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AUDIT OF  
SALARY SUPPLEMENT PAYMENTS  
MADE TO GOVERNMENT OF ECUADOR  
EMPLOYEES AND ADVISORS

Audit Report No. 1-518-88-23  
September 30, 1988

AGENCY FOR INTERNATIONAL DEVELOPMENT

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MEMORANDUM

TO : USAID/Ecuador Director, Frank Almaguer  
FROM : RIG/A/T, *Coinage N. Gothard*  
SUBJECT: Audit of Salary Supplement Payments Made to Government of Ecuador Employees and Advisors

This report presents the results of our audit of salary supplement payments made to Government of Ecuador employees and advisors. Please advise this office within 30 days of the actions planned or taken to implement the report recommendations. I appreciate the cooperation and courtesy extended to my staff during the audit.

Background

In 1985 and 1986, \$905,564 was paid to 77 Government of Ecuador employees and advisors under five USAID/Ecuador projects and one A.I.D./Washington cooperative agreement. Almost all of these payments were made using unpublished arrangements involving intermediaries and falsified documentation in some cases. Payments were stopped in October 1986. Appendix 1 of this report describes the irregular procedures used to make these payments, the resulting legal and policy violations, and the corrective actions taken by A.I.D./Washington and USAID/Ecuador. Issuance of this report was delayed by the referral of this matter to the Department of Justice.

The report finding includes discussion on salary payments made under two grants to the Jose Joaquin de Olmedo Foundation. The disbursement of funds under these grants was not adequately supported by documentation. Grant No. 518-0005-G-00-4124 was signed on May 31, 1985. A total of \$39,424 was disbursed under this grant. The stated purpose of the grant was to pay advisors, not Government of Ecuador employees, working in the Ministry of Agriculture. On July 15, 1985, the second grant, No. 518-0005-G-00-5077, was signed. Disbursements under this grant totaled \$166,562. Although the grant documentation stated otherwise, the purpose of this grant was to pay salary supplements to both employees and advisors in the Ministry of Agriculture. Appendix 1 discusses all six projects used to make payments to Government of Ecuador employees and advisors. Disbursements for this purpose totaled \$905,564.

### Audit Objectives and Scope

The Office of the Regional Inspector General for Audit/Tegucigalpa conducted a limited financial and compliance audit of salary supplements paid to Government of Ecuador employees and advisors. The audit objectives were to determine whether salary supplement payments were in compliance with applicable laws and regulations and to evaluate the internal controls over these payments.

To accomplish these objectives, records such as agreements, correspondence, and financial documents were reviewed. The audit covered \$472,286 in A.I.D. disbursements and the equivalent of \$433,278 in Economic Support Fund local currency disbursements for a total of \$905,564. It covered the period from October 1984 through December 1986.

The review of internal controls covered both controls used to ensure that A.I.D. and counterpart fund disbursements were authorized and controls employed to ensure that intermediary individuals who received these disbursements used the funds for intended purposes only. We were unable to complete the review of internal controls because one of the intermediary individuals who made payments to Ministry of Agriculture employees refused to meet with us. A second individual who also made payments became ill and left the country for the duration of the audit. The intermediary individuals did, however, make themselves available for a follow-up inquiry which was carried out independent of this audit.

The audit was performed in Quito, Ecuador from January through April 1987 and was made in accordance with generally accepted government auditing standards.

### Results of Audit

In our judgement, USAID/Ecuador's salary supplement programs violated both U.S. and Ecuadorian law. A.I.D. policy requirements and record-keeping requirements included in the standard provisions for non-U.S., non-governmental grantees were also violated. The internal controls over A.I.D. and counterpart fund disbursements were not adequate.

A.I.D./Washington and USAID/Ecuador took actions before, during, and after the audit to correct these serious problems. Salary supplement payments were stopped in October 1986. A.I.D./Washington issued guidance in June 1987 which sharply limited the payment of salary supplements to host government officials and prohibited the use of surreptitious payment procedures such as those used in Ecuador. (See Appendix 1 for more details.)

This report contains one finding which describes improper use of \$905,564 of grant funds and further describes inadequate support documentation for \$205,986 of those funds disbursed under two grants to the Jose Joaquin de Olmedo Foundation. The first recommendation is that USAID/Ecuador obtain formal legal opinion on the proper disposition of the \$472,286 in U.S.

Government dollars disbursed for unauthorized salary payments. The other recommendation is that a determination be made on the proper disposition of the \$433,278 in local currency expended on unauthorized salary payments.

Improper Use of Grant Funds - USAID/Ecuador improperly paid \$905,564 in salary payments to 77 individuals of which \$699,578 could be supported with documentation. The remaining \$205,986 disbursed to the Jose Joaquin de Olmedo Foundation under two grants was not properly accounted for. The standard provisions for non-U.S., non-governmental grantees require that grantees maintain adequate accounting records for A.I.D. funds. USAID management intentionally did not follow customary disbursement procedures nor establish adequate financial management control over these funds. As a result, USAID/Ecuador lacked adequate assurance that grant funds were used for intended purposes.

Discussion - The standard provisions for non-U.S., non-governmental grantees require that grantees maintain records "that identify adequately the source and application of funds for A.I.D.-sponsored activities." This requirement was not met for the funds disbursed under grant Nos. 518-0005-G-00-4124 and 518-0005-G-00-5077. It must also be pointed out that under the terms of the grant agreements the foundation was responsible for accounting for the funds.

Records were not maintained to document \$205,986 of payments. Of the \$39,424 disbursed under grant No. 518-0005-G-00-4124 for advisors, \$21,360 represented advances which were still outstanding. Another \$9,064 disbursed by the Mission was supported by a letter stating what the funds were used for, but the letter was not backed up by receipts. Finally, a \$9,000 expenditure was supported by receipts which could not be reconciled to the amount of the disbursement voucher and may have been used to support other payments.

Of the \$166,562 disbursed under grant No. 518-0005-G-00-5077 for salary supplements, \$38,954 represented unliquidated advances which were still outstanding. The remainder, \$127,608, was liquidated by USAID/Ecuador based only on handwritten lists of payments which were copied by a Mission employee from a notebook kept by an intermediary who was supposed to pay individuals in the Ministry of Agriculture. The lists included payments for per diem, airplane tickets, charter of an airplane, and publications. None of these costs were authorized. Because the amounts in the lists could not be reconciled to the liquidation vouchers, we could not tell whether these costs were included in the vouchers.

The grant funds were not accounted for properly in the first place because one of the grant agreements was falsified to conceal the true purpose of the grant. In addition, very irregular disbursement procedures were followed in order to distance USAID/Ecuador from the payments made to Government of Ecuador employees and advisors. Emergency payment procedures were used to withdraw funds from the U.S. disbursing officer's local bank account. Intermediaries were used to pay individual ministry employees and advisors. Reportedly they cashed the A.I.D. checks and made separate cash payments; however, three checks issued

under these grants were endorsed "for deposit only" to an account controlled by the intermediaries. (See Appendix 1 for a detailed description of irregular procedures in the various salary supplement programs audited.) The vulnerabilities introduced by these unusual disbursement arrangements were compounded by USAID/Ecuador's weak financial management of the grants. Employees of USAID/Ecuador not only prepared requests for advance of funds but also prepared liquidation vouchers for the signature of the foundation's executive vice president. Therefore, responsible USAID/Ecuador employees intentionally did not account for grant funds.

A total of \$905,564 was intentionally disbursed for improper purposes. For \$205,986 of this total, documentation was not maintained to verify what the disbursements represented.

As mentioned earlier, improper disbursements of \$905,564 were made from (1) U.S. appropriated dollars directly disbursed by A.I.D. in the amount of \$472,286, for which A.I.D. has primary responsibility, and (2) Government of Ecuador local currency disbursements equivalent to \$433,278, for which the Government of Ecuador has primary legal responsibility and for which A.I.D. only has a fiduciary role. As a result of this legal division of responsibilities between A.I.D. and the Government of Ecuador, we have included the following two recommendations to formally settle the disposition of these questionable disbursements.

#### Recommendation No. 1

We recommend that USAID/Ecuador obtain a formal legal opinion from the A.I.D. Office of General Counsel as to the legal remedies available to make proper disposition of the \$472,286 of U.S. Government appropriated dollars disbursed for unauthorized salary payments, including recovery action from U.S. direct hire employees responsible for approving the unauthorized disbursement of U.S. appropriated dollars.

#### Recommendation No. 2

We recommend that USAID/Ecuador in coordination with the Government of Ecuador determine the proper legal remedies available to make proper disposition of the \$433,278 of local currency expended on unauthorized salary payments, including recovery from officials approving the payments and individuals receiving the payments.

USAID/Ecuador reviewed a draft of this report and provided our office with written comments. USAID/Ecuador found the document to be fair and accurate although it suggested some changes. Our office reviewed USAID/Ecuador's comments and have incorporated changes where appropriate. At the request of USAID/Ecuador, our office has not included its comments as an appendix to this report.

AMOUNT OF  
SALARY SUPPLEMENT PAYMENTS  
MADE TO GOVERNMENT OF ECUADOR  
EMPLOYEES AND ADVISORS

APPENDICES

Description of Salary Supplement Payments to Government  
of Ecuador Employees and Advisors

In 1985 and 1986, 77 Government of Ecuador employees and advisors received payments totaling \$901,564 from five USAID/Ecuador projects and \$4,000 from an A.I.D./Washington cooperative agreement. A list of these individuals and the amounts they received appears in Appendix 2. The purpose of the payments was to help the Government of Ecuador attract and retain highly-qualified individuals from the private sector to fill policy-level positions. Unfortunately, USAID/Ecuador made payments using highly irregular procedures involving falsified documentation and intermediaries. In our judgement, the payments to Government of Ecuador employees also violated Ecuadorian law as well as certain A.I.D. policy provisions. By hiding these payments, USAID/Ecuador personnel were able to avoid management oversight and review of their actions.

The payments were made from the following sources:

- The Macroeconomic Policy Analysis Project No. 518-0050 began on September 28, 1984. A total of \$216,600 in project funds was used for salary supplements.
- Grant No. 518-0005-G-00-4124 to the Jose Joaquin de Olmedo Foundation was signed on May 31, 1985. Unlike the other projects discussed here, the purpose of this grant was to pay advisors exclusively, not employees, of the Government of Ecuador. A total of \$39,424 was disbursed under this grant.
- Grant No. 518-0005-G-00-5077 to the Jose Joaquin de Olmedo Foundation was signed on July 15, 1985. While the stated purpose of the grant was to permit the foundation to provide the Ministry of Agriculture with technical assistance, in fact, the sole purpose was to pay salary supplements to individuals working in the Ministry. A.I.D. disbursed \$166,562 under this grant.
- The Economic Stabilization and Recovery Project No. 518-0058 was signed on September 29, 1985. Local currency deposited under this Economic Support Fund project was used for salary supplements. Local currency equivalent to \$433,278 was used for this purpose.
- Grant No. 518-0023-G-00-5065 to the Nature Foundation was made on August 12, 1985. The grant's purpose was to attract a well-qualified private sector manager to head the National Forestry Directorate. Under this grant, \$45,700 went to pay salary supplements.
- A.I.D./Washington and the University of Rhode Island signed a cooperative agreement (No. LAC-5518-A-00-5054) for the Coastal Resources Management project on May 15, 1985. The project purpose

was to transfer U.S. coastal resources management expertise to selected less-developed countries. A total of \$4,000 in project funds was used for salary supplements in Ecuador.

Additional information on these projects is presented in Appendix 3.

The following sections discuss the payments made under each project, the resulting legal and policy violations, the consequences of these payments, and the corrective actions taken by A.I.D./Washington and USAID/Ecuador.

#### Description of Payments

This section describes how salary supplements were paid under each project.

1. Macroeconomic Policy Analysis Project - The decision to use funds from the Macroeconomic Policy Analysis project to pay salary supplements was reportedly made by the former Mission Director in January 1985. The first payments occurred in April 1985, but they were made retroactively to October 1984. The last payments were made in March 1986. A total of \$216,600 was disbursed for salary supplements under this project.

The funds were disbursed in the following manner. Each month, the project's "intermediary" received from the Ministry of Finance a list of employees and the amount to be paid to each employee. He then prepared a standard form 1034 requesting a disbursement for the amount of the supplements, which stated that the disbursement was for "technical non-personal services rendered." Next he delivered the request for disbursement to the USAID/Ecuador project officer, with a list of recipients and the Ministry's certification of performance. Upon receipt, the project officer administratively approved the voucher and her assistant then removed the supporting documentation before it was certified for payment by either the former controller or the former Deputy Director. Subsequently, the mission cashier issued an emergency payment check to the intermediary. The intermediary deposited the check into an account he controlled, and wrote checks payable to each recipient on the Ministry's list for that month. When he delivered the checks, he obtained receipts from each recipient.

In April 1986, the source of funding for Ministry of Finance salary supplements was changed to Economic Support Fund (ESF) local currency, discussed on page 4 of this Appendix.

2. Jose Joaquin de Olmedo Foundation - USAID/Ecuador signed two grants with the Jose Joaquin de Olmedo Foundation. The purpose of the first grant, No. 518-0005-G-00-4124, was to pay advisors, not employees,

working in the Ministry of Agriculture. A total of \$39,424 was disbursed under this grant. The major problem with this grant was that the unusual, secretive payment procedures did not provide for a method to account for the grant funds.

The purpose of the second grant (No. 518-0005-G-00-5077) was to pay salary supplements to Ministry of Agriculture employees. The decision to pay these supplements was reached in a February 1985 meeting between the former Mission Director, the former Deputy Director, the former Chief of the Office of Agriculture and Rural Development, an A.I.D. consultant, and a senior official in the Ministry of Agriculture. The Mission decided to pay the supplements through a private foundation to distance itself from the payments. Also, a Ministry of Agriculture lawyer believed that supplements paid through a private entity would not violate Ecuadorian law.

The first advance of funds was made on July 11, 1985, but retroactive payments were made to employees. A total of \$166,562 was disbursed under this grant. Beginning with the month of January 1986, the source of funding for Ministry of Agriculture salary supplements was changed to ESF local currency, discussed on page 4 of this Appendix.

Funds under both grants to the Jose Joaquin de Olmedo Foundation were disbursed in the same fashion. USAID/Ecuador disbursed funds to the foundation, which in turn passed the funds to intermediaries who were supposed to pay individuals in the Ministry of Agriculture. From this point, it is unclear what happened to the money.

For both grants, Mission staff would prepare a request for advance of funds for the signature of the foundation's executive vice president. Following emergency payment procedures, a check would be drawn on the U.S. disbursing officer's local bank account. The check would be delivered to the foundation by one of the intermediaries who were supposed to make payments to individual Ministry employees and advisors. The foundation's executive vice president would endorse the check and return it to one of the intermediaries. Liquidation vouchers were prepared by the Mission for the vice president's signature. This, according to the executive vice president, was the extent of the foundation's involvement. He stated that the foundation had accepted these grants as a favor to the Mission and that the foundation was not expected to play any role in accounting for the use of grant funds. It must be pointed out, however, that under the terms of the grant agreements the foundation was responsible for accounting for the funds.

According to one of the intermediaries, the A.I.D. checks were cashed and the cash placed in a safe deposit box. The cash was then used, he said, to pay individuals in the Ministry of Agriculture. However,

these statements are contradicted by the fact that three of the checks issued under these grants were endorsed "for deposit only" to an account controlled by the intermediaries. We made repeated attempts to meet with the intermediaries for these grants, in order to obtain acceptable supporting documentation for these payments. One individual refused to meet with us. The other individual became ill on the day of our scheduled meeting and then left the country for the duration of our audit.

The vulnerabilities introduced by these unusual disbursement arrangements were compounded by weak Mission financial management of the grants. For example, after advancing \$20,400 under grant No. 518-0005-G-00-4124, the Mission processed two reimbursement vouchers for a total of \$18,064 instead of applying this amount to the outstanding advance. Also, it recorded one advance in its accounting records as an expenditure. As another example, the Mission processed an advance under grant No. 518-0005-G-00-5077 four days before the grant was signed, and twice subsequently advanced funds in excess of the amount obligated. (These and other fund control violations are discussed in audit report No. 1-518-87-34.) Finally, because Mission employees themselves prepared the supporting documentation for reimbursement vouchers under this grant, responsible employees in the Mission must have known that the grant funds were not being accounted for properly but took no corrective action.

3. Economic Stabilization and Recovery Project - Local currency deposited under the Economic Stabilization and Recovery project was used to pay salary supplements beginning with the January 1986 payments for the Ministry of Agriculture and the April 1986 payments for the Ministry of Finance. Mission officials reportedly preferred this source of funding since the U.S. Government was somewhat insulated by the fact that the local currency was owned by the Government of Ecuador.

Ministry of Agriculture employees and advisors received supplements paid with ESF local currency from January through October 1986. Receipts provided by the intermediaries for these payments show that the equivalent of \$288,211 was paid to individuals in the Ministry of Agriculture. An additional \$4,212 was paid to the intermediary for his services, and \$23,367 was advanced to the intermediary but had not been accounted for.

ESF local currency was likewise used to pay supplements to Ministry of Finance employees from April 1986 through October 1986. The equivalent of \$117,489 was disbursed during this time. The payments were made following essentially the same procedures as under the Macroeconomic Policy Analysis project. However, payments to the intermediary for April, May, and June 1986 were made by the former

controller from a local currency account in the controller's name at a local bank. (As discussed in Audit Report No. 1-518-87-32, this account was improperly established and managed. Local currency accounts should be established and controlled by U.S. disbursing officers.)

4. Nature Foundation - This grant was originated by the former Mission Director as a means of attracting a well-qualified manager from the private sector to be the National Forestry Director. Two Directors, both employees of the Ministry of Agriculture, received salary supplements under this grant. The first Director received payments for the period from April 1985 through December 1985. His successor received salary supplements from February 1986 through December 1986. A total of \$45,700 was disbursed to these two individuals.

The funds were disbursed in the following manner. The Nature Foundation requested advances "for payment to the National Forestry Director." When it received checks from A.I.D., the foundation wrote checks to the individual receiving salary supplements. However, the documentation supporting liquidation vouchers described the payments as becas (scholarships or fellowships).

5. Coastal Resources Management Project - Under this project, the Government of Ecuador's project manager received a salary supplement of \$500 a month from May 1986 through December 1986. The payments totaled \$4,000. These payments were made as a result of an oral agreement between the counterpart project manager and the University's program director. The salary supplement payments were verbally approved by the A.I.D./Washington project manager.

#### Legal and Policy Violations

In our opinion USAID/Ecuador's salary supplement programs violated both U.S. and Ecuadorian laws as well as A.I.D. policy requirements.

The relevant U.S. laws dealing with false statements and fraudulent claims are contained in Title 18 of the United States Code. By cooperating to conceal the fact that salary supplements were paid to Government of Ecuador employees, at least 12 A.I.D. employees may have violated various provisions of Title 18 of the United States Code. (Four other employees drafted or cleared documents which contained false statements but may not have known that the statements were false.) In some cases, salary supplements were concealed by outright misrepresentations. To cite one example, a January 9, 1986, action memorandum from the chief of the Rural Development Office to the Acting Mission Director stated that the purpose of grant No. 518-0005-G-00-5077 was to strengthen the Jose Joaquin de Olmedo Foundation's "technical and administrative ability to conduct analyses and provide project and program implementation support to the Ministry of Agriculture." In fact, the sole purpose of the grant was to

pay salary supplements to Ministry of Agriculture employees. In other cases, A.I.D. employees used obtuse or vague language which was designed to conceal the fact that salary supplements were paid. For example, disbursement vouchers under project No. 518-0050 stated that the payments were for "technical non-personal services rendered." In fact, the payments were for salary supplements for Ministry of Finance employees.

In our judgement, the payments also violated several Ecuadorian laws and regulations which prohibit its government employees from receiving salary supplements. For example, Article 32 of the Civil Service and Administrative Career Law states that:

Apart from his salary, no employee may request from the State nor from private parties, nor receive from them, any payment in money or any other form, for carrying out his official duties, except in those cases in which the law expressly authorizes extraordinary payments in the form of honoraria or any other form.

Article 26 of the Salary Law for Public Servants provides that:

The payment of bonuses, extra pay, and other remunerations that are not foreseen in this law is prohibited.

Article 27 of the regulations implementing the Civil Service and Administrative Career Law and Article 31 of the regulations implementing the Salary Law for Public Servants also contain language which would seem to prohibit salary supplements.

Finally, the requirements established by A.I.D.'s policy paper on recurrent costs, dated May 1982, were not met. The policy paper states that A.I.D. may fund recurrent costs (which would include salary costs) only when certain conditions are met. These conditions include:

- acceptable host government policies for funding recurrent costs or movement toward such policies,
- assurance that recurrent cost support has a greater development impact than new investments,
- the inability of the host country to undertake recurrent cost financing, and
- the existence of a carefully phased plan for shifting the entire burden to the host government.

We found no evidence that any of these conditions were met.

#### Corrective Actions

A.I.D./Washington and USAID/Ecuador took actions before, during, and after the audit to correct these serious problems. Among the most important actions were the following:

- A new controller was assigned to USAID/Ecuador in June 1986, and a new Mission Director arrived in August 1986. These individuals were instrumental in reporting the salary supplement programs to A.I.D./Washington officials and then ending the programs.
- In October 1986, a decision was made to end payment of salary supplements effective October 31, 1986.
- A.I.D./Washington issued guidance in June 1986 which sharply limited the payment of salary supplements to host government officials and prohibited the use of surreptitious payment procedures such as those followed in Ecuador.

#### Summary of Compliance and Internal Control Issues

Our review covered compliance with both U.S. and Ecuadorian laws, A.I.D. regulations and policy requirements, and provisions of the project agreements. The review identified instances of non-compliance in each of these areas. In our judgement, the payment of salary supplements to Government of Ecuador employees violated both U.S. and Ecuadorian laws. These payments were also not in compliance with A.I.D.'s policy paper on recurrent costs. Several violations of A.I.D.'s Fund Control Regulation were found, and accounting records required by two grant agreements were not maintained. Other than the conditions cited, tested items were in compliance with applicable laws and regulations. Given the nature of the legal and policy violations found, it is possible that some untested items were not in compliance with applicable laws and regulations.

The internal controls over A.I.D. and counterpart fund disbursements were not adequate. Several internal control procedures were rendered ineffective when USAID/Ecuador employees intentionally concealed the true purpose of the payments. Also, several fund control violations occurred, and the Mission controller made payments from a local currency account which should have been controlled by a Treasury Department disbursing officer.

The controls employed to ensure that payments made by agents and intermediaries were for intended purposes were adequate except for the grants made to the Jose Joaquin de Olmedo Foundation. These grant funds

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were ultimately disbursed by intermediaries who were not required by USAID/Ecuador to show how they used the funds. The entire \$205,986 disbursed under these grants was unaccounted for.

Salary Supplement Recipients

<u>Title</u>	<u>Total Estimated Monthly Government Compensation</u>		<u>Monthly Salary Supplement</u>	
	<u>Sucres</u>	<u>Equivalent US dollars</u>	<u>Sucres</u>	<u>Equivalent US dollars</u>
<u>Ministry of Agriculture</u>				
1. Financial Director	111,789	\$ 782	80,000	\$ 559
2. Administrative Sub-Secretary	238,999	1,671	200,000 to 250,000	1,399 to 1,748
3. Sub-Secretary for the Sierra	238,999	1,671	100,000	699
4. Sub-Secretary for the Coast	238,999	1,671	100,000 to 200,000	699 to 1,399
5. Sub-Secretary for Commercialization	238,999	1,671	200,000 to 250,000	1,399 to 1,748
6. Chief, Public Relations	57,298	401	35,000 to 70,000	245 to 490
7. Director, INIAP	143,098	1,001	150,000	1,049
8. Director, IERAC	143,098	1,001	150,000	1,049
9. Legal Advisor, IERAC	101,552	710	50,000	350
10. Private Secretary to the Minister	65,910	461	100,000	699
11. Advisor to the Minister	101,552	710	150,000	1,049
12. Legal Advisor to the Minister	111,789	782	150,000	1,049
13. Director, INEHH	143,098	1,001	150,000	1,049
14. Director, INCRAE	111,789	782	150,000	1,049
15. Director, CREA	143,098	1,001	150,000	1,049
16. Provincial Director, Guayas	90,231	631	100,000	699

Note: The local currency exchange rate in October 1986, when most of the salary supplements were entered, was 145 sucres to 1 dollar.

Title	Total Estimated		Monthly Salary Supplement	
	Monthly Government Compensation			
	Sucres	Equivalent US dollars	Sucres	Equivalent US dollars
17. Regional Director, Guayas	111,789	\$782	100,000	\$ 699
18. Provincial Director, Manabi	Not Available		40,000	280
19. National Banana Director	101,552	710	100,000	699
20. National Cacao Director	101,552	710	100,000	699
21. Private Secretary to the Minister	65,910	461	70,000	490
22. Coordinator for Assigned Entities	101,552	710	50,000 to 100,000	350 to 699
23. Executive Secretary for the Coast	37,527	262	50,000	350
24. Security		NA	50,000 to 90,000	350 to 629
25. Coordinator		NA	150,000	1,049
26. INERHI		NA	150,000	1,049
27. Legal		NA	140,000 to 150,000	979 to 1,049
28. Cacao		NA	100,000	699
29. Advisor		NA	172,500	1,206
30. Advisor		NA	345,000	2,413
31. Legal		NA	150,000	1,049
32. Legal		NA	100,000	699
33. Director, Commercialization	111,789	782	100,000	699
34. Administrative Director	101,552	710	50,000	350

Title	Total Estimated Monthly Government Compensation		Monthly Salary Supplement	
	Sucres	Equivalent US dollars	Sucres	Equivalent US dollars
35. Planning Director	111,789	\$ 782	50,000	\$ 350
36. Sub-Director for Administration		NA	50,000	350
37. Coordinator for Assigned Entities	101,552	710	50,000	350
38. Legal Director, ENAC		NA	200,000	1,399
39. Director, INIAP	143,098	1,001	300,000	2,098
40. Manager, ENAC	111,789	782	300,000	2,098
41. Sub-Manager, ENAC	101,552	710	200,000	1,399
--. National Forestry Director <u>1/</u>	60,000	420	357,500 to 471,900	2,500 to 3,300 <u>2/</u>
42. National Forestry Director	76,775	537	286,000	2,000 <u>2/</u>
<u>Ministry of Finance</u>				
43. Sub-Secretary for Revenues	277,833	1,943	185,000 to 210,000	1,294 to 1,469
44. Sub-Secretary: Treasurer	277,833	1,943	185,000	1,294
45. Sub-Secretary for Public Credit	277,833	1,943	110,000 to 185,000	769 to 1,294
46. Sub-Secretary for Administration	277,833	1,943	185,000	1,294
47. Legal Advisor		NA	105,000	734
48. Public Relations Advisor		NA	90,000	629
49. Assistant to the Treasurer		NA	50,000	350

1/ This individual is listed on page 1 of this appendix as an Advisor to the Minister.

2/ These individuals were paid in dollars under grant No. 518-0005-G-00-5065 to the Nature Foundation.

<u>Title</u>	<u>Total Estimated Monthly Government Compensation</u>		<u>Monthly Salary Supplement</u>	
	<u>Sucres</u>	<u>Equivalent US dollars</u>	<u>Sucres</u>	<u>Equivalent US dollars</u>
50. Financial Chief	139,551	\$ 976	51,500	\$ 360
51. Private Secretary to the Minister	41,114	288	75,000 to 200,000	524 to 1,399
52. Advisor to the Minister	113,921	797	150,000	1,049
53. Legal Advisor		NA	25,000	175
54. Advisor to the Minister	113,921	797	150,000	1,049
55. Secretary to the Minister	41,114	288	65,000 to 90,000	455 to 629
56. Legal Advisor		NA	150,000	1,049
57. Statistical Assistant	29,083	203	30,000 to 75,000	210 to 524
58. Chief of Security		NA	20,000	140
59. Advisor to the Minister	113,921	797	25,000 to 210,000	175 to 1,469
60. Secretary to the Minister	41,114	288	20,000	140
61. Advisor to the Central Auditor		NA	75,000 to 150,000	524 to 1,049
62. Customs Administrator	113,927	797	50,000	350
63. Sub-Secretary for Administration	277,833	1,943	100,000 to 340,000	699 to 2,378
64. General Director for Customs	162,989	1,140	100,000	699
65. Customs Administrator	113,927	797	50,000	350
66. Fiscal Advisor		NA	250,000	1,748
67. Assistant to the Sub-Secretary for Administration		NA	35,000 to 98,000	245 to 685

<u>Title</u>	<u>Total Estimated Monthly Government Compensation</u>		<u>Monthly Salary Supplement</u>	
	<u>Sucres</u>	<u>Equivalent US dollars</u>	<u>Sucres</u>	<u>Equivalent US dollars</u>
68. Personnel Director	139,551	\$ 976	70,000	\$ 490
69. Public Relations Advisor		NA	106,000	741
70. Private Secretary to the Minister	41,114	288	106,500 to 213,000	745 to 1,490
71. Advisor		NA	40,000 to 50,000	280 350
72. Sub-Secretary for Administration	277,833	1,943	207,500	1,451
73. Public Relations Advisor		NA	50,000	350
74. Coordination Assistant		NA	40,000 to 50,000	280 to 350
75. Public Relations Advisor		NA	50,000	350
76. (Title Unknown)		NA	125,000	175
<u>Ministry of Energy and Mines</u>				
77. Government of Ecuador Project Manager for the Coastal Resources Management Project	56,000	392	70,750 to 83,500	495 to 584

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Sources of Funding for Payments to  
Government of Ecuador Employees and Advisors

Sources of Funding	Recipients	Period Covered by Salary Supplements		Amounts Paid Expressed In	
		From	To	USDollars	Sucres 1/
1) Microeconomic Policy Analysis Project No. 518-0050	Ministry of Finance employees and advisors	10/84	3/86	216,600	30,973,800
2) Grant No. 518-0005-G-00-4124 to the Jose Joaquin de Olmedo Foundation	Ministry of Agriculture advisors	No documen- tation available		39,424	5,637,632
3) Grant No. 518-0005-G-00-5077 to the Jose Joaquin de Olmedo Foundation	Ministry of Agriculture employees and advisors	No documen- tation avail- able		166,562	23,818,366
4) Economic Stabilization and Recovery Project No. 518-0058	Ministry of Finance employees and advisors	4/86	10/86	117,489	16,800,927
	Ministry of Agriculture employees and advisors	1/86	10/86	315,789	45,157,827
5) Grant No. 518-0023-G-00-5065 to the Nature Foundation	Directors of the National Forestry Service (both Ministry of Agriculture employees)	4/85	12/86	45,700	6,535,100
SUBTOTAL				901,564	128,923,652
6) A.I.D. Washington cooperative agreement # IAC-5518-A-00-5051 with the University of Rhode Island	Government of Ecuador Project Manager (Ministry of Energy and Mines employee)	5/86	12/86	4,000	572,000
TOTAL				905,564	129,495,652

1/ We have used an exchange rate of 143 sucres to the dollar, which was the local currency exchange rate in October 1986.

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