial management system to improve the accuracy of financial data and establish appropriate audit trails. The system will be phased in during the spring of 2005.

There are two major issues demanding immediate attention--the pressing need for bureau reorganization, outlined earlier in the report, and the necessity to strengthen procurement/contracting oversight, particularly in the Iraq and Afghanistan programs.

Bureau Reorganization

INL programs have grown significantly over the past few years with new program requirements for Afghanistan and Iraq and an increase in total budget to over \$2 billion for FY 2005. But bureau staffing has not increased commensurately and is a significant management challenge facing the bureau.

In early 2004, bureau leadership conducted a comprehensive staffing review and developed a reorganization plan to meet program requirements and Department mandates, and to improve performance accountability. The plan originally called for 190 positions. In November 2004, the Department approved 34 positions, including a new deputy assistant secretary. The new positions will be funded from bureau appropriations.

Bureau management developed the plan with limited involvement of office directors or staff. It provided guidelines to a contractor to write the 34 new position descriptions, and the position descriptions were sent to the Bureau of Human Resources for classification, with no coordination or input of office directors or staff. The plan's implementation was first delayed pending position classification and then delayed because of funding issues. The recruitment process has continued for some of the new positions up to the point of final selection.

The original reorganization plan was developed over 18 months ago and does not reflect current bureau realities, as noted earlier in this report. A second look at the reorganization plan is needed, with input and involvement of the office directors and staff. This staffing review should also focus on position management, structure of offices, and updating or revising existing position descriptions.

Recommendation 7: The Bureau of International Narcotics and Law Enforcement Affairs should review the reorganization plan, office structure, and positions requested, with involvement of the office directors and staff before final implementation. (Action: INL)

Bureau domestic staffing includes, in addition to permanent Civil Service and Foreign Service employees, 33 part-time and intermittent, 25 personal services contract, and 219 contractor staff throughout the bureau and Aviation Office operations. The bureau depends heavily on hiring contractors and temporary personnel to supplement staffing for specific projects and as subject matter experts. It gives INL flexibility to meet immediate program needs, but a more permanent position structure to manage program requirements for the long term is needed. Existing direct-hire position vacancies go unfilled, as contractors are brought into higher graded career positions, blocking advancement of more junior permanent staff. INL management stated their intention to regularize some of the contractor slots as permanent positions under the reorganization plan.

Recommendation 8: The Bureau of International Narcotics and Law Enforcement Affairs should inventory the number of contractor, personal services contractors, and temporary personnel to determine if there is a continued need for their services under the final reorganization plan. (Action: INL)

In responses to an OIG survey, INL is seen as a Washington based organization, while the NAS posts overseas are overlooked and may not be equipped to deal with new challenges. Some NAS posts are faced with significant reduction in resources as programs decline; others are expected to implement new programs, often with no additional resources.

The bureau needs to improve the management of its overseas resources. INL has programs in 58 countries and overseas staffing of 45 Foreign Service officers, 92 locally employed staff, and 401 personal services agreement or contractor staff. Resources should be realigned as programs change, and staffing levels reassessed, with the object of rightsizing larger programs and regionalizing smaller programs.

Recommendation 9: The Bureau of International Narcotics and Law Enforcement Affairs should conduct a comprehensive review of the current distribution of Narcotics Affairs Section programs and staffing overseas to realign resources with program changes, requirements, and objectives. (Action: INL)

Procurement/Contracts

Overview

INL relies largely on commercial firms to carry out its anti-narcotics and law enforcement programs throughout the world. In FY 2004, INL managed funds of \$2.2 billion, of which \$700 million was expended on contracts with commercial firms. INL contractors perform a remarkable number of tasks, ranging from the eradication and interdiction of illicit drugs in Latin America to managing Iraqi police training facilities in Jordan. Contractors perform these responsibilities in austere, even hostile environments. Several contractor-operated aircraft have been hit by small arms fire in Colombia. INL employs 88 personal services contractors and 60 individuals contracted by commercial firms in Washington and at embassy NASSs. The Office of Acquisitions Management (A/LM/AQM) in the Bureau of Administration awards all INL contracts but delegates contract administration duties to INL officers by appointing them as contracting officer representatives (COR).

Contract Awards

Of the 12 current contracts, nine were awarded competitively and three by sole source. One commercial firm has been awarded 80 percent by value of all INL contracts, but all contracts awarded to this firm were awarded competitively. INL administers two large and complex contracts for the operation of its aviation and civilian police programs. To promote competition, the civilian police contract was awarded to the three firms that submitted proposals in early 2004. Each contract runs for a five-year period and has a potential value of \$1.5 billion. The contract terms allow the contracting officer to award task orders to one of the three firms either competitively or by sole source. In September 2004, OIG reviewed the civilian police contract and found that Department contracting personnel followed applicable procurement regulations and procedures and that all bidders were treated fairly and equitably. (OIG-AUD/IQO-04-47). OIG's report expressed

concern that future task orders might not be awarded competitively. Of the 13 active task orders, eight had been awarded by sole source.

The aviation contract procures services for eradication and interdiction of illicit drugs, training, transportation of personnel and equipment, reconnaissance, search and rescue, medical evacuation, and ferrying of aircraft. The contract expires in November 2005. A new contract will be awarded up to a ten-year period, with an estimated value of \$2 billion. It will be one of the largest contracts awarded by the Department, and one of the first to be performance-based. Contracts are usually limited to five years, but in March 2003, the procurement executive approved the ten-year term because it was potentially more efficient and beneficial to the government to maintain a long-term relationship with the contractor. A/LM/AQM published the aviation support services solicitation in December 2003, but only one qualified proposal was received and it was from the current contractor. The new contract will be a hybrid of firm fixed-price and cost-plus award fee elements, an improvement over the current contract that is entirely cost-reimbursement plus award fee. The contracting officer is now negotiating terms and price with the sole bidder, but it appears that annually tasks costing \$169 million will be established by a firm fixed price and only \$35 million of tasks will be subject to cost reimbursement.

Contract Administration

Procurement officials in A/LM/AQM and INL do not believe the bureau has sufficient managers to administer its programs, especially the contract that INL employs for its civilian police program. These officials report that CIVPOL does not respond in a timely manner to requests for contract information. Although there has been some improvement recently, most INL program managers are inexperienced and not well informed about government contracting requirements. The contracting officer had to issue verbal task orders to extend expiring task orders, because of lapses in the program office, and he recently issued two verbal task orders, worth \$70 million and \$111 million, to continue operations in Iraq. These task orders should have been "definitized" within 30 days, but two months later, the contracting officer has yet to receive the required written scope of work and cost estimates. Task orders for \$13 million and \$20 million were allowed to lapse, causing unauthorized commitments, now being ratified by the Office of the Procurement Executive.

The CIVPOL director recognizes that contract administration must be improved. He and his staff are struggling to cope with an unending stream of new tasks, and he agrees he needs more staff with contracting and cost-estimating

experience. He receives some support from INL/RM officers who have the requisite expertise but who also have other responsibilities that sometimes conflict with his needs. Because of its size and complexity, the civilian police program manager should directly control the resources he needs instead of relying on INL/RM support units. CIVPOL is now part of the Office of Policy Planning and Coordination but, under the INL reorganization plan, will become a larger, independent office. The necessary staff should be transferred to this office when it is established.

Recommendation 10: The Bureau of International Narcotics and Law Enforcement Affairs should assess the number and types of individuals needed to administer the contract for the civilian police program. The required resources should be allotted to the Office of Civilian Police and Rule of Law by either creating new positions or transferring staff from the Office of Resource Management. (Action: INL)

At the time of the inspection, one COR was responsible for monitoring ten task orders worth \$500 million funding activities in seven different countries. Under these task orders, INL operates police training facilities in Iraq and Afghanistan, and maintains police monitoring forces in Kosovo, Liberia, Haiti, and East Timor. One person cannot carry out the responsibilities of a COR to monitor contractor technical progress, perform inspections, accept work on behalf of the U.S. government, and review and approve all contractor invoices. For major contracts where the contractor is working at geographically dispersed locations, regulation 6 FAH-2 H-145 provides for the appointment of government technical monitors to help the COR oversee and evaluate contractor performance, but none have been formally appointed for the civilian police contract. The COR is assisted by staff members in Washington and one personal services contractor overseas. INL should request the contracting officer to appoint additional CORs in Washington and government technical monitors to oversee contractor work overseas. The bureau could look to the staffing of its narcotics affairs sections as a possible source of government technical monitors.

OIG found similar conditions at the Office of Aviation main operating base at Patrick Air Force Base in Florida. The bureau acquires most of its aviation services under one large contract with several active task orders. Besides Patrick Air Force Base, the contractor provides aviation services for the eradication and interdiction of illicit drugs in Colombia, Peru, Bolivia, and Pakistan. Task orders issued under the contract have been assigned to the one COR; no government technical monitors have been appointed. As in the case of the civilian police

contract, one person cannot adequately perform COR responsibilities.

Recommendation 11: The Bureau of International Narcotics and Law Enforcement Affairs should review the responsibilities of contracting officers' representatives and ensure that the contracting officer in the Office of Acquisitions Management appoints additional contracting officer representatives to improve contract administration of the civilian police and aviation contracts. The bureau should also assess the need for government technical monitors to assist the contracting officer representatives and request they be appointed accordingly. (Action: INL)

The dearth of CORs and government technical monitors to administer civilian police and aviation contracts has caused INL to ignore voucher prepayment regulations. To hasten payments to the contractor and avoid charges under the Prompt Payment Act, CORs or their staffs do not review most invoices before they are approved and forwarded for payment. If mistakes are found after the invoice is paid, officers ask the contractors to adjust future invoices. The COR for the aviation contract approves invoices after an initial review, but makes further reviews and adjustments after payment. In the Civilian Police Office, officers sometimes hold invoices for weeks before review. For effective control over disbursement, 4 FAM 425 requires prepayment examination and approval of vouchers by an authorized officer before being certified for payment.

Recommendation 12: The Bureau of International Narcotics and Law Enforcement Affairs should comply with Department regulations, which require prepayment examination by contracting officer representatives before they approve vouchers and forward them for payment. (Action: INL)

The principal deputy assistant secretary signed the letter of agreement with Jordan for the operation of the Jordan International Police Training Center. Within INL, responsibility for administering this agreement has been divided between CIVPOL and INL/RM. Officers in INL/RM now review and approve all invoices from the government of Jordan and its contractors. Since March 2004, INL has employed a contractor in Jordan to help evaluate training center invoices, but those submitted before he arrived are problematic; INL has sent them to the contractor

for review. INL/RM must carefully review these invoices because they lack definition and supporting documentation.

The Civilian Police unit handles the program aspects of the agreement but the Resource Management Office handles administrative responsibilities. This has caused some confusion regarding which office is responsible for the center. To provide for clear and centralized program direction, all functions related to the police training center should be located in the Civilian Police unit.

Recommendation 13: The Bureau of International Narcotics and Law Enforcement Affairs should transfer all functions related to the Jordan International Police Training Center to the Office of Civilian Police. (Action: INL)

Procurement Division

The procurement division supports INL program offices and embassy narcotics affairs sections worldwide. The division's four warranted contracting officers directly awarded 377 individual actions valued at \$53 million in FY 2004, an increase of 50 percent over the previous year. This inspection did not examine these transactions because, in December 2004, the Office of Acquisitions Management reviewed the division's procurement transactions, fulfilling its oversight responsibilities as the head of contracting activity. That review found that purchase order files generally complied with the regulations but that the division should better document its delivery order files and blanket purchase agreements. INL did not agree with some of the recommendations and is now discussing with A/LM/AQM what action is needed.

In an OIG survey, several NAS sections reported that INL was slow to respond to their procurement requests. The procurement staff is well managed but struggling to cope with an increasing workload produced by burgeoning programs. In addition to issuing more procurement actions, the division has experienced increased demands for contract support from INL program offices. Multiple award contracts for civilian police support in Europe, the Middle East, and Afghanistan, while enhancing competition among contractors, has literally tripled the work of administering contracts supporting these programs. The division chief requested additional positions in 2003 and 2004, but no new positions were allocated in the recent reorganization plan because bureau managers decided other offices needed them more.

The Office of Acquisitions Management believes it could perform more of the procurement functions now carried out by the division. In view of limited resources, INL should shift some of its procurement responsibilities to A/LM/AQM. The chief of the procurement division and the Office of Acquisitions Management have agreed to transfer the grants management function. OIG reviewed a sample of grant files and found that most were awarded competitively. A few grants were problematic. At the request of INL, OIG Office of Audits reviewed awards to the MiraMed Institute (AUD/CG-05-23). INL is sending a contract auditor to Moscow to verify compliance with recommendations made in that audit report.

These transfers will free the staff to improve service, but more importantly to enhance its assistance to INL program offices. At the present time, 70 percent of staff time is devoted to procurement actions and 30 percent to assisting NAS and program offices. With the shift of selected procurement responsibilities, the division should increase the time devoted to program assistance. It would also allow the staff to visit NAS sections more frequently and participate in management assistance visits managed by the program assistance and evaluation division.

RESOURCE MANAGEMENT OPERATIONS

The Office of Resource Management

INL/RM adequately provides administrative support for the bureau. The INL budget grew exponentially from approximately \$147 million 11 years ago to \$2.2 billion in FY 2004, with accompanying increases in support and management control requirements. INL/RM has 43 Civil Service positions, one Foreign Service position, three personal service contractors, and 19 on contract. It requested three new positions as part of the bureau reorganization plan. Its staffing has not grown commensurate with the increased size, diversity, and complexity of bureau operations. Consequently, INL/RM has stretched its infrastructure to respond to the rapid growth by using commercial contractors, personal service contractors, and temporary, when actually employed hires. An additional burden has been the mandate to provide administrative support for the G/TIP office and the Human Trafficking and Smuggling Center, but the Department did not provide more funds or positions for the added responsibility.

Since the move of INL/RM's last director, who also holds the title of controller, to the PDAS slot in August 2004, an acting director has headed the office. A

bureau hiring freeze delayed finding a permanent replacement for the position. Yet this is a key position for effectively managing the office to cope with the bureau's rapid growth. But the office has certain operating weaknesses; the acting director is also head of the program assistance and evaluation division. As a consequence the office suffers from too thinly stretched leadership.

Recommendation 14: The Bureau of International Narcotics and Law Enforcement Affairs should fill the vacant position for executive director/controller on a priority basis upon lifting the bureau hiring freeze to ensure effective management of its Office of Resource Management. (Action: INL)

Office Reorganization

The office structure, as laid out in the bureau reorganization plan, needs further refinement to ensure optimal efficiency by grouping like functions together. According to the plan, the office will contain a small front office, and four divisions--program assistance and evaluation, budget, procurement, and information management. The existing assistance and evaluation division will continue to contain a wide mix of disparate functions, including strategic planning, post management assistance, human resources, general services, financial analysis, procurement, and special projects. The procurement division will maintain certain responsibilities that OIG believes should move to the Office of Civilian Police and Rule of Law and to A/LM/AQM, described in more detail elsewhere in this report.

To achieve a more efficient workload distribution the office needs to restructure, locating similar functions in the same division. The program assistance and evaluation division should be limited to program evaluation and perhaps special projects, removing its other functions. The financial analysis operation would seem more logically placed in the budget division, which could become the financial management division. The procurement division could move to a new management services division, adding human resources and general services. Information technology work logically belongs in the information management division.

Recommendation 15: The Bureau of International Narcotics and Law Enforcement Affairs should restructure the Office of Resource Management, assigning responsibility for strategic planning to the program assistance and evaluation division, moving unrelated activities to other divisions, placing information technology in an information management division, and establishing a financial management division for budget and financial analysis and a support services division for procurement, human resources, and general services. (Action: INL)

Customer Service/Communication

Recipients of INL/RM's services expressed disappointment with responsiveness. Some criticism resulted from INL/RM efforts to adjust to the large additional workload created by the bureau's rapid expansion; but more needs to be done to establish a more service-oriented atmosphere. Some customers had to follow up repeatedly before action occurred and some encountered negative staff attitudes. To identify areas requiring attention, periodic surveys could focus on problem areas and evaluate responsiveness. The office can improve service by staff training, including in-house sessions and courses at the Foreign Service Institute and other organizations, such as the Department of Agriculture Graduate School. Another tool is counseling and improving communication with the staff. OIG informally recommended that the bureau develop and implement a plan to measure and improve customer service satisfaction.

INL/RM's staff members are too often unaware of bureau decisions and priorities because of inadequate downward communication. Also, the staff is physically located apart from most of the bureau, creating a sense of isolation. There are no regular office-wide meetings to keep employees informed of bureau activities and to provide opportunities for questions and discussions. OIG informally recommended that INL/RM schedule and hold regular office-wide meetings to inform the staff and improve morale.

Program Assistance and Evaluation Division

Strategic Planning

The Program Assistance and Evaluation (PA&E) division was established to meet Department and Office of Management and Budget (OMB) requirements for strategic planning, link the BPP and MPP to resources, develop performance based

initiatives, and participate in Program Assessment Rating Tool (PART) reviews. The bureau is working to improve strategic and performance planning with emphasis on performance measures and financial accountability.

The PA&E strategic planning section is a small staff of two direct hire positions supplemented by three contractors. Its mandate is to build a methodology to evaluate programs, work with program managers and NAS posts to analyze their programs, determine appropriate performance measures that support the INL strategic plan, and set targets and link resources to goals. The PA&E office chairs a joint interagency working group to define performance indicators for international rule of law programs.

The bureau has taken the PART seriously, with active front office participation. In 2004, INL participated for the first time in the OMB directed PART review of South American programs. The scores were low from the Department's perspective but from OMB's perspective, comparable to other agencies. PA&E worked with INL PART coordinators to develop better performance measures, and BPP goals and objectives become PART performance measures. PA&E works closely with OMB throughout the PART process to refine effective performance measures and increase compliances scores, a goal set by the INL bureau. PA&E responds to OMB recommendations to develop a resource allocation model and a new financial system to track and report data needed to make strategic planning and resource allocation decisions. This data will also link annual funding requests for each program to relevant program goals. PA&E started the PART review early this year to send out guidance on the process to the Africa and Asian programs. April is the target date for a draft PART review to the Bureau of Resource Management and a June target date to OMB.

Human Resources

The human resources unit provides adequate but basic human resources support and services to the bureau, including the Office of Aviation, overseas NAS operations, and G/TIP. The many categories of employees in the bureau and at overseas posts, including direct hire, locally employed, and contractor staff complicate that support. The bureau does not have delegated personnel authority and relies on the Department central system for most personnel processes. Though normally a human resources function, responsibility for training, awards, and orientation are assigned to other INL/RM staff.

There was a significant turnover of human resources staff over the past year. Both the specialist and the trainee assistant have less than one year with the INL

bureau. A contractor provides administrative support. Because the specialist did not have the time or the experience, a personal services contractor was hired to write position descriptions for the new positions approved under the reorganization. There is also a vacant human resources specialist position pending possible reclassification to a working level supervisor. Recruitment to fill the position has been delayed by the bureau hiring freeze. The workload to support almost 700 INL domestic and overseas staff is overwhelming the small human resources unit.

Based on comments in the domestic and overseas OIG questionnaires and discussions with INL office staff, the widely held perception is that the human resources unit does not provide prompt or adequate support and lacks responsiveness, feedback, basic program knowledge, and experience. Some problems can be attributed to new employees and a vacant senior position, but not all. Both employees have taken, or are scheduled to take, the Department required human resources training. There is a suspense log of cable action requests from overseas posts, but it is not maintained. OIG counseled the human resources staff to be more proactive in working with their customers to provide more timely information, feedback, and response to requests. OIG made an informal recommendation to implement a more detailed system to track action requests and improve customer service.

Foreign Service Assignments

The recruitment process for the summer 2005 Foreign Service position vacancies was not handled particularly well by INL. The bureau is having difficulty filling its domestic and overseas position vacancies. Out of 36 open assignments in this year's cycle, five positions remain unfilled with no firm commitments and 23 positions are designated hard-to-fill. Though late in the process, the acting assistant secretary moved quickly to identify candidates and fill the vacant positions. Bureau positions have historically been difficult to staff, particularly at mid-level grades; and now there is an increasing demand for INL officers in the fast-growing programs in Iraq, Afghanistan, and Pakistan. It is difficult to find qualified at-grade bidders to fill all positions, and few Foreign Service officers have the specialized skills or experience to manage large, complex programs. The bureau tries to cover staffing gaps with temporarily assigned annuitants or temporary duty personnel, but this is a short-term fix that does not address long-term program management. A more focused effort to develop a recruitment strategy of aggressive outreach and networking to sell the positive aspects and important work of the bureau would help attract qualified, talented officers. After discussion with OIG, INL recognized the shortfall and established a Foreign Service recruitment working group.

Orientation and Training

The INL orientation course given in July each year is designed to be an overview and general introduction to the INL bureau and programs; it does not provide practical or technical training. Currently, new officers are asked to learn the more technical aspects of program management on the job. A review of 2004 course critiques and comments from the overseas posts in OIG questionnaires indicates otherwise. INL officers want more relevant training in financial planning and budget preparation. But new Foreign Service officers are routinely assigned to the bureau with limited program management experience. While the one-week orientation course is well received, this informal approach does not address the skills needed to manage complex programs and significant resources.

Recommendation 16: The Bureau of International Narcotics and Law Enforcement Affairs should redesign the bureau orientation course to include more focused and relevant technical training in financial planning, budget preparation, program management, contracting, and procurement. (Action: INL)

Support Services Unit

The support services unit does not have sufficient staff to provide timely administrative services to the 145 bureau employees and the 18-person G/TIP staff. The unit's work order file showed a backlog of eight weeks. One office purchased office supplies from personal funds, because it could not acquire them from the support services unit. The support services unit has two full time positions, but one has been vacant for almost a year. The reorganization plan gives two additional positions to the service unit, enough staff to fulfill its responsibilities.

Financial Management

The budget division managed funds totaling \$2.2 billion in FY 2004. Headed by an officer supported by a staff of 15 employees, the budget office is divided into two branches, the Budget Formulation and Analysis Branch and the Budget Execution and Funds Control Branch.

The Budget Formulation and Analysis Branch's primary responsibility is data collection, compilation, and presentation of the INL budget estimates and budget

submissions to the Department's Chief Financial Officer, the Office of Management and Budget, and the Congressional Budget Justification documents. It also coordinates the preparation of guidance and budget instructions for the BPP and MPP.

The Budget Execution and Funds Control Branch implements the apportionment, allotment, allocation, and transfer of obligation authority to overseas missions and other federal agencies that execute programs under the supervision and direction of INL. The branch also maintains program budget controls for INL domestic operations and establishes commitments and obligations, while ensuring consistency with approved bureau program plans, budget allocations earmarks, and spending limitations.

Funds Management

Due to the complex nature of its programs, INL has unique financial recording and reporting requirements. The Department's core financial systems, the Regional Financial Management System (RFMS) and the Central Financial Management System (CFMS), do not provide full support to address these needs. Therefore, INL maintains separate cuff records to properly track program expenses and the status of funds for each of these separate appropriations. These separate cuff records must be continuously reconciled with the Department core financial systems.

INL routinely obligates funds during the fiscal year they are provided under letters of agreement (LOAs) executed between the Department and host countries and interagency agreements (IAA) between the Department and other government agencies. When these agreements are signed and the funds are provided, INL performs a bulk obligation for the total amount of the agreement. As parts of the program are executed, INL must deobligate and subobligate funds as needed to provide goods and services required under the different agreements. Neither RFMS nor CFMS have the capability to link the original obligation with the subsequent subobligations.

To enhance its financial recording capabilities, INL developed LFMS, based on the design used in the NAS in Colombia. The new subsidiary financial system will allow the bureau to better record and maintain financial information, aiding its financial recording and reporting requirements. The LFMS will be launched at ten posts in early April and is expected to be fully operational by the end of 2005.

INL also needs to provide its financial recording needs to the Bureau of Resource Management to determine what additional information, not currently provided by RFMS and CFMS, can be included in future software upgrades or in the Global Financial Management System, now under development.

Recommendation 17: The Bureau of International Narcotics and Law Enforcement Affairs should provide the Bureau of Resource Management with information on the type of the financial data the Department should include in its core financial systems in order for the Bureau of International Narcotics and Law Enforcement Affairs to meet its financial recording requirements. (Action: INL, in coordination with RM)

In the interim, to ensure timely recording and accounting of its funds the bureau should reconcile all IAAs and LOAs quarterly. In November 2003, INL had centrally funded \$271.6 million in IAAs dating back to 1995. At that time, INL had hired a contractor to reconcile funds obligated under these agreements. As a result, \$94.8 million of unliquidated obligations were reconciled, \$52.6 million of INCLE funds, \$25.2 million of FSA funds, and \$17 million of SEED funds. To enable the bureau to track expenditures from the LOAs executed at post, a data call is sent to posts every quarter. The bureau was unable to properly reconcile its LOAs, due to lack of post responses. OIG informally recommended INL remind posts to submit financial data to INL on time.

Recommendation 18: The Bureau of International Narcotics and Law Enforcement Affairs should establish and implement procedures to perform quarterly reconciliations of its interagency agreements and letter of agreements. (Action: INL)

INL has begun reprogramming these funds. It is a lengthy and cumbersome process. To avoid the necessity of future reprogramming, the bureau should continuously review its unliquidated obligations to ensure that all funds are utilized effectively.

Recommendation 19: The Bureau of International Narcotics and Law Enforcement Affairs should establish and implement procedures to ensure the timely reprogramming of unliquidated obligations. (Action: INL)

One of the requirements in the IAAs is for the performing agency to provide quarterly reports showing expenditures of funds obligated for authorized activities accompanied by supporting documentation. INL/RM is not enforcing this; but it should, in order to keep track of centrally funded IAA expenditures and unliquidated obligations.

Recommendation 20: The Bureau of International Narcotics and Law Enforcement Affairs should require quarterly reports related to its interagency agreements, as a condition of approval prior to payment. (Action: INL)

To provide the services required in the IAAs, INL pays the performing agencies an administrative overhead. Depending on the performing agency, the overhead rate varies from 15 to 30 percent. INL should review the overhead rates being paid in the IAAs to determine if they are excessive. OIG made an informal recommendation regarding this issue.

Program officers have a major stake in the subsidiary local financial management system, because it will help them effectively oversee bureau programs. OIG informally recommended that INL/RM demonstrate the system to program officers to ensure it meets program needs.

Regional Support Units

During FY 2005, INL intends to create regional management support centers in Bangkok and Dubai. The Bangkok regional oversight and support unit will provide financial assistance, oversight and account reconciliation for bureau transactions originating in the Near East and East Asian regions. Department offices and Embassy Bangkok approved the creation of this regional office in June 2004. Although INL could reconcile accounts in Washington, it calculated that it was less expensive to provide these services from a Bangkok regional office. The projected Dubai regional support unit will provide logistic, procurement, and contract administration services for bureau operations in Afghanistan, Iraq, and Jordan. INL has requested approval for the unit from the Bureau of Near Eastern Affairs and the embassy chief of mission Information Technology. The bureau has a complex information management and systems security program encompassing a variety of program management and administrative activities. The systems monitor and track high-dollar programs, including construction contracts and an inventory of over \$600 million. To support these activities, INL uses Department networks, the

sensitive-but-unclassified OpenNet Plus and the classified ClassNet. The bureau currently supports about 300 sensitive-but-unclassified and classified users in three locations in Washington and 35 sensitive-but-unclassified users at Patrick Air Force Base, Florida. Contractors provide significant information technology support for program operations, such as the Office of Aviation.

The fragmentation of information technology management, without central information technology leadership and oversight, reduces information management effectiveness. The bureau recognizes this and has requested a new position, chief of the Information Systems Division, to manage and oversee information technology programs in Washington and Florida. The position is necessary to ensure required administrative and program support, including developing performance measures, determining resource requirements, and ensuring compliance with Department information technology policies and procedures.

Information Systems Security

The bureau's information systems security program is effective and documented, but much of the documentation needed to be reviewed and updated. Also, there are different policies and procedures at two locations. During the inspection, INL used the Department's analytic tool to verify the configuration settings of its servers and workstations to identify discrepancies that need to be resolved by information technology management. Compliance with audit policies ranged from six percent to 83 percent. Also, the Department's software security patch management status report does not accurately reflect the status of INL workstations and servers.

MANAGEMENT CONTROLS

During the last 18 months, bureau leadership achieved significant progress in strengthening management controls. OIG commends the bureau for beginning a program of management assistance visits to NAS offices overseas to improve operations and to assess the adequacy of management controls, as described below. The bureau also published an updated Financial Management Handbook in early 2005 and distributed it to all NASs.

INL received the most recent Risk Assessment Results and Evaluation from the Bureau of Resource Management in January 2005 indicating moderate risk for the organization. The scores showed that overall controls are good, with some areas that need strengthening, including the budget division, information management division, LP, and AAE. The acting director of INL/RM stated to OIG that controls for these areas are under review and will be strengthened.

A review of travel vouchers showed that several unallowable miscellaneous expenses were being paid during overseas travel. Some of the unallowable expenses were for laundry and dry cleaning, hotel taxes, and excess lodging. According to the regulations 6 FAM 143 and the Federal Travel Regulation Part 301.11, these expenses are not allowed. The budget officer has already taken steps to ensure that no unallowable travel expenses will be paid in the future.

HUMAN RESOURCES

Performance evaluations require bureau management attention. The human resources unit did not develop timelines, issue guidance, or establish procedures on work requirement statements, performance plans, or evaluation reports as required by 3 FAH-1 H-2815.1 and 3 FAH-1 H-2823.1. The Foreign Service 2004 annual rating period begins in April, but work requirement statements were not established for the majority of bureau officers. Performance appraisal reports for Civil Service employees were due in mid- February for the 2004 rating period, but at the end of March over half were not completed. When the new assistant secretary arrived in late March, she pressed bureau managers and supervisors to complete Civil Service performance appraisals. Foreign Service and Civil Service performance evaluations

for the 2003 rating cycle were submitted after Department deadlines. There is no indication that INL informed the Department of supervisors responsible for delinquent evaluation reports, or that mid-year progress reviews were completed as required by 3 FAH-1 H-2819.1-3 and H-2825.4. The bureau needs to strengthen management controls by focusing on work planning, counseling, and performance evaluation for Foreign Service and Civil Service employees.

Recommendation 21: The Bureau of International Narcotics and Law Enforcement Affairs should ensure that work requirement statements for Foreign Service employees and performance plans for Civil Service employees are completed within the required timeframe at the start of the rating cycle, in accordance with Department regulations. (Action: INL, in coordination with M/DGHR)

Recommendation 22: The Bureau of International Narcotics and Law Enforcement Affairs should provide the Bureau of Human Resources with a list identifying raters or reviewers responsible for delinquent Civil Service evaluation reports as required by Department regulations. (Action: INL, in coordination with M/DGHR)

A significant number of INL position descriptions are outdated and no longer reflect assigned duties and responsibilities. OIG informally recommended that position descriptions be routinely reviewed and updated in accordance with 3 FAM 2638.2.

MANAGEMENT ASSISTANCE VISITS

OIG commends INL for beginning a program of management assistance visits at embassy narcotics assistance sections to improve operations, verify compliance with INL procedures, and assess the adequacy of management controls. In February 2005, it conducted its first assistance visit at the narcotics affairs unit in Mexico City. The chief of the NAS commended the team for its productive and highly professional work. INL has prepared excellent standard operating procedures to guide the management assistance program. These procedures state that assistance teams will be comprised of three INL staff members who focus on overall management, administrative procedures, and financial management. OIG's survey of

embassy narcotics assistance sections found that they also needed advice on procurement and contracting. OIG informally recommended that operating procedures be modified accordingly and that future assistance visits include officers with these skills.

PROPERTY MANAGEMENT

The support services unit should focus on improving property management and management controls, filling vacant and newly created positions to better address weaknesses in this area. Bureau property records, maintained on its nonexpendable property application, have not been updated in several months because the sole employee of the support services unit did not have access until a few weeks ago. Some accountable items in the property records were missing, and bar code numbers from three central processing units were not listed on property records. The annual inventory, required by 6 FAM 236, was due by March 15 but had not been completed as of that date. INL has requested a time extension. Inventory results must be reconciled with the property records, a difficult process if records are inaccurate.

Recommendation 23: The Bureau of International Narcotics and Law Enforcement Affairs should update its property records, followed by an annual inventory and reconciliation as required by Department regulations. (Action: INL)

Besides maintaining bureau accountable property records, the sole support service employee is also the ordering officer and receiving clerk for all deliveries. The practice undermines management controls and leaves the bureau vulnerable to fraud. Regulation 6 FAM 233 and good management control practices require that different employees perform these functions. The bureau plans to add two positions to the unit to enable it to separate the duties.

Recommendation 24: The Bureau of International Narcotics and Law Enforcement Affairs should separate responsibilities for property records, inventorying, ordering, and receiving by assigning responsibility to different employees, as required by Department regulations. These designations should be published within the bureau. (Action: INL)

PURCHASE CARD PROGRAM

The acting executive director is the program coordinator for the purchase card program and has appointed one approving officer and one cardholder. There is no record that the program coordinator conducted an annual review of purchase card activity, as required by his delegation of procurement authority from A/LM/AQM. Neither is there a record that the approving officer reviewed the cardholder's purchase card records every six months, as required by his appointment letter. As a result, there is no assurance that purchase cards are being used correctly. INL is now preparing procedures and conducting required reviews.

Recommendation 25: The Bureau of International Narcotics and Law Enforcement Affairs should establish and implement procedures that ensure purchase card reviews are conducted as required by the Bureau of Administration, Office of Acquisitions Management. (Action: INL)

INFORMATION SYSTEMS SECURITY

The bureau had an independent contractor assess the Aviation Office Wing Information System and its infrastructure in August 2004. The assessment identified several vulnerabilities with the management, operations, and technical controls of the contractor-managed system. INL needs to develop a plan of action and milestones to address these vulnerabilities. Also, the information system was not included in the Department's inventory of applications and was not reported under the Federal Information Security Management Act.

Recommendation 26: The Bureau of International Narcotics and Law Enforcement Affairs should provide a copy of a plan of action and milestones to the Bureau of Information Resources Management. (Action: INL)

FORMAL RECOMMENDATIONS

- Recommendation 1:** The Bureau of International Narcotics and Law Enforcement Affairs should establish individual working groups for the direction and management of bureau programs in Iraq and Afghanistan. (Action: INL)
- Recommendation 2:** The Bureau of International Narcotics and Law Enforcement Affairs should schedule regular working meetings with the U.S. Agency for International Development counterparts at the Assistant Secretary/deputy assistant secretary level. (Action: INL)
- Recommendation 3:** The Bureau of International Narcotics and Law Enforcement Affairs should establish a policy unit of two officers in the Office of Policy, Planning and Coordination. (Action: INL)
- Recommendation 4:** The Bureau of International Narcotics and Law Enforcement Affairs should retain the existing Office of Asia, Africa and Europe and establish a new office for South and Central Asia. (Action: INL)
- Recommendation 5:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with the Bureau of Human Resources, should hire a permanent employee to fill the division director position in the Office of Crime Programs. (Action: INL, in coordination with M/DGHR)
- Recommendation 6:** The Bureau of International Narcotics and Law Enforcement Affairs should transfer responsibility for the administration of the bureau's database on interagency law enforcement agreements from the Office of Crime Programs to the Office of Resource Management. (Action: INL)
- Recommendation 7:** The Bureau of International Narcotics and Law Enforcement Affairs should review the reorganization plan, office structure, and positions requested, with involvement of the office directors and staff before final implementation. (Action: INL)
- Recommendation 8:** The Bureau of International Narcotics and Law Enforcement Affairs should inventory the number of contractor, personal services contractors, and temporary personnel to determine if there is a continued need for their services under the final reorganization plan. (Action: INL)

Recommendation 9: The Bureau of International Narcotics and Law Enforcement Affairs should conduct a comprehensive review of the current distribution of Narcotics Affairs Section programs and staffing overseas to realign resources with program changes, requirements, and objectives. (Action: INL)

Recommendation 10: The Bureau of International Narcotics and Law Enforcement Affairs should assess the number and types of individuals needed to administer the contract for the civilian police program. The required resources should be allotted to the Office of Civilian Police and Rule of Law by either creating new positions or transferring staff from the Office of Resource Management. (Action: INL)

Recommendation 11: The Bureau of International Narcotics and Law Enforcement Affairs should review the responsibilities of contracting officers' representatives and ensure that the contracting officer in the Office of Acquisitions Management appoints additional contracting officer representatives to improve contract administration of the civilian police and aviation contracts. The bureau should also assess the need for government technical monitors to assist the contracting officer representatives and request they be appointed accordingly. (Action: INL)

Recommendation 12: The Bureau of International Narcotics and Law Enforcement Affairs should comply with Department regulations, which require prepayment examination by contracting officer representatives before they approve vouchers and forward them for payment. (Action: INL)

Recommendation 13: The Bureau of International Narcotics and Law Enforcement Affairs should transfer all functions related to the Jordan International Police Training Center to the Office of Civilian Police. (Action: INL)

Recommendation 14: The Bureau of International Narcotics and Law Enforcement Affairs should fill the vacant position for executive director/controller on a priority basis upon lifting the bureau hiring freeze to ensure effective management of its Office of Resource Management. (Action: INL)

Recommendation 15: The Bureau of International Narcotics and Law Enforcement Affairs should restructure the Office of Resource Management, assigning responsibility for strategic planning to the program assistance and evaluation division, moving unrelated activities to other divisions, placing information technology in an information management division, and establishing a financial management division for budget and financial analysis and a support services division for procurement, human resources, and general services. (Action: INL)

Recommendation 16: The Bureau of International Narcotics and Law Enforcement Affairs should redesign the bureau orientation course to include more focused and relevant technical training in financial planning, budget preparation, program management, contracting, and procurement. (Action: INL)

Recommendation 17: The Bureau of International Narcotics and Law Enforcement Affairs should provide the Bureau of Resource Management with information on the type of the financial data the Department should include in its core financial systems in order for the Bureau of International Narcotics and Law Enforcement Affairs to meet its financial recording requirements. (Action: INL, in coordination with RM)

Recommendation 18: The Bureau of International Narcotics and Law Enforcement Affairs should establish and implement procedures to perform quarterly reconciliations of its interagency agreements and letter of agreements. (Action: INL)

Recommendation 19: The Bureau of International Narcotics and Law Enforcement Affairs should establish and implement procedures to ensure the timely reprogramming of unliquidated obligations. (Action: INL)

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Recommendation 26: The Bureau of International Narcotics and Law Enforcement Affairs should provide a copy of a plan of action and milestones to the Bureau of Information Resources Management. (Action: INL)

INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

Executive Direction

Between vacancies and inexperienced incumbents, the staff director concept has not worked, only contributing to the perception of organizational confusion.

Informal Recommendation 1: The Bureau of International Law Enforcement and Narcotics Affairs should eliminate the staff director position.

Policy, Planning, and Coordination Office

INL officers, particularly in the unit for Civilian Police and rule of law, are unclear how their work interrelates with that of the Office of the Coordinator for Reconstruction and Stabilization.

Informal Recommendation 2: The Bureau of International Narcotics and Law Enforcement Affairs should expand its efforts to coordinate with the Office of the Coordinator for Reconstruction and Stabilization.

The public affairs unit in the Office of Policy, Planning, and Coordination has a workload imbalance and a duplication of effort and should be restructured.

Informal Recommendation 3: The Bureau of International Narcotics and Law Enforcement Affairs should restructure the public affairs unit in the Office of Policy, Planning, and Coordination, transferring the public diplomacy function to the bureau's geographical offices, reducing the unit to two officers and an assistant, and redefining work requirements.

Civilian Police and Rule of Law

Civilian police and rule of law programming would benefit from more regular, expanded brainstorming sessions to incorporate best practices elsewhere.

Informal Recommendation 4: The Bureau of International Narcotics and Law Enforcement Affairs should institute regular brainstorming meetings conducted by bureau officers working on rule of law projects, including with other Department, agency, and nongovernmental representatives when appropriate.

It is not clear when a civilian police and rule of law program should transition to a bureau regional office. No standard procedures have been developed, such as a transition schedule for obligating and programming funds.

Informal Recommendation 5: The Bureau of International Narcotics and Law Enforcement Affairs should ensure that the unit for civilian police and rule of law and the bureau's regional offices work together to determine when and how civilian police and rule of law programs transition to the regional offices.

The unit for civilian police and rule of law has neither a formal deputy director for its Iraq work nor a formal deputy director for its substantial non-Iraq work. As a result, management, communication, and responsiveness have suffered.

Informal Recommendation 6: The Bureau of International Narcotics and Law Enforcement Affairs should create a permanent deputy office director slot for Iraq work and a permanent deputy slot for the non-Iraq work in the future Civilian Police and Law Enforcement office.

Most Civilian Police and Law Enforcement unit program officers do not have a current description of their job responsibilities. Procedures are only beginning to be developed to improve team and unit management, communication and effectiveness.

Informal Recommendation 7: The Bureau of International Narcotics and Law Enforcement Affairs should ensure that the unit for civilian police and rule of law continues steps to improve unit and team management and communication.

Civilian police and rule of law unit program officers indicated they could be more effective in managing programs and working with contractors if they had more formal contract and budget training.

Informal Recommendation 8: The Bureau of International Narcotics and Law Enforcement Affairs should work with the Foreign Service Institute to secure contract and budget training needed for civilian police and rule of law unit program officers.

Office of Asia, Africa and Europe

Few Office of Asia, Africa and Europe program officers implement the best practice of convening interagency law enforcement working groups.

Informal Recommendation 9: The Bureau of International Narcotics and Law Enforcement Affairs should encourage Office of Asia, Africa and Europe program officers to expand implementation of best practices, including regularly convening law enforcement working groups comprised of Department and interagency officials.

A number of program officers in the Office of Asia, Africa and Europe do not have a clear, current description of their job responsibilities. Support staff responsibilities have not been clearly defined.

Informal Recommendation 10: The Bureau of International Narcotics and Law Enforcement Affairs should ensure that position descriptions for all Office of Asia, Africa and Europe staff are up to date and that support staff responsibilities are clearly delineated.

Existing informal mentoring in the Office of Asia, Africa and Europe is strong, but *ad hoc*. The office has just begun to develop standard operating procedures, and few officers have had Washington Tradecraft.

Informal Recommendation 11: The Bureau of International Narcotics and Law Enforcement Affairs should support the Office of Asia, Africa and Europe's efforts to formalize and accelerate on-the-job training, continue to develop standard operating procedures, and obtain Washington Tradecraft training, including for key contractors.

The Office of the Coordinator of U.S. Assistance to Europe and Eurasia transfers Support for Eastern European Democracy and Freedom Support Act funding to the bureau and oversees INL programming with these funds. The two bureaus have not agreed how to program deobligated pipeline funds.

Informal Recommendation 12: The Bureau of International Narcotics and Law Enforcement Affairs should meet more regularly with Office of the Coordinator of U.S. Assistance to Europe and Eurasia to review strategic planning on programs funded with Support for Eastern European Democracy and Freedom Support Act, deconflict implementation, and agree on how to program deobligated pipeline funds.

The extent of coordination between program officers in the Office of Asia, Africa and Europe and budget officers in the Office of Resource Management varies; few officers conduct joint program reviews, and budget officers do not attend Freedom Support Act or Support for East European Democracy review meetings.

Informal Recommendation 13: The Bureau of International Narcotics and Law Enforcement Affairs should ensure that the Office of Asia, Africa and Europe program officers and Office of Resource Management budget officers institutionalize joint program review meetings and that budget officers attend Freedom Support Act and Support for East European Democracy review meetings with Office of the Coordinator of U.S. Assistance to Europe and Eurasia.

Office of Crime Programs

Because INL leadership has sought a stronger role on several of INL/C's issues in recent years, INL/C staff has become somewhat overextended. Also, tight budgets have made it difficult for the bureau to carry out commitments in some areas where it has a leading role.

Informal Recommendation 14: The Bureau of International Narcotics and Law Enforcement Affairs leadership should decide, in coordination with the Office of Crime Programs staff, what role the bureau will play in the interbureau and inter-agency process on Office of Crime Programs issues.

INL/C and INL regional offices do not coordinate systematically with each other.

Informal Recommendation 15: The Bureau of International Narcotics and Law Enforcement Affairs should begin scheduling meetings between the Office of Crime Programs and the bureau's two regional offices, the Office of Latin American and Caribbean Programs and the Office for Asia, Africa and Europe, during the budget planning process to discuss the regional offices' country programs and the Office of Crime Programs' regional and single-country initiatives.

INL/C does not have a regularly scheduled staff meeting, reducing staff contact with the office director and putting them out of touch on issues affecting the office and the bureau.

Informal Recommendation 16: The Bureau of International Narcotics and Law Enforcement Affairs Office of Crime Programs should hold a staff meeting every two weeks.

Human Smuggling and Trafficking Center

The Human Smuggling and Trafficking Center lacks close oversight of its programs and budget.

Informal Recommendation 17: The Bureau of International Narcotics and Law Enforcement Affairs should request an interagency review of the Human Smuggling and Traffic Center to assess its effectiveness and oversight of its budget and programs.

Office of Latin American and Caribbean Programs

Frequently shifting of staff from one portfolio to another has caused a lack of continuity in communication with overseas posts. Also, there have been occasional mismatches between the importance of a portfolio and the seniority of the staff members.

Informal Recommendation 18: The Bureau of International Narcotics and Law Enforcement Affairs' leadership should review the office staff's portfolios following the 2005 Foreign Service transfer season to keep future turnover to a minimum and ensure that most experienced staff members fill the key portfolios.

Because of funding cuts, funding for some INL programs in Latin America and the Caribbean is barely above operating costs.

Informal Recommendation 19: The Bureau of International Narcotics and Law Enforcement Affairs should review its narcotics assistance programs in Latin America and the Caribbean with a view toward closing narcotics affairs programs in countries where program funding is low and unlikely to increase in the near future.

Office of Aviation

A property management specialist and an information technology specialist at the Office of Aviation in Florida report directly to INL/RM in Washington. The two employees have no on-sight supervision of their day-to-day activities.

Informal Recommendation 20: The Bureau of International Law Enforcement and Narcotics Affairs should reassign the property management specialist to the Office of Aviation and should review the lines of authority for the information technology specialist.

Customer Service

As noted in OIG written questionnaires and observed by OIG during the inspection, recipients of INL/RM's services expressed criticisms of responsiveness.

Informal Recommendation 21: The Bureau of International Law Enforcement and Narcotics Affairs should develop and implement a plan to measure and improve customer service satisfaction.

Communication

INL/RM's staff members are too often unaware of bureau decisions and priorities because of inadequate downward communication. In addition, there are no regular office wide meetings to keep employees informed.

Informal Recommendation 22: The Bureau of International Law Enforcement and Narcotics Affairs should schedule and hold regular office wide meetings to inform staff of bureau developments and to foster morale.

Human Resources

The perception among bureau staff is that the human resources unit does not provide good customer service, prompt support, or feedback to requests, and lacks responsiveness. The unit does not maintain a suspense log of action requests.

Informal Recommendation 23: The Bureau of International Law Enforcement and Narcotics Affairs should improve customer service in the human resource unit and implement a more detailed system to track all human resource action requests.

The recruitment process for the summer 2005 Foreign Service position vacancies was not handled particularly well by INL. The bureau historically has difficulty filling its positions.

Informal Recommendation 24: The Bureau of International Narcotics and Law Enforcement Affairs should develop a recruitment strategy to recruit and retain qualified Foreign Service officers for domestic and overseas bureau positions.

Financial Management

The bureau was unable to properly reconcile its LOAs due to the lack of post responses when INL requested the submission of financial data.

Informal Recommendation 25: The Bureau of International Law Enforcement and Narcotics Affairs should request posts to submit financial data in a timely manner.

The overhead rates being charged in the IAAs by performing agencies range from 15 to 30 percent. INL should review the overhead rates to determine if they are excessive.

Informal Recommendation 26: The Bureau of International Law Enforcement and Narcotics Affairs should ensure that performing agencies are charging reasonable rates in interagency agreements.

INL program officers need access to current and complete financial information to perform their work. A demonstration of LFMS would assure them that needed financial information will be available.

Informal Recommendation 27: The Bureau of International Law Enforcement and Narcotics Affairs should set up a demonstration of the local financial management system for its program officers.

Information Technology

Information technology programs and management are fragmented and without central leadership and oversight.

Informal Recommendation 28: The Bureau of International Narcotics and Law Enforcement Affairs should promptly fill the newly created position, chief of Information Systems Division, with responsibility for the bureau's information resource management, information technology, and information systems security operations.

The local financial management system is not always reviewed by the e-Government Program Board and reported to the information technology application baseline.

Informal Recommendation 28: The Bureau of International Law Enforcement and Narcotics Affairs should report the local financial management system applications to the e-Government Program Board and to the information technology application baseline for incorporation into the inventory.

The Department's information technology analytic tool to verify the configuration settings of its servers and workstations identified discrepancies.

Informal Recommendation 29: The Bureau of International Law Enforcement and Narcotics Affairs should correct the discrepancies identified by the Department's information technology analytic tool.

The Department's software security patch management status report does not accurately reflect the status of INL workstations and servers.

Informal Recommendation 30: The Bureau of International Law Enforcement and Narcotics Affairs should open a universal trouble ticket with the Department to obtain help on correcting the servers that report the patch management status.

Management Controls

A significant number of position descriptions are outdated and no longer reflect assigned duties and responsibilities, as required by 3 FAM 2638.2. The planned INL reorganization will affect many of these positions.

Informal Recommendation 31: The Bureau of International Law Enforcement and Narcotics Affairs should routinely review and update all position descriptions as required by Department regulations.

Under INL procedures for management assistance visits, assistance teams will be comprised of three INL staff members who focus on overall management, administrative procedures, and financial management, but not procurement and contracting.

Informal Recommendation 32: The Bureau of International Law Enforcement and Narcotics Affairs should modify procedures so that management assistance teams will include officers with knowledge of contracting and procurement.

The Aviation Office Information Support System was not included in the Departments' inventory of applications and not reported under the Federal Information Security Management Act.

Informal Recommendation 33: The Bureau of International Law Enforcement and Narcotics Affairs should report the Aviation Office Information Support System to the Information Technology Application Baseline.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Assistant Secretary	Nancy J. Powell (Acting)	03/05
Principal Deputy Assistant Secretary	William Todd	08/04
Deputy Assistant Secretary for Counternarcotics	Jonathan D. Farrar	08/04
Deputy Assistant Secretary for Crime	Elizabeth Verville (Acting)	03/05
Office Directors:		
Office of Policy, Planning and Coordination	Eric S. Rubin	08/04
Civilian Police and Rule of Law Unit	Robert Gifford	01/05
Office of Resource Management	James Q. Kohler (Acting)	08/04
Office of the Americas Program	Thomas H. Martin	08/01
Office of Aviation	Sharon A. Nell	10/03
Office of Anticrime Programs	Stephen L. Peterson	11/01
Office of Asia, Africa, Europe/NIS	Peter Prahar	07/03

ABBREVIATIONS

AAE	Office for Asia, Africa and Europe in the Bureau of International Narcotics and Law Enforcement Affairs
ACI	Andean Counterdrug Initiative
A/LM/AQM	Office of Acquisitions Management of the Office of Logistics Management of the Bureau of Administration
BPP	Bureau Performance Plan
CFMS	Central Financial Management System
CIVPOL	Civilian Police and Rule of Law Unit within the Office for Policy, Planning and Coordination in the Bureau of International Narcotics and Law Enforcement Affairs
COR	Contracting officer representative
DAS	Deputy assistant secretary
Department	Department of State
DOD	Department of Defense
EUR/ACE	Office of the Coordinator of U.S. Assistance to Europe and Eurasia in the Bureau of European and Eurasian Affairs
FSA	Freedom Support Act (Congressional funding)
G/TIP	Office to Monitor and Combat Trafficking in Persons in the Bureau of Global Affairs
IAA	Interagency Agreement
ILEA	International Law Enforcement Academy
INCLE	International Narcotics Control and Law Enforcement (funds appropriated by Congress to the Bureau of International Narcotics and Law Enforcement Affairs)

INL	Bureau of International Narcotics and Law Enforcement Affairs
INL/A	Office of Aviation in the Bureau of International Narcotics and Law Enforcement Affairs
INL/C	Office of Crime Programs in the Bureau of International Narcotics and Law Enforcement Affairs
INL/RM	Office of Resource Management in the Bureau of International Narcotics and Law Enforcement Affairs
IRRF	Iraq Relief and Reconstruction Funds
LFMS	Local Financial Management System
LOA	Letter of agreement
LP	Office of Latin American and Caribbean Programs in the Bureau of International Narcotics and Law Enforcement Affairs
MPP	Mission Performance Plan
OIG	Office of Inspector General
OMB	Office of Management and Budget
NAS	Narcotics affairs section
PA&E	Program Assistance and Evaluation Division in the Office of Resource Management in the Bureau of International Narcotics and Law Enforcement Affairs
PART	Program Assessment and Rating Tool
PC	Office for Policy, Planning and Coordination in the Bureau of International Narcotics and Law Enforcement Affairs
PDAS	Principal deputy assistant secretary
RFMS	Regional Financial Management System
RM	Bureau of Resource Management

S/CRS	Office of the Coordinator for Reconstruction and Stabilization
SEED	Support for Eastern European Democracy (Congressional funding)
USAID	U.S. Agency for International Development