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National Security and
International Affairs Division

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October 21, 1991

The Honorable John Conyers, Jr.
Chairman
The Honorable Frank Horton
Ranking Minority Member
Committee on Government Operations
House of Representatives

The Honorable Sam Nunn
Chairman, Permanent Subcommittee on Investigations
Committee on Governmental Affairs
United States Senate

As requested, we examined the management and effectiveness of military and law enforcement counternarcotics programs in Peru as part of the U.S. Andean Strategy. We plan to issue a separate classified report on related issues not covered in this report. On September 30, 1991, we reported on counternarcotics programs in Colombia.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days after its issue date. At that time, we will send copies of this report to other appropriate congressional committees, the Secretaries of State and Defense, the Attorney General, the Administrators of the Drug Enforcement Administration and the Agency for International Development, and the Directors of the Office of National Drug Control Policy and the Office of Management and Budget. Copies will also be made available to other interested parties upon request.

This report was prepared under the direction of Joseph E. Kelley, Director, Security and International Relations Issues, who may be contacted on (202) 275-4128 if you or your staff have any questions. Other major contributors to this report are listed in appendix I.

Frank C. Conahan
Assistant Comptroller General

Executive Summary

Purpose

The growing cocaine trade has become a major concern to the United States. In 1989, President Bush approved the Andean Strategy, which included an increase in military, law enforcement, and economic aid to the Andean countries of Bolivia, Colombia, and Peru. These three countries account for almost all of the cocaine that enters the United States.

In response to a request from the Chairman and Ranking Minority Member, House Committee on Government Operations, and the Chairman, Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs, GAO evaluated the effectiveness and management of U.S. military and law enforcement counternarcotics aid to Peru and identified factors affecting the U.S. counternarcotics strategy in Peru. GAO has previously reported on similar programs in Colombia.[1] The Department of State Inspector General will issue a separate report on counternarcotics aid to Bolivia.

Background

Peru produces about 60 percent of the world's coca crop. Several major trafficking groups profit from this crop, grown primarily in the Upper Huallaga Valley, where U.S. personnel assist Peru with its counternarcotics operations. A principal objective of the Andean Strategy in Peru is to improve the effectiveness of Peru's counternarcotics operations by providing military and law enforcement aid in the form of equipment, vehicles, training, technical assistance, and money. Economic aid is also included to strengthen Peru's economy. The Departments of State and Defense and the Drug Enforcement Administration are the principal agencies involved in implementing military and law enforcement programs in Peru.

As part of the Andean Strategy, the United States had planned to provide about $35.9 million in military aid and $19 million in law enforcement assistance in fiscal year 1990. Peru refused the $35.9 million in military aid. In fiscal year 1991, the United States planned to provide Peru an additional $114 million in antidrug aid — $34 million in military, $19 million in law enforcement, and $60 million in economic aid. The 1990 and 1991 law enforcement aid was made available. In July 1991, Peru agreed to accept the fiscal year 1991 military and economic aid. However, the military aid will not be provided until fiscal year 1992 or later. For fiscal year 1992, the executive branch requested about

[1] Drug War: Observations on Counternarcotics Aid to Colombia (GAO/NSIAD-91-296, Sept. 30, 1991).

$159 million in counternarcotics aid — $40 million in military, $19 million in law enforcement, and $100 million in economic aid.

Results in Brief

U.S. counternarcotics programs in Peru have not been effective, and it is unlikely that they will be effective until significant progress is made to overcome serious obstacles currently hindering U.S. programs. These obstacles include Peru's inability to maintain effective government control over military and police units involved in counternarcotics operations, a lack of coordination and cooperation between military and police, failure to control airports, political instability caused by insurgent groups, extensive corruption, widespread human rights abuses, and the effects of an economy heavily dependent upon coca leaf production. Because of the obstacles, close monitoring and oversight of counternarcotics programs is required.

Section 4(a) of the International Narcotics Control Act of 1990 required that before releasing military and economic aid for fiscal year 1991, the President had to determine that Peru had implemented counternarcotics programs, improved the human rights situation, and established effective control over military and law enforcement units. On July 30, 1991, the State Department, under presidential authority, reported that Peru had met the criteria.

The United States faces problems managing its assistance in Peru. The executive branch has not established the management oversight needed to properly execute large counternarcotics aid programs. No reliable criteria have been established to measure Peru's progress in meeting U.S. counternarcotics objectives. Further, the U.S. Embassy lacks an end-use monitoring system for the military aid that the United States is planning to provide, despite an August 1990 State Department directive that the Embassy prepare such a plan. In addition, although the State Department appears to be establishing effective control over U.S.-provided equipment, a substantial amount of training is being provided to police units that do not have a primary counternarcotics mission.

Principal Findings

Little Progress in Implementing Strategy

Peru's government has been unable to create a climate that is conducive to effective antidrug operations. U.S. antidrug efforts in Peru have not had a major impact on drug trafficking activities, even though the United States, under the strategy, increased the available amount of law enforcement aid from $10 million originally approved for fiscal year 1990 to $19 million. Further, Peru did not accept the fiscal year 1990 military aid package and did not sign an agreement to accept fiscal year 1991 military aid until July 1991. On September 11, 1991, the U.S. Embassy reported that the government of Peru had finally agreed to U.S. plans for providing fiscal year 1991 military aid to military and law enforcement organizations for counternarcotics purposes.

The future effectiveness of the U.S. counternarcotics strategy is in question. At the time of GAO's review, Peru's government had difficulties exerting control over the military and the police, the military was not adequately coordinating with police on counternarcotics operations, and the government had been unable to control key airports used by drug traffickers. Also, insurgent groups threaten the security of the government and are involved in the drug trade.

Although Peru's military is aggressively trying to break the insurgents' control over areas where coca is grown, a February 1991 State Department report indicates that two insurgent groups, the Sendero Luminoso and the Tupac Amaru, controlled more territory in 1990 than they did 9 years earlier. These groups finance their operations through profits from drug-related activities such as providing security to drug traffickers. Further, various reports indicate that corruption is widespread throughout the civilian government, the military, and the police. In some instances, Army units had impeded police operations, and in other instances, police had participated in illegal activities.

The Department of State, under authority delegated by the President, on July 30, 1991, reported to the Congress its determination that Peru had met the legislative requirements for receiving military and economic aid in fiscal year 1991. To support the decision, the State Department provided examples of recent progress in each area but acknowledged that substantially more progress was needed.

While the report was issued after GAO completed its work in Peru, GAO's work raises questions about the State Department's conclusion to support the release of the aid. For example, Peru has not been able to establish the Autonomous Alternative Development Authority, which was intended to effectively control police and military units involved in counternarcotics missions. Furthermore, as recently as March 1991, the Assistant Secretary of State for International Narcotics Matters testified that Peru was committing human rights abuses.

State Department officials acknowledged that the determination decision was not easy to reach but that the Department believes Peru's president and government are honestly committed to pursuing both effective counternarcotics programs and human rights policies. Both State and Defense Department officials stated that the aid would show U.S. commitment to help Peru overcome the obstacles that hinder the effectiveness of U.S. drug control strategy.

U.S. Oversight Needs Improvement

According to U.S. officials, existing criteria used to measure effectiveness are inadequate because they lack specific time frames and quantitative goals. Statistics for other measures, such as the amount of coca leaf being cultivated, are unreliable. For example, although the State Department reported in March 1991 that Peru had about 121,300 hectares of coca leaf under cultivation in 1990, other U.S. and Peruvian government estimates of areas under coca cultivation were much greater.

The U.S. Embassy had not implemented a plan for monitoring how military aid would be used once it is provided. The plan is important because of the potential for misuse by the military, which may attempt to use the aid for counterinsurgency purposes not related to the counternarcotics missions. Further, GAO determined that contrary to a December 1990 State Department instruction, the U.S. Embassy was using law enforcement funds to train personnel from units not primarily involved in counternarcotics operations.

Recommendations

GAO recommends that the Secretary of State ensure that plans are developed and approved by U.S. agencies and their Peruvian counterparts on methods that can be used to evaluate the effectiveness of U.S. antidrug programs in Peru. These methods should include reliable criteria for measuring (1) the effectiveness of U.S. programs in reducing coca production in Peru and (2) progress in overcoming impediments hindering the effectiveness of U.S. antidrug programs.

GAO makes other recommendations about the management of U.S. aid to Peru in chapter 3.

Agency Comments

As arranged with the requesters, GAO did not request written agency comments on a draft of this report. GAO did, however, provide a copy of a classified draft of this report for security review on September 20, 1991, to officials from the Departments of State and Defense, the Drug Enforcement Administration, and the Office of National Drug Control Policy. GAO discussed the contents of the report with agency officials, and their comments have been incorporated as appropriate. State officials did not provide any comments. Instead they expressed concerns that GAO did not request written comments on the draft report.

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Abbreviations

DEA	Drug Enforcement Administration
GAO	General Accounting Office

Introduction

A principal objective of the U.S. national drug control policy is to reduce the flow of illegal drugs into the United States. To accomplish this objective, the United States developed the Andean Strategy, which called for significant increases in the amount of military, law enforcement, and economic aid to Bolivia, Colombia, and Peru to assist in their efforts to reduce the production of cocaine. This report focuses on military and law enforcement counternarcotics aid to Peru. We have reported separately on similar aid to Colombia.[1] The Department of State's Inspector General will report on counternarcotics aid to Bolivia.

The Andean Strategy

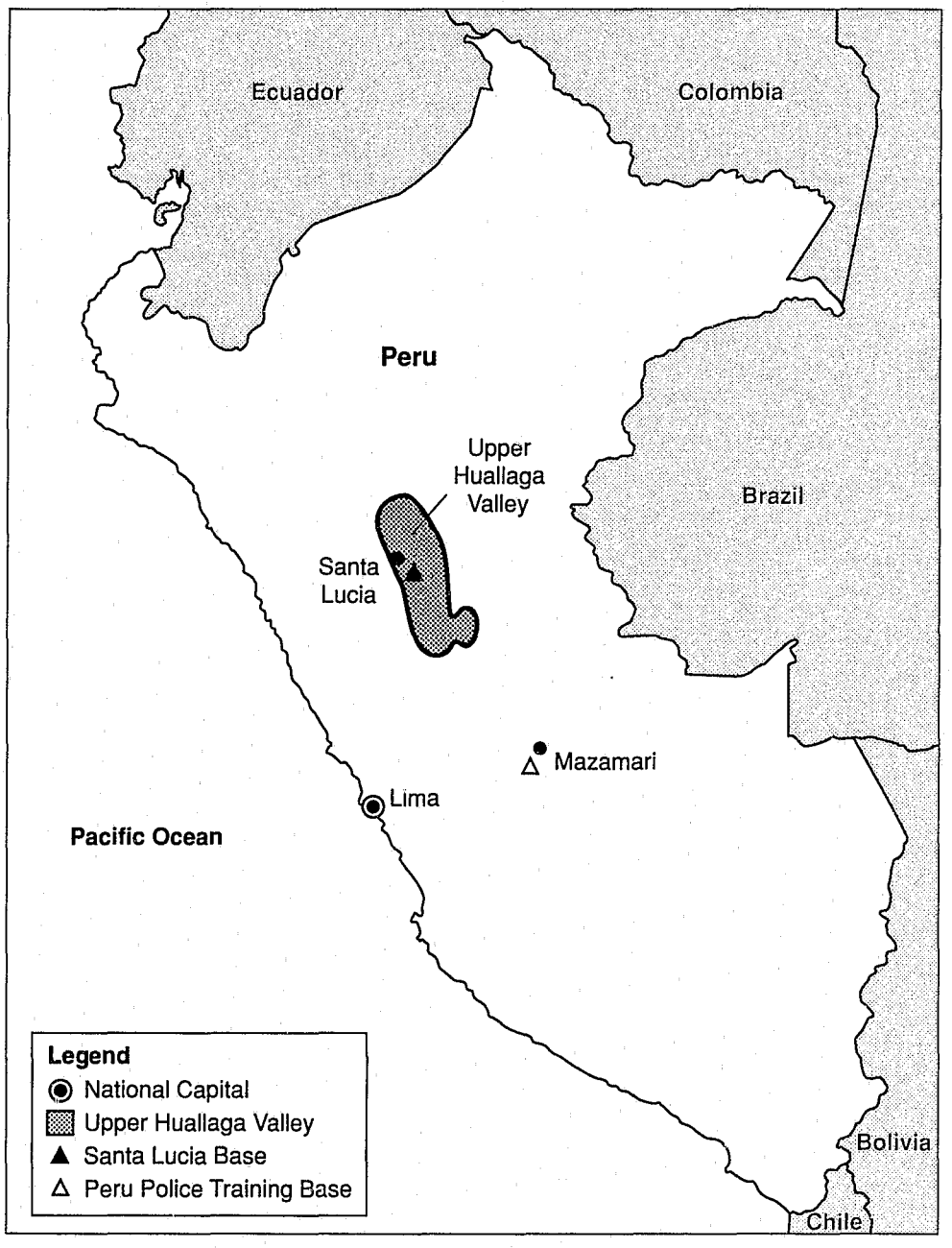
On August 21, 1989, President Bush approved the Andean Strategy to reduce the flow of drugs from the Andean countries of Bolivia, Colombia, and Peru, as part of the U.S. national drug control strategy. The strategy has four principal objectives:

- strengthening the political and institutional capabilities of the Andean governments to enable them to take the needed steps to disrupt and dismantle the drug trafficking organizations,
- increasing the effectiveness of law enforcement and military activities in the countries against the drug trafficking organizations,
- inflicting significant damage on the drug trafficking organizations by working with these countries to disrupt and dismantle the organizations, and
- strengthening and diversifying the legitimate economies of the Andean countries so they can overcome the destabilizing effects of removing cocaine as a major source of income.

In April 1990, the administration approved a plan for implementing the strategy in Peru, which is the home of several major drug trafficking organizations and produces almost 60 percent of the coca leaf used in making cocaine, most of which is grown in the Upper Huallaga Valley. (See fig. 1.1, map of Peru.) According to this plan, the United States was to provide Peru with about $55 million in aid ($35.9 million for military and $19 million for law enforcement) in fiscal year 1990 and about $114 million in military, law enforcement, and economic aid for fiscal year 1991. According to the Office of National Drug Control Policy, the executive branch requested about $159 million in military (about $40 million), law enforcement ($19 million), and economic ($100 million)

[1] Drug War: Observations on Counternarcotics Programs in Colombia (GAO/NSIAD-91-296, Sept. 30, 1991).

Figure 1.1: Map of Peru



Note: Boundaries are not necessarily authoritative.

aid for fiscal year 1992. The military and law enforcement aid will be used to provide equipment and training to police and military organizations that are involved in counternarcotics operations, primarily in the

Upper Huallaga Valley. The aid is intended to enhance Peru's military and law enforcement agencies' capabilities to conduct effective drug interdiction operations.

Section 4(a) of the International Narcotics Control Act of 1990 (P.L. 101-623) requires that before fiscal year 1991 military and economic aid can be provided to Peru, the President must determine that

- Peru is implementing programs to reduce the flow of cocaine into the United States in accordance with a bilateral or multilateral agreement,
- the armed forces and law enforcement agencies are not engaged in a consistent pattern of gross violations of internationally recognized human rights and that Peru has made significant progress in protecting internationally recognized human rights, and
- the government has effective control over police and military operations related to counternarcotics and counterinsurgency.

The legislation permits the President to determine how the statutory criteria relating to Peru were satisfied. There was no similar requirement for releasing counternarcotics aid in fiscal year 1990.

U.S. Agencies Involved in Counternarcotics

The Departments of State and Defense and the Drug Enforcement Administration (DEA) are the principal agencies that assist Peru in combatting drug trafficking. Each of these agencies has an office in Peru that reports to the ambassador through the Embassy's narcotics coordinating committee, which is chaired by the deputy chief of mission and is comprised of a representative from each agency that is involved in counternarcotics programs. The committee meets weekly.

Department of State

In the Department of State, the Assistant Secretary for International Narcotics Matters is responsible for formulating and implementing the international narcotics control policy and for coordinating narcotics control activities of all U.S. agencies overseas. The Assistant Secretary manages the International Narcotics Control Program, authorized by section 481 of the Foreign Assistance Act of 1961, as amended.

The Narcotics Affairs Section in the U.S. Embassy in Lima, Peru, manages the counternarcotics program, which has been in operation since 1978. The section is staffed with 74 U.S. and foreign national personnel, including contractor and Defense Department personnel, to administer counternarcotics aid projects for Peru's law enforcement organizations

and civilian antidrug agencies and to provide aviation and maintenance support for tactical operations.

In 1989, the Departments of State and Defense entered into an agreement under which military personnel would provide technical support for counternarcotics operations. At the time of our review, three military officers were assigned under the agreement to coordinate air support for counternarcotics activities. They are prohibited by Defense Department policy from directly participating in counternarcotics operations.

In 1990, the Section administered $19 million, primarily to (1) train Peruvian police; (2) provide the police with aviation support; (3) supply the police with housing, food and beverages, telecommunications equipment, and other types of equipment; and (4) pay stipends to Peruvian police stationed in the Valley. The State Department made $19 million available in fiscal year 1991 and requested an additional $19 million in fiscal year 1992 to support similar law enforcement projects and activities.

Department of Defense

In the Department of Defense, the Assistant Secretary of Defense for International Security Affairs and the Director of the Defense Security Assistance Agency are primarily responsible for providing equipment and training to Peru's military and law enforcement agencies. For example, they provide teams of military personnel to train police in individual and small unit tactics, leadership, and airmobile and river operations. They also provide logistics support to U.S. agencies such as DEA and training to DEA agents that will be assigned to Peru.

The U.S. Southern Command in Panama is the Defense Department's principal liaison with Peru for coordinating the administration of counternarcotics aid to Peru's military. It also coordinates with other U.S. agencies, such as the U.S. Customs Service, the U.S. Coast Guard, and DEA, to ensure that logistical support is provided for counternarcotics operations. At the time of our review, four military officers at the Command's deputy directorate for narcotics were assigned to administer military counternarcotics aid to Peru. Since 1989, the Command has assigned military personnel on temporary duty to the U.S. Embassy to support counternarcotics efforts in Peru.

Military aid in Peru is administered by the Security Assistance Organization known as the Military Assistance and Advisory Group. The group is

responsible for coordinating security assistance programs, including counternarcotics aid, with the Peruvian military and other U.S. agencies that are involved in counternarcotics operations. This group is staffed by six military personnel who are prohibited by Defense Department policy from traveling to areas where insurgency or antidrug operations are being conducted.

Military personnel in other organizations in the Embassy provide technical assistance and support for counternarcotics operations. For example, military personnel in the Defense Attache's office collect information on issues related to military forces, insurgents, and narcotics.

Drug Enforcement Administration

DEA's objectives are to reduce the flow of drugs into the United States, collect intelligence regarding the organizations involved in drug trafficking, and support worldwide narcotics investigations. DEA also provides technical assistance and advice to Peruvian police units involved in counternarcotics operations.

The DEA country office in Lima has responsibility for implementing counternarcotics programs, including Operation Snowcap. This program, which was created in 1987, is designed to assist Peru with advice and operational oversight. Operation Snowcap's goal is to reduce the amount of cocaine base available for processing into cocaine—primarily by Colombian traffickers—and to dismantle and disrupt drug trafficking operations. DEA agents, who are assigned to Operation Snowcap on temporary duty, participate in planning and conducting counternarcotics operations with the Peruvian police. Most of the agents are stationed at the Santa Lucia base, a forward operating base in the Upper Huallaga Valley. According to U.S. officials the base is located in an area controlled by insurgents and drug traffickers.

Peruvian Agencies Involved in Counternarcotics

Peruvian National Police

Counternarcotics operations in Peru are implemented primarily through the Ministry of the Interior by the Peruvian National Police. Of the approximately 80,000 personnel on the force, about 1,200 are involved

in counternarcotics operations through an antidrug police unit, an illicit drug investigative unit, and a special operations unit.

The antidrug police unit gathers counternarcotics intelligence and conducts counternarcotics operations. The illicit drug investigative unit, headquartered in Lima, investigates drug-related activities in Peru's cities, and it rarely operates in rural areas.

The special operations unit, which operates from the Santa Lucia base through its air wing, provides pilots to fly UH-1H helicopters on loan from the State Department. The unit also has two groups that conduct counterinsurgency operations, the Departamento de Operaciones Especiales and the 48th Command, commonly known as the Sinchis, stationed at Mazamari.

Military

The military services are the Army, the Air Force, and the Navy, which includes the Marine Corps and a small cadre of Coast Guard personnel. The services are under the control of the Commando Conjunto (the Joint Chiefs of Staff) and, according to U.S. Embassy estimates, number about 125,000 in strength. Currently, the military's primary missions are external and internal defense, including counterinsurgency operations. According to Defense Department officials, the military, except for the Air Force, has been reluctant to assume responsibility for counternarcotics missions. However, under the direction of Peru's President, the military will provide security to law enforcement agencies and the population against drug traffickers and insurgents and will participate in nation-building activities such as road building.

Objectives, Scope, and Methodology

The Chairman and Ranking Minority Member, House Committee on Government Operations, and the Chairman, Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs, asked us to examine U.S. and Peruvian counternarcotics efforts. Specifically, we evaluated the effectiveness of the Andean Strategy in Peru and the management of U.S. counternarcotics assistance. Our work focused on military and law enforcement aid programs and DEA operations. As agreed with staffs of the requesting committees, we did not review economic assistance programs under the Andean Strategy. We plan to issue a separate classified report on related issues not covered in this report. We also expect to issue a report on development of alternative crops in Bolivia and Peru in the near future.

We interviewed program officials and reviewed planning documents, studies, and cable traffic at the headquarters of the Departments of State and Defense, the Drug Enforcement Administration, and the Office of National Drug Control Policy in Washington, D.C.

At the U.S. Southern Command in Panama, we interviewed military officials responsible for military counternarcotics programs in Peru. We reviewed files related to the planning and implementation of U.S. military assistance to Peru's military and police organizations involved in counternarcotics operations.

We also conducted work at the U.S. Embassy in Lima, where we interviewed responsible officials from the Military Assistance and Advisory Group, the Economic and Political Sections, the Regional Security Office, the Narcotics Affairs Section, and DEA. To evaluate Peru's implementation of the Andean Strategy, we reviewed documents prepared by U.S. Embassy personnel and supplemented the information with interviews with U.S. officials such as the ambassador and the deputy chief of mission. We also interviewed U.S. and Peruvian officials at Santa Lucia and Mazamari.

To obtain the views of the Peruvian government, we interviewed the Director of the Peruvian National Police, a spokesman for the Ministry of Foreign Affairs, the Special Advisor to the President, the Director of the Antidrug Police, and a member of the Peruvian Joint Chiefs of Staff. We also interviewed Peruvian journalists and economists familiar with the drug situation in Peru.

To obtain information on the human rights situation in Peru, we interviewed and obtained information from State Department and Peruvian government officials and five human rights organizations in Peru and the United States.

We conducted our review in Peru between April and June 1991. We conducted our work in accordance with generally accepted government auditing standards. As arranged with staffs from the requesting committees, we did not request written agency comments on a draft of this report. We did, however, provide a copy of a classified draft of this report for security review on September 20, 1991, to officials from the Departments of State and Defense, the Drug Enforcement Administration, and the Office of National Drug Control Policy. We discussed the contents of the report with agency officials, and their comments have been incorporated as appropriate. State officials did not provide any

comments. Instead, they expressed concerns that we did not request written comments on the report.

Major Obstacles Have Hindered the Effectiveness of U.S. Counternarcotics Programs

To date, U.S.-provided aid has not significantly reduced drug trafficking and production activities in Peru. Only law enforcement aid was provided in fiscal year 1990. The plan for providing military aid for fiscal year 1990 was not implemented because Peru's President disagreed with the emphasis placed on military aid and therefore declined the aid. Peru has agreed to accept fiscal year 1991 military aid, but the planned level has been reduced.

Although the United States plans to provide significant amounts of military and law enforcement aid, several obstacles may diminish their effectiveness. At the time of our review, Peru's government had difficulties exerting control over the military and the police; the military had not adequately coordinated with police on counternarcotics operations; and the government had been unable to gain control of airports known to be centers for drug trafficking activities. Also, insurgent groups threaten the security of the government and the people and participate in drug trafficking activities. Moreover, corruption is widespread throughout the country, and human rights are abused. Finally, Peru's depressed economy forces large numbers of farmers to depend on the production of coca for their livelihood. Although U.S. officials recognize these obstacles as major hindrances, they believe Peru has made some progress in establishing effective counternarcotics programs, improving human rights, and establishing effective control over military and police units. Accordingly, the Acting Secretary of State, under authority delegated by the President, recently reported that, in accordance with section 4(a) of the International Narcotics Control Act of 1990, Peru should receive military and economic aid for fiscal year 1991.

Strategy Implementation Has Been Uneven

In February 1990, President Bush met with the Presidents of Bolivia, Colombia, and Peru to discuss the Andean Strategy. These three countries agreed to take actions necessary to reduce drug trafficking, including involving their militaries, if necessary, in counternarcotics operations.

Provision of Military Aid

According to U.S. officials, Peruvian officials agreed at the February 1990 meeting that military aid is a necessary component of the Andean Strategy and that such aid has to be linked with any substantial increases in law enforcement and economic aid. However, Peru refused $35.9 million that the United States approved for fiscal year 1990 to train and equip Peruvian military units assigned to counternarcotics operations in the Upper Huallaga Valley. The new President of Peru,

elected in July 1990, did not agree with the U.S. emphasis on military aid. Consequently, the administration reprogrammed the Andean Strategy military aid component to Colombia and Bolivia in September 1990.[1]

In May 1991, however, Peru signed an agreement to accept U.S. military aid. An annex to the agreement, signed in July 1991, provides for about $34.9 million in equipment and training in fiscal year 1991 to support Peru's military and police counternarcotics operations in the Upper Huallaga Valley. However, the annex does not specify how the aid will be divided between the military and police, nor does it identify specific requirements that will be met by the aid.

The executive branch had developed a detailed plan for spending the fiscal year 1991 military aid in accordance with the annex. U.S. officials expressed concern that if the U.S. military aid plan was not accepted, other components of the strategy—law enforcement and economic aid—will not be effective. For example, a key component of the strategy is to provide economic aid to assist farmers who grow coca leaf to begin growing alternative crops. The Agency for International Development has provided aid for crop substitution programs in the Upper Huallaga Valley since 1981. According to the State Department, security is essential for an effective economic development program because workers cannot do their jobs if they are attacked by insurgents and narcotraffickers. Further, according to the State Department, only the military can provide the essential security. U.S. officials believe that, as a result, aid is needed to ensure that Peru's military provides the security.

On September 11, 1991, the U.S. Embassy reported that the military aid plan had been approved by Peruvian officials from the Ministries of Defense and the Interior. However, as discussed later in this chapter, changes to the plan may have to be made.

Law Enforcement Efforts Have Not Achieved Intended Results

As part of the Andean Strategy, available law enforcement aid, under section 481 of the Foreign Assistance Act of 1961, as amended, was increased from $10 million to $19 million for fiscal year 1990. The State Department made $19 million in law enforcement aid available in fiscal year 1991 and plans to make an additional $19 million available in fiscal

[1]In fiscal year 1990, Peru received $1.5 million in military aid for counternarcotics purposes—$1.0 million was for weapons and ammunition for the police, under section 569(a)(3) of the Foreign Operations, Export Financing, and Related Appropriations Act of 1990 (P.L. 101-167), and $0.5 million was for training under the International Military Education and Training program.

year 1992, primarily to improve Peru's law enforcement capabilities in the Upper Huallaga Valley.

Both U.S. and Peruvian officials recognized that past interdiction strategies, including those in the Upper Huallaga Valley, have failed to produce desired results. Indications suggesting that efforts have been ineffective include the following:

- The amount of cocaine base seized throughout Peru in 1990 was about 4 metric tons, or about 1 week's production in one town in the Upper Huallaga Valley.
- Coca cultivation is increasing according to a DEA report.
- The amount of coca leaf seized in Peru decreased from 500 metric tons in 1988 to 39 metric tons in 1990. DEA officials stated that seizing and destroying coca leaf is not an objective in Peru.

In early 1991, Peru's President decriminalized coca leaf production. However, it is still illegal for drug organizations to purchase coca leaf for use in producing cocaine. Consequently, DEA and Peruvian law enforcement officials are concentrating their efforts to target drug trafficking organizations and related drug production and distribution activities rather than the farmers who grow coca leaf.

According to U.S. officials, little progress has been made in reducing illegal drug trafficking activities in the Upper Huallaga Valley. In a February 1991 DEA report on the status of Snowcap operations in South America, the DEA Country Attache in Peru suggested that DEA should carefully consider the possibility of canceling further Snowcap deployments to Peru if dramatic improvements in Peru's antidrug efforts were not made. Furthermore, the report concluded that without the continued presence of DEA personnel, any effective antidrug activity in the Upper Huallaga Valley would not be sustained. In May 1991, DEA reported that for the first 3 months of 1991 chemicals used to process cocaine were in abundant supply in the Upper Huallaga Valley.

According to U.S. Embassy officials, U.S. aid provides police with training and equipment and pays police officials between $90 and $100 per month (about $1 million annually) while they are stationed in the Upper Huallaga Valley. Several U.S. Embassy officials stated that they were frustrated by the inability of these police to conduct effective counternarcotics operations and to take meaningful action to reduce drug trafficking activities in the Upper Huallaga Valley.

Obstacles to Effective U.S. Programs

The effectiveness of the U.S. strategy to provide coordinated counternarcotics programs will be limited by obstacles that are primarily outside the control of the United States. These obstacles include Peru's ability to

- institute government control over military and police units involved in counternarcotics and counterinsurgency operations,
- improve the coordination and cooperation between Peru's military and law enforcement agencies,
- maintain effective government control over airports known to be drug trade centers,
- combat two insurgent groups that threaten the government and the people and are involved in the drug trade,
- reduce corruption throughout the government,
- reduce human rights abuses that are committed by the military and police, and
- decrease economic dependence on coca cultivation.

Although executive branch officials believe that Peru is taking some steps to address these factors, it recognizes that substantial progress must be made in each area for the strategy to be effective.

Control Over Military Is Ineffective

Both the United States and Peru have recognized that Peru's government has little control over the military in many parts of the country. In 1990, 88 of 183 provinces in Peru were declared emergency zones for at least part of the year because of the activities of insurgents. In emergency zones the local military commands are authorized to (1) suspend restrictions on arbitrary detention and requirements for search warrants and (2) restrict the rights of civilian assembly and movement. About 5.5 million, or 25 percent, of Peru's population of 22 million live in emergency zones, which include the majority of Peru's coca-growing regions. According to a Defense Department assessment, civilian control of the military in Peru needs to be strengthened.

On November 16, 1990, Peru's President announced that he would form the Autonomous Alternative Development Authority, which would, among other things, establish control over military and police units involved in counternarcotics. These units would be directly assigned to the agency and paid from the agency's budget. However, according to the special assistant to the President, as of June 1991, the agency had no budget and existed only on paper. Our review indicated that it might be difficult to institute the agency because (1) potential constitutional

problems are involved in establishing such an agency, (2) Peru does not have the resources needed to adequately fund the agency, and (3) it will be difficult to find competent personnel who are not corrupt to manage the agency.

Coordination and Cooperation Between Military and Police Have Not Been Effective

Peru's military and police units have limited their coordination on counternarcotics programs. Although the State Department has reported progress, U.S. officials stated that this progress must continue if counternarcotics operations are to be effective.

Coordination and cooperation between the military and police have historically been limited in the Upper Huallaga Valley. For example, an Army unit demanded that the police release suspected drug traffickers and their cocaine base at gunpoint. Although the police seized the cocaine base, the Army kept the arrested individuals because they were suspected insurgents.

The military has only recently demonstrated a minimal commitment to coordinate and cooperate with the police in counternarcotics missions. For example, in January, the Air Force began temporarily assigning aircraft to Santa Lucia to help the police in air interdiction operations. However, according to a U.S. military official responsible for coordinating air operations, the Peruvian Air Force had not provided the logistics support needed for the aircraft to maintain a high operational status. Defense Department officials stated that since we completed our work in Peru these aircraft have been redeployed outside of the Valley because the Air Force did not have the resources to continue the support and other sites were available that provided alternatives for more effective air interdiction operations.

U.S. officials provided other examples of recent cooperation and coordination between the military and police since we completed our work in Peru. These examples include the following:

- The Army guarded bridges and road junctions during a police drug raid. The Army has also assigned mortar teams to Santa Lucia to provide protection against attacks.
- The Air Force has deployed A-37 aircraft for use in the Upper Huallaga Valley. These aircraft will assist the police and DEA in air interdiction operations.
- The Air Force and Marines have coordinated operations with the police that resulted in their seizing approximately half a ton of cocaine.

Although these examples of cooperation were provided, these officials admitted that coordination and cooperation between the military and police remain a concern. They also stated that substantially more progress will have to be made before counternarcotics operations will have a significant impact on disruption of drug trafficking activities. A Defense Department official stated that coordination and cooperation are difficult to improve because of differences in personnel rotation policies between the military and the police. The military assign personnel to the Valley for 6 to 12 months, while police personnel are assigned to the Valley for 3 to 7 months.

Coordination problems also exist within various law enforcement agencies. Peruvian police units do not adequately coordinate among themselves because of mutual mistrust and internal communication problems. According to a U.S. Embassy official, the antidrug police and the investigative police mistrust one another and do not coordinate their efforts. A high-ranking antidrug police official stated that relations with the investigative police were poor, and as a result, information needed to plan effective operations was limited.

Control Over Airports Is Ineffective

Peru has 356 registered and an estimated 40 unregistered airports, of which 58 are controlled by the civilian aeronautics agency and 9 by the military. The remaining airports, according to a U.S. Embassy official, are privately owned and not under government control. Effective aerial interdiction of drug trafficking requires government control of airports.

In early 1991, Peru's President ordered the police and the military to establish control over key airports in the Upper Huallaga Valley to interdict drug flights. In April 1991, a high-ranking U.S. Embassy official stated that the government had not gained control of key drug trafficking airports. In July 1991, Defense officials stated that traffickers continued to use the airports with little or no restraint from military or police forces.

Insurgency Hinders Counternarcotics Efforts and Erodes Government Control

According to the State Department, Peru's inability to reduce the insurgents' control of areas where coca is grown limited its success in reducing coca production. In February 1991, the State Department reported that two insurgent groups (the Sendero Luminoso and the Tupac Amaru Revolutionary Movement) controlled more territory in 1990 than they did 9 years earlier. Further, primarily due to insurgent

activity, the number of provinces placed under a state of emergency have increased since 1990.

Of the two insurgency groups, the Sendero Luminoso (or Shining Path) is the more dangerous. It conducts violent guerilla campaigns in the rural areas of the interior and to a lesser extent in some cities and is particularly active in the Upper Huallaga Valley. The Sendero's primary objective is to overthrow the civilian government through terrorist activities, such as brutal killings of villagers, assassinations of government officials, and bombings.

Sendero Luminoso has demonstrated a methodical organization on both political and military fronts. Information that we reviewed indicates that the group controls the coca leaf industry in the Upper Huallaga Valley and in other coca-producing areas. The Sendero taxes drug trafficking activities, manages crops, forces local farmers to plant coca, indoctrinates peasant farmers with Communist beliefs, conducts arms training, provides security for trafficking operations in exchange for weapons and money, and operates laboratories that process coca paste and cocaine base. According to a Defense Department official, various estimates indicate that the Sendero's profits from these enterprises range from $10 million to $100 million annually.

The Tupac Amaru Revolutionary Movement is a smaller, Marxist insurgent group. While it has recently suffered some military setbacks, the group has the financial resources to continue to be a threat. In 1990, the group continued to spread its base of operations from Lima to the northern part of the Upper Huallaga Valley. It supports farmers that grow coca and taxes drug traffickers for protection and permission to land aircraft.

According to U.S. officials, Peru's military is conducting aggressive campaigns against the insurgents in the Upper Huallaga Valley. Such operations are the highest priority of the Peruvian armed forces.

The executive branch policy is to use counternarcotics aid against drug traffickers and insurgent groups linked to the drug trade. Because these two groups are closely linked to drug trafficking activities in the Upper Huallaga Valley, we believe the policy is reasonable. Our recent report on counternarcotics aid to Colombia discusses the rationale and legal basis for the policy.

Pervasive Corruption Exists

Our review of Embassy and DEA files supports what U.S. officials told us about widespread corruption throughout Peru's civilian government, the military, and the police. It will be difficult to reduce corruption because of its pervasiveness.

Various recent U.S. Embassy reports stated that incidents of corruption among government officials in Peru were pervasive. According to one report, a high ranking police official in one major city stated that it would be impossible to successfully conduct a major narcotics investigation or prosecute drug traffickers in the city because local officials such as the mayor and judges are corrupt. Other Embassy reports also indicate that other high-ranking civilian officials may be connected with drug traffickers.

Our review of U.S. Embassy reports indicate that corruption in the military and police is also widespread. In one instance, an Army unit allowed a drug trafficker to land his plane, load drugs, and take off without any interference during a police raid. No drug seizures or arrests were made. Other reports show examples of Peruvian police setting up roadblocks to shake down innocent civilians, operating a stolen auto parts ring, and engaging in other types of illegal activities.

Upon taking office in July 1990, Peru's President replaced mid- and senior-level police officers suspected of corruption. Ministry of Interior officials reported that 400 police officers were fired in early 1991. Many of those fired were suspected of corruption. In March 1991, the State Department concluded that these actions did not reduce corruption, which remains endemic in the Upper Huallaga Valley.

In May 1991, various executive branch officials stated that the Peruvian government has generally done little to investigate and prosecute either military or police officials for corruption in the Valley. DEA officials stated that some of the police assigned to operations in the Valley receive bribes from drug traffickers and that, as a result, operations may frequently be compromised.

Human Rights Abuses Are Widespread

Our review of State Department's human rights reports and discussions with officials from human rights organizations indicate that Peru's military and police forces have violated human rights and that Peru's President is taking action to stop such abuse. However, despite his efforts, human rights organizations maintain that the situation has not improved.

The State Department concluded in a February 1991 report that the human rights situation in Peru had not improved during 1990. The report stated that military personnel were responsible for widespread and egregious human rights violations and that the number of violations increased from 1989 to 1990. It cited numerous reports of summary executions, arbitrary detention, torture, and rape by the military. Less frequent but similar abuses by the police were reported. For example, the State Department noted that accounts of rape by security forces in emergency zones were "so numerous" that such actions could be considered a common practice that was condoned—or at least ignored—by the military leadership. On March 5, 1991, the Assistant Secretary of State for International Narcotics Matters, before the House Foreign Affairs Committee Task Force on International Narcotics Control, testified that Peru's human rights record was poor. He stated that

"Military forces in the Andean emergency zones frequently resort to extrajudicial violence while trying to defend the Peruvian Government from two of the world's most violent terrorist groups as well as narcoterrorists."

An April 1991 report by the Organization of American States identified 86 cases of documented human rights abuses by the military in South America, 50 of which occurred in Peru. According to a Peruvian senator, the Peruvian government has not helped this situation because it has consistently refused to answer human rights groups' questions about these cases.

U.S. Embassy officials are unable to confirm the extent of human rights violations because the Peruvian military does not provide the Embassy with statistics on military prosecutions of human rights abuses, and Peruvian military courts seal their records. The practice in Peru is to remand military personnel to military, rather than civilian, courts for most alleged human rights violations.

The United States must rely on anecdotal examples to assess the degree of Peruvian prosecution of human rights abuses. For example, in August 1990, the United States appealed to Peru's President for justice in a 1988 event in which at least 28 peasants were allegedly massacred by the military in the town of Cayara. The State Department reported that a total of nine witnesses to the massacre were killed. Further, America's Watch reported that three of the witnesses to the massacre were killed at an Army roadblock and that a fourth was killed by persons identified by witnesses as military. In January 1990, a Peruvian military court

heard the case in closed session, excluding witnesses and victims' relatives. All charges against the accused were dropped. The Supreme Council of Military Justice formally closed the case on January 31, 1991. In another case, in 1990, no charges were filed against an officer and four enlisted men accused of torturing a miner who escaped from military detention in the town of Ayacucho.

U.S. Embassy personnel described several recent human rights violations by the police in the Upper Huallaga Valley. A U.S. official told us that he had observed one instance where the dead body of an alleged insurgent had his ears cut off. A State Department official stated that the police sometimes cut the ears off their victims as proof of a kill.

On July 30, 1991, the State Department reported that Peru's President has made progress in improving human rights during his first year in office. For example, the report states that the government has

- granted the International Committee of the Red Cross access to all police detention facilities nationwide,
- virtually eliminated paramilitary operations by the military and police, and
- instituted human rights training for military officers and established a human rights office within the Peruvian Joint Staff.

An official from one Peruvian human rights organization stated that despite these improvements, the number of human rights violations is the same as it has been in prior years. Further, he stated that, while international organizations have been granted access to prisons, they have frequently been barred by the wardens from visiting prisoners or reviewing living conditions.

Despite Peru's poor human rights record, U.S. officials, including the ambassador, maintain that aid will help to reduce human rights abuses by the military and police but that significant improvements in human rights will take a long time. U.S. officials also contend that human rights abuses occur in part because troops are ill-fed, poorly trained, and ill-equipped. However, human rights groups fear that the provision of military aid will be seen as a reward for past abuses.

Peru's Economy Depends on Narcotics Trafficking

Peru's depressed economy promotes dependence on profits from drug trafficking, and Peru faces enormous obstacles in decreasing this dependence. Even with income from the drug trade, Peru's economy is in

trouble. Various reports have concluded that hyperinflation and a deep recession over the last 2 years have ravaged the economy, exacerbating the effect of decades of economic mismanagement. Per capita incomes in 1991 have fallen to the levels of those in the 1960s.

Estimates of cocaine's economic impact differ widely among U.S. agencies and the government of Peru. The Narcotics Affairs Section and DEA conservatively estimate that cocaine is worth $600 million to $700 million a year to the Peruvian economy. U.S. Embassy economists have estimated that the amount may be twice as much, from $1.2 billion to $1.5 billion annually, while the government of Peru's estimate is $2 billion. A U.S. Embassy official stated that Peru's coca farmers receive only about 10 percent of the total trafficking dollar earned in Peru; the traffickers keep the remaining 90 percent. Therefore, illicit coca is worth, at a conservative estimate, $60 million to $150 million annually to the coca farmers, or as much as $200 million, if the Peruvian government's figures are correct. According to a private Peruvian economist we interviewed, the Peruvian economy would collapse if U.S. efforts to stop narcotrafficking in Peru were successful.

Peru faces enormous challenges in its efforts to discourage farmers from growing coca and encourage them to grow alternative crops. Factors that severely restrict the farmers' cultivation of alternative crops are threats from insurgents, depressed crop prices, and the lack of reasonably priced transportation from farm to market. According to a Peruvian official, Peruvian farmers in the Valley are attracted to guaranteed immediate and high profits associated with coca leaf, which are not available from other crops.

A Peruvian senator told us in April 1991 that the amount of U.S. economic aid is small relative to the impact of coca on Peru's economy. He also stated that, under current economic conditions, it is unrealistic to substantially reduce or eliminate cultivation of coca leaf in Peru. However, an official from the Office of National Drug Control Policy stated that no reliable information exists to show the impact that coca has on Peru's economy. He also stated that some Peruvian economists believe that the impact may not be as great as many Peruvian officials believe.

U.S. economic aid, designed to reduce Peru's dependence on the coca crop, will be primarily used to help Peru qualify for loans that would enable it to institute alternative crop programs. U.S. officials recognize that this aid will be needed for many years before Peru will become less dependent upon coca leaf production. Furthermore, crop substitution

programs are not expected to succeed unless drug-producing countries mount effective programs to severely disrupt drug trafficking and reduce the profitability of coca.

Executive Branch and Congressional Actions Affecting U.S. Programs

On July 30, 1991, after we completed our fieldwork, the Acting Secretary of State, under a delegation of presidential authority, reported to the Congress that Peru had met legislative criteria of section 4(a) of the International Narcotics Control Act of 1990. He concluded that Peru was making progress in implementing programs to reduce the flow of cocaine into the United States, in improving its protection of human rights, and in establishing effective control over military and police units involved in counternarcotics and counterinsurgency operations. The report provides several examples in each category to support the administration's determination.

The evidence shows problems, particularly in the areas of human rights and control over the military and police, which raises questions about the State Department's decision to support release of military and economic aid. Department officials indicated that their determination decision was difficult to make and that Peru needed to make substantial progress in each of the areas covered by the determination. However, they believe that Peru's president and government are honestly committed to pursuing effective counternarcotics programs and human rights policies. State and Defense officials stated that a basic reason for issuing the determination was to show Peru's president that the United States was committed to providing the aid needed to implement Peru's drug strategy. These officials believe that the aid will increase Peru's resolve to take more aggressive actions to overcome obstacles impeding antidrug programs.

Even though there have been problems with Peru's antidrug performance, State Department officials said that the recent examples cited to support the determination demonstrate that Peru is committed to improving its antidrug and human rights policies and programs. However, these officials also said that Peru will have to continue to demonstrate progress if U.S. antidrug programs are to be effective.

After the determination, the Congress held hearings on the release of fiscal year 1991 military and economic aid. State and Defense Department officials informed us that as a result of an exchange of letters and discussions with congressional committees, an agreement was reached to release the military aid. The State Department reduced the military aid

from about $35 million to about $25 million. According to these officials, the reductions would mostly affect the Peruvian Army. These officials also stated that the plans would have to be modified and presented to Peru for their approval. A Defense Department official stated that the United States and Peru may also have to renegotiate the military aid package. As a result, we believe that most of the military aid will not be available until sometime in fiscal year 1992 or beyond.

U.S. officials stated that the military aid reductions would impact upon the long-term effectiveness of U.S. counternarcotics objectives in Peru and would make other assistance programs less effective. Defense officials stated that the reductions would severely impact upon the strategy because Peru would be unable to conduct many of the security missions needed to support law enforcement efforts in the Upper Huallaga Valley and that as a result law enforcement and economic programs being planned by the United States would be less effective. An official from the Office of National Drug Control Policy stated that, although reduction of military aid would affect the U.S. counternarcotics strategy, provision of the aid package agreed to by the Congress and the executive branch would help to ensure that Peru and the United States maintain a cooperative relationship in the war on drugs.

Conclusions

Peru has not been successful in establishing a climate in which U.S. aid can be effectively employed. Prior law enforcement aid has not had much of an impact on disrupting drug trafficking activities in Peru, as evidenced by the failure to substantially reduce the amount of area under coca cultivation, the relatively small amounts of cocaine being seized, and the abundance of chemicals needed to make coca base and cocaine. The United States plans to provide substantial amounts of military and law enforcement aid to improve Peru's antidrug capabilities. However, the effectiveness of this aid will be limited by factors outside of the ability of the United States to control.

Despite these problems, executive branch officials believe that Peru has made some progress in improving its counternarcotics programs, human rights record, and control over the military and the police. They also believe that the provision of fiscal year 1991 counternarcotics aid is important because it (1) will demonstrate U.S. commitment to the Andean Strategy, (2) could increase Peru's resolve and capability to take more effective antidrug actions, and (3) will reinforce Peru's recent positive actions cited by the State Department in the July 1991 report. Although our work raises questions about the report's conclusion, the

fiscal year 1991 assistance agreed to with the Congress should provide an opportunity to ascertain whether Peru is willing and able to continue and expand its efforts to fight the drug war.

We believe that, because of the serious obstacles facing U.S. counternarcotics programs in Peru, close monitoring and oversight is required.

Better U.S. Oversight Is Needed

The United States faces numerous obstacles, as discussed in chapter 2, that are outside of its control but need to be addressed by Peru in order for U.S. counternarcotics aid to be effective. The provision of counternarcotics aid to Peru requires that U.S. officials be in a better position to ensure that it is being used as intended and in the most efficient and effective manner. Our review indicates that U.S. officials are not currently able to determine whether some U.S. aid is being used as intended and in the most efficient and effective manner because adequate oversight over the aid has not been established. Specifically, we found that

- the administration has not developed reliable criteria for measuring the effectiveness of Peru's efforts in meeting U.S. counternarcotics program objectives;
- although the State Department directed the U.S. Embassy to develop a plan for monitoring military aid in August 1990, U.S. Embassy officials have not yet done so in preparation for planned military aid; and
- the U.S. Embassy is violating policies by using counternarcotics law enforcement aid to train personnel whose primary mission is counterinsurgency.

System for Evaluating Performance Has Not Been Implemented

The United States and Peru have agreed to link the level of U.S. counternarcotics assistance with performance measures of effectiveness. However, U.S. officials believe that the performance measures included in the Andean implementation plan are too broad to measure Peru's program effectiveness. For example, one objective of U.S. military and law enforcement aid is to improve Peru's ability to block shipments of essential drug-related chemicals. U.S. aid is to be used to provide the police with vehicles and other interdiction equipment as well as to establish and support a mobile interdiction capability on rivers. U.S. officials have stated that the criteria in the plan were not useful for evaluating performance because they lacked specific time frames and quantitative goals.

Other measures include the number of hectares of coca leaf being cultivated and eradicated, the amount of cocaine base seized, the amount of cocaine seized, and the number of laboratories destroyed. Statistics for these measures are unreliable. In March 1991, the State Department reported that Peru was making progress in stabilizing the amount of coca leaf being harvested. It based this conclusion on statistics showing that the total area under cultivation, about 121,300 hectares, had not

changed between 1990 and 1991. However, other U.S. and Peruvian estimates of the total area under cultivation were significantly higher and varied greatly.

We have reported[1] that law enforcement agencies' available statistics, which they use to measure success, are unreliable indicators of drug-related activities. We have also reported that U.S. measures used to evaluate program effectiveness in Colombia may be unreliable. State and Defense Department officials stated that they are developing criteria for measuring effectiveness of counternarcotics programs but have not made a final decision on what criteria to use or when to implement the measures. In October 1991, Defense Department officials stated that the Southern Command had recently provided the Military Assistance and Advisory Group with proposed measures of effectiveness for their review.

U.S. Embassy End-Use Monitoring Plans for Military Aid Are Not Developed

Although directed to do so in August 1990 by the State Department, the U.S. Embassy in Peru has not developed a plan to monitor the end use of military assistance. Stringent end-use monitoring of any military assistance provided will be required because of Peru's corruption and its poor human rights record. Also, according to the Chief of the Military Assistance and Advisory Group, Peru's military is much more committed to fighting insurgents than drug traffickers and would attempt to use U.S. aid for counterinsurgency missions unless the aid was closely monitored. He stated that the Military Assistance and Advisory Group, in coordination with the U.S. Southern Command, was developing a monitoring plan but that he did not know when it would be completed.

The ambassador has proposed that the monitoring plan follow procedures that the State Department uses to monitor law enforcement aid. However, the Embassy had not yet determined who would monitor the military assistance. According to the Chief of the Military Assistance and Advisory Group, U.S. military personnel could not monitor the end use of aid because of insufficient staff and Defense Department policy that prohibits such personnel from entering conflict areas where the equipment would be used.

[1]Drug Control: Issues Surrounding Increased Use of the Military in Drug Interdiction (GAO/NSIAD-88-156, Apr. 29, 1988). Drug Interdiction: Funding Continues to Increase but Program Effectiveness is Unknown (GAO/GGD-91-10, Dec. 11, 1990).

According to Defense Department personnel, the Southern Command has provided the U.S. Embassy with a draft end-use monitoring program. However, these officials stated that the program has not been formally coordinated within the U.S. Embassy or discussed with the government of Peru.

Law Enforcement Training Aid Being Used for Unintended Purposes

Although the State Department appears to be establishing effective control over U.S.-provided equipment used by the police, a substantial amount of training is being provided to police special operations units that do not have a primary counternarcotics mission. The executive branch's policy states that the aid must be used primarily for counternarcotics purposes.

The Embassy in Peru prepares an annual plan to monitor how Peru is using U.S. law enforcement assistance. As a result of this monitoring, the Embassy has identified misuses. For example, (1) the director of Peru's executive drug control office submitted vouchers for two counternarcotics-related business trips that he did not take, and (2) equipment intended for counternarcotics purposes was being used for other purposes.

The United States began providing training to Peruvian police at the police training school in Mazamari through Department of Defense Mobile Training Teams in 1989. These teams are composed of U.S. military personnel assigned on temporary duty of up to 179 days to train police units that will be assigned to counternarcotics operations in the Upper Huallaga Valley. The training includes skills such as basic light infantry tactics and is funded by the State Department and managed by the Narcotics Affairs Section.

Our review of the law enforcement training funds managed by the Narcotics Affairs Section indicates that a substantial amount of the training is being provided to police units that do not have a primary counternarcotics mission. Of the 702 police trained for counternarcotics purposes since 1989, only about 56 percent were from units having a counternarcotics mission. The remaining 44 percent were from police units having a primary mission of counterinsurgency. These units include the Sinchis and the Departamento de Operaciones Especiales. According to U.S. officials, these units have not been given a primary mission of counternarcotics.

In December 1990, the State Department instructed the Embassy that it could not train certain types of units, including the Departamento de Operaciones Especiales, because they were not directly involved in counternarcotics missions. Despite this notification, the Narcotics Affairs Section provided training to 32 personnel who should not have been trained; these 32 made up almost 14 percent of the total number of police trained after the instruction was issued. According to section officials, providing special operations forces with training would help U.S. efforts to solicit their support for future operations.

A major goal of the police training program is to train police who will be assigned to counternarcotics operations in the Upper Huallaga Valley, which includes Santa Lucia. However, of the 60 students who began training at Mazamari in June 1991, only 4 were from units stationed at Santa Lucia. A high-ranking U.S. military adviser stated that this training is not an effective use of resources, but that as long as State requests and pays for the training, the Defense Department must provide it.

Defense Department officials stated that they provided training to the Sinchis because they control the school at Mazamari. These officials also stated that the counterinsurgency police have performed some counternarcotics operations in the past.

Although police from the Sinchis and the Departamento de Operaciones Especiales may perform some counternarcotics operations, their primary mission is recognized to be counterinsurgency. Consequently, we believe that such training violates policy regarding the use of counternarcotics aid.

Conclusions

The executive branch does not have the oversight needed to ensure that military aid will be used as intended or in the most efficient and effective manner. We believe that adequate oversight is necessary to ensure that U.S. officials can provide reasonable assurances that the U.S. counternarcotics strategy is achieving its intended results and that Peru is making progress to overcome obstacles that hinder the effectiveness of U.S. counternarcotics programs as discussed in chapter 2.

The executive branch cannot be assured that progress is being made in the drug war because it has not developed reliable criteria for measuring the effectiveness of U.S. aid. Without this criteria decisionmakers cannot assess the effectiveness of U.S. counternarcotics aid nor can they

assess Peru's progress in fighting the drug war. Further, no monitoring plans have been prepared to ensure that military aid, which the Defense Department plans to provide, will be used as intended. A monitoring system is particularly important in view of the extensive corruption and the record of human rights abuses committed by Peru's military and police.

Although the U.S. Embassy is following policies and procedures to ensure that U.S.-provided law enforcement equipment is being used for its intended purposes, it is not following the executive branch and State Department instruction regarding training for specific types of police and other units who do not have a primary counternarcotics mission.

Recommendations

We recommend that the Secretary of State ensure that plans are developed and approved by U.S. agencies and their Peruvian counterparts on methods that can be used to evaluate the effectiveness of U.S. antidrug programs in Peru. These methods should include (1) the establishment of reliable criteria for measuring the effectiveness of U.S. programs in reducing coca production in Peru and (2) assessments of Peru's progress in overcoming impediments hindering the effectiveness of U.S. antidrug programs.

We also recommend that the Secretary of State

- ensure that plans are developed for end-use monitoring of the military aid and
- take necessary steps to ensure that the U.S. Embassy complies with policies prohibiting police training for units that are not primarily involved in counternarcotics operations.

Major Contributors to This Report

National Security and International Affairs Division, Washington, D.C.

John L. Brummet, Assistant Director
Andres C. Ramirez, Jr., Assistant Director
Ronald D. Hughes, Evaluator-in-Charge
Raymond H. Murphy, II, Evaluator
Nancy L. Ragsdale, Supervisory Reports Analyst

Atlanta Regional Office

Christopher A. Keisling, Site Senior
Graham D. Rawsthorn, Evaluator
Pamela A. Scott, Writer-Editor
Roderic W. Worth, Regional Assignment Manager