

AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES A.I.D. MISSION TO BRAZIL

REPORT ON EXAMINATION

OF

PUBLIC SAFETY PROJECT

PROJECT AGREEMENT No. 512-11-710-070

FOR THE PERIOD

JULY 1, 1965 THROUGH OCTOBER 31, 1968



OFFICE OF THE CONTROLLER



REPORT No. 28/69

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DATE: MARCH 24, 1969

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AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A.I.D. MISSION TO BRAZIL
Office of the Controller

March 24, 1969

TO The Director of Mission
Minister William A. Ellis

As part of its regularly scheduled audit program, the USAID/B Office of the Controller, Audit Division, has completed an examination of Public Safety Project (No. 512-11-710-070).

This is the third USAID audit of the project which began late in FY 1959. Our current audit covers the period from July 1965 through October 1968.

The background and objectives of the project as well as the scope of our audit are contained on pages 3 through 6 of the report.

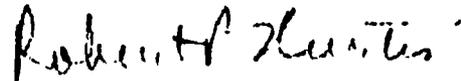
Our review of the use of USAID technical advisors which included among other steps discussions with Brazilian Public Safety officials, review of monthly project and end-of-tour reports indicated that advisors had been well received and their services effectively utilized by the cooperating police agencies.

The project has a rather large commodity component (equipment) financed from U.S. dollar grants and local currencies from P.L. 480, Title I, Section 104 (e) Grants and CONTAP funds. We therefore reviewed

purchasing procedures, receiving reports, inventory controls and the highly important area of utilization. We have no adverse comments on the above areas.

With regard to participant training financed under this grant project we noted a high degree of retention of returned participants in public safety agencies.

Accordingly the report contains no recommendations.



Robert B. Curtis

Controller

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A.I.D. MISSION TO BRAZIL

REPORT ON EXAMINATION
OF
PUBLIC SAFETY PROJECT

SECTION I - GENERAL

A. SCOPE AND PURPOSE

As a part of the regularly scheduled audit program of the Controller's Office, USAID/Brazil, an examination of the Public Safety Program in Brazil, Project Activity No. 512-11-710-070, has been completed. This is the third audit of the program, which was initiated on May 29, 1959 with the signing of Project Agreement PS-1, and covers the period July 1, 1965 through October 31, 1968. The second audit report, No. 8/66, which covered the procurement and utilization of commodities financed through cruzeiro grants for the period May 1, 1964 through August 31, 1965 contained no recommendations.

The objectives of the examination were to review and evaluate the effectiveness of the project implementation, to determine if program objectives are being met, and to verify the adequate utilization of project financed commodities.

The examination was made in accordance with generally accepted auditing standards, applicable manual orders and such other audit steps as we considered necessary under the circumstances. It included a review of the Project Agreements, the accounting records of the USAID/B Controller's Office,

the procurement records of the USAID/B Supply Management and Contract Division (MGSC) and the records and files of the USAID/B Public Safety Office (PSO). In addition, field trips were made to Porto Alegre and Brasilia for the purpose of observing commodities and project implementation at the Federal and State Police level.

B. BACKGROUND

After a pre-project survey, USAID/B and the Government of Brazil (GOB), through the Ministry of Justice, entered into an agreement for the purpose of improving the services and facilities of the Federal and State Police Forces in Brazil. The Public Safety Program was initiated with the signing of Project Agreement PS-1 on June 29, 1959. Since that time, the program has been continued through a series of Project Agreements, the latest being PS-6, which was signed on September 30, 1968. See Exhibit A for a summary of all Project Agreements and the commodity financing provided under each.

The stated purposes of the 3 Project Agreements included in the current audit, PS-3, PS-4 and PS-5, are as follows:

1. Continue the development of the various police forces of Brazil in their capacity to maintain law and order and to provide more effective internal security;
2. Develop the institutional capacity of each of the project cooperating police forces to provide on a continuing basis, training for their personnel in the various phases of police work;
3. Develop the statistical and records keeping services of the various police force organizations to meet their needs as well as the requirements for effecting countrywide police cooperation and coordination; and

4. Provide for a continuing program of improvement in the standards of police administration and operation, and to aid in raising the professional standards of police service.

In order to accomplish the above objectives, USAID/B is providing the technical services of qualified United States Advisors, participant training at the International Police Academy in Washington, D.C., and other agencies in the United States, and the financing of various commodities required for the program. The Project Agreements are being implemented through sub-project agreements which have been signed with those cooperating public safety forces, State and Federal, which request assistance subject to the joint approval of the parties to the Project Agreement. These sub-project agreements operate within the limitations established by the Project Agreements and require certain responsibilities on the part of the cooperating state or agency. At the time of our audit, the Federal Public Safety Department (DFSP) and the civil and military police departments in 15 states and the Federal District were receiving assistance under sub-project agreements. Exhibit B lists the cooperating states and the size of police department forces including the date sub-project agreements were originally signed.

The total Brazilian Police Forces have a combined authorized strength of approximately 240,000 men and are composed of the following basic units:

1. Federal Public Security Department

A non-uniformed force with nationwide jurisdiction in investigations. Responsible for providing training and the development and dissemination of information on a national level. Responsible to the Ministry of Justice and Internal Affairs.

2. Federal District Police

A uniformed force responsible for maintaining law and order and internal security in the Federal District (Brasilia). Responsible to the mayor of the Federal District.

3. State Police (Military Police)

A uniformed Police Force responsible for maintaining law and order and internal security in the respective state of which they are a part. The State Police are responsible to the Secretary of Public Safety of the individual states.

4. State Police (Civil Police)

A non-uniformed force performing investigations and technical support duties and administrative functions, who are responsible to the Secretary of Public Safety of the individual states.

SECTION II - FINDINGS AND RECOMMENDATIONS

A. PROJECT FUNDING

In accordance with the various Project Agreements signed since June 1959, the Public Safety Program has been financed through technical assistance grants from dollar and local funds provided by USAID/B and the GOB through the Technical Cooperation Council of the Alliance for Progress (CON-TAP). These grants have provided U.S. Public Safety Advisors to the cooperating Brazilian Police Forces, participant training courses in the United States and U.S. and locally purchased commodities, principally vehicles, communication equipment and training aids.

Our review of the USAID/B Controller's Office records disclosed total project obligations of \$6,641,000 and NCr\$3,355,000 from the beginning of

the program in June 1959 until September 30, 1968. During this same period a total of \$6,422,914 and NCr\$3,258,113 had been disbursed by USAID/B for all project activities. The above cumulative dollar figures were derived from Report U-203 and are, therefore, rounded to the nearest thousand.

During the period under review, July 1, 1965 through October 31, 1968, USAID/B has disbursed a total of \$2,252,914 in U.S. grant funding for the following items:

Costs of Personal Services	\$1,235,164
Participant Training Costs	348,075
Commodities - U.S. Procured	617,437
Other Costs	<u>52,238</u>
TOTAL	<u>\$2,252,914</u> <u>=====</u>

See Exhibit C for a summary of all U.S. dollar funding in the program to date.

In accordance with Project Agreement PS-3, USAID also obligated and disbursed NCr\$25,000 of P.L. 480, Title I, Section 104 (e) Grant funds for the local purchase of communications equipment. In addition, Project Agreement PS-3, Revision 3 and PS-4, Revision 1, provided CONTAP funds of NCr\$800,000 and NCr\$1,000,000 respectively to the program for the purchase of vehicles and communications equipment. These funds were released to USAID/B for obligation and disbursement under its administrative procedures. Our audit disclosed that as of September 30, 1968, USAID/B had obligated a total of NCr\$1,788,659.58 of the CONTAP funds, and disbursed a total of NCr\$ 1,728,113.76 for the local purchase of commodities. A review of unliquidated obligations showed them to be current and valid as authorized in the Project Agreement.

In addition to the direct funding provided by the Project Agreements,

the GOB and cooperating State Government have expended an estimated NCr\$.. 62,500,000 in furtherance of the project through June 30, 1968. This amount includes the estimated costs of office space, purchase of vehicles and communications equipment and the construction and remodeling of buildings used in the public safety programs.

B. COMMODITIES

1. Procurement

We reviewed the commodity procurement procedures for both dollar and cruzeiro grants and found them to be in accordance with applicable manual orders. Project Agreements PS-3, PS-4 and PS-5 all provided dollar grant funding for the purchase of communications equipment, training aids and miscellaneous supplies. A summary of the dollar funds obligated and disbursed for commodity procurement in accordance with these Project Agreements as of September 30, 1968 follows:

<u>Project Agreement</u>	<u>Programmed</u>	<u>Obligated</u>	<u>Disbursed</u>	<u>Unliquidated Obligation</u>
PS-3	\$141,000	\$129,324	\$129,324	- o -
PS-4	148,600	148,535	128,606	\$ 19,929
PS-5	135,000	134,938	11,945	122,992

These Project Agreements, as noted above, provided a total of NCr\$... 1,825,000 of CONTAP and P.L. 480, Title I, Section 104 (e) Grant funds for the local procurement of vehicles and communications equipment. All vehicles are purchased directly from Willys do Brasil S.A. at special government prices. All other commodities are purchased on a bid basis which is in accordance with USAID procurement regulations. A summary of local funds obligated and disbursed for vehicles and communications equipment as of September 30, 1968 follows:

<u>Project Agreement</u>	<u>Allotments</u>	<u>Obligated</u>	<u>Disbursed</u>	<u>Unliquidated Obligation</u>
	NCr\$	NCr\$	NCr\$	NCr\$
<u>PS-3</u>				
P.L. 480 Title I Section 104 (e) Grants	25,000	25,000	25,000	- o -
CONTAP	800,000	800,000	800,000	- o -
<u>PS-4</u>				
CONTAP	1,000,000	963,660	903,113	60,547

2. Receiving Reports and Inventory Controls

Our examination disclosed that all dollar financed commodities are received in Rio de Janeiro by the Public Safety Office and then forwarded to the recipient State or Federal Police Agency. All locally produced commodities are shipped directly from the manufacturer to the recipient agency. A receiving report is prepared for each shipment and signed by both the USAID/B Advisor and the responsible Public Safety Office of the Police organization receiving the commodity. We reviewed such receiving reports on a test check basis and noted no discrepancies.

The Public Safety Office in Rio maintains an inventory of all non-expendable commodities procured for utilization in the Public Safety program. During our field trips to Porto Alegre and Brasilia we took a physical inventory of selected items to determine the accuracy of PSO inventories and noted no discrepancies. We also reviewed the inventory records being maintained by the recipient police agencies and on a test check basis compared such records to the PSO inventories. We found no discrepancies and feel that adequate control is being maintained over AID financed commodities. However, we were informed that due to the constant movement and wide disbursement of vehicles and communications equipment, physical inventories are

not taken on a regular basis. The USAID/B Public Safety Office is currently in the process of making an evaluation of each State and Federal Public Safety program. This evaluation includes a complete survey of all AID-financed commodities in each state in order to determine their end-use, effectiveness and state of repair. Consequently, we feel that the completion of these program evaluations will provide a reasonably adequate physical inventory of all commodities being utilized in the project.

3. Utilization

During our field trips to Porto Alegre and Brasilia we performed end-use observations on selected items financed under the project agreements. In Porto Alegre we visited the Brigada Militar (Military Police) headquarters, communications centers, rotor pool, police academy and a battalion headquarters for the purpose of observing commodity utilization and maintenance. In Brasilia our end-use observations were made at the National Police Academy, the National Communications Center, the National Criminalistics Laboratory, the National Institute of Identification and the Communications Media Printshop. With only a few minor exceptions, we noted that all commodities are being properly utilized and adequately maintained. As a result of these examinations, we are reasonably satisfied that all USAID-financed commodities are being properly utilized and maintained.

C. USAID TECHNICAL ADVISORS

In accordance with the Project Agreements, USAID/B is providing grant funding for the assignment of U.S. Technical Advisors to the program. At

the date of our examination, the PSO staffing pattern provided for 18 direct hire positions, 14 of which were currently filled. Candidates to fill 2 additional positions have been nominated and accepted. See Exhibit D for a list of all advisors presently stationed in Brazil, their arrival date and their post of duty. Exhibit C under the Personal Services category includes the total dollar cost to date of U.S. Technical Advisors to the program as well as the annual cost for each of the 3 years under examination.

Discussions with Brazilian Public Safety officials and reviews of monthly project reports and end-of-tour reports indicate that advisors have been well received and their service effectively utilized by the cooperating police agencies. These cooperating agencies have defrayed the local costs of providing Brazilian counterparts and technical and administrative support for the U.S. technicians assigned to the project in accordance with the Project Agreement. While the present staffing pattern is not sufficient to provide an area advisor to each cooperating state, our examination did disclose that the services of the U.S. technicians is being divided in a manner that provides a limited amount of technical advice to all cooperating states in the program. Our review also indicated that with few exceptions all advisors are completing one or more full tours of duty in Brazil.

D. TRAINING

1. Participants

In accordance with the Project Agreements, USAID/B is providing grant funding for sending participants to the International Police Academy

in Washington, D.C. and other selected police training courses in the United States. As of October 31, 1968, a total of 390 participants had received training under the participant training program. See Exhibit E for a listing of courses and number of participants completing each.

The Project Agreements require each cooperating state to continue the salaries of participants while training in the United States and to secure a commitment from each participant that he will return to the service of the sponsoring agency for a period not less than 2 years immediately following his return to Brazil. We found that these requirements are being met. Our review indicated that not only are participants returning to the service of the sponsoring agency for the required 2 years, but that there are very few instances in which participants have not remained in some form of public safety work after this 2 year period.

2. In-Country Training

One of the principal objectives of the Public Safety program in Brazil has been to develop the institutional capacity at each of the State and Federal Cooperating Police Agencies to provide on a continuing basis training for their personnel in the various phases of police work. Since the beginning of the program, a total of 91,014 members of various State and Federal Police agencies have completed courses in all phases of police operations. The training capacity has been increased in many states through the utilization of U.S. trained participants as full time staff instructors. In addition, instructors training courses are now being given at many of the Police Academies.

During our field trips, we visited the Rio Grande do Sul Military Police Academy in Porto Alegre and the National Police Academy in Brasilia. In our opinion, both institutions appear well organized with adequate training facilities.

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PUBLIC SAFETY PROJECT
SUMMARY OF PROJECT AGREEMENTS
OCTOBER 31, 1968

ProAg Number	Date Signed	No. of Revisions	Final Contribution	Commodity Dollar	Financing Local
<u>Prior Audits</u>					
PS-1	6/24/59	2	6/30/62	\$134,100	
PS-2 FY 1960	1/12/60	7	6/30/65	320,000	
PS-2 FY 1961	5/31/61	4	9/30/63	461,500	
PS-2 FY 1962	5/25/62	1	9/30/64	225,000	
PS-2 FY 1963	6/22/63	8	12/31/65	712,167	
PS-2 FY 1964	11/12/63	3	4/30/66	583,000	NCr\$ 955,000 <u>a/</u>
PS FY 1965	1/27/65	3	11/21/67	147,000	575,000 <u>a/</u>
Total Prior Audits				\$2,582,767	NCr\$1,530,000
<u>Current Audit</u>					
PS-3	9/13/66	3	6/30/68	141,000	825,000 <u>b/</u>
PS-4	6/14/67	1	6/30/69	148,600	1,000,000 <u>c/</u>
PS-5	6/24/68	1	6/30/70	135,000	
Total Current Audit				\$ 242,600	NCr\$1,825,000
Grand Total Under Project Agreements				\$3,007,367	NCr\$3,355,000

a/ P.L. 480, Title I, Section 104 (e) Grants.

b/ NCr\$25,000 P.L. 480, Title I, Section 104 (e) Grants.
NCr\$800,000 CONTAP Funds.

c/ NCr\$1,000,000 CONTAP Funds.

PUBLIC SAFETY PROGRAM
SUMMARY OF COOPERATING STATES
OCTOBER 31, 1968

Cooperating State or Agency	Date Program Initiated	Size of Force		
		Military Police	Civil Police	Total
Federal Police	6/29/59	0-	3,800	3,800
Alagoas	3/ 8/67	2,500	500	3,000
Bahia	6/28/60	6,747	2,400	9,147
Brasilia - Federal District	2/15/66	1,900	1,600	3,500
Ceará	3/ 8/67	3,623	4,250	7,873
Goiás	6/28/60	2,950	975	3,925
Guanabara	6/29/59	13,294	10,823	24,117
Minas Gerais	6/29/59	25,000	5,792	30,792
Paraná	6/28/60	9,000	3,240	12,240
Paraíba	3/ 8/67	3,200	750	3,950
Pernambuco	1/ 2/61	7,400	2,500	9,900
Piauí	3/ 8/67	1,900	550	2,450
Rio de Janeiro	10/ 6/65	5,500	2,800	8,300
Rio Grande do Sul	9/ 1/63	15,000	4,500	19,500
Santa Catarina	6/28/60	3,726	1,030	4,756
São Paulo	6/29/59	3,600	3,812	7,412
Sergipe	3/ 8/67	1,500	188	1,688
TOTAL		106,840	49,510	156,350

EXHIBIT C

PUBLIC SAFETY PROGRAM
SUMMARY OF U.S. DOLLAR OBLIGATIONS & EXPENDITURES
AS OF SEPTEMBER 30, 1968

Fiscal Year	Net Obligations	Expenditures	Personal Services	Participants	Commodities	Other Costs
<u>Prior Audits</u>						
6/24/59 to 6/30/65	\$4,836,000	\$4,170,000	\$1,717,000	\$246,000	\$1,942,000	\$265,000
<u>Current Audits</u>						
1966	530,752	970,955	442,625	115,211	375,204	37,915
1967	638,616	639,377	374,312	124,309	128,733	12,023
1968	572,244	566,634	367,349	93,735	103,313	2,217
1969 1st Quarter	63,226	75,949	50,878	14,800	10,187	83
Total Current Audit	\$1,804,838	\$2,252,914	\$1,235,164	\$349,075	\$617,437	\$52,238
GRAND TOTAL PER REPORT U-203	\$6,641,000	\$6,422,914	2,952,164	544,075	2,559,437	317,238

PUBLIC SAFETY PROGRAM
USAID TECHNICIANS IN BRAZIL
OCTOBER 31, 1966

<u>Position and Name</u>	<u>Date Arrived</u>	<u>Present Post of Duty</u>	<u>Area of Responsibility</u>
<u>Chief</u>			
Brown, Theodore	12/15/67	Rio de Janeiro, GE	All State & Federal Cooperating Agencies.
<u>Deputy Chief</u>			
Ellena, Peter	11/ 1/64	" " "	" " " "
<u>Program Officer</u>			
McDermott, John	10/ 9/67	" " "	" " " "
<u>Communications Advisor</u>			
Shirk, Albin	9/15/66	Brasilia, D.F.	" " " "
<u>Area Advisors & Investigators</u>			
Payne, Edward	10/24/66	Maceió, Alagôas	Alagôas and Sergipe
Barnes, Robert	2/21/65	Salvador, Bahia	Bahia
Eckert, Carlos	3/ 5/66	Brasilia, D.F.	Country Wide Training
Fosner, Charles H.	10/29/66	Brasilia, D.F.	Federal District and Goiás
Zumwalt, Fred	4/ 7/66	Brasilia, D.F.	Federal District and Minas Gerais
Thompson, Robert	10/19/66	Fortaleza, Ceará	Ceará and Piauí
Jones, Joseph	3/15/67	Recife, Pernambuco	Pernambuco and Paraíba
Sutton, Richard	2/16/68	Porto Alegre, RGS	Rio Grande do Sul
Isbell, Thomas	8/22/66	Florianopolis, S.Catarina	Santa Catarina
Mullins, Lauren	1/ 7/65	São Paulo, S.P.	São Paulo and Paraná

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EXHIBIT E

PUBLIC SAFETY PROGRAM
PARTICIPANT TRAINING
AS OF OCTOBER 31, 1968

Type of Course	Duration	Number of Participants Completing
International Police Academy - General	16 weeks	260
" " "	16 "	13
Senior Officer - Observation Tour	4 "	42
UIP Observation Tour	4 "	9
Special Riot Control	4 "	23
Police Telecommunications	10 months	2
FBI Full Course	16 weeks	1
Police Radio Communications	28 "	1
Audio Visual	18 "	2
Criminal Laboratory	26 "	2
Military Police	6 months	1
Police Training	16 weeks	1
Toxicology	13 "	1
Criminal Investigation	6 months	5
Identification & Records	8 "	1
Police Administration	26 weeks	1
Medical Legal Directors Study	7 "	3
Questioned Documents	26 "	2
Traffic	12 "	5
Firearms	10 "	1
Training Methodology	6 months	7
Record Management	16 weeks	7
International Police Academy - Senior Course	14 "	1
TOTAL PARTICIPANTS		390

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No. 28/69

EXHIBIT F

	<u>COPY No.</u>
Minister William A. Ellis, Director, United States Agency for International Development Mission to Brazil	1
Dr. Herman Kleine, Deputy Director (DDOM) - USAID/B	2
Mr. Donor M. Lion, Associate Director (NEAD) - USAID/B/NEAO	3
State Department - The Honorable J.K. Mansfield, Inspector General of Foreign Assistance (IGA)	4
State Department - Mr. Jack B. Kubish, Country Director - Office of Brazil Affairs (ARA/BR)	5
AID/W - Executive Director (ARA-LA/MGT/EX)	6 - 7
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AID/W - Office of Public Safety (OPS)	10
USAID/Panama - Inspector in Charge, Inspections & Investigations Staff (IIS)	11
AID/W - Special Assistant for Program Management (PMCA)	12 - 13
USAID/B - Evaluations Officer (OPEV)	14
USAID/B - Office of Assistant Director for Program (ADPR)	15
USAID/B - Office of Management (ADMG/MGEX/MGMA)	16
USAID/B - Public Safety Office (PSO)	17
USAID/B - Legal Staff (LGS)	18
USAID/B - Office of Development Planning (ADDP)	19
USAID/B - Office of Special Assistant for Information (DSAI)	20
USAID/B - Office of the Controller (CONT)	21
USAID/B - Controller's Official File Copy	22
USAID/B - Audit Division (C/AUD)	23 - 27

NOTE: All audit work papers are attached to Copy No. 23 which is on file
in the Office of the Controller, Audit Division (C/AUD), USAID/B.

ACTIVITY IDENTIFICATION IN U-425 REPORT

1. Page 4 of U-425 Report:

Technical Assistance

Public Safety
512-11-710-070

2. Dollar Value Audited (in thousands):

Dollar Grants	\$2,253
P.L. 480 Title I Section 104 (e) Grants (U.S. dollar equivalent)	\$6

3. Man-Days Expended:

U.S.	36
Local	- o -

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