
Office of Inspector General

Audit Report

Federal Air Marshal Program

Federal Aviation Administration

Report Number: R9-FA-7-006

Date Issued: April 17, 1997





Memorandum

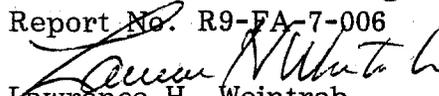
U.S. Department of
Transportation

Office of the Secretary
of Transportation

Office of Inspector General

Subject ACTION: Report on FAA's
Federal Air Marshal Program
Report No. R9-FA-7-006

Date: April 17, 1997

From: 
Lawrence H. Weintrob
Assistant Inspector General for Auditing

Reply to
Attn of: JA-1

To: Acting Federal Aviation Administrator

We are providing this report for your information and use. Your February 26, 1997, comments to our December 4, 1996, draft report were considered in preparing this report. A synopsis of the report follows this memorandum.

In your comments to our draft report, you partially concurred with Recommendation 1, nonconcurred with Recommendation 2, and concurred with Recommendation 3. Specifically, you agreed to implement a flexible work schedule, evaluate the use of administrative leave, and evaluate current and future resources which might lead to a restructuring of the program. You have already reduced the weapons inventory, with plans for further reductions by Fiscal Year 1999.

Your actions taken and planned regarding Recommendations 1 and 3 are responsive. Although Federal Aviation Administration (FAA) nonconcurred with Recommendation 2, actions taken and planned meet the intent of the recommendation. Accordingly, the recommendations are considered resolved subject to the followup provisions of Department of Transportation Order 8000.1 C.

I appreciate the cooperation and assistance provided by FAA staff. If you have any questions regarding this report, please contact me on (202) 366-1992, or Robin K. Dorn-Hunt, Regional Audit Manager, on (415) 744-3090.

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U.S. Department of
Transportation

Office of Inspector General

Federal Air Marshal Program

Federal Aviation Administration

Report No. R9-FA-7-006

April 17, 1997

Objective

The objective of the audit was to evaluate the effectiveness of Federal Aviation Administration's (FAA) Federal Air Marshal (FAM) Program in providing for in flight security requirements of high risk or special circumstance U.S. air carrier flights.

Conclusions

The effectiveness of the FAM Program in providing for in flight security requirements of high risk or special circumstance U.S. air carrier flights is difficult to evaluate and quantify. We are continuing to pursue this objective and intend to issue a separate report. However, in pursuing our objective, we identified administrative deficiencies warranting management attention which are addressed in this report. Specifically, FAMs are incurring excessive overtime by maintaining fixed work schedules during deployments, the FAM Program office is overstaffed, and excess weapons are maintained in inventory. These conditions occurred because FAA has not identified or acted on administrative deficiencies.

Monetary Impact

FAA incurred excessive overtime costs of approximately \$462,000 during Fiscal Years (FY) 1994 and 1995. Future FAM Program savings could be realized by reducing excess overtime and management staff, and excess weapons valued at about \$79,000 could be put to better use.

Recommendations

We recommended the Acting FAA Administrator (1) implement a work schedule such as the "first 40 hours of duty" while FAMs are in deployment status to eliminate administrative leave and reduce overtime, (2) evaluate staff needed to accomplish FAM Program office responsibilities and reduce the management staff as appropriate, and (3) determine proper levels of spare weapons and excess any weapons determined to be surplus.

SYNOPSIS



U.S. Department of
Transportation

Office of Inspector General

Management Position

Regarding Recommendation 1, FAA concurred with implementing a flexible work schedule such as a "first 40 hours of duty" with consideration for other pay entitlements such as premium pay for weekend work or night differential. FAA did not agree that administrative leave should be eliminated, citing Comptroller General decisions that recognize the need for "acclimation" rest following extended night flights or time zone dislocation. FAA nonconcurred with Recommendation 2, stating it is evaluating current and future resources, and staffing standards, that might lead to restructuring of the program and reductions or increases in staffing. FAA concurred with Recommendation 3, reducing its weapons inventory with further reductions planned. FAA will continue to reduce weapons inventories until a 3 to 1 to 2 to 1 weapons to FAM ratio is obtained by FY 1999.

Office of Inspector General Comments

FAA's actions taken and planned for Recommendations 1 and 3 are considered responsive to our recommendations. Although FAA nonconcurred with Recommendation 2, actions taken and planned meet the intent of the recommendation. Therefore, the recommendations are considered resolved subject to the followup provisions of Department of Transportation Order 8000.1C.

TABLE OF CONTENTS

TRANSMITTAL MEMORANDUM

SYNOPSIS

I. INTRODUCTION

Background	1
Objective, Scope, and Methodology	2
Management Controls	3
Prior Audit Coverage	3

II. FINDINGS AND RECOMMENDATIONS

Finding A. Fixed Work Schedules Need Modification.....	4
Finding B. Program Office is Overstaffed	8
Finding C. Excess Weapons in Inventory	11

III. EXHIBITS

Exhibit A. Definitions.....	12
Exhibit B. Example of FAM Time Charges for One Deployment.....	13
Exhibit C. Audit Team Members	15

IV. APPENDIX

Management Response to Draft Report.....	16
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I. INTRODUCTION

Background

Since 1962, the Federal Aviation Administration (FAA) has maintained a cadre of specially trained air marshals to meet in-flight security requirements of "high risk" or "special circumstance" air carrier flights. High-risk flights are those flights most susceptible to a hijacking attempt based on current intelligence. Special circumstance flights are those flights for which Federal Air Marshal (FAM) coverage has not been scheduled, but the Associate Administrator for Civil Aviation Security determines that FAM coverage will be provided. The FAM Program's mission is one of strategic deterrence against criminal acts targeting civil aviation; the tactical objective is to save lives. In 1970, through an agreement between FAA and U.S. Department of Treasury, the U.S. Customs Service hired hundreds of security officers to serve as sky marshals. In 1973, after the Customs Sky Marshal Program phased out, the FAA continued a limited Air Marshal Program using volunteer special agents from Civil Aviation Security.

Following the Cuban refugee problems in Florida during the early 1980's, and the hijacking of Trans World Airlines Flight 847 in 1985, Public Law 99-83 was enacted requiring the Secretary of Transportation to study the need for an expanded FAM Program. The Secretary's 1987 report on the FAM Program concluded there was a need for an expanded program to supplement ground security measures.

FAMs are comprised of Civil Aviation Security specialists employed at various Civil Aviation Security Field Office (CASFO) locations. CASFO security specialists designated as FAMs allocate approximately 55 percent of their time to FAM duties, and 45 percent to security specialist's duties. FAM activities include flying armed missions aboard U.S. aircraft to prevent criminal acts against the aircraft, crew, and passengers. CASFO security specialist activities include conducting surveys, inspections, and investigations to determine airport/air carrier compliance with FAA regulations regarding all aspects of aviation security. All security specialists hired between 1985 and 1992 were required to also serve as FAMs. However, in 1992, serving in the FAM Program became voluntary.

FAM Program costs for Fiscal Years (FY) 1994 and 1995 were \$1.3 million and \$1.2 million, respectively, and include FAM Program office staff salaries and overtime; travel (management staff and FAM cadre travel); transportation; services; supplies; and equipment. FAM

salaries, including overtime, are budgeted through each FAM's respective CASFO and not included in FAM Program costs.

Objective, Scope, and Methodology

Our objective was to evaluate the effectiveness of the FAA's FAM Program in providing for in-flight security requirements of high risk or special circumstance U.S. air carrier flights.

The effectiveness of the FAM Program in providing for in-flight security requirements of high risk or special circumstance U.S. air carrier flights is difficult to evaluate and quantify. We are continuing to pursue this objective and intend to issue a separate report. However, in pursuing our objective, we identified administrative deficiencies warranting management attention which are addressed in this report.

The audit was performed at the FAA Office of Civil Aviation Security in Washington, D.C.; FAM Program Office Headquarters at the FAA Technical Center in Atlantic City, New Jersey; CASFOs in Washington, D.C. and Burlingame, California; and Marine Corps Base/Federal Bureau of Investigation (FBI) Academy in Quantico, Virginia. We also contacted aviation security and FAM personnel at CASFOs in Atlanta, Georgia; Anchorage, Alaska; and Chicago, Illinois. The audit was conducted from July 1995 through January 1996. We reviewed FAM activities during FYs 1994 through 1995, and expanded our review to prior and subsequent periods as necessary.

Our audit was conducted in accordance with Government Auditing Standards prescribed by the Comptroller General of the United States, and included such tests of records and transactions as considered necessary. We interviewed FAA management and staff, FBI personnel, and airline industry representatives. We also reviewed FAM Program office files and mission folders, analyzed FAM deployments, and observed work performed by program office staff.

Management Controls

We evaluated FAM Program office management controls over deployment work schedules, management staffing, weapons inventory, and FAM Program office move activities. Weaknesses found in management controls are discussed in detail in Part II of this report.

Prior Audit Coverage

Neither the Office of Inspector General nor the General Accounting Office have issued any audit reports concerning the FAM Program in the past 5 years.

II. FINDINGS AND RECOMMENDATIONS

The effectiveness of the FAM Program in providing for in-flight security requirements of high risk or special circumstance U.S. air carrier flights is difficult to evaluate and quantify. We are continuing to pursue this objective and intend to issue a separate report. However, in pursuing our objective, we identified administrative deficiencies warranting management attention which are addressed in this report. Specifically, FAMs are incurring excessive overtime by maintaining fixed work schedules during deployments, the FAM Program office is overstaffed, and excess weapons are maintained in inventory.

Finding A. Fixed Work Schedules Need Modification

FAMs are incurring excessive overtime during deployments. FAA management knows well in advance that hours worked will differ from the scheduled workday, but has not acted to make required work schedule modifications. As a result, FAA incurred excessive overtime costs of approximately \$462,000 during FYs 1994 and 1995. Based on the planned deployment workload for FY 1996, FAA will continue to incur excessive overtime costs of approximately \$347,000 annually until work schedule changes are implemented.

Discussion

Title 5, Code of Federal Regulations (CFR), Chapter 1, Section 610.121 states:

The head of an agency shall schedule an employee's regularly scheduled administrative workweek so that it corresponds with the employee's actual work requirements.

When the head of an agency knows in advance of an administrative workweek that the specific days and/or hours of a day actually required of an employee in that administrative workweek will differ from those required in the current administrative workweek, he or she shall reschedule the employee's regularly scheduled administrative workweek to correspond with those specific days and hours.

Title 5, CFR, Chapter 1, Section 610.111 states:

When it is impracticable to prescribe a regular schedule . . . the head of an agency may establish the first 40 hours of duty . . . as the basic workweek.

The planning of deployments and missions, as defined in exhibit A, is normally initiated 30 to 40 days in advance. Planning consists of routine activities (e.g., visa processing, and obtaining airline and hotel reservations) in preparation for overseas travel, in addition to planning specific missions to cover identified security risks. Missions are largely tied to U.S. air carrier flight schedules.

During deployments, the regular fixed work schedule is Monday through Friday, 8:00 a.m. through 4:30 p.m. Regular time is charged for work performed within these hours, and overtime is charged for work performed outside these scheduled hours. Administrative leave is charged when there is no work (pre-mission briefs, in-flight activities, or post-mission debriefs) to be performed during the fixed schedule hours. Since U.S. air carriers operate around the clock, missions are frequently planned and performed outside the fixed work schedule, not unexpectedly resulting in FAMs working irregular hours of the day, nights, and weekends. For example:

One FAM's time charges (exhibit B), for a 4-day period (March 16 through 19, 1995) showed the majority of hours worked were outside the fixed work schedule. On Thursday, March 16, 4.5 hours were worked (regular time), 4 hours were administrative leave during the fixed scheduled work day, and 6.5 hours were worked (overtime) outside the scheduled work day. Although the employee spent only 11 hours working on FAM activities, he was paid for a total of 15 hours. Similarly, on Friday, March 17, the scheduled work day was charged as 8 hours administrative leave. Yet, on Saturday and Sunday, March 18 and 19, all hours worked (10 and 5 hours, respectively) were outside the fixed work schedule, and therefore overtime. During the 27-day deployment in March and April 1995, the FAM charged a total of 84.5 hours administrative leave, 70.5 hours regular, and 99.25 hours overtime.

For all deployments performed in FYs 1994 and 1995, approximately 10,656 hours of the total 37,891 hours charged, or 28 percent, were charged to administrative leave. Furthermore, FAMs charged about 15,525 hours of overtime, or 41 percent of total hours charged, to compensate, in part, for hours lost to administrative leave. We

estimated FAA incurred excessive overtime of approximately \$462,000, as illustrated:

**Federal Air Marshal
Deployment Time Charges
FYs 1994 and 1995**

FY	Total Hours Charged	Administrative Leave Hours	% Total	Regular Hours	% Total	Overtime Hours	% Total	Excessive OT Cost*
1994	17,097	4,377		5,917		6,803		\$189,568
1995	<u>20,794</u>	<u>6,279</u>		<u>5,793</u>		<u>8,722</u>		<u>\$271,943</u>
Totals	37,891	10,656	28%	11,710	31%	15,525	41%	<u>\$461,511</u>

* Administrative Leave Hours x Average Hourly Overtime Rate

The Program Manager told us he was following personnel and payroll policies, effective since 1987, which identify how time is to be charged while on deployment. He agreed a more efficient method exists, but stated pay issues have to be addressed before any scheduling changes could be implemented. FAA's Manager, Program Management Staff, Office of Civil Aviation Security Operations, stated a different climate existed when a personnel and payroll committee initiated current personnel and payroll directives. He also stated an approach was taken to create an incentive to help employees, which in turn theoretically helped management.

Recommendation

We recommend the Acting FAA Administrator implement a work schedule such as the "first 40 hours of duty" for FAMs while in deployment status to eliminate administrative leave and reduce overtime.

Management Response

In the February 26, 1997, response to our December 4, 1996, draft report, FAA partially concurred with the recommendation. FAA concurred with implementing a flexible work schedule such as a "first 40 hours of duty" with consideration for other pay entitlements such as premium pay for weekend work or night differential. FAA did not agree

that administrative leave should be eliminated, citing Comptroller General decisions that recognize the need for “acclimation” rest following extended night flights or time zone dislocation. However, FAA agreed to evaluate the use of administrative leave and develop reasonable standards to be used in conjunction with specific flight situations. FAA plans to complete its evaluation by September 30, 1997. A copy of FAA’s complete response is included as an appendix to this report.

Audit Comments

FAA’s planned actions are considered responsive to our recommendation. Therefore, the recommendation is considered resolved subject to the followup provisions of Department of Transportation (DOT) Order 8000.1C.

Finding B. Program Office is Overstaffed

The FAM Program office is overstaffed. The need for six supervisory/team leaders (three operations or assistant operations officers/team leaders, two logistics or assistant logistics officers/team leaders, and one training officer/team leader), to lead and manage the present number of part-time FAMs is not justified based on observed or actual work activities. FAA has not analyzed the workload of the FAM Program office to determine the commensurate number of staff required. As a result, staff could be used more effectively elsewhere.

Discussion

The FAM Program operates under a team concept, with a goal to deploy each team at least once per quarter. While a team is deployed, another team prepares for deployment, and the remaining FAMs are on standby. Each team normally deploys with one team leader from the FAM Program office, and the remaining five FAM Program office team leaders are either planning for the next deployment (the predominant work activity initiated 30 to 40 days prior to deployment), or performing other assigned operations, logistics, or training duties. While each FAM Program office team leader has a primary responsibility, they all acknowledge their respective ability to accomplish each other's work as necessary.

We observed and evaluated the work activities of the three operations officers/team leaders responsible for pre-deployment planning. One operations officer/team leader is primarily responsible for receipt and handling of intelligence information; another is responsible for operations support (e.g., visa/passport processing, country clearances, and air carrier/hotel coordination); and the third has overall responsibility for coordinating all operational missions (oversight to ensure all planning tasks are processed and final prior to deployment). We found most tasks are repetitive, accomplished telephonically with a substantial amount of time spent waiting for return calls for coordination and confirmation, or simple enough to be performed by the Security Assistant. For example, the operational (pre-deployment) planning checklist includes 40 action items. We identified 26 tasks as simple as collecting passports, preparing visa applications, and letters for obtaining required visas; confirming airline and hotel reservations; faxing travel orders; and preparing lists of weapon serial numbers

and passport numbers. These tasks are routinely accomplished by operations officers and/or other GS-13/14 supervisory/team leader staff personnel.

Another indicator of FAM Program office overstaffing is the comparison of FYs 1992 to 1996 personnel staffing and workload data. We found the FAM Program has reduced deployments and staff over the last 5 years. Deployments decreased 48 percent, while FAM Program office staff decreased by only 27 percent. The following chart illustrates:

Comparison of Personnel Staffing and Deployment Workload
FYs 1992 to 1996

	1992	1993	1994	1995	1996
Program Office Staff	1-FAM Manager	Same	Same	1-FAM Manager	1-FAM Manager
	1-Secretary	As 1992	As 1992	1-Security Assistant	1-Security Assistant
	1-Administrative Officer			1-Operation Officer/ Team Leader	3-Operations Officer/ Team Leader
	1-Operations Officer			1-Logistic Officer/ Team Leader	2-Logistic Officer/ Team Leader
	1-Logistic Officer			1-Training Officer/ Team Leader	1-Training Officer/ Team Leader
	1-Training Officer				
	5-Team Leaders				
Staff Personnel	11	11	11	5	8

The FAM Program Manager told us three operations officers are needed because at least one is always out of the office due to various training activities and deployments. He also stated two logistics officers are needed to ensure proper separation of duties between ordering, approving, and receiving supplies. The Manager, Program Management Staff, told us written justifications were not prepared or needed to staff the positions in the FAM Program office.

Based on the foregoing, current operational pre-deployment planning does not support a need for three operations officers. Further, the FAM Program Manager's statement regarding logistics officers does not

support a need for two logistics officers. Overall, having six people to plan and perform the current number of deployments (in addition to the manager and security assistant) and oversee the current number of part-time FAMs appears excessive.

Recommendation

We recommend the Acting FAA Administrator evaluate staff needed to accomplish FAM Program office responsibilities and reduce the management staff as appropriate.

Management Response

FAA nonconcurred with this recommendation. FAA indicated that our observations were made during an unrepresentative time period and exclusively within a sedentary office environment. However, FAA is evaluating current and future resources and staffing standards required to maintain the viability of the FAM workforce to accomplish its mission. This evaluation might lead to restructuring of the FAM Program, which may reduce or increase staffing. FAA anticipates completion of the evaluation by September 30, 1997.

Audit Comments

FAA's planned actions meet the intent of our recommendation. Therefore, the recommendation is considered resolved subject to the followup provisions of DOT Order 8000.1C.

Finding C. Excess Weapons in Inventory

FAA is maintaining excess weapons in inventory. FAM cadre has decreased, and FAA has not determined or developed guidance on proper levels of weapons inventory. As a result, excess weapons valued at about \$79,000 could be put to better use.

Discussion

We found a large number of weapons, valued at \$79,000, appear excessive to current FAM Program needs. Weapons in the inventory represent about a 6 to 1 weapons/FAM ratio, approximately 40 years of inventory. Over half of the total weapons in inventory were purchased in 1990 when FAMs were more numerous. FAM cadre reductions, since 1992, have contributed to excess weapons. However, FAA has not taken steps to identify the number of weapons needed and excess the extra weapons.

A logistics officer/team leader told us the additional weapons are needed for new FAM trainees, and as spares for the current cadre. A 6 to 1 ratio seems excessive for new trainees and spares. Other Federal law enforcement agencies' spare ratios are significantly less, ranging from 1 spare for every 5 to 20 agents. FAA can excess numerous weapons and still have a 2 to 1 ratio for FAM trainees and spares for the FAM cadre.

Recommendation

We recommend the Acting FAA Administrator establish procedures to determine proper levels of spare weapons and excess any weapons determined to be surplus.

Management Response

FAA concurred with the recommendation and has reduced its weapons inventory, with further reductions planned. FAA will continue to reduce weapons inventories until a 3 to 1 to 2 to 1 weapons to FAM ratio is obtained by FY 1999.

Audit Comments

FAA's actions taken and planned are considered responsive to the recommendation. Therefore, the recommendation is considered resolved subject to the followup provisions of DOT Order 8000.1C.

DEFINITIONS

DEPLOYMENT - One deployment encompasses all FAM missions in one or more theater(s) of operation.

MISSION - A specific flight, on a specific route (e.g., New York to London is one mission).

THEATER - A geographical area of operations (e.g., Europe).

EXAMPLE OF FAM TIME CHARGES FOR ONE DEPLOYMENT
FIXED WORK SCHEDULE HOURS 0800-1630
MARCH - APRIL 1995

		Time Charges (Hours)			
		Time	Admin. Lv.	Regular	Overtime
March 11	Saturday	1800-1900			1
March 12	Sunday	0800-1830			10.5*
March 13	Monday	0800-1630 1630-1730		8	1
March 14	Tuesday	0800-1630 1630-1800		8	1.5
March 15	Wednesday	0700-0800 0800-1630		8	1
March 16	Thursday	0800-1200 1200-1630 1630-2300	4	4.5*	6.5
March 17	Friday	0800-1630	8		
March 18	Saturday	1400-2400			10
March 19	Sunday	0000-0500			5
March 20	Monday	0800-1630	8		
March 21	Tuesday	0800-1630	8		
March 22	Wednesday	0700-0800 0800-1630 1630-2215		8	1 5.75
March 23	Thursday	0800-1630	8		
March 24	Friday	0800-1400 1400-1630 1630-2400	6*	2.5	7.5
March 25	Saturday	0000-0430			4.5
March 26	Sunday	RDO			

		Time Charges (Hours)			
		Time	Admin. Lv.	Regular	Overtime
March 27	Monday	0800-1130 1130-1630 1630-2130	3.5	5*	5
March 28	Tuesday	0700-0800 0800-1630 1630-2100		8	1 4.5
March 29	Wednesday	0800-1630 1830-2400	8		5.5
March 30	Thursday	0000-0800 0800-1000 1000-1630	6.5	2	8
March 31	Friday	0800-1630	8		
April 1	Saturday	RDO			
April 2	Sunday	1830-2400			5.5
April 3	Monday	0000-0800 0800-0900 0900-1630	7.5	1	8
April 4	Tuesday	0800-1630	8		
April 5	Wednesday	0800-0900 0900-1630 1630-2230	1	7.5	6
April 6	Thursday	0730-0800 0800-1630		8	0.5
Totals			<u>84.5</u>	<u>70.5</u>	<u>99.25</u>

*Note: No reduction for half-hour lunch.

AUDIT TEAM MEMBERS

The following audit team members participated in the audit of FAA's Federal Air Marshal Program:

Robin K. Dorn-Hunt	Regional Audit Manager
Carlos J. Velasco	Project Manager
NormaLyn Anderson	Auditor
Enrique Z. Landayan	Auditor



US. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: INFORMATION: Draft Report on FAA's Federal Air Marshal Program **Date:** FEB 26 1997

From: Acting Administrator

Reply to
Attn. of: AWilliams:
267-9000

TO: Associate Deputy Inspector General

As requested in your memorandum dated December 4, 1996, we have reviewed the subject report. The report contains three recommendations. We concur with recommendation 3, partially concur with recommendation 1, and nonconcur with recommendation 2.

Corrective actions are in place to implement recommendation 3, and final implementation should be completed by March 31. Explanations of our partial nonconcurrency with recommendation 1 and nonconcurrency with recommendation 2 are included in the attachment.

Barry L. Valentine

Attachment

**Federal Aviation Administration (FAA) Position on Recommendations
Contained in the Office of Inspector General (OIG) Draft Report on FAA's
Federal Air Marshal Program**

OIG Recommendation 1: Implement a work schedule such as the "first 40 hours of duty" while Federal Air Marshals (FAM) are in deployment status to eliminate administrative leave and reduce overtime.

FAA Response: Partially Concur. The FAA concurs with the recommendation to implement a flexible work schedule while FAM's are in deployment status. Changing work schedules, however, must be done with consideration for the relationship of work schedules to other pay entitlements. We are assessing the impact of a "first 40 hours tour of duty" in terms of its interaction with other premium pay such as Sunday and holiday pay and night differential, as well as excused absence. In addition, because of the limitations imposed by mission objectives and air carrier schedules, we need to assess our ability to schedule a minimum of 40 hours mission time in a 6-day period, as required by a "first 40 hours tours of duty." We also are evaluating the ability of the payroll system to accommodate work schedules that split pay periods and the related salary impact of "first 40 hours tour of duty" when 1 week of a pay period is not spent on deployment. (The part-time nature of the FAM work force complicates all of the relationships between work schedules and compensation.) It maybe most appropriate to implement schedule changes in concert with pay system changes (such as annual premium pay) which could be initiated under FAA's new personnel management system authorized by Section 347 of the 1996 DOT Appropriations Act.

We concur that the use of administrative leave needs to be evaluated; we do not agree that it should be eliminated. The accumulative detrimental influence of rapidly crossing numerous time zones and extended night flights can adversely affect the ability of FAM's to perform as required when in a duty status. Federal Travel Regulations and Comptroller General decisions (55 Comp. Gem 510, 1975; 56 Comp. Gen. 629, 1977) recognize the need for "acclimatio" rest following extended night flights or time zone dislocation, even when no work is being performed in flight. In recognition of these physical stresses, a regimen for sleep, eating, and exercising has been established for FAM's to prepare themselves for the next mission. We are working with the Flight Surgeon who is the medical consultant for the FAM program to develop a reasonable standard for the use of administrative leave in conjunction with specific flight situations.

Our first priority in implementing these changes in working conditions and compensation is to maintain the viability of the FAM work force. We are, therefore, approaching the issues you have identified as a complete review and avoiding piecemeal implementation. We will have a plan for addressing the interrelated issues of scheduling, administrative leave, and compensation by September 30, the date that the agency's compensation revision plan is due to the Administrator.

OIG Recommendation 2: Evaluate staff needed to accomplish FAM program office responsibilities and reduce the management staff as appropriate.

FAA Response: Nonconcur: The "observed or actual work activities" upon which these findings are based were made in unrepresentative time periods and exclusively within a sedentary office environment. Of the 14 days the audit team was on site, 10 of those days immediately followed the physical relocation of the office during which no FAM operations were planned or conducted. The January 1996 audit visit followed the worst winter storm in more than 100 years, and thus confined all activities to the office environment. At no time was an actual operation, maintenance management, firearms, physical fitness, training or tactical function observed, yet these activities do routinely occur under normal circumstances.

In fact, with the exception of the security assistant/administrative officer, every person on the program staff not only performs these functions, but also is a credentialed FAM who must maintain physical standards and medical certifications and is subject to random drug and alcohol testing by the agency. They also maintain proficiency as certified facility instructors in firearms, unarmed defensive tactics, physical fitness, secure communications, surveillance detection, and close quarters countermeasures. They spend approximately one-half of their time away from home, routinely travel on short notice to high-risk areas, and are subject to call at all times, including while on scheduled approved leave. In short, they not only plan and support FAM activities, but they "do" what all other FAM's do, very little of which is performed in a sedentary office environment.

The FAA is evaluating the personal skills necessary, current and future resources, and staffing standards required to maintain the viability of the FAM work force to accomplish its mission. This effort, after a thorough review which addresses all the interrelated issues, might lead to a restructuring of the FAM program and, as such, might reduce or increase staffing. We anticipate completion by September 30.

OIG Recommendation 3: Establish procedures to determine proper levels of spare weapons, and excess any weapons determined to be surplus.

FAA Response: Concur. The FAM program identified the need to eliminate excess weapons from the inventory in 1994 and began investigating the legal requirements and most appropriate method of doing so. Based on laws and regulations relative to the sale, ownership, accountability, and disposal of firearms, the FAA reduced excess weapons by 30 percent in 1995 by donating them to the Department of Justice. Subsequent to this audit and prior to issuance of the audit report, the FAA further reduced remaining excess weapons by 25 percent with donations to the offices of Inspector General at both the Department of Transportation and the Office of Personnel Management. A third echelon technical inspection conducted by the FAM program in November 1996 indicated 20 percent of then-issued FAM weapons as suffering from metal fatigue. Those weapons were recalled, are in the process of being destroyed, and should be removed from inventory by March 1997. Another third echelon technical inspection scheduled for November 1997 is expected to produce similar results, thus further reducing the inventory.

The FAM program will continue to seek appropriate methods for reducing its weapons inventory and plans to attain between a 3:1 and 2:1 weapons-to-FAM ratio by FY 99. The higher than 2:1 recommended ratio is the result of the requirement to have "simulations training weapons" accounted for on the inventory even though they no longer function as standard firearms.

Comments on Conclusion:

While the effectiveness of the FAM program cannot be quantified in definitive terms, the FAA believes there is adequate documentation to support the belief that the FAM program is meeting its strategic mission. Over the last 10 years, during a time in which the terrorist threat to U.S. civil aviation has risen, the number of hijackings of U.S. air carriers has actually decreased, while the number of hijackings of foreign-registered air carriers has increased. Although during the same period, the terrorist threat of air piracy worldwide has remained constant, the favorite modus operandi to attack U.S. civil aviation has switched from air piracy to bombings and sabotage. The FAA believes it is reasonable to assume that the basis for this change is better civil aviation security, of which the deterrent value of the FAM program is an integral part. This belief is also shared by members of the U.S. air carrier industry and foreign governments.