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74-0058

Information On Personnel And Air Contracts Funded By The United States In Cambodia

B-169832

Department of State
Agency For International Development
Department of Defense

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

09/11/73

[Handwritten scribbles]

DEC. 7, 1973



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-169832

4 The Honorable Michael J. Harrington
House of Representatives

R Dear Mr. Harrington:

Your July 25, 1973, letter requested that GAO provide information on (1) the number, functions, and funding agency of American personnel in Cambodia, (2) the number, functions, and funding agency of foreign nationals whose activities are subsidized by U.S. funds, and (3) the amount of U.S. support, funding agency, and purposes of funds provided for Air American, Inc., and China Airlines operations in Cambodia. Your request was based on a July 24, 1973, Washington Star-News article which asserted that the United States has become involved in a paramilitary operation in Cambodia similar to the one the Central Intelligence Agency (CIA) has financed in Laos for several years.

As discussed with members of your staff, GAO does not audit CIA. (See app. I.) We did, however, request information from CIA on the number and functions of its personnel in Cambodia. Agency officials informed us that CIA would not provide the information to GAO but that CIA would consider providing you with such information on a need-to-know basis if you requested it directly from the Director of CIA.

A Department of State official informed us that CIA personnel were included but not identified in the statistical data provided to us. With this qualification, appendix II shows, by funding agency, the number of American, third-country national, and local employees of the executive branch authorized and available for duty in Cambodia as of July 25, 1973.

PERSONNEL LIMIT

Section 656 of the Foreign Assistance Act of 1961, added by the 1971 act, provides that the number of American executive branch employees--including contract employees--in Cambodia shall not exceed 200 at any time. The act also restricts to 85 the number of third-country nationals in Cambodia paid directly or indirectly by the United States.

1 32
2 97
2 5

The U.S. Ambassador in Phnom Penh has been delegated overall responsibility for insuring compliance. To avoid exceeding the limit on executive branch employees in Cambodia, each such employee wishing to enter Cambodia must first receive country clearance from the Ambassador. In addition, a daily report is prepared showing the number of American and third-country national personnel on permanent and temporary duty for each section of the diplomatic mission. The report includes CIA, military, and contract personnel.

FUNCTIONS AND FUNDING AGENCY
OF U.S. EMPLOYEES IN CAMBODIA

Office of the Ambassador

The Ambassador--and in his absence, his deputy--represents the U.S. President to the leaders of the Government of the Khmer Republic (Cambodia) and reports the views of these officials to the Secretary of State and the President. The Ambassador has overall responsibility for the U.S. Mission in Cambodia. His Office employs four American civilians funded by State.

Political/Military Section of the Embassy

We were informed that this section is staffed by 13 civilians, funded by State, and 1 military officer, funded by the Department of Defense (DOD), who report to the Ambassador on political and military intelligence gathered in the country. Two locally hired foreign nationals are also employed.

State officials told us that the 10 U.S. civilians referred to in the July 24 Washington Star-News article are part of the Political/Military Section of the Embassy. During May 1973 these civilians were semipermanently assigned to certain Cambodian provincial capitols because of a need for better information on political, military, and refugee conditions outside of Phnom Penh and for more accurate information about insurgent activities. We were advised that as a minor part of their duties, these employees checked on the end use of U.S.-provided military equipment but that they did not advise Cambodian military units.

Administrative Section of the Embassy

This section is staffed primarily by State personnel and is funded by all U.S. agencies operating in Cambodia on a shared-cost formula. The Administrative Section consists of:

- The General Administration Office--staffed by five State personnel, one military officer, and three local national personnel--which is responsible for overall supervision of the section.
- The General Services Section--staffed by 3 State personnel (1 detailed from the Agency for International Development (AID)) and 18 local national personnel--which is responsible for facility maintenance, supplies, equipment, and transportation.
- The Budget and Fiscal Section--staffed by one American and eight locally hired foreign nationals--which is responsible for maintaining accounts of post expenditures.
- Communications, Records, and Telecommunications Section--staffed by 11 Americans and 2 local national personnel--which is responsible for maintaining files and operating communications equipment.
- 13 U.S. Marine guards--funded by DOD for base pay and by State for other administrative costs and allowances--who provide security for the Mission.

Economic Section of the Embassy

This section, staffed by 17 Americans funded by AID, is responsible for administering all U.S. economic aid to Cambodia, including Public Law 480 programs. Its functions include economic analysis, assessment of aid requirements, procurement, logistics support, and liaison with voluntary relief agencies, Cambodian officials, businessmen, and others.

Defense Attache's Office

One civilian and 22 military employees funded by DOD collect, analyze, and report political and military intelligence in response to DOD requirements. From January 1973 through about May 1973 this Office was augmented by six to seven military officers temporarily assigned to relay target information to the 7th U.S. Air Force at Nakhon Phanom, Thailand.

Military Equipment Delivery Team

The primary functions of the 79 military personnel funded by DOD assigned to the Military Equipment Delivery Team (MEDT) are to determine requirements for material, equipment, and

training; insure that material and equipment are turned over to units supported by the Military Assistance Program (MAP); and check on subsequent use. Our report to the Congress on U.S. assistance to the Khmer Republic (Cambodia) (B-169832, Oct. 10, 1973) stated that, although MEDT members were not assigned as advisors to military units, they were acting beyond their primary function of auditing equipment deliveries. MEDT members were:

- Recommending changes in force structure.
- Advising and assisting on contingency plans and improvements in the military organizational structure.
- Providing technical assistance on all logistical aspects of MAP.
- Providing technical military assistance and information on MAP-furnished material.

State and DOD stated that these activities in no way contravened the Cooper-Church amendment and were necessary for proper management of the program. Our report recognized that MEDT must coordinate with the Cambodian military to adequately discharge its responsibilities. We recommended, however, that the Congress be kept fully informed of the type and organizational level of advisory assistance provided.

Office-in-Charge of Construction

One military officer and three American civilian and five third-country national employees funded by DOD monitor construction involving U.S.-provided supplies.

DOD contract employees

Five Americans and 54 third-country nationals are employed in Cambodia under DOD contracts.

- Four American and nine third-country national employees of Air America, Inc., are providing technical support on aircraft maintenance and in-country transportation of Americans. Although the contract is DOD-funded, it may be used by all U.S. agencies in Cambodia on a shared-cost basis.
- Bell Helicopter Company has one American technical services representative to assist on aircraft maintenance.

- One third-country national employed under contract with Eastern Construction Company of the Philippines provides English language training to Cambodian military personnel before they leave for the United States for MAP-financed training.
- Four third-country nationals are employed under a DOD contract to operate and maintain the tactical air control air net--a navigational aid for commercial and military aircraft.
- Forty third-country nationals are employed under a Vinnell Corporation contract, administered by MEDT, to assist the Cambodian military in establishing a viable logistics system.

OTHER AMERICANS IN CAMBODIA

As of July 25, 1973, the U.S. Embassy in Phnom Penh estimated that about 50 private Americans were in Cambodia, a reduction from about 100 as of June 30, 1973. Several voluntary agencies employing private Americans are working in Cambodia to assist the agencies in providing refugee relief and rehabilitation. We were advised that each of these agencies finances personnel costs from its own operating funds and that AID grant funds are not used to pay personnel costs.

Other private Americans in Cambodia include businessmen, press representatives, and missionaries not funded by the U.S. Government.

USE OF AIR AMERICA AND CHINA AIRLINES

AID had contracted with Air America for airlift services from Vietnam to Cambodia in addition to the previously discussed DOD contract with Air America. These airlift services were provided under an addendum to an AID/Vietnam contract with subsequent reimbursement from AID/Cambodia commodity import program funds.

We were informed that the primary purpose of the airlift service was to transport an emergency supply of rice from Saigon to Phnom Penh in August 1972 and from Saigon to Svay Rieng and from Phnom Penh to Kompong Cham in July and August 1973. AID costs for airlift services in Cambodia through August 16, 1973, were \$164,000 paid to Air America. This included \$154,000 paid by Air America to China Airlines, which had subcontracted the airlift service.

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We were advised that the American and/or third-country national personnel involved in providing these airlift services were not counted under the congressional personnel ceilings because they did not stay overnight in Cambodia.

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We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Stacks". The signature is written in a cursive, slightly slanted style.

Comptroller General
of the United States

AUDIT OF CIA

GAO does not audit CIA. GAO has no authority to audit the agency's confidential, extraordinary, or emergency expenditures by virtue of section 8 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C. 403j (b)). Following enactment of this act and at the request of CIA, GAO conducted onsite audits of vouchered expenditures. However, because of section 8 and the lack of access to records for any substantive review of agency policies, practices, and procedures, GAO discontinued such audits.

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
MICHAEL J. HARRINGTON
FOREIGN AFFAIRS COMMITTEE

July 25, 1973

The Honorable Elmer B. Staats
Comptroller General of the United States
U.S. General Accounting Office
441 G. Street
Washington, D.C. 20548

Dear Mr. Staats:

A recent article published in the Washington Star-News (July 24, 1973) asserts that the United States is launching a paramilitary campaign in Cambodia similar to the one that has operated in Laos. The operations, which allegedly include both intelligence gathering and guerilla activity, are financed by, and directed by, the United States.

I am concerned that these operations, if continued, may violate the August 15th deadline for American military activities in Indochina, and may also violate the limitation on the number of American personnel in Cambodia.

Events of the last two weeks revealing two years of secret bombing raids in Cambodia and Laos clearly demonstrate that we cannot rely on the word of the Administration when it concerns American activities in Cambodia.

In order to determine whether or not the Administration is violating Congressional mandates, I would like the General Accounting Office to provide me with the following information:

1. The function and funding agency of each of the 200 American personnel authorized by the Congress to work in Cambodia.
2. The number, function, and funding agency of any other American personnel in Cambodia.
3. The number, funding agency, and functions of any foreign nationals whose activities are subsidized by American funds.