**United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General**

Security and Intelligence Oversight

Program Management Review (Phase I) of the Anti-Terrorism Assistance Program

Report Number SIO-A-05-11, January 2005

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EXECUTIVE SUMMARY (U)

(U)   The Anti-terrorism Assistance (ATA) Program of the State Department (the Department) provides an increasingly important policy tool in the U. S. government's war against international terrorism. The authority of the President to furnish ATA assistance to foreign countries was established by Congress in November 1983[1]. The program enhances the anti-terrorism skills of friendly nations, strengthens bilateral ties, and increases respect for human rights. Since its inception, the program has trained and assisted over 36,000 foreign security and law enforcement personnel from 130 countries. The size and range of the program's activities have substantially expanded since the terrorist attacks of September 11, 2001. In fiscal year 2003 alone, ATA trained more than 5,000 students from 53 countries.

(U)   The Office of Inspector General (OIG) undertook this review to evaluate the ATA program's management, in view of the program's recent growth. The review is being performed in two phases, and a separate report is being issued on the areas evaluated in each phase. This report, focusing on the initial phase, provides OIG's assessment of the implementation of program management respon- sibilities, the organizational staffing structure of the Bureau of Diplomatic Secu- rity, Office of Anti-terrorism Assistance (DS/ATA), and the management controls for weapons acquired for DS/ATA's in-country training programs abroad. The review's second phase will focus on ATA's overseas and domestic training activities and the planned significance of the program's Center for Anti-Terrorism and Security Training.

(U)   The ATA Program has been very successful in meeting the substantial needs for anti-terrorism training since September 11, 2001. Program training has grown from 3,288 students from 45 countries in FY 2001 to 5,280 students from 55 countries as of July 2004. In addition, ATA training capacity has been in- creased through establishment of in-country training facilities in Afghanistan, Colombia, Indonesia, and Pakistan. However, OIG has concluded that improve- ments should be made, to ensure that program objectives continue to be achieved. Specifically,

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[1] (U) P.L. 87-195, Pt. II, § 571, codified in 22 U.S.C. § 2349aa.

- The respective program responsibilities of the Office of the Coordinator for Counterterrorism (S/CT) and DS/ATA, confirmed by the Acting Secretary of State in 1991, should be reassessed in view of the program's substantial growth,

- The staffing structure of DS/ATA should be evaluated, to ensure there are sufficient direct-hire personnel to provide long-term stability for the program, and

- DS/ATA needs to confirm complete accountability for all weapons acquired for use in DS/ATA's four overseas, in-country training programs.

AGENCY COMMENTS (U)

(U)   DS and S/CT reviewed a draft version of this report. DS provided a written response to the draft and S/CT advised OIG that S/CT concurred with DS's written response. The DS response indicated agreement, or agreement in principle, with all of the report's recommendations, except Recommendation 2 as that recommendation was stated in OIG's draft report.

(U)   The draft version of Recommendation 2 pertained to the needs assessment and program evaluation functions that are performed by the Assessment and Review (AR) Branch of DS/ATA's Program Management Division. Under current practice, the AR Branch assesses a country's ATA training needs (needs assessment) and develops that country's ATA training program, drawing on the needs assessment's results. Subsequently, through its program evaluation function, the AR Branch evaluates the effectiveness of training that was provided. In OIG's view, this practice raises a question regarding the objectivity of the AR Branch's program evaluations since the branch is evaluating a country's training program that it had previously developed. Therefore, to ensure objectivity is achieved by program evaluations, OIG called for the needs assessment and program evaluation functions to be separated by transferring the program evaluation function from DS/ATA to S/CT in the draft version of Recommendation 2.

(U)   Although DS acknowledges a perceived problem of questionable objectivity, it disagreed with the recommendation as it was stated in the draft report and requested that the issue be among the other elements of consideration in the reassessment of ATA Program management responsibilities that OIG calls for in Recommendation 1. OIG agrees with DS's proposed approach and has restated Recommendation 2 accordingly.

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(U)   DS's written comments to all of OIG's recommendations are summarized in the body of this report. OIG evaluated those comments and modified the text as appropriate. DS's response is included in its entirety in Appendix A.

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OBJECTIVES, SCOPE, AND METHODOLOGY (U)

(U)   This review is part of OIG's ongoing work of overseeing the Department's activities to counter international terrorism. The review was initiated to evaluate the management of the Department's ATA Program, in view of its recent substantial growth, and is being performed in two phases. This report for the initial phase provides OIG's assessment of the

- implementation of program management responsibilities,

- organizational staffing structure of DS/ATA, and of the

- management controls for weapons acquired for DS/ATA's four in-country training programs abroad.

(U)   Fieldwork was principally performed between February and July 2004 at S/CT and relevant DS offices at Department headquarters. Members of OIG's review team interviewed appropriate program officials and reviewed needs assessments, evaluation reports, financial documents, and other relevant documentation. Members of the review team included Ambassador Fernando Rondon, James Martino, Joseph Guba, Stephanie Hwang, and Dennis McCloskey.

BACKGROUND (U)

(U)   The Secretary of State is responsible for managing the ATA Program, in coordination with other Federal agencies[2]. The program is based on the recognition that the United States cannot independently defeat international terrorism and that the protection of U.S. citizens, diplomatic personnel, and official facilities cannot be assured without the cooperation of foreign governments and the enhanced law enforcement capabilities of those nations.

(U)   While much anti-terrorism training is provided in the United States at facilities such as the Louisiana State Police Academy (Baton Rouge, Louisiana) and the Department of Energy Nonproliferation and National Security Institute (Albuquerque, New Mexico), an increasing amount of it is or will be conducted overseas through the ATA program's in-country "Fly-Away" Program and the program's in-country training centers in Afghanistan, Colombia, Indonesia, and Pakistan. An ATA training course focuses on one of four functional categories: Crisis Prevention, Crisis Management, Crisis Resolution, and Investigations. A number of courses are included in each of these categories to address specific aspects of a category's function.

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[2] See 22 U.S.C. § 4802.

PROGRAM GROWTH (U)

(U)   Funding for the ATA Program has grown substantially in recent years, from $37 million authorized in FY 2002 to $63 million in FY 2003 and $96 million for FY 2004. Approximately $128 million is approved for FY 2005. Supplemental assistance is not reflected in these figures. Further information is provided in Table I.

Table I: ATA Program Funding
($ in thousands) (U)

	FY 2002	FY 2003	FY 2004	FY 2005
ATA Program	37,000	63,200	96,400	128,300
ATA – Emergency Response Fund	44,500			
ATA – Emergency Supplemental	63,000[3]	25,000[4]		
Total	144,500	88,200	96,400	128,300

(U)   ATA Program training has also grown in recent years. Data on this is provided in Table II.

Table II: Summary ATA Training Provided
October 1, 2000 through July 21, 2004 (U)

	FY 2001	FY 2002	FY2003	FY2004 To Date
Number of Students	3,288	4,440	5,040	5,280
Number of Countries	45	54	53	55
Number of Courses	137	186	210	220

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[3] (U) The FY 2002 supplemental assistance included: $20 million for the protection of Afghan President Hamid Karzai, $25 million for the Colombian Anti-Kidnapping training program, $8 million for Indonesian counterterrorism training, and $10 million for Pakistan counterterrorism training.

[4] (U) Karzai protection funding.

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RECENT PROGRAM ACCOMPLISHMENTS (U)

(U)   A number of improvements have been made in the ATA Program in recent years. Some of the more notable improvements are:

Memorandum of Intent (MOI). DS/ATA recently initiated the practice of establishing MOIs between the United States and countries participating in the ATA Program. These MOIs clearly outline to participating nations the United States' plan to assist those nations in strengthening their counterterrorism capabilities.

In-country Training Facilities. DS/ATA has recently established, or is establishing, ATA training facilities closer to the areas of need in Afghanistan, Colombia, Indonesia, and Pakistan. The training facilities will be turned over to those countries in the future, as part of U.S. foreign assistance. At the facilities, DS/ATA will train the countries' police and military forces in crisis-response and explosive-incident countermeasures, among other subjects. DS/ATA is also providing equipment, including weapons and ammunition, to trainees at the conclusion of a course.

Program Review Rating System. DS/ATA has established a quantifiable needs assessment and program-review rating system. The rating system measures a country's capabilities to deter terrorism across a wide spectrum of functions and ranks the host government's capabilities in 25 critical anti-terrorism competencies.

ATA Liaison Officer. S/CT and DS/ATA management jointly established an ATA liaison officer position within S/CT. The position is designed to be staffed by an experienced contractor-employee and to facilitate S/CT's relevance, understanding, and responsiveness to DS/ATA program issues.

PROGRAM RESPONSIBILITIES OF S/CT AND DS (U)

Delineation of Responsibilities (U)

(U)   Responsibilities for managing the ATA program were delineated by S/CT and DS and approved by the Acting Secretary of State in 1991. These responsibilities remain in force and are summarized as follows.

(U)   S/CT is responsible for

- Providing policy guidance for ATA, recognizing that the ATA Program is a major element of the U.S. government's efforts to protect American interests from terrorism and to enhance the anti-terrorism skills of friendly nations.

- Determining which countries should receive ATA assistance and suggesting categories of training that should be considered for each country recommended.

- Leading U.S. government delegations during visits to assess a nation's needs, for countries selected to participate in the ATA Program for the first time. (The delegations will include a DS representative.)

- Evaluating the extent to which ATA programs further U.S. government counter-terrorism policy goals. These evaluations should involve personnel from both S/CT and DS.

- Providing DS with written policy guidance for financial management that includes regional, country, and training priorities and general guidance on program fiscal parameters.

(U)   DS is responsible for

- Managing all operational aspects of the program, including fiscal management.

- Informing Congress regarding the intent to add a nation to the list of those in the ATA program.

- Developing a country-specific ATA training proposal, drawing upon objectives determined during the country needs-assessments visit, policy guidance provided by S/CT, and other factors.

- Developing all training curricula, identifying and selecting trainers, and evaluating the training provided.

- Evaluating training effectiveness and progress toward training program objectives. (These evaluations should involve personnel from both DS and S/CT.)

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FINDINGS AND RECOMMENDATIONS (U)

ATA Program Management (U)

(U)   A cooperative relationship exists between S/CT and DS/ATA regarding the ATA Program, but the program's effectiveness could be improved through stronger involvement by S/CT. Due to the wide scope of S/CT's counterterrorism responsibilities beyond the ATA program, budget constraints, and the fact that some S/CT officers lack practical experience assessing countries' ATA needs, S/CT provides limited input to DS/ATA for the ATA Program's operation. For example, although S/CT provides ATA policy guidance to DS/ATA, the guidance lacks specificity, especially regarding a particular terrorist threat that may exist in a given country. In addition, S/CT has not been participating in ATA needs assessments for first-time participants, although these assessments determine general ATA policy and training objectives for those countries.

 (U)   S/CT's limited input to DS/ATA may unintentionally affect the quality of DS/ATA's activities in response to the document approved by the Acting Secretary of State in 1991 delineating program management responsibilities. For example, because policy guidance from S/CT lacks specificity especially with respect to particular terrorist threats, DS/ATA may have difficulty developing country-specific ATA training proposals that target a country's specific ATA needs or particular terrorist threats. Correspondingly, DS/ATA's responsibility for the program's fiscal management may be affected because detailed program requirements may not be realized by DS/ATA. Consequently, program requirements may fail to be considered as DS/ATA develops the program's budget priorities.

(U)   The 1998 bombings of U.S. embassies in Kenya and Tanzania and the September 11, 2001 terrorist attacks profoundly affected the Department. In response, the roles, expectations, and responsibilities of S/CT, DS, and the ATA Program have grown exponentially. However, the delineation of ATA Program management responsibilities was approved by the Acting Secretary of State 13 years ago, in 1991. Since then S/CT and DS have adapted to dramatic changes. Now, OIG believes it is time for the program's management responsibilities to be reviewed again and updated as necessary, to ensure the ATA Program continues to provide an effective policy tool for the U. S. government's war against international terrorism.

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> **Recommendation 1: (U)** The Office of the Coordinator for Counterterrorism (S/CT), in coordination with the Bureau of Diplomatic Security (DS), Office of Anti-terrorism Assistance, should reassess their respective responsibilities for managing the ATA Program, giving careful consideration to budget constraints, S/CT's counterterrorism responsibilities beyond the ATA Program, and other factors to which S/CT and DS have adapted. They should then update the document approved by the Acting Secretary of State in 1991 delineating program management responsibilities. (Action: S/CT, in coordination with DS/ATA)

(U)   S/CT and DS agreed with this recommendation and to update the document approved in 1991 delineating management responsibilities if necessary. DS/ATA has developed a preliminary model for a proposed new relationship that will serve as a basis for the program management reassessment.

DS/ATA Needs Assessments and Program Evaluations (U)

(U)   Current practice is for the AR Branch of DS/ATA's Program Management Division to assess a country's ATA training needs (needs assessment) and develop that nation's ATA training program, drawing on the assessment's results. Subsequently, the AR Branch evaluates the effectiveness of the training and its progress toward achieving the country's training program objectives (program evaluation). This practice raises questions about the objectivity of the program evaluations because the AR Branch is evaluating the very training that it developed. According to the delineation of ATA Program management responsibilities that were approved in 1991, S/CT personnel should be involved in program evaluations, although S/CT has not had such involvement in recent years.

(U)   In OIG's view, the program evaluation function should be located within S/CT and should have a more formal structure and greater autonomy. This should serve to improve the analytical capability of S/CT in selecting country participants and measuring the effectiveness of the country's training. DS/ATA's AR branch should continue to perform the needs assessments for the country's ATA training program and modify the ATA training curriculum as necessary.

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> **Recommendation 2: (U)** The Bureau of Diplomatic Security, in coordina-
> tion with the Office of the Coordinator for Counterterrorism (S/CT), as part
> of the reassessment of ATA Program management responsibilities refer-
> enced in Recommendation 1, should address the objectivity of having
> DS/ATA's Assessment and Review Branch perform the needs assessment
> and subsequent program evaluation for a country receiving ATA training.
> (Action: DS, in coordination with S/CT)

(U)   DS disagreed with Recommendation 2, as stated in OIG's draft report,
and requested that the issue be subsumed in the larger issue addressed in Recom-
mendation 1. The draft report recommended that DS, in coordination with S/CT,
transfer the program evaluation function from DS/ATA to S/CT, to ensure that the
evaluations provide objective program analyses.

(U)   DS pointed out that the 1991 document delineating ATA Program man-
agement responsibilities calls for an ATA-S/CT joint effort in measuring program
effectiveness. DS believes that that concept is still the most appropriate and that,
rather than transferring the function in entirety to S/CT, the perceived problem
should be fixed by establishing a procedure for joint evaluation.

OIG Analysis (U)

(U)   OIG agrees with DS's proposed approach to the issue and has restated
Recommendation 2 accordingly.

STAFFING STRUCTURE OF DS/ATA (U)

DS/ATA Staffing (U)

(U)   Although funding for the ATA Program has grown substantially in recent
years, the number of direct-hire personnel in DS/ATA has increased much more
modestly. In FY 2002, DS/ATA was comprised of 23 direct-hire, full-time posi-
tions (FTP). In October 2003, the Bureau of Human Resources (HR) approved a
reorganization plan for DS/ATA that authorized nine additional FTPs for the
office.

(U)   As of July 2004, 14 of DS/ATA's 32 authorized, direct-hire FTPs were
vacant. Candidates for four of the 14 vacancies have accepted employment offers
(three Foreign Service and one Civil Service) and are waiting for starting dates.
The remaining ten Civil Service positions are in various stages of the Department's
hiring process.

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(U)   DS/ATA has also used contractors to staff the office, in response to its increased workload. The total number of contract personnel fluctuates with demand. About 50 contractors were employed by DS/ATA during July 2004, through the office's contract with the United States Investigations Service.

Management Control of Contractors (U)

(U)   DS/ATA needs to improve its control over its contract personnel. Although contractors may not perform functions that are inherently governmental[5], the hiring and termination of DS/ATA's contractor staff was effectively managed by a contract employee who received minimal oversight from DS/ATA. In addition, six direct-hire, DS/ATA employees reported to a contractor who served as the chief of DS/ATA's Training Development Division. (DS/ATA is replacing that division chief with a direct-hire employee.)

(U)   DS/ATA also needs to assess the degree to which the office should rely on contract personnel to perform DS/ATA work. DS/ATA's workforce requirements were not analyzed as part of the reorganization proposal that was approved by the Bureau of Human Resources in October 2003. Although it appears that DS/ATA's strategy of employing contract personnel to meet recent increased ATA work demands has been generally successful in recent years, there is no reason to believe that ATA demands will return to pre-September 2001 levels. More likely, demand will grow more rapidly. Such high demand requires long-term commitment and institutional stability.

(U)   DS/ATA should seek assistance from the Bureau of Human Resources and obtain that bureau's advice and recommendations for managing DS/ATA's expected long-term personnel requirements. At a minimum, DS/ATA should obtain advice on the direct-hire and contractor staffing levels that are needed to address DS/ATA's anticipated long-term work demands. It should also obtain advice on the appropriate number and mix of Foreign and Civil Service employees required to accomplish DS/ATA's mission, the appropriate placement of contract personnel within DS/ATA's organization structure, and the relative level of contractor expertise required for particular contractor positions, such as Functional Analyst I or Security Specialist IV.

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[5] (U) U.S. government policy regarding performance of inherently governmental functions is addressed in Office of Management and Budget Circular A-76, dated May 29, 2003.

> **Recommendation 3: (U)** The Bureau of Diplomatic Security Office of Anti-terrorism Assistance (DS/ATA) should ensure that the 14 direct-hire positions that were vacant as of July 2004 are staffed with qualified personnel as expeditiously as possible. (Action: DS/ATA)

(U)   DS concurred with this recommendation.

> **Recommendation 4: (U)** The Executive Director of the Bureau of Diplomatic Security (DS) should obtain advice and assistance from the Bureau of Human Resources on the direct-hire and contractor staffing levels needed to address DS/ATA's anticipated long-term work demands, the appropriate number and mix of Foreign and Civil Service employees required to accomplish DS/ATA's mission, the appropriate placement of contract personnel within DS/ATA's organization, and the relative level of expertise required for particular contractor positions. (Action: DS/EX)

(U)   Responding to DS comments, OIG revised the action entity in this recommendation, shifting it from DS/ATA to DS/EX. The rationale for the change is explained in the following paragraphs.

(U)   DS concurred with the intent of the recommendation as stated in OIG's draft report. However, in its written comments to the draft, DS requested that action for responding to the recommendation be assigned to the Bureau of Human Resources. DS indicated that Office of Personnel Management (OPM) policies restrict DS/ATA from factoring contractor responsibilities in the determination of the number and grade levels of the program's direct-hire supervisory and management positions. Consequently, the Bureau of Human Resources' involvement was necessary for OPM to determine available alternatives for addressing the OPM policy restrictions.

(U)   After receiving DS's written comments to the draft report, OIG discussed the issue with a representative of the Executive Director of the Bureau of Diplomatic Security (DS/EX). In that discussion, the Executive Director's representative reaffirmed that alternatives for addressing the OPM policy restrictions should be sought and that the Bureau of Human Resources' involvement was needed. However, the representative indicated that DS/EX should be involved with this bureau staffing issue and work closely with the Bureau of Human Resources to seek a satisfactory solution for DS/ATA's staffing structure.

OIG Analysis (U)

(U)　　　OIG believes that DS should have a prominent role in addressing DS/ATA's staffing requirements and therefore does not agree that action to respond to the recommendation should be assigned to the Bureau of Human Resources. After discussing it with the DS/EX representative, OIG believes that the DS/ATA issue would be more appropriately addressed as a DS bureau-level staffing matter. Therefore, OIG redirected action for responding to the recommendation from DS/ATA to DS/EX.

DS/ATA CONTROLS - WEAPONS FOR IN-COUNTRY PROGRAMS (U)

(b) (5)
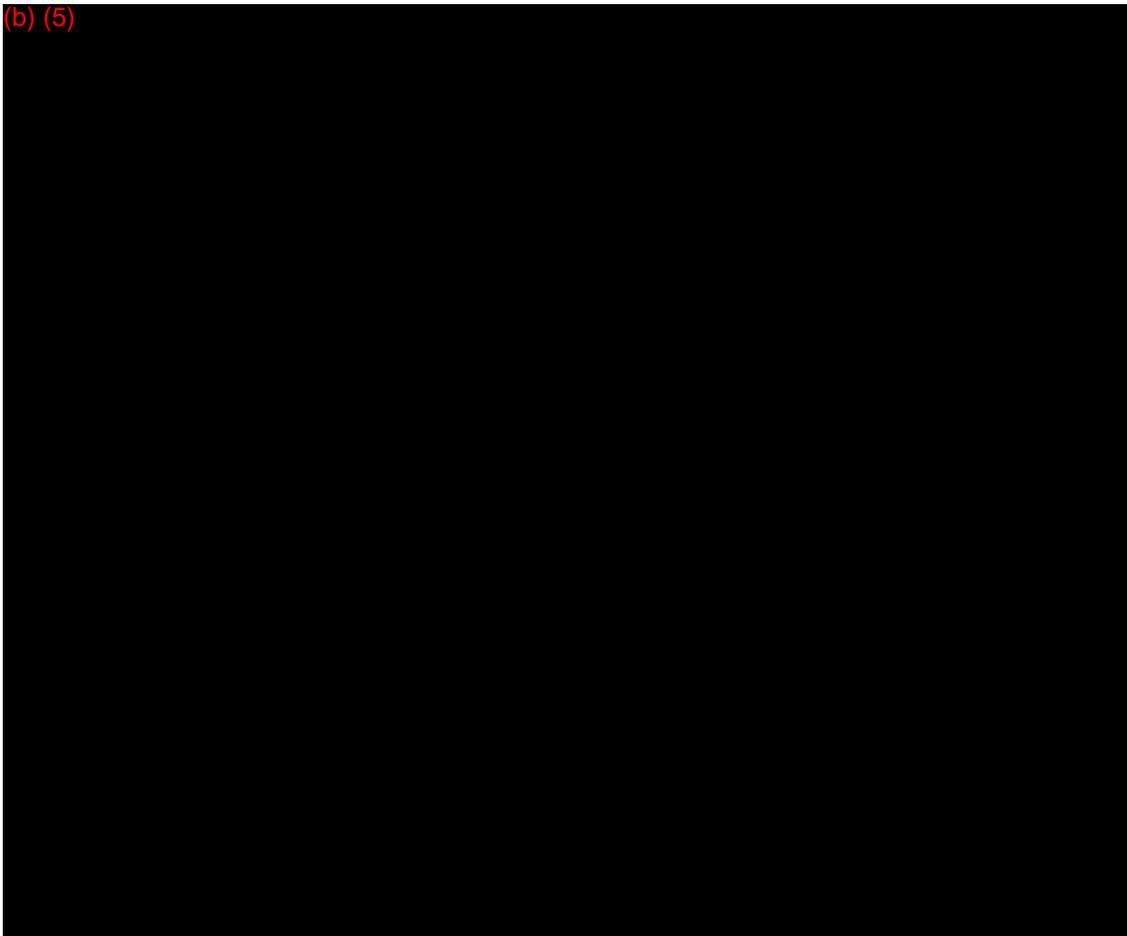
(U)　　　In addition, Diplomatic Freight Services, Incorporated, and Diplomatic Freight Services Logistics, Limited Liability Corporation, which are establishing ATA training facilities at overseas locations under contracts with the Department, have received and accepted weapons for in-country programs as part of their contracts' services. According to 6 FAM 235.4b, acceptance of property on behalf

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of a Federal agency is an inherently governmental function that is to be performed only by officers and employees of the U.S. government. Therefore, the contracts with these companies should be immediately amended to ensure that the contractors are prohibited from signing for the receipt of and acceptance of property for the U.S. government.

> **Recommendation 5: (U)** The Bureau of Diplomatic Security Office of Anti-terrorism Assistance (DS/ATA) should confirm complete accountability for the total number of weapons that have been acquired for, shipped to, and received and accepted by in-country training programs in Afghanistan, Colombia, Indonesia, and Pakistan. (Action: DS/ATA)

(U)   DS concurred with this recommendation.

> **Recommendation 6: (U)** The Executive Director of the Bureau of Diplomatic Security (DS/EX) should ensure that a principal custodial property officer in DS's Office of Anti-terrorism Assistance (DS/ATA) is designated to be accountable to DS's accountable property officer for controlling DS/ATA's weapon items. (Action: DS/EX)

(U)   DS concurred with this recommendation.

> **Recommendation 7: (U)** The principal custodial property officer in the Bureau of Diplomatic Security Office of Anti-terrorism Assistance (DS/ATA) should establish DS/ATA procedures to implement the Department's property management requirements. (Action: DS/ATA)

(U)   DS concurred with this recommendation.

Recommendation 8: (U) The Bureau of Diplomatic Security Office of Anti-terrorism Assistance (DS/ATA) should request that the Bureau of Administration's Office of Acquisitions Management immediately amend the Department's contracts with Diplomatic Freight Services, Incorporated, and Diplomatic Freight Services Logistics, Limited Liability Corporation, to ensure that these contractors are prohibited from signing for the receipt of and accepting property for the U.S. government and performing any functions that are inherently governmental.   (Action: DS/ATA)

(U)   DS concurred with this recommendation.

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LIST OF RECOMMENDATIONS (U)

Recommendation 1: (U) The Office of the Coordinator for Counterterrorism (S/CT), in coordination with the Bureau of Diplomatic Security (DS), Office of Anti-terrorism Assistance, should reassess their respective responsibilities for managing the ATA Program, giving careful consideration to budget constraints, S/CT's counterterrorism responsibilities beyond the ATA Program, and other factors to which S/CT and DS have adapted. They should then update the document approved by the Acting Secretary of State in 1991 delineating program management responsibilities. (Action: S/CT, in coordination with DS/ATA)

Recommendation 2: (U) The Bureau of Diplomatic Security, in coordination with the Office of the Coordinator for Counterterrorism (S/CT), as part of the reassessment of ATA Program management responsibilities referenced in Recommendation 1, should address the objectivity of having DS/ATA's Assessment and Review Branch perform the needs assessment and subsequent program evaluation for a country receiving ATA training. (Action: DS, in coordination with S/CT)

Recommendation 3: (U) The Bureau of Diplomatic Security Office of Anti-terrorism Assistance (DS/ATA) should ensure that the 14 direct-hire positions that were vacant as of July 2004 are staffed with qualified personnel as expeditiously as possible. (Action: DS/ATA)

Recommendation 4: (U) The Executive Director of the Bureau of Diplomatic Security (DS) should obtain advice and assistance from the Bureau of Human Resources on the direct-hire and contractor staffing levels needed to address DS/ATA's anticipated long-term work demands, the appropriate number and mix of Foreign and Civil Service employees required to accomplish DS/ATA's mission, the appropriate placement of contract personnel within DS/ATA's organization, and the relative level of expertise required for particular contractor positions. (Action: DS/EX)

Recommendation 5: (U) The Bureau of Diplomatic Security Office of Anti-terrorism Assistance (DS/ATA) should confirm complete accountability for the total number of weapons that have been acquired for, shipped to, and received and accepted by in-country training programs in Afghanistan, Colombia, Indonesia, and Pakistan. (Action: DS/ATA)

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Recommendation 8: (U) The Bureau of Diplomatic Security Office of Anti-terrorism Assistance (DS/ATA) should request that the Bureau of Administration's Office of Acquisitions Management immediately amend the Department's contracts with Diplomatic Freight Services, Incorporated, and Diplomatic Freight Services Logistics, Limited Liability Corporation, to ensure that these contractors are prohibited from signing for the receipt of and accepting property for the U.S. government and performing any functions that are inherently governmental. (Action: DS/ATA)

ABBREVIATIONS (U)

AR	Assessment and Review Branch of DS/ATA Program Management Division
ATA	Anti-terrorism Assistance Program
DS	Bureau of Diplomatic Security
DS/ATA	DS Office of Anti-terrorism Assistance
EX	Executive director
FAM	Foreign Affairs Manual
FTP	Full-time position
HR	Bureau of Human Resources
MOI	Memorandum of intent
OIG	Office of Inspector General
OPM	Office of Personnel Management
S/CT	Office of the Coordinator for Counterterrorism

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APPENDIX A:

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AGENCY COMMENTS

United States Department of State

Washington, D.C. 20520

NOV 3 2004

MEMORANDUM

TO: OIG – Ambassador Cameron Hume, Deputy Inspector General

FROM: Francis X. Taylor

SUBJECT: Draft OIG Report – Program Management Review – Phase I,
           Anti-terrorism Assistance (ATA) Program (SIO-A-04-16)

   DS has reviewed the draft report and provides the following comments keyed to
the appropriate Recommendations.

   We appreciate the opportunity to provide our comments and look forward to
receiving the final version of this report.

Attachment:
DS responses to draft OIG Report SIO-A-04-16

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(U) **Recommendation 1:** The Office of the Coordinator for Counterterrorism (S/CT) and the Bureau of Diplomatic Security, Office of Antiterrorism Assistance (DS/ATA) should reassess their respective responsibilities for managing the ATA Program, giving careful consideration to budget constraints, S/CT's counterterrorism responsibilities beyond the ATA Program, and other factors to which S/CT and DS have adapted. They should then update the ATA Program's 1991 management agreement. (Action: S/CT and DS/ATA)

(U) **DS Response:** DS concurs with this recommendation. After dramatic growth to the ATA program, DS and S/CT should reassess their respective responsibilities and, if necessary, update the 1991 management directive. OIG advised that S/CT regional officers had expressed a desire for "stronger involvement" in the ATA program. To that end, DS/T/ATA has developed a preliminary model for a proposed new relationship as a basis for beginning this discussion. The proposed model includes detailed S/CT review of the Needs Assessment/Program Review reports and subsequent participation in the presentation to recipient governments of the resulting original and updated Country Assistance Plans. This model provides opportunities for direct involvement by the S/CT regional officers at the point in the process where they would be best able to politically leverage DS/T/ATA program training and equipment deliverables for USG policy objectives.

(U) **Recommendation 2:** DS, in coordination with S/CT, should transfer the program evaluation function from DS/ATA to S/CT to ensure that evaluations produced provide objective program analyses. (Action: DS in coordination with S/CT)

(U) **DS Response:** DS disagrees with the recommendation to transfer the program evaluation function from DS/T/ATA to S/CT. The 1991 D-level directive calls for an ATA-S/CT *joint* effort in measuring program effectiveness. DS believes that concept is still the most appropriate. DS and S/CT should not make the mistake of transferring the function in its entirety from ATA to S/CT, but rather fix the perceived problem by establishing a procedure for more *joint* evaluation.

Additionally, there are other compelling reasons why the evaluation function should remain with ATA:

- S/CT staff members do not normally possess a law enforcement background essential for technical evaluation of police programs;

- S/CT staff members generally do not have the Federal, state, and local contacts on a law enforcement-to-law enforcement basis to arrange and adequately supervise professional expertise borrowed from other law enforcement organizations for effective evaluations;
- The Program Review function is already accomplished using primarily interagency expert teams to ensure the professional qualifications of the assessors and an overall lack of bias in the process;
- Most importantly, objectivity in the evaluations is maintained through the new Performance Measures of Effectiveness program that is transitioning ATA's program evaluation reporting from a subjective to an objective system and has won commendation from OMB.

It should be noted that several years ago, S/CT regional officers were invited to participate in the field evaluations of the program, but soon withdrew from participation due to the lack of necessary and appropriate roles in that phase of the process. DS requests that this issue be subsumed in the larger issue addressed in Recommendation 1 above.

(U) **Recommendation 3:** The Bureau of Diplomatic Security, Office of Antiterrorism Assistance should ensure that the 14 direct-hire positions that were vacant as of July 2004 are staffed with qualified personnel as expeditiously as possible.

(U) **DS Response**: DS concurs with this recommendation. As of August 23, eight of the 14 positions cited had either been filled, a selection made, or were in various stages of announcement and selection. The remaining six are awaiting action on drafting position descriptions and resolving apportionment of Bureau-wide personnel shortages.

(U) **Recommendation 4:** The Bureau of Diplomatic Security, Office of Antiterrorism Assistance (DS/ATA) should obtain advice and assistance from the Bureau of Human Resources on the direct-hire and contractor staffing levels needed to address DS/ATA's anticipated long-term work demands, the appropriate number and mix of Foreign and Civil Service employees required to accomplish DS/ATA's mission, the appropriate placement of contract personnel within DS/ATA's organization, and the relative level of expertise required for particular contractor positions.

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(U) **DS Response**: DS concurs with the intent of this recommendation. We request the action be assigned to HR. After 30 months of attempting to resolve this issue, DS believes that final resolution will be possible only if HR engages with the Office of Personnel Management (OPM) to determine alternatives available to DS in dealing with OPM policies that restrict DS/T/ATA from taking into account the number and operational responsibilities of its contractors in determining the number and grade levels of the program's direct hire, supervisory and management positions.

(SBU) **Recommendation 5**: The Bureau of Diplomatic Security, Office of Antiterrorism Assistance (DS/ATA) should confirm complete accountability for the total number of weapons and related material that have been acquired for, shipped to, and received and accepted by in-country training programs in Afghanistan, Colombia, Indonesia and Pakistan. (Action: DS/ATA)

(SBU) **DS Response**: This recommendation has been fully implemented. As of August 24, 2004, the ATA weapons inventory was completed. DS/T/ATA knows of no lethal firearms that are unaccounted for.

Three non-lethal Simunition Training Pistols (two in Colombia and one in Pakistan) have been reported missing from the inventory. The Colombia training pistols (serial numbers 14463 and 14467) were identified as missing on or about March 7, 2004, and were reported as missing on May 7. The Colombia investigation is ongoing. The Pakistan training pistol (serial number 14607) was reported missing on or about July 12, 2004, to the Program Manager. He investigated the loss and submitted his final investigative report on August 24. The report has not been fully reviewed.

In addition, DS recommends that OIG delete the phrase "and related material" from the recommendation, because it is unclear to what it specifically refers. The finding refers only to the issue of weapons.

(U) **Recommendation 6**: The Executive Director of the Bureau of Diplomatic Security (DS) should ensure that a principal custodial property officer in DS' Office of Antiterrorism Assistance (DS/ATA) is designated to be accountable to DS' accountable property officer for controlling DS/ATA's weapon items. (Action: DS/EX)

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(U) **DS Response:** DS concurs with this recommendation. A Custodial Officer in DS' Office of Antiterrorism Assistance is designated to account for Administrative property that does not include weapons. These duties will, however, be expanded to include weapons inventory oversight, under the direction of DS' Defensive Equipment and Armored Vehicles (DEAV) Division, which is accountable for all DS weapons.

(U) **Recommendation 7:** The principal custodial property officer in the Bureau of Diplomatic Security, Office of Antiterrorism Assistance (DS/ATA) should establish DS/ATA procedures to implement the Department's property management requirements. (Action: DS/ATA)

(U) **DS Response:** DS concurs with this recommendation and will expand the duties of DS/T/ATA's assigned principal custodial officer in accordance with the intent of Recommendations 6 and 7.

(U) **Recommendation 8:** The Bureau of Diplomatic Security, Office of Antiterrorism Assistance (DS/ATA) should request that the Bureau of Administration's Office of Acquisitions Management immediately amend the Department's contracts with Diplomatic Freight Services, Incorporated, and Diplomatic Freight Services Logistics, Limited Liability Corporation, prohibiting these contractors from receiving and accepting property for the U.S. government and performing any functions that are inherently governmental.

(U) **DS Response:** DS concurs with this recommendation. We are looking at alternative methods of accomplishing this requirement such as replacing contractors with Personal Services Contractors, and having contractors initial for receipt of shipments but a direct-hire employee will have the final signature for verification.

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Clearances: DS/DSS:JDMorton, ok 11/4/04
             DS/EX:PPopovich, ok 11/3/04
             DS/DSS/T:WArmor, ok 11/2/04
             DS/T/ATA:JRendeiro, ok 9/29/04
             DS/T/ATA;GLambert, ok 9/29/04
             DS/PSP/DEAV:SBernstein, ok 11/2/04
             DS/EX/MGT:JEBurke, ok 11/3/04
             DS/MGT/PPD:BWFerry, Acting, ok 11/2/04
             DS/MGT/HRM:JHill, ok 11/2/04
             DS/MGT/LS:PHasiak, Acting, ok 10/29/04
             DS/MGT/CAP:GGreen, Acting, ok 10/29/04
             S/CT:CBlack, ok 10/8/04
             S/CT:KWycof, ok 10/8/04

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             Revised 11/2/04

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