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Department of Congression
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DRUG CONTROL

STATUS OF ORGANIZATIONS
IN THE YEAR 1990

DOD GOVERNMENTAL SERVICES
UNIT

127272

U.S. Department of Justice
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National Security and
International Affairs Division

B-241117

September 25, 1990

The Honorable Alfonse M. D'Amato
Co-Chairman, Caucus on
International Narcotics Control
United States Senate

The Honorable John Conyers, Jr.
Chairman, Legislation and National
Security Subcommittee,
Committee on Government Operations
House of Representatives

This fact sheet responds to your request for information on the status of obligations for the fiscal year 1990 Department of Defense (DOD) counternarcotics appropriation of \$450 million. Specifically, we (1) compared the obligation rates for counternarcotics funds accounts to obligation rates for similar defense program accounts and (2) ascertained the reasons for any delays in obligating counternarcotics funds.

Results in Brief

DOD's most current financial obligation data indicates that, as of July 31, 1990, obligation rates for counternarcotics appropriation accounts were generally lower than those for defense programs as a whole. According to DOD officials, delays in obligating counternarcotics funds are attributable to the late receipt of obligation authority, extensive and time-consuming reprogramming actions, DOD policy decisions requiring congressional approval, changes in counternarcotics programs required by the final appropriations act, sequestration deliberations, and apportionment issues.

Counternarcotics Program Obligation Rates

In comparing obligation rates of funds in the counternarcotics program accounts with comparable DOD-wide accounts, we found that the obligation rates for counternarcotics programs were lower for Operations and Maintenance (24 percent less); National Guard Military Personnel (13 percent less); Procurement (50 percent less); and Research, Development, Test and Evaluation (RDT&E) (73 percent less). The counternarcotics program's Military Construction account had an obligation rate 71 percent higher than the comparable DOD-wide accounts. Appendix I provides additional details on the obligation rates for both counternarcotics and DOD-wide accounts.

Reasons for Delays in Obligating Counternarcotics Funds

Defense program and budget officials noted that the counternarcotics accounts require significant interagency coordination not necessary in managing most other DOD accounts, making it difficult to draw comparisons. They indicated that this extensive coordination lengthens the time required to obligate counternarcotics funds. For example:

- Congress directed that all state National Guard plans be reviewed in coordination with the Attorney General of the United States.
- Obligation of funds supporting integration of command, control, communications, and intelligence assets into an effective network is predicated on the Drug Enforcement Telecommunications Implementation Plan schedule, for which the Office of National Drug Control Policy is responsible.
- The ability to provide training and logistical support to law enforcement agencies is predicated on specific requests from them.
- A significant portion of aerostat radar surveillance systems funding is dependent on the U.S. Customs Service, which is the contracting activity for these systems.

DOD officials cited the following additional reasons for delays in obligating fiscal year 1990 counternarcotics funds in accounts involving operations and maintenance, National Guard military personnel, procurement, and RDT&E.

Operations and Maintenance

Operations and maintenance funds are available only for obligation during the fiscal year for which they are appropriated. Delays in obligating the fiscal year 1990 funds resulted from late receipt of obligation authority (the Department of Defense Appropriations Act 1990 was not enacted until November 21, 1989) and extensive reprogramming actions required primarily by a congressional decision to appropriate counternarcotics funds to a central transfer account. These reprogramming actions required counternarcotics program managers to obtain internal and external approvals before funds could be distributed to the services and defense agencies for their use. These actions required time-consuming intra- and inter-departmental coordination.

DOD officials were unable to predict if funds appropriated for operations and maintenance would be fully obligated by the end of fiscal year 1990.

National Guard Personnel

National Guard personnel funds are available for obligation only during the fiscal year for which they are appropriated. A large percentage of

National Guard support is provided to domestic marijuana eradication. The marijuana growing season is from July through September. National Guard personnel are not involved in the eradication effort until late in the fiscal year, and obligation of their pay and allowances is timed to this effort.

DOD officials believe that they will be able to obligate most of the funds appropriated for this account for counternarcotics activities by the end of fiscal year 1990.

Procurement

Procurement funds are available for obligation for 3 fiscal years following appropriation; therefore, first year obligation rates do not necessarily predict final obligation performance. The obligation rates for counternarcotics procurement funds appropriated in fiscal year 1990 are low because of extensive reprogramming requirements. Moreover, requested reprogramming and transfer requests submitted in April 1990 were not approved by the pertinent congressional committees until August 1990. Thereafter, an estimated additional 30 to 45 days of normal processing time elapsed before the funding documents were made available to the service or defense agencies by the DOD Comptroller.

The contracting process—advertisement for bids, resolution of small business set-aside issues, and screening and selection of vendors—normally requires an additional 4 months or more to complete. Procurement funds are obligated when a contract is awarded.

DOD officials are confident that the funds appropriated for counternarcotics procurement will be obligated before the 3-year time limitation expires.

Research, Development, Test and Evaluation

RDT&E funds are available for obligation for 2 fiscal years following appropriation. The obligation rates for counternarcotics funds appropriated in fiscal year 1990 for this account are low for the same reasons cited for the procurement appropriation.

DOD officials are confident that the funds appropriated for counternarcotics in this account will be obligated before the 2-year time limitation expires.

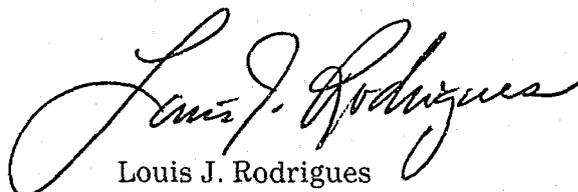
Scope and Methodology

In performing our work, we interviewed DOD officials of the Office of the Coordinator for Drug Enforcement Policy and reviewed financial data, reports, and other documents related to DOD counternarcotics financial management. We compared obligation data for DOD counternarcotics programs and other appropriations using the most current DOD data available (July 31, 1990).

We conducted our review between September 4 and September 11, 1990. Due to the brief time available to complete this assignment, we did not independently verify DOD's financial data or the accuracy of the explanations for delays in obligating counternarcotics funds provided by program and budget officials.

We did not obtain written agency comments. However, we discussed a draft of this fact sheet with DOD officials and incorporated their comments, as appropriate.

Unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 7 days from its issue date. At that time, we will send copies to interested congressional committees, the Secretary of Defense, the Assistant Secretary of Defense for Reserve Affairs, and the Director, Office of Management and Budget. Copies will also be made available to others on request. Please contact me at (202) 275-4841 if you or your staff have any questions concerning this fact sheet. Other major contributors are listed in appendix II.



Louis J. Rodrigues
Director, Command, Control, Communications,
and Intelligence Issues

Obligation Data for DOD Counternarcotics Program and DOD-Wide Accounts for Fiscal Year 1990

Dollars in thousands

Accounts	DOD Counternarcotics Program			DOD-Wide Totals			Difference (Percent)
	Appropriations		Percent	Appropriations		Percent	
	Available ^a	Obligated			Available ^b		Obligated
National Guard	\$56,369	\$38,937	69.08	\$4,372,127	\$3,597,088	82.27	(13.19)
Operations & Maintenance	96,385	56,217	58.33	101,183,059	83,768,259	82.78	(24.46)
Procurement	243,108	20,423	8.40	83,253,424	48,456,349	58.20	(49.80)
RDT&E	10,400	779	7.49	40,921,160	33,081,483	80.84	(73.35)
Construction	3,700	3,680	99.46	6,555,282	1,865,069	28.45	71.01

Note: Obligation data is as of July 31, 1990.

^aAccording to DOD officials, appropriations available total \$409,962,000. Congress appropriated \$450 million for DOD counternarcotics activities in fiscal year 1990. Of that amount \$3,263,000 was sequestered, \$2,500,000 is being withheld by the Department of the Treasury for a classified program, and \$34,275,000 was pending reprogramming approvals.

^bTotal available budgetary resources, which include appropriations, reimbursements, other income, and unobligated balances carried forward from prior years.

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