



OIG HIGHLIGHTS

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UNCLASSIFIED

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OFFICE OF AUDITS

Security and Intelligence Division

Audit of the Department of State's Administration of its Aviation Program

What OIG Audited

The Department of State (Department) created its aviation program in 1976 to support narcotics interdiction and drug crop eradication programs. The program has since grown to a fleet of 206 aircraft and includes transportation services for chief of mission personnel. Within the Department, the Aviation Governing Board (AGB) is responsible for providing oversight of aviation activities. In addition, the Bureau of International Narcotics and Law Enforcement Affairs, Office of Aviation (INL/A), is the aviation service provider in support of counter-narcotics, law enforcement, and overseas missions operations.

The Office of Inspector General (OIG) conducted this audit to determine whether the Department is administering its aviation program, including key internal controls related to aviation asset accountability, aviation asset disposal, and aircraft operations and maintenance, in accordance with Federal requirements and Department guidelines.

What OIG Recommends

OIG made 25 recommendations to address the deficiencies identified in the aviation program. On the basis of the Department's responses to a draft of this report, OIG considers 2 recommendations closed, 22 recommendations resolved pending further action, and 1 recommendation unresolved. A synopsis of management's comments regarding the recommendations and OIG's reply follow each recommendation in the Audit Results section of this report. Management's responses to a draft of this report are reprinted in their entirety in Appendices B through F.

What OIG Found

The Department is not consistently administering its aviation program in accordance with Federal requirements or Department guidelines. Specifically, OIG found instances in which significant aviation operations were undertaken without the knowledge or approval of the AGB, which is required by Department policy. In addition, the AGB is not fulfilling its responsibilities to evaluate the usage and cost effectiveness of aircraft services, as required by Office of Management and Budget Circulars and Department guidance. Furthermore, INL administered country-specific aviation programs differently depending on whether a post used the worldwide aviation support services contract. As a result of limited AGB oversight and the absence of evaluations to determine the appropriate usage and cost effectiveness of the Department's aircraft operations worldwide, the Department is not optimally managing aviation resources and spent \$72 million on unnecessary services from September 2013 to August 2017.

OIG also found that INL did not fully maintain sufficient accountability over aircraft equipment, and OIG identified deficiencies related to accounting for aviation assets. In addition, Department aviation assets were not always disposed of in accordance with Department requirements, which resulted in more than \$8 million in funds that could be put to better use. OIG determined that the underlying cause of these deficiencies typically involved a lack of procedures and guidance to effectuate compliance. Until INL/A improves in these areas, aviation assets will be at risk for fraud, waste, and abuse.

OIG found that INL/A had sufficient oversight mechanisms in place related to the operations and maintenance of aircraft at the locations tested. However, INL's goal of increasing the institutional capability of host nations to eventually operate certain aviation programs without INL support remains elusive. Efforts to nationalize these aviation programs have faltered primarily because transition plans, including benchmarks, have not been developed and executed with the host countries. Until these plans are implemented, INL will be unable to fully assess and address the obstacles hindering the realization of this fundamental foreign assistance goal.

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