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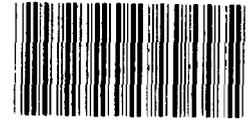
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REPORT BY THE U.S.

General Accounting Office

The Roles And Functions Of Overseas Security Assistance Offices Need To Be Clarified

Reviewing the activities of a representative cross-section of Defense Department overseas Security Assistance Offices, GAO found that they are performing a wide range of activities, some of which may not be recognized by the Foreign Assistance Act.



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The Act lists management functions the Offices are authorized to perform. However, GAO found that they also provide advisory assistance on a routine basis and engage in activities not directly related to managing the security assistance program. The Secretaries of State and Defense should identify the roles and functions of overseas Security Assistance Offices and recommend to the Congress changes to the Act to better recognize their activities.

GAO also raises issues related to the consolidation of security assistance functions with defense attache activities and the Unified Commands' role in managing the security assistance program.



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

B-201410

The Honorable Alexander M. Haig, Jr.
The Secretary of State

The Honorable Caspar W. Weinberger
The Secretary of Defense

This report discusses the activities of overseas Security Assistance Offices and the need to change section 515 of the Foreign Assistance Act of 1961 to better recognize what these Offices actually do. In addition, the report also discusses the role of the Unified Commands in the security assistance management process and reasons for and against consolidating the security assistance function with the defense attache function in overseas missions.

The report contains recommendations to you. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the above-named committees; the Senate Committee on Foreign Relations; the House Committee on Foreign Affairs; other appropriate congressional committees; and the Director, Office of Management and Budget.

A handwritten signature in cursive script that reads "Frank C. Conahan".

Frank C. Conahan
Director

D I G E S T

U.S. overseas Security Assistance Offices are responsible for managing and implementing approved military security assistance programs at the country level. For fiscal year 1981 these programs, which assist eligible foreign countries in acquiring defense articles, services, and training, from the U.S. Government are expected to total \$15 billion. Section 515 of the Foreign Assistance Act of 1961, as amended, authorizes three types of offices.

--Military Assistance and Advisory Group (MAAG). The MAAGs have seven or more U.S. military personnel assigned and can operate only in countries specifically named in the Act. They are responsible for logistics management, transportation, fiscal management, and contract administration. Advisory and training assistance are to be provided primarily by personnel detailed for limited periods to perform specific tasks. (See pp. 7 and 8.)

--Office of Defense Cooperation (ODC). These offices have up to six military personnel and can operate in countries not authorized a MAAG. The personnel assigned to ODCs perform accounting and other management functions. (See pp. 7 and 8.)

--Defense Attache Office. The Attaches may perform security assistance management functions in countries where the President determines it is economical and efficient to do so. (See p. 7.)

Neither the Act nor the legislative history defines what the functions specified in the Act entail or how far the Security Assistance Offices can go in providing advisory and training assistance. The Departments of State and Defense have issued general guidance regarding the types of activities the Security Assistance Offices can or should be performing. However, this guidance does not provide specifics on the activities to be performed nor does it specify the type and scope of advisory and training assistance that can be provided. GAO

found these Offices are involved in a wide range of activities, some of which may not be recognized by the Act. (See pp. 7 and 8.)

SECURITY ASSISTANCE OFFICES DO MORE THAN JUST MANAGEMENT FUNCTIONS

GAO examined the operation of a representative cross-section of 13 Security Assistance Offices worldwide. Security Assistance Offices, regardless of type, perform basically the same functions; however, their involvement in these functions varies in degree and scope. Many factors, such as host country capabilities and existing agreements between the United States and host country governments influence what they do.

Program management activities

Security Assistance Offices perform a variety of activities which relate directly to assisting the host country obtain equipment, services, and training under the security assistance programs. In industrialized countries such as Belgium, Singapore, and Japan, their involvement is minimal because the host country performs most of the management functions. In countries such as the Philippines, Indonesia, Portugal, and Saudi Arabia they are more involved. (See pp. 10 to 12.)

Advisory activities

Security Assistance Offices are providing advisory assistance on a routine basis. The extent to which the offices performed these activities varied. In the Republic of Korea and Saudi Arabia the extent of advisory activities is substantial. In other countries such as the Philippines, Thailand, Indonesia, and Portugal, the provision of advisory assistance is not as extensive, however, it is important and an integral part of implementing the security assistance programs.

The assistance provided is directed at improving the host country's ability to procure, install, use and maintain its military equipment and systems. Assistance is also provided in the areas of force structure, force development, and operations. (See pp. 13 to 18.)

Non-security assistance program
management related activities

Some Security Assistance Offices devote considerable staff resources to performing activities not specifically related to managing the security assistance program, but which are defense related. Security Assistance Offices perform these activities because they are the only U.S. military organization in-country, the head of the Office may be the ranking U.S. military official in-country, or additional duties may be assigned to the office by higher authority.

For example:

- The Security Assistance Office in Belgium performs primarily North Atlantic Treaty Organization (NATO)-related activities such as assisting in U.S.-NATO defense cooperation initiatives. (See p. 18.)
- About 25 to 30 percent of the staff resources of the Security Assistance Office in the Republic of Korea is devoted to serving as a staff and action agency for the Commander, U.S. Forces, Korea. (See p. 19.)

In addition, Security Assistance Offices also assist and coordinate combined military exercises conducted within the host country territorial boundaries; provide in-country support for U.S. military retirees; and sponsor or attend ceremonial or social functions. (See pp. 19 and 20.)

Security Assistance Office officials
views on their roles and functions

Some Security Assistance Office officials GAO met with believe that section 515 of the Foreign Assistance Act does not recognize all the functions performed. Although the Act seems to portray the activities as mechanical and clear cut, the officials believe that the goals and objectives of the security assistance programs in many countries imply a much broader role. For example, security assistance officials told GAO they are charged with

- assisting the country improve its defense capabilities;

- strengthening ties with the countries to obtain cooperation and support on international politico-military issues;
- obtaining and/or retaining access to the countries' military facilities and bases; and
- providing visible evidence of the U.S. defense cooperation commitment to the foreign country.

Officials also feel the Act does not recognize the importance of advice in helping the host country integrate U.S.-purchased equipment into its forces. (see pp. 20 to 21.)

RECOMMENDATION

The Secretaries of State and Defense should identify to the Congress what the roles and functions of overseas Security Assistance Offices should be, determine the numbers of U.S. personnel needed to perform these duties, and recommend to the Congress changes to the Foreign Assistance Act necessary to recognize those functions. (see pp. 21 and 22.)

REASONS FOR AND AGAINST CONSOLIDATING SECURITY ASSISTANCE FUNCTIONS WITH DEFENSE ATTACHE ACTIVITIES

Section 515 (f) of the Foreign Assistance Act provides authority for defense attaches to manage the security assistance program in countries where the President determines it is the most efficient and economical way to do so. During fiscal year 1981, the executive branch plans to consolidate the attache and Security Assistance Offices in 12 countries.

There are advantages and disadvantages to be gained from such consolidations. The Office of Management and Budget and the Department of State believe consolidation will reduce the number of U.S. personnel in overseas missions; will not detract from the attaches' primary missions; and will provide the Ambassador with one senior military advisor. In some of the countries being considered for consolidation, the Ambassador has recommended it.

The Department of Defense disagrees, believing consolidations will not result in significant personnel reductions and may have a detrimental

effect on both the attache and Security Assistance Office missions. Defense officials said they were not opposed to consolidation as long as it can be shown that it is the most economic and efficient way to operate. (See pp. 23 to 24.)

GAO's review of two attache offices indicated both positive and negative aspects when the attache has security assistance program responsibility. (See p. 24.)

RECOMMENDATION

The Secretaries of State and Defense should provide details on both the advantages and disadvantages of consolidating these functions to the Senate Foreign Relations and House Foreign Affairs Committees prior to further consolidations. (See p. 25.)

THE UNIFIED COMMANDS' ROLE IN MANAGING SECURITY ASSISTANCE PROGRAMS

The Unified Commands located in Hawaii, Germany, and Panama have a limited role in managing security assistance programs. These Commands primarily monitor the programs, provide security assistance oversight within their respective regions, provide regional input to the planning process, and assist the Security Assistance Offices in matters not the direct responsibility of the Ambassador. (See p. 26.)

Prior to 1975 the Commands had a major role in planning for and implementing security assistance programs. However, in 1976 management responsibilities were transferred to the military departments and in 1978 a new security assistance planning process reduced the Commands' responsibilities for planning security assistance programs. As a result of these changes, the Unified Commands reduced their security assistance staff from 176 to 71 and consolidated the security assistance organization with other directorates within the command headquarters. However, GAO believes further staff reductions may be possible. (See pp. 26 and 27.)

RECOMMENDATION

The Department of Defense should independently examine the Unified Commands' current security assistance organization and staff levels to determine if staff reductions are possible and, if so, to reassign staff appropriately. (See pp. 31 to 32.)

AGENCY COMMENTS

GAO provided a draft of this report to the Departments of State and Defense. However, GAO did not receive comments from either department within the 30 days allowed by law.

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ABBREVIATIONS

DOD	Department of Defense
DSAA	Defense Security Assistance Agency
FMS	Foreign Military Sales
GAO	General Accounting Office
IMET	International Military Education and Training
MAAG	Military Assistance and Advisory Group
MAP	Military Assistance Program
NATO	North Atlantic Treaty Organization
ODC	Office of Defense Cooperation
SAO	Security Assistance Office
USMTM	U.S. Military Training Mission

CHAPTER 1

INTRODUCTION

The United States has provided security assistance to allied and friendly countries for many years. This assistance, an integral part of U.S. foreign policy, is provided to assist countries in establishing and maintaining adequate defense postures, internal security, and economic stability. The Department of Defense (DOD) is responsible for implementing the military security assistance programs which consist of the following:

- The Military Assistance Program (MAP) which provides defense articles and services to eligible foreign countries on a grant basis. In fiscal year 1981, funds for this program are estimated at \$135 million. This program is being phased out; after fiscal year 1981 grant assistance will be provided only in exceptional circumstances.
- The Foreign Military Sales (FMS) program which allows eligible foreign countries to purchase defense articles, services, and training from the U.S. Government for cash or by credit and loan guarantees. In fiscal year 1981, it is estimated that sales agreements amounting to \$15 billion will be entered into with foreign countries under the cash and credit programs.
- The International Military Education and Training (IMET) programs which provide training to selected foreign military and civilian personnel on a grant basis. The training is provided in the United States, in U.S. schools in Panama, at overseas U.S. military facilities, or overseas by mobile training teams. In fiscal year 1981, funds for this program are estimated at \$32.5 million and approximately 4,264 foreign students are to be trained.

Military security assistance over the past decade has shifted from MAP to FMS. During the period 1955 to 1969, MAP worldwide totaled \$18.4 billion and FMS sales were \$11.8 billion. Then during the period 1970 to 1979, grant aid amounted to only \$3.8 billion while FMS sales grew to \$85.4 billion.

Within DOD many organizations have a variety of responsibilities related to implementing the approved security assistance programs. The most visible of these organizations and the ones that have come under the most scrutiny in recent years are the

Security Assistance Offices (SAOs) 1/ located in foreign countries. The existence of and functions these SAOs are to perform are contained in the Foreign Assistance Act of 1961, as amended. This legislation has been amended over the years to give the Congress more control over the type and scope of operations being performed by SAOs and the numbers of personnel assigned.

In an earlier report "Management of Security Assistance Programs Overseas Needs To Be Improved," (ID-78-27, Apr. 21, 1978), we addressed the impact the 1977 amendment to the Foreign Assistance Act had on SAO operations and recommended additional changes to improve program management. This earlier report addressed only the operations of the Military Assistance and Advisory Group (MAAG)-type SAOs and how these offices were complying with the changes made by Public Law 95-92.

Since our last report, DOD has made efforts to improve SAO operations and reduce the number of personnel assigned. DOD has made it a policy to encourage foreign governments to establish procurement offices and liaison offices in the United States. Several countries have established procurement offices, however, some countries do not want to establish such offices for internal policy reasons.

Foreign governments are also assuming more of the program management functions. For example, the SAO in the Republic of Korea is assisting the Korean Government to establish an automated FMS case management system and procedures. The SAO currently estimates the Republic of Korea Government will be self-sufficient in case management by the end of 1982. Also, the SAO in Greece has developed a formal time-phase self-sufficiency plan which, if accepted, will transfer some case management functions to the Greeks and reduce SAO staffing accordingly. Apart from the SAO's plan the government has assumed some of the procedural tasks and functions. Each Greek military service has established an attache office in Washington, D.C., and assigned personnel to various U.S. military commands to handle many of the FMS program functions.

Our current report addresses the operations of the three types of SAOs and compares the actual roles and functions being performed with those specified by the Foreign Assistance Act of

1/Although there are three basic types of offices (see p. 7), the official name of these offices varies from country to country; they are known as Military Assistance and Advisory Groups, military missions, military groups, Office of Defense Cooperation, liaison groups, and in some countries the defense attache has security assistance responsibility. For purposes of this report we refer to all groups having security assistance responsibility in a country as SAOs.

is considering. This data includes price, source, availability, lead-time, and technical data such as tactics, doctrine, training, and logistical support requirements.

Regional DOD organizations

The U.S. Unified Commands are located in Hawaii, Germany, and Panama. These Commands have no direct responsibility for managing and implementing approved security assistance programs. However, the Commands do monitor the implementation of the programs in their areas of responsibility to ensure they are being properly implemented. The Commands will assist the in-country SAO in obtaining solutions to problems, information, or expediting deliveries of equipment when necessary. The Unified Commands are also responsible for providing technical assistance, administrative support, and evaluating the operations of the SAOs. A more detailed discussion of the role of the Unified Command is in chapter 4 of this report.

The regional U.S. service component commands, like the Unified Commands, have no direct responsibility for managing and implementing approved security assistance programs. Their role in the process is to advise and assist the Unified Commander regarding their services security assistance programs. Essentially the commands are to (1) advise and assist the Unified Commander on the performance of related security assistance functions; (2) keep informed on the content of each year's security assistance program to the foreign countries located in their area of responsibility; and (3) know the capabilities and limitations of each country's armed forces. The commands do provide training to foreign students under IMET and FMS in coordination with the military departments. The commands also participate in inspections and surveys of the SAOs.

In-country DOD organizations

SAOs located in the countries receiving assistance, manage and implement the approved security assistance programs at the country level. These SAOs are responsible for the implementation of the security assistance programs to their host country. Also, SAOs act as a liaison between the host government and U.S.-based DOD organizations assisting the host government to obtain the information, equipment, services, and training it requires. In addition to their program implementation functions, the SAOs also prepare various security assistance planning documents and provide advisory and training assistance to the host government in a variety of defense-related areas. A more detailed discussion of the roles and functions of SAOs is in chapter 2.

OBJECTIVES, SCOPE, AND METHODOLOGY

This review was undertaken because of continued congressional interest in the operations of overseas security assistance management offices. Information obtained during other related assignments ^{1/} indicated that the SAOs were doing more than just program management functions. Also the Unified Commands' involvement in the direct management of security assistance programs had been reduced in recent years without a significant reduction in personnel. The objectives of the review were to

- ascertain exactly what functions the various types of SAOs were performing, and
- examine the role and function the Unified Commands performed in managing security assistance programs.

During our review DOD officials expressed concern over the consolidation of security assistance functions with defense attache functions. We did not attempt to determine whether or not consolidations should take place, but did elicit the reasons given for and against consolidation.

The review was focused on the roles and functions of DOD activities involved in implementing the security assistance program. Since our primary objective was to determine if activities performed by overseas security assistance organizations corresponded with those specified in current security assistance legislation, we gave only limited coverage to examining the roles and functions of U.S.-based defense activities.

The information we used to develop our positions concerning the roles and functions of security assistance personnel was derived by and large from interviews with Departments of State and Defense officials involved with implementing the security assistance programs, and with senior officials of the host governments; by reviewing pertinent DOD directives; and by researching the legislative history of Public Law 95-92 and subsequent changes to the Foreign Assistance Act of 1961. The everchanging nature of the day-to-day activities performed by security assistance personnel made the use of quantitative techniques an impractical way, in our opinion, to accurately ascertain the roles and functions being performed. We provided a summary of our observations to U.S. military mission chiefs and U.S. Embassy officials in

^{1/}"Opportunities to Improve Decisionmaking and Oversight of Arms Sales" (ID-79-22, May 21, 1979). "The Roles, Missions and Relationships of the Pacific Command Headquarters" (C-LCD-80-6, Aug. 18, 1980).

each country and to the Commanders of the U.S. military Unified Commands and their views have been included in the report.

The review was worldwide in scope. We performed fieldwork at 13 SAOs in Europe, the Middle East, Latin America, East Asia and the Pacific regions as well as at the overseas unified and component U.S. military commands. In fiscal year 1980, 71 SAOs were in operation overseas. A cross section of countries was selected to (1) permit an examination of activities peculiar to large as well as small SAOs; (2) recognize differences in SAOs operated by military mission chiefs and military defense attaches and (3) account for regional/cultural differences which also affect the extent of activities performed by SAO personnel. The 13 SAOs reviewed were: Belgium, Greece, Portugal, Saudi Arabia, Japan, Philippines, Korea, Thailand, Indonesia, Singapore, Malaysia, Panama, and Ecuador. While we did not review the activities of every SAO, our review did include all the types of SAOs (eight MAAGs, three ODCs, two Defense Attache Offices) worldwide. We believe the information developed regarding these activities is representative and is a sound basis for an appraisal of the program.

CHAPTER 2

THE ROLES AND FUNCTIONS OF OVERSEAS SAOS

MAY NOT BE RECOGNIZED IN AUTHORIZING LEGISLATION

SAOs have operated in foreign countries for many years. SAOs are responsible for managing and implementing the approved security assistance program at the country level. In fiscal year 1980, 71 SAOs were in operation overseas. The legislative authority for these offices to operate and their primary functions are stated in the Foreign Assistance Act of 1961, as amended. The legislation authorizes three types of offices to perform security assistance activities overseas:

- MAAG-type offices. These offices have seven or more U.S. military personnel assigned and can only operate in countries specifically named in the Foreign Assistance Act. During fiscal year 1980 MAAG-type organizations were authorized in 14 countries. However, MAAGs were in operation in only 12 countries. These were Portugal, Greece, Spain, Philippines, Saudi Arabia, Republic of Korea, Panama, Turkey, Indonesia, Thailand, Morocco, and Jordan.
- ODC-type offices. These offices have up to six military personnel assigned to them and can operate in countries not authorized a MAAG-type office. There were 36 ODC-type offices in operation during fiscal year 1980.
- Defense Attache Office. The attaches may perform security assistance management functions in countries where the President determines it is the most economical and efficient way to do so. During fiscal year 1980, attache's in 23 countries perform security assistance functions. Planning is underway to merge the security assistance and attache functions in 12 other countries and to assign security assistance responsibility to the attache in 5 countries which do not now have an SAO. For a discussion of the planned consolidation see chapter 3 of this report.

LEGISLATED FUNCTIONS OF SAOS

The primary functions of the SAOs are specified in section 515 of the Foreign Assistance Act of 1961, as amended. These are logistics management, transportation, fiscal management, and contract administration. In recent years the Act has been amended to provide more congressional control over the kinds of activities SAOs are involved in, and the number of personnel assigned. The 1977 amendment had the most impact on SAO operations. This amendment, the International Security Assistance Act of 1977 (Public Law 95-92), went much further than previous changes in that it

- specified that no MAAG could operate in any foreign country unless specifically authorized by the Congress;
- specified that personnel assigned to the MAAGs primary functions will be in the logistics management, transportation, fiscal management, and contract administration areas of country programs;
- stated the sense of the Congress that advisory and training assistance would be performed primarily by personnel not assigned to the MAAGs but detailed for limited periods to perform specific tasks;
- authorized the President to assign up to three military personnel to any country not specified in the Act to perform "accounting and other management functions with respect to international security assistance programs"; and authorized the chief of the U.S. diplomatic mission to request up to three additional military personnel; and
- established a worldwide ceiling on the number of personnel assigned to SAOs (the current Act does not set a worldwide ceiling--a ceiling is now established by the executive branch and is justified to the Congress in the Congressional Presentation Document).

The emphasis on management of the security assistance programs was the result of growing congressional concern about the continued need for large SAOs, the number of personnel assigned, and the scope and type of operations being performed. For the full text of section 515 of the Foreign Assistance Act, see appendix I.

Although the current Foreign Assistance Act places limitations on the type and scope of activities SAOs are to be involved in, neither the law nor the legislative history defines what is meant by the four primary functions (logistics management, transportation, fiscal management, and contract administration) of the larger SAOs or the accounting and other management functions of all other SAOs. Further, the type and extent of advisory and training assistance activities the SAOs can perform are not defined.

The Departments of State and Defense have issued some guidance to the SAOs regarding the types of activities they should be performing. This guidance states in general terms the activities State and Defense envision being performed under the four primary functions, and states that SAOs can provide limited advisory and training assistance as long as it does not detract from their primary functions. (See app. II for a discussion of the guidance State and Defense have provided the SAOs.)

However, this guidance is still very general and does not provide the SAOs with specifics on what activities they can or should be involved in, nor does it specify the type and scope of advisory assistance the SAOs can perform. SAOs are involved in a wide range of activities, some of which may not be recognized by the Act. The Act seems to portray SAO activities as mechanical and clean-cut. However, we found SAOs were involved in more than just the management functions and appear to serve a purpose that goes beyond that described by section 515 of the Foreign Assistance Act.

FACTORS THAT AFFECT SAO ACTIVITIES

Each SAO is different and the missions and the tasks performed vary. Many factors affect the type and scope of SAO activities and these factors vary from country to country. Some of these factors are:

- Existing agreements between the host government and the U.S. Government which assign the SAO tasks and functions.
- Relative sophistication and industrialization of the host country, and its ability to procure, receive, install, maintain, and use U.S. equipment.
- Size of the security assistance program.
- Number of and expertise of the personnel assigned to the SAO.
- Goals and objectives of the security assistance program to the host country.
- Guidance provided by the Departments of State and Defense, the Unified Commander, or the Ambassador.
- SAO personnel's interpretation of their role and functions.

SAOS DO MORE THAN JUST MANAGEMENT FUNCTIONS

We found that the SAOs, regardless of type, perform basically the same functions. However, as stated earlier each SAO is different and the activities of each varies in degree and scope. Our selection of SAOs to review is described on page 6.

Generally their activities fall into one of three categories: activities related to managing the security assistance program; activities related to providing advisory and training assistance; and activities which are non-security assistance program management related. Some of the activities the SAOs performed clearly fall under one of the primary functions included

in the Act. However, others like the extensive advisory and training assistance being provided some countries and certain of the non-security assistance program management related activities may not be provided for in the existing legislation. The following sections discuss the various types of activities we found SAOs were performing.

Security assistance program management activities

SAOs perform a variety of activities which relate directly to assisting the host country obtain equipment, services, and training under the FMS, MAP, and IMET programs. The degree and extent of the SAO's involvement in performing management functions depends upon the host country's ability to effectively deal and communicate directly with U.S.-based logistical and training commands. In industrialized countries, like Belgium, Singapore, and Japan, the SAO's involvement in managing the programs is minimal because the host country performs most of the program management functions. In countries such as the Philippines, Indonesia, Portugal, and Saudi Arabia, the SAO is more involved in the management functions. In some of these countries, the SAO actually performs the management functions for the countries' programs.

As the following examples will show, the SAOs are a link in the management process and perform functions that involve implementing the programs. They do this by (1) maintaining a constant interface and liaison with host country military officials, (2) monitoring the programs, and (3) initiating actions to solve problems.

Equipment and services case management activities

This category is related to managing and administering MAP and FMS equipment and services transactions and includes such activities as:

- Assisting the host government obtain price, source, availability, and lead-time data from the military department for equipment and services the host country is interested in buying.
- Reviewing for completeness Letters of Request and Letters of Offer and Acceptance for equipment and services the host government wants to buy, and assisting in alterations or corrections.
- Monitoring the status of an approved FMS case by reviewing messages from U.S. logistics organizations and taking action as necessary.

- Assisting the host country with problems encountered with the U.S. logistics system.
- Assisting the host country prepare Reports of Discrepancies on FMS equipment and material shipments and verifying the discrepancy.
- Acting as a communications interface between the host country and the Security Assistance Accounting Center, DSAA, and service commands handling financial matters.
- Validating and reconciling monthly FMS billing statements.
- Explaining U.S. transportation policies and procedures.
- Handling financial problems related to price changes, monitoring status of payments, and following up on delinquencies or overpayments.
- Administering the MAP program from requisition to delivery.

Training management activities

This category is concerned with administering the military education programs to train foreign military personnel. Activities in this category are

- working with the host government to determine training requirements;
- processing students by administering English language comprehension exams, obtaining security clearances, issuing travel orders, and arranging for transportation to and from training locations;
- determining requirements for mobile training teams;
- arranging for housing and basic support for in-country training teams;
- monitoring progress of in-country training teams; and
- monitoring foreign student training progress.

Monitoring

This category consists of activities concerned with reviewing (1) host government use of MAP equipment and its disposal, and (2) the use of personnel who have received IMET training. Activities include

- reviewing and reconciling host government MAP equipment inventory reports, and
- visiting host country military bases.

Evaluating and planning activities

This category is not directly related to the four management functions as stated in section 515 of the Foreign Assistance Act. However, it is directly related to the security assistance planning process. Activities in this category generally consist of assessing the host government's military capabilities and identifying future requirements and include

- preparing and/or providing input to internal U.S. Government reports, such as the Annual Integrated Assessment of Security Assistance, Joint Strategic Planning Document for Security Assistance, and the Consolidated Data Report;
- assessing host government military capabilities; and
- assessing future host government equipment, training, and funding requirements.

Administrative support/housekeeping/ community activities

This category consists of those activities which must be performed to support the security assistance mission and maintain the morale and welfare of the personnel assigned to the SAO. In our review of SAO operations, we found that administrative support was a major part of their effort. To accomplish the tasks to support the operation of an SAO can require as much as 50 percent of its staff resources. Activities in this category include

- administering all aspects of the SAO budget and financial operations;
- providing administrative support, typing, filing, etc., for the security assistance program functions;
- maintaining personnel and pay records;
- maintaining postal operations;

- resolving fiscal, logistical, and transportation problems related to internal SAO management;
- providing physical and administrative security; and
- serving as dependent school officer; morale, recreation and welfare officer; and clubs officer.

Advisory assistance is an integral part of SAO activities

Section 515 of the Foreign Assistance Act specifies that advisory and training assistance to foreign governments is to be primarily provided by personnel who are detailed for fixed periods of time to perform specific tasks. The Departments of State and Defense have interpreted this provision to mean that SAOs can provide limited advisory and training assistance to the host government as long as it does not detract from the SAO's primary functions.

We found that advisory assistance is being provided on a routine basis by most of the SAOs we visited. In two countries, the Republic of Korea and Saudi Arabia, the SAOs were extensively involved in providing advisory assistance. In the other countries, Thailand, the Philippines, Indonesia, Japan, Singapore, Portugal and Greece, providing advisory assistance was important and an integral part of implementing the security assistance program.

The advisory assistance being provided by the SAOs was primarily directed at improving the host government's ability to procure, install, use, and maintain its military equipment and systems. Assistance was also provided in the areas of force structure, force development, and operations. The extent to which SAOs performed advisory functions varied by country and ranged from major advisory efforts in the two countries cited above to little or no advisory effort in countries such as Belgium and Malaysia.

In Malaysia the Defense Attache has responsibility for security assistance and he does not provide advisory assistance because in his opinion, the Foreign Assistance Act does not permit it. In Belgium this type of assistance was not provided because Belgium does not require it.

Officials involved in security assistance told us that the advisory assistance being provided is expected by the host government, and it enhances the achievement of U.S. foreign policy objectives. Officials also believe that a willingness to help a host nation successfully integrate U.S. equipment into its armed forces is an essential ingredient of a security assistance program. Further, officials did not believe giving advisory assistance detracted from their primary functions because it is considered to be an integral part of the management process.

The following are examples of the type of advisory assistance being provided by SAOs. The assistance being provided by the SAOs in the Republic of Korea and Saudi Arabia is discussed separately.

- Participating in joint exercises for the purpose of identifying operational and logistical weaknesses and recommending how these weaknesses can be overcome.
- Providing advice regarding the host country's overall logistical management and maintenance system.
- Advising the host nation on the installation of a real-time supply management system.
- Providing expertise and advice on the installation of air and ground defense communication systems.
- Assisting the host government to develop valid equipment requirements.

Providing advisory assistance to
Korea and Saudi Arabia is a
substantial part of the SAO's activity

In the Republic of Korea and Saudi Arabia, providing advisory assistance is a major function of the SAO. This is not to imply that the SAOs are not involved in performing program management functions. However, most of their efforts are devoted to providing both technical and operational assistance on a routine long-term basis. In both countries the SAO Chief said this advisory assistance is provided because of existing government-to-government agreements.

Korea

An agreement between the Governments of the United States and the Republic of Korea, dated January 26, 1950, established the military assistance group in Korea. Article I of that agreement states that:

"The purpose of the Group will be to develop the Security Forces of the Republic of Korea within the limitations of the Korean economy by advising and assisting the Government of the Republic of Korea in the organization, administration and training of such forces * * *, and by insuring the effective utilization of any United States military assistance by those forces * * *"

The SAO personnel in Korea devote most of their efforts to advising host country personnel in areas that include

- assisting in improving contingency planning,
- assisting in determining weapon system requirements,

- recommending alternate combat equipment which would more adequately meet needs,
- recommending to the host military officials which weapon and communication systems need upgrading and advising on exactly how to accomplish this,
- providing tactical and operation guidance on the positioning of military equipment and assessing host country tactical capabilities.

In addition to the 1950 agreement, the Chief of the SAO cites other reasons why the SAO is extensively involved in providing advisory assistance to the South Korean Government. For example, agreements reached at the annual security consultative meetings between the U.S. and Republic of Korea Governments have committed the United States to assist the Republic of Korea in the areas of defense research and development, defense management, and development of defense industries. The SAO has been given responsibility for implementing these agreements and has one entire directorate consisting of 27 military and civilian personnel devoting in excess of 90 percent of its efforts in advising and assisting in the areas jointly agreed to by the United States and the Republic of Korea.

The Chief of the SAO in Korea expressed concern that the extent of the advisory and assistance role of his organization may not be recognized by the Foreign Assistance Act which limits an SAO's involvement in providing this type of assistance. The SAO performs the advisory function because of the unique relationship that has evolved over time between the United States and Republic of Korea as well as the agreements cited above. Although not specifically stated in the Act itself, this unique relationship has been recognized in the legislative history of the Security Assistance Act of 1979, which states that:

"The [House Foreign Affairs] committee intends that nothing in section 515 of the Foreign Assistance Act of 1961 shall be construed as circumscribing in any way continuing during that period [1980-1985] the range of advisory, training, and technical assistance being rendered by the MAAG in Korea."

Saudi Arabia

The U.S. Military Training Mission (USMTM), the SAO in Saudi Arabia, has been providing advice and training to the Saudi armed forces since 1946. This relationship was recognized in an agreement signed in 1953 and was further strengthened when a renegotiated agreement was signed in 1977. The agreement states that the basic functions of USMTM are

- participating in training instruction of Saudi armed forces personnel at all levels,
- providing advisory services in planning, organization, training, armament, logistics and supply, and
- providing studies and recommendations requested by Saudi armed forces officials or initiated by the country security assistance organization.

The Chief of USMTM told us that advice and training are implicit in managing an FMS program--selling a country equipment implies a willingness to help the country integrate it into their armed forces. In addition, USMTM is providing advice and training of a more general long-term nature that is not directly related to FMS purchases. USMTM is assisting Saudi Arabia to develop, manage, and use modern military forces. The fact that Saudi Arabia is developing its armed forces makes advice a particularly vital element of security assistance operations.

The current law does not reflect the primacy of the advisory/training role implicit in managing an FMS program or the advice and training of a long-term nature being provided by USMTM. Both the Chief of USMTM and the Ambassador strongly endorsed changing the law to legitimize the important advisory-training role being performed by security assistance personnel in Saudi Arabia.

Although USMTM is both the largest organization and the one most commonly associated with security assistance to Saudi Arabia, it is not the only such organization. In addition to the SAO we noted three other DOD organizations in Saudi Arabia performing security assistance functions: the Office of Program Management, Saudi Arabian National Guard; the Logistics Support Group; and the Ordnance Program Division, Corps of Engineers. To varying degrees, each of these organizations is involved in traditional FMS management functions as well as providing advisory assistance needed to develop a modern military force. These organizations are not part of USMTM and are paid for by Saudi Arabia under FMS cases. The following illustrates the functions of each organization.

Office of Program Management

- Administers FMS cases for the Saudi Arabian National Guard; provides advice and training to the Saudi Arabian National Guard to develop modernization plans; and monitors contracts implementing those plans. There are 112 personnel authorized for this group.

Logistics Support Group

--Monitors performance of contractor services connected with F-5 and F-15 aircraft. In addition, it manages the F-15 construction program. This organization has 95 personnel authorized.

Ordnance Program Division

--Administers FMS cases for the Saudi Ordnance Corps; monitors certain contracts; and provides advice and training to the Saudi Ordnance Corps. This organization has 24 personnel authorized.

Although the executive branch security assistance program justification 1/ recognizes the existence of programs carried out by these other organizations, it does not reflect the personnel assigned to them as part of the total number of staff involved in security assistance activities in Saudi Arabia. Moreover, the program justification indicates that only 92 personnel are assigned to USMTM when in fact, USMTM has 250 assigned personnel.

Prior to passage of Public Law 95-92 which imposed restrictions on advice and training by permanently assigned SAO personnel (see p. 8), USMTM's authorized strength had been reduced from 250 to 92. The remaining 158 personnel were redesignated technical assistance field teams. Neither the overall importance of advice and training as a long-term mission of USMTM, nor the total number of assigned personnel was affected by this redesignation. Rather, the designation of personnel as technical assistance field teams was a step toward complying with the manpower and functional restrictions of Public Law 95-92.

Our previous report on overseas security assistance management 2/ questioned whether this redesignation of USMTM personnel really complied with the intent of Public Law 95-92. Although USMTM segregates its personnel into (1) FMS managers and (2) advisors/trainers, we found that:

--FMS managers have some advisory duties and for others, advising is a primary function.

--Advisors/trainers have some FMS management responsibilities.

1/The Congressional Presentation Document.

2/"Management Of Security Assistance Programs Overseas Needs To Be Improved" (ID-78-27, Apr. 21, 1978).

--Advisors/trainers are permanent advisory personnel. Although most USMTM advisors/trainers are only assigned for a 1-year tour, the advisory function they perform continues with new personnel and only the authorizing FMS documentation is renewed.

The Chief of the USMTM indicated that the overall importance of advice and training in Saudi Arabia made it difficult to keep a distinct group of FMS managers and a group of advisors. Both he and the Ambassador agreed that as an organization the primary mission of USMTM is to provide advice and training to Saudi Arabia's armed forces.

DOD takes the view that since the USMTM advisors/trainers are paid for by the Saudi Arabian Government under an FMS case they are a temporary team, detailed for a limited period of time to perform specific tasks all of which are spelled out in the FMS case. Thus, in DOD's view these 158 personnel are not subject to the provisions of the Foreign Assistance Act because they are a temporary team and can perform advisory and training services as their primary function. As noted above, we question DOD's position that these personnel are temporary.

We agree that personnel who are detailed for limited periods to perform specific tasks, as specified in the last sentence of subsection b(1) of section 515 of the Act, are authorized to provide advisory assistance as their primary function. We disagree, however, that the USMTM-advisors/trainers meet this criteria.

SAO's non-security assistance
program management related
activities are extensive
in certain countries

Many SAOs devote a considerable amount of their resources to performing non-security assistance program management related activities. While these activities are not directly related to managing the programs, they are defense related. In many cases these activities result from the fact that the SAO is the only U.S. military organization in-country or the Chief of the SAO is the ranking U.S. military official in-country. Other activities are the result of additional duties being given the SAO by a higher authority. Some of the functions being performed are ceremonial and diplomatic in nature, such as wreath laying and hosting social functions on U.S. military holidays.

DOD officials believe these activities are important in establishing an effective relationship between the Unified Command, the host country military commands, and host country government. Following are examples of the non-security assistance management activities SAOs are involved in.

The SAO in Belgium performs minimal management functions relative to the security assistance program. The SAO devotes its efforts primarily to North Atlantic Treaty Organizations (NATO)-related activities such as:

- Assisting in U.S.-NATO initiatives (lines of communication, prepositioned equipment and war reserve stocks, and collocated operating bases).
- Promoting NATO rationalization, standardization and interoperability objectives.

The Belgium SAO's involvement with NATO-related matters and rationalization, standardization, and interoperability objectives is not unique. We were informed by DOD officials that other European SAOs are also heavily involved in these matters. However, these officials believe that in the broad sense these matters are concerned with security assistance and form a key supporting element of U.S. foreign policy.

The SAO in Korea devotes considerable effort to the non-security assistance related activities. One function of the SAO in Korea is serving as a staff and action agency for the Commander, U.S. Forces, Korea, who is also Commander of the Eighth U.S. Army and the Combined Forces Command. In this capacity, the SAO acts as the primary interface with the South Korean Government for all defense-related matters. The Commander uses the SAO in this capacity because of its long-established relationship with all levels of the South Korean Government and in this regard the Commander views the SAO as essential to accomplishing his mission. The SAO in Korea estimates that 25 to 30 percent of its resources are devoted to supporting the Commander.

The SAO in Panama is also involved in more than just the management functions. Our review of the SAO's activities showed the personnel assigned perform liaison functions related to implementing the Canal Treaty, and serve as consultants to Panama's and other Latin American countries' military units. The U.S. Ambassador in Panama told us he viewed the SAO's mission as more than just security assistance program administration and in his view the SAO will continue to have a role in implementing the new canal treaty.

In addition to the examples cited above, the SAOs we reviewed also perform activities such as

- providing support for U.S. Navy P-3 and U.S. Air Force C-141 flights;
- coordinating U.S. Navy ship visits and handling personnel actions that result from such visits;

- providing assistance to U.S. military personnel in-country, involving personnel, medical, or travel matters;
- assisting and coordinating combined military exercises, joint service exercises, and U.S. joint or single service exercises conducted within the host country territorial boundaries;
- providing in-country support for U.S. military retirees to include handling of mail, pay inquiries, legal and medical assistance;
- attending ceremonial or social functions hosted by the SAO or by host government military officials and performing other representational functions as necessary to maintain a working relationship with host country officials; and
- screening and issuing country clearances for official U.S. military and civilian visitors.

SAO officials' views on their roles and functions

SAO officials we talked with felt that section 515 of the Foreign Assistance Act does not recognize all the functions SAOs perform. The Act, in setting the primary functions of the SAOs, seems to portray their activities as mechanical and clean-cut. On the other hand, the goals and objectives of the security assistance programs in many countries would imply a much broader role for the SAOs. For example we found SAOs charged with

- improving the countries' defense capabilities by assisting the host country to develop its military forces,
- strengthening ties with the countries to obtain cooperation and support on international political issues,
- obtaining and/or retaining access to the countries' military facilities and bases, and
- providing visible evidence of the U.S. defense cooperation commitment to the foreign country.

Some SAO officials were concerned about the limitation the Act places on their advisory role. These officials believe providing advice is an important and primary function of SAOs. They feel the Act does not recognize the importance of advice in helping the host country integrate U.S.-purchased equipment into its forces. Such advice includes helping the host country develop its logistical, supply, and maintenance systems and

procedures on a routine basis even though it may not be directly related to an FMS case. Further, as previously pointed out in South Korea and Saudi Arabia, the restriction the Act places on SAOs may conflict with certain government-to-government agreements which specify the SAOs will provide advice and assistance.

Also some SAO officials were concerned with the ambiguity of the Act. Specifically, they were concerned with how far they can go in providing advice on weapons systems. This concern stems from the fact that section 515(h) of the Foreign Assistance Act states that

"* * * military personnel in United States missions abroad * * * should not encourage, promote, or influence the purchase by any foreign country of U.S. made military equipment."

It is clear to the SAO officials that they are not to recommend that foreign countries purchase U.S. military equipment. However, it is not clear what constitutes influence. A role of many U.S. security assistance organizations is to help the host nation develop, manage, and use modern military forces. SAO personnel interact frequently with host nation officials to accomplish this. This interaction often results in exchanges of data between military professionals who are working to improve the host nation's defense posture and to insure U.S. interests and objectives are met.

The very nature of the dialogue makes it inevitable that SAO personnel will discuss weapons, weapon systems, and weapon support systems to achieve the overall goal. SAO personnel told us they believe it is incumbent upon them to provide the host nation with the best possible information. However, this activity raises a question on when does the advice become arms promotion or influence. This ambiguity can have an impact on how SAO officials carry out their role. As we pointed out earlier, the SAO in Malaysia does not provide advice and assistance to the host nation.

SAO officials believe the Foreign Assistance Act should be changed to recognize all activities an SAO is involved with especially the advisory role, and clarify what constitutes arms promotion.

CONCLUSION AND RECOMMENDATIONS

Section 515 of the Foreign Assistance Act of 1961, as amended, may not fully describe or recognize the roles and functions of SAOs in foreign countries. The Act specifies that the primary functions of SAOs will be logistics management, transportation activities, fiscal management, and contract administration of country programs; advisory and training assistance is to be provided primarily by temporary teams, not

SAO personnel. SAOs do perform management functions related to country programs; however, they do much more than just those management functions. SAOs provide advice and assistance on a routine basis as a normal function of implementing the security assistance program. Two of the SAOs we visited, in the Republic of Korea and Saudi Arabia, are extensively involved in providing advisory assistance to the host government. In these two countries this assistance is called for in government-to-government agreements.

Also, SAOs perform functions which are non-security assistance program management related. In some countries these functions are primary, such as in Belgium and other NATO countries where the SAO's primary activities are related to NATO matters. In other countries like the Republic of Korea, while non-security assistance management functions are not primary, the SAO still devotes significant resources to these types of activities.

Some clarification is needed in the legislation to better recognize what the SAOs should or should not do in their operations overseas. We believe the Act should be changed to reflect what the Departments of State and Defense and the Congress believe the roles and functions of the SAOs should be.

In considering the SAO's appropriate functions, the Departments need to determine the numbers of personnel that will actually be required to perform such functions. If security assistance management no longer is an SAO's primary function because the host country is either assuming more of the management functions or already performs them as in Belgium, then serious consideration needs to be given to deciding how many U.S. personnel are required to carry out an SAO's roles and functions.

To accomplish the above we recommend that the Secretaries of State and Defense decide what the roles, missions, and functions of the SAOs should be on a country-by-country basis and determine the numbers of U.S. personnel needed to perform such functions. We further recommend that the Secretaries provide this information to the Congress and recommend changes to section 515 of the Foreign Assistance Act necessary to better recognize the appropriate functions of the SAOs.

CHAPTER 3

REASONS FOR AND AGAINST CONSOLIDATING

SECURITY ASSISTANCE FUNCTIONS WITH

DEFENSE ATTACHE ACTIVITIES

Section 515(f) of the Foreign Assistance Act of 1961, as amended, provides authority for defense attaches to manage the security assistance program in countries where the President determines it is the most efficient and economical way to do so. In January 1981, defense attaches in 23 countries were authorized to manage the security assistance program.

However, the executive branch is looking to increase the number of countries in which the defense attache will be authorized to manage the security assistance program. In this regard, the executive branch is planning to consolidate the defense attache and security assistance functions in 12 countries during fiscal year 1981.

Department of State officials told us the objectives for consolidating are to reduce the number of U.S. Government personnel in overseas missions and to rationalize management lines within the overseas mission. Department of Defense officials involved in implementing the security assistance programs believe that consolidation will not result in significant personnel savings. DOD officials also told us that in their opinion consolidation may be detrimental to both the security assistance function and the defense attache function.

We decided to look into the question of consolidation because of the concern expressed to us by DOD officials on this issue during the early stages of the review. Our basic objective was not to judge whether or not consolidations should take place but to ascertain how the agencies were approaching the issue and to obtain the reasons for and against consolidation.

The Office of Management and Budget and Department of State support consolidating security assistance and defense attache functions. In their view, consolidating these two functions would achieve personnel savings, not detract from the defense attache's operation, and provide the Ambassador with a single senior military advisor. State Department officials point out that presently, attaches perform the security assistance function in a number of countries and this arrangement seems to be working well.

The executive branch is planning to consolidate the attache and security assistance function in 12 countries. Consolidation is thought possible in these countries because the security assistance program is either small or the SAO no longer is primarily involved in program management activities. State Department officials pointed out that most of the SAOs in NATO countries are no longer involved in security assistance program management functions. SAOs in these countries are primarily involved in NATO and liaison-related activities. Our review of the SAO in Belgium confirmed this. State Department officials believe the attache could perform the functions the SAOs are now doing.

These same officials added that in many of the countries where consolidation is being considered, the U.S. Ambassador has recommended it. They added that if the Ambassador recommends consolidating the two functions, there is no reason to believe that it cannot be done. In the view of the State officials the Ambassador is in the best position to know if consolidation will work. The officials informed us they believe most personnel savings would occur in the administrative support area.

Our discussions with DOD officials, some embassy officials, and the Chiefs of the SAOs regarding consolidating security assistance and attache operations surfaced a number of reasons against consolidation. Basically these officials believe consolidations will not result in significant personnel reductions and may have a detrimental effect on both the attache and SAO missions.

DOD officials told us that they were not opposed to consolidations as long as it can be shown that it is the most economical and efficient way to operate.

During our review of SAO activities we obtained information that is both positive and negative on the issue of consolidation. In one country the attache told us that the demands of the security assistance program were adversely affecting his attache function. On the other hand the attache in another country told us the security assistance responsibilities did not detract from his ability to carry out his attache functions.

CONCLUSION AND RECOMMENDATION

The Foreign Assistance Act provides authority for Defense Attaches to assume security assistance management responsibility in countries where the President determines it is the most efficient and economical way to do so. The executive branch is planning to consolidate these functions in 12 countries during fiscal year 1981. There are advantages and disadvantages to be gained from consolidating attache and security assistance functions. However, there is strong disagreement between the Departments of State and Defense on the relative merits of consolidation.

In the draft of this report sent to the Departments of State and Defense for comment we proposed that the Departments jointly perform detailed analyses of the advantages and disadvantages of consolidating the two functions for the countries being considered for consolidation. We have decided to drop that proposal because discussions with State Department officials indicated that they did not believe further analysis would resolve the issue. In their view, it has already been determined that consolidation should take place. However, Department of Defense officials are against consolidation unless it can be shown to be the most economical and efficient way to operate.

The issue of consolidating security assistance functions with the Defense Attaches activities overseas has been considered by the Senate Foreign Relations and the House Foreign Affairs committees in their deliberations on the Foreign Assistance authorization legislation. The International Security Assistance Act of 1980 authorized an increase in the number of attaches so that the executive branch could carry out its consolidation plans. In view of the basic and continuing disagreement between Departments of State and Defense over the merits of consolidation, we recommend that the Secretaries of State and Defense should each provide details on both the advantages and disadvantages of consolidating these functions to the authorizing committees prior to any further consolidations. This should be done to assist the Committees in deciding whether they want to continue to support consolidations or require additional justification.

The Commands now do not have direct responsibility for the execution of approved security assistance programs or for developing security assistance plans and programs. Some of their responsibilities will include

- making recommendations to the Joint Chiefs of Staff and the Secretary of Defense regarding security assistance programs, projections, or activities;
- keeping informed on all security assistance matters to include programs, projections, and activities;
- commanding and supervising the SAOs in matters that are not functions or responsibilities of the Chief of the U.S. Diplomatic Mission; and
- providing evaluations of the efficiency and effectiveness of DOD overseas security assistance organizations.

This new directive will give the Commands more of a monitoring and advisory role in the security assistance process as opposed to their previous responsibilities which were to

- correlate security assistance plans and programs with U.S. military plans;
- supervise and direct the development and updating of security assistance plans and programs;
- present and justify the programs at all review levels including the Congress, if necessary; and
- direct and supervise the execution of approved security assistance programs and provide other assistance as requested.

The new DOD directive will reflect the changes that have occurred to the Unified Commands' direct role in managing and planning the security assistance programs to the countries in their geographic area of responsibility.

UNIFIED COMMANDS'
STAFF LEVELS

Staff levels for the Unified Commands security assistance organizations are shown in the following table.

UNIFIED COMMAND LOCATION

<u>Fiscal year</u>	<u>Pacific</u>	<u>Latin America</u>	<u>Europe</u>	<u>TOTAL</u>
75	86	30	60	176
76	33	30	31	94
77	33	30	32	95
78	30	14	32	76
79	30	13	32	75
80	30	13	32	75
81	26	13	32	71

As shown, the staffing levels at the Commands did change after the fiscal year 1975 change in management responsibilities. These staff reductions were primarily in the ADP and administrative support area. However, since that time the staffing levels have not changed significantly even though the Unified Commands' direct role in security assistance program planning has been reduced. The reduction in the Unified Commands' responsibilities for direct planning was pointed out in our earlier report "Opportunities to Improve Decisionmaking and Oversight of Arms Sales" (ID-79-22, May 21, 1979).

The report recommended that DOD reexamine the authorized staff size of the Unified Commands security assistance groups to determine if staff reductions were possible. We found no evidence that DOD had examined the Commands' security assistance groups for possible reductions. However, officials in the Pacific and European Unified Commands told us that they have examined the staff level of their security assistance organizations as part of the annual Joint Manpower Program. An independent detailed examination of the Unified Commands' security assistance organization staffing levels versus their responsibilities has not been done since the Unified Commands role changed.

SECURITY ASSISTANCE FUNCTIONS
CURRENTLY PERFORMED BY
UNIFIED COMMANDS

The three Unified Commands headquartered in Germany, Panama, and Hawaii perform various tasks related to security assistance program activities. Generally, these tasks are related to monitoring the implementation of security assistance programs, assisting the SAOs as required, and providing Joint Chiefs of Staff with (1) a military assessment of security assistance programs, and (2) the effects the programs have on U.S. objectives in their region.

Each Unified Command has an office responsible for security assistance matters. Generally these offices are functionally organized, and consist of a policy and planning group, a programs group, a performance evaluation group, and a training group. These offices are responsible for interpreting and providing security assistance policy guidance to SAOs, providing regional input into security assistance matters, monitoring the execution of approved security assistance programs, training SAO personnel, and evaluating the effectiveness of SAOs.

Programs groups

These groups are primarily responsible for maintaining political military information about the countries in Unified Command regions. These groups have desk officers--responsible for one or more countries--who (1) monitor the security assistance programs, (2) insure the SAOs are properly implementing the programs, and (3) generally assist the SAOs in a variety of areas. The desk officer is generally involved in

- reviewing daily message traffic and correspondence;
- preparing and giving country briefings;
- researching and preparing point papers, memorandums, and background papers on selected security assistance issues;
- serving as a communications link with the SAO to identify and surface any problems in need of an immediate resolution;
- assisting in resolving personnel and administrative problems experienced by SAO personnel;
- maintaining contact with and acting as a liaison between the SAO and the various U.S.-based service command elements to coordinate and expedite security assistance program matters;

- making staff assistance and evaluation visits as required;
- reviewing actions taken by the SAO to determine if a Unified Command's perspectives are necessary; and
- attending security assistance related briefings, staff meetings, and conferences.

Most of the desk officer duties and responsibilities serve the information needs of the Unified Commander and the headquarters staffs. They mainly monitor approved security assistance program activities to insure smooth implementation and become involved on an exception basis to assist in the resolution of problems. They are not involved in the day-to-day management, nor are they the decisionmakers. However, Unified Command officials believe the desk officer has a major role in surfacing potential problem situations or issues which need immediate rectification. In this sense, the desk officer serves as a facilitator and expediter which, according to Unified Commands officials, helps in the effective implementation of the security assistance programs.

Plans and policy groups

The policy and planning groups are the focal point for security assistance policy, legislative matters, and consolidated reporting to the Joint Chiefs of Staff. These groups are involved in the following.

- Commenting on and prioritizing security assistance program plans initiated by the SAO for presentation to the Washington security assistance community.
- Serving as a coordinator for security assistance matters which are of interest to more than one SAO.
- Briefing Unified Command visitors.
- Monitoring security assistance legislation.
- Providing security assistance policy guidance on matters within the Unified Commands' purview.
- Serving as project office for various security assistance-related conferences.
- Handling SAO administrative matters such as budgets and SAO staffing levels.

Training groups

DOD Directive 2000.10 "Selection and Training of Security Assistance Personnel" tasks Unified Commands with responsibility for Phase IV training. In general, Phase IV training provides orientation in security assistance procedures to newly assigned security assistance office personnel within the Unified Commands' area of responsibility. The Commands' training groups are responsible for the overall administration of the Phase IV program to include developing course materials, coordinating training, and serving as course instructors.

Training personnel also plan, coordinate, and direct the annual tri-service training review workshop, and also conduct training assistance visits to countries to provide SAO personnel with security assistance updates.

Evaluations group

The Unified Commands are responsible for evaluating the efficiency and effectiveness of the overseas security assistance organizations. The European and Latin American Commands perform the evaluation through the Commands' Inspector General, whereas the Pacific Command does the evaluations through the Performance Evaluation Division of the Security Assistance Directorate. The Commands perform either annual or bi-annual evaluations on SAO operations. Generally, the evaluations assess activities such as

- security assistance program management,
- administrative matters including budget, personnel services, internal security, and supply, and
- manpower levels.

The groups also monitor corrective actions being taken by the SAO on deficiencies found during the evaluation.

UNIFIED COMMAND VIEWS

According to Unified Command officials, their role in the security assistance management process is important and encompasses more than the task prescribed in the revised directive. They believe they have an important checks and balances role in the security assistance management process by providing for the coordination and integration of security assistance into all aspects of theater planning. Unified Command officials say they are active in all aspects of security assistance, including planning and program management.

CONCLUSION AND RECOMMENDATION

The Unified Commands do not have a role in managing and implementing approved security assistance programs. Their

role in the process is one of monitoring SAO activities and providing support as required.

The integrated assessment procedures have effectively eliminated the Unified Commands from the direct security assistance planning process. Even though their direct involvement in the planning process has been eliminated the security assistance staff in the Commands has not been significantly reduced. Some reductions have occurred; however, we believe the opportunity may exist for more reductions.

We recognize the Unified Commands' need to keep informed on security assistance matters and assess the security assistance plans and programs for countries in their geographic area of responsibility. We only question if the Commands still require their current staff levels and organizational structure to accomplish their role in security assistance.

We recommend that the Secretary of Defense independently examine the Unified Commands' current security assistance organizational structure and staff levels to determine if staff reductions are possible and if so, to reassign staff appropriately. The examination should consider transferring functions to other Unified Command staff offices as a means of reducing the security assistance staff.

TEXT OF SECTION 515 OF THE FOREIGN
ASSISTANCE ACT OF 1961, AS AMENDED

Sec. 515. Overseas Management of Assistance and Sales Programs.—(a) No military assistance advisory group, military mission, or other organization of United States military personnel performing similar military advisory functions under this Act or the Arms Export Control Act may operate in any foreign country unless specifically authorized by the Congress. The prohibition contained in this subsection does not apply to regular units of the Armed Forces of the United States engaged in routine functions designed to bring about the standardization of military operations and procedures between the Armed Forces of the United States and countries which are members of the North Atlantic Treaty Organization or other defense treaty allies of the United States.

(b)(1) In order to carry out his responsibilities for the management during the fiscal year 1981 of international security assistance programs conducted under this chapter, under chapter 5 of this part, or under the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to perform necessary functions with respect to such programs in Portugal, Spain, Jordan, the Philippines, the Republic of Korea, Panama, Greece, Turkey, Indonesia, Thailand, Morocco, Egypt, and Saudi Arabia. Members of the Armed Forces assigned under this subsection shall have as their primary functions logistics management, transportation, fiscal management, and contract administration of country programs. It is the sense of the Congress that advisory and training assistance in the countries specified above shall primarily be provided by personnel who are not assigned under this subsection and who are detailed for limited periods to perform specific tasks.

(2) The total number of members of the Armed Forces assigned under this subsection to each country specified in paragraph (1) of this subsection may not exceed the number justified to the Congress in the congressional presentation materials, unless the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives are so notified.

(3) Members of the Armed Forces authorized to be assigned to Saudi Arabia by paragraph (1) of this subsection may only be assigned to such country on a fully reimbursable basis under section 21(a) of the Arms Export Control Act, except that this requirement shall apply only to the extent that the number of members of the Armed Forces assigned to such country exceeds six.

(c) The President may assign not to exceed three members of the Armed Forces to any country not specified in subsection (b)(1) to perform accounting and other management functions with respect to international security assistance programs conducted under this chapter, chapter 5 of this part, or under the Arms Export Control Act, except that not to exceed three additional members of the Armed Forces may be assigned to a country to perform such functions when specifically requested by the Chief of the Diplomatic Mission as necessary to the efficient operation of the Mission.

(d) The total number of members of the Armed Forces assigned to foreign countries under subsections (b) and (c), including any

such members serving on a reimbursable basis pursuant to subsection (b)(3) may not exceed 790 for the fiscal year 1979.

(e) Members of the Armed Forces assigned to a foreign country under subsection (b) or (c) shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission in that country.

(f) Defense attachés may perform overseas management functions described in this section only if the President determines that the performance of such functions by defense attachés is the most economic and efficient means of performing such functions. The President shall promptly report each such determination to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations and the chairman of the Senate Committee on Armed Services, together with a description of the number of personnel involved and a statement of the reasons for such determination. The number of defense attachés performing overseas management functions in a country under this subsection may not exceed six more than the number of defense attachés authorized to be assigned to that country on December 31, 1979, except that the President may assign an aggregate total of not to exceed eight additional defense attachés to such countries and countries to which military personnel have been assigned pursuant to subsection (c) in order to perform overseas management functions under this subsection.

(g) The entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, including any such costs which are reimbursed from charges for services collected from foreign governments pursuant to sections 21(e) and 43(b) of the Arms Export Control Act. The prohibition contained in subsection (a) of this section and the numerical limitations contained in subsections (b), (c), and (d) of this section shall not apply to members of the Armed Forces performing services for specific purposes and for fixed periods of time on a fully reimbursable basis under section 21(a) of the Arms Export Control Act.

(h) The President shall continue to instruct United States diplomatic and military personnel in United States missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of United States-made military equipment, unless they are specifically instructed to do so by an appropriate official of the executive branch.

DEPARTMENTS OF STATE AND DEFENSE GUIDANCETO SECURITY ASSISTANCE OFFICES ONACTIVITIES PERMITTED UNDER SECTION 515OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

Our report to the Congress 1/ noted that Public Law 95-93 had little, if any, effect on the type or scope of security assistance program functions performed by MAAGs. Additionally, it reported that the Departments of State and Defense had yet to define the primary functions or the duties and tasks to be performed for each function and recommended that this be done.

Subsequent to our completing the fieldwork, State and Defense delineated the types of activities they envisioned being performed by SAOs under Public Law 95-92. These activities were presented to the House International Relations Committee in March 1978 and are as follows:

Logistics management: Logistics management consists of insuring proper execution of the delivery of material and services obtained through U.S. security assistance. It includes making the necessary arrangements for construction; receipt, movement, storage, distribution, operation and maintenance of material; training; and necessary technical services. Under this function, MAAG also keeps DOD informed as to problems being encountered with the U.S. logistics system and takes or recommends appropriate action to resolve them.

Transportation: Transportation activities consist of working with the U.S. contractors, U.S. military services and the foreign armed forces concerning U.S. Government transportation policies and procedures, the freight forwarder delivery system, special procedures for delivery of munitions and other hazardous cargo; assisting the host country in developing transportation procedures, including pipeline management; due-in status reporting; assisting in locating missing cargo in the Defense Transportation System; inspecting and validating transit damage to security assistance material; assisting the host country in preparation of damage reports and claims; and arranging for movement of MAP-origin materiel being returned to U.S. custody.

Fiscal management: Fiscal management includes obtaining and providing financial information on FMS cases, FMS credit agreements, MAP and IMET programs, utilization of drawdown cases, supply support arrangements, progress payment requirements for

1/"Management of Security Assistance Programs Overseas Needs to be Improved" (ID-78-27, Apr. 27, 1978.)

"dependable undertaking" FMS cases; serving as technical interface among the country, Security Assistance Accounting Center, DSAA Comptroller, and Service Commands responsible for fiscal matters; and keeping the Chief of Mission informed on progress payment delinquencies or other fiscal matters which may require political attention.

Contract administration: Activities in contract administration include oversight of FMS transactions and the monitoring of activities and operations of contracting officers or contracting officers' representatives and staff support to them in the administration of contracts between the government and commercial contractors. DOD does not envision MAAG assuming responsibility for actual contract administration as would normally be assigned to a contracting officer or a contracting officer's representative. However, MAAG must oversee activities of the attached contracting officer's representative to insure that their missions are accomplished in an efficient and effective manner and are in accord with established security assistance objectives.

Advisory and training assistance

DOD and State have interpreted, via a joint message, that section 515 provides by implication that personnel assigned to MAAGs could engage in limited training and advisory services so long as these activities do not detract from the primary mission of the MAAG, program management. DOD and State also noted that it is clear the Congress intended only a limited advisory and training role for MAAGs. In addition, the conference report on the law stated that "other management functions" to be performed by personnel assigned under section 515(c) are to include "limited security assistance and advisory services."

In this same joint message, SAOs were given the responsibility to maintain liaison with host government defense and military establishments in order to:

- Enable the foreign government to acquire information needed to make decisions concerning the acquisition, use, and required training involved in obtaining defense articles and services from the United States through security assistance programs.
- Obtain information needed to evaluate host military capability to employ and maintain equipment being requested and to process the foreign government's security assistance proposals.
- Enable the United States to request the foreign government to take action in order to facilitate the timely, efficient, and responsive implementation of approved programs.

--Enable the United States to acquire information concerning potential future defense acquisitions by the foreign government and to anticipate demands on U.S. resources.

This guidance also noted that

"* * * a continuing dialogue between U.S. security assistance personnel and host country defense officials on military matters (e.g., threat, host country capabilities, etc.) related to security assistance and other concerns of the mission is essential. It is recognized that over time local arrangements have been developed through which security assistance matters within the scope of present U.S. commitments and programs are discussed with host countries. These arrangements, which are familiar to both parties, serve a useful purpose and may be continued."

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