
The FLETC was established by Treasury Order 217 on July 1, 1970 as a bureau within the Department of the Treasury. Originally located in Washington D.C., the FLETC relocated its headquarters and main training center to Glynco, Georgia in 1975. In 1989, the FLETC expanded its operations to Artesia, New Mexico with the purchase of a 2,200 acre site that supports Bureau of Indian Affairs and other advanced training needs. In FY 1991, a temporary center was added in Charleston, South Carolina to provide U.S. Border Patrol training. In FY 2001, the FLETC added a 247-acre facility in Cheltenham, Maryland for firearms and vehicle operation requalification training for Federal law enforcement officers in the metropolitan area. The facility is planned to be fully operational in FY 2003. The FLETC is an interagency center providing training to over 70 partner organizations and many more space available agencies. The FLETC is currently expanding its facilities to meet the demands for law enforcement training-basic, advanced, requalification, state/local, and international.

Overall policies and participation of the FLETC are governed by a Memorandum of Understanding which is signed by the agencies participating in training. An Interagency Board of Directors, chaired by the Under Secretary of Enforcement for the Treasury, sets policies on training matters. There are eight members of the Board: five voting and three non-voting.

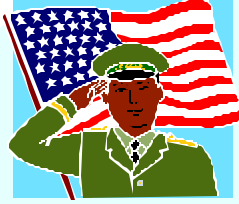
The voting members are:

- Treasury
- Justice
- Interior
- General Services Administration
- Rotating (currently vacant)

The non-voting members are:

- Office of Management and Budget
- Office of Personnel Management
- U.S. Capitol Police

The Board of Directors meets quarterly. Typically, the meetings alternate between Washington, D.C. and Glynco, Georgia.



In Memory Of
...Our fellow
Americans,
Civil Servants,
airline and uniformed
personnel, including
emergency, fire, and law
enforcement officers, as
well as military
personnel, who died
courageously while
performing noble
duties for their
country during the
terrorist attack on the
United States
of America on
September 11, 2001.

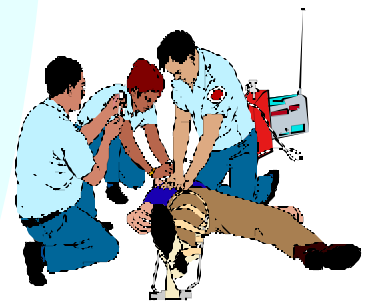


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EXECUTIVE SUMMARY

This report marks the sixth year that the Federal Law Enforcement Training Center (FLETC) has prepared an Accountability Report. FY 2001 is the second year in which the FLETC had an independent financial audit conducted.

The report includes messages from both the FLETC's Director and Chief Financial Officer, FY 2001 Highlights, Management Discussion and Analysis, Federal Managers' Financial Integrity Act Summary, Auditor's Report, Financial Statements, Notes to the Financial Statements, and Supplemental Information. The Management Discussion and Analysis section addresses the FLETC's organizational structure, mission, vision, performance goals, the future, and financial highlights.

A copy of the FLETC's FY 2001 Accountability Report is available for public review and downloading at the FLETC's Web Page: <http://www.fletc.gov>



Message from the Director



**Director
W. Ralph Basham**

Fiscal Year (FY) 2001 has been filled with challenges and opportunities for the Federal Law Enforcement Training Center (FLETC). As an aftermath of the events of September 11, the FLETC was tasked with the challenge of providing immediate training for the Federal Aviation Administration's (FAA) Air Marshals. In addition, the FLETC received requests from our seventy plus Partner Organizations to train over 1,000 additional Criminal Investigators to combat terrorism.

While our workload for basic training increased by 25 percent compared to FY 2000, funding for our base budget remained relatively static. As a result, FLETC maintained its focus on improving organizational structure and efficiency at a time of increased demand for our services. The FLETC implemented an organizational change to better align our personnel with the Center's training mission. This change will ensure that the FLETC continues to provide high quality and cost effective training for law enforcement professionals. The FLETC has been executing a rigorous construction program to increase facility capacity at both the Glynco, GA and the Artesia, NM centers. This additional capacity will be used to accommodate the additional training being requested.

To comply with Congressional direction for a Capitol Metropolitan area Law Enforcement Training Facility, i.e., a facility for firearms and vehicle operation requalification, the FLETC secured the former Cheltenham Naval Communication Detachment, in Clinton, MD. This will be the FLETC's third training facility, which will deal with perishable skills requalification requirements for officers and agents in the Capitol Metropolitan area. We are vigorously involved in the process of renovation of existing buildings and construction of firearms and driving ranges. We have set a target date of December 2003 to be fully operational.

The FLETC continues to modify its premier training programs based on the emerging trends in the law enforcement community. During FY 2001, the FLETC integrated into the training programs the Unified Training Principles, Holistic Curriculum using Graduated Phases of Training, and the Student-Centered Learning Methodology. These initiatives are designed to meet the needs of law enforcement professionals. The FLETC also continues to work towards establishing the standards and procedures for accreditation of Federal law enforcement training. A Task Force composed of representatives of numerous federal organizations was established to develop a body of procedures and standards for training academies, programs and instructors.

The FLETC continues to make significant strides through technology. In FY 2001, the FLETC successfully implemented a Wireless Network to support several of its training classes. Although the use of wireless technology is still in its infancy, the instructors and technical staff have expressed enthusiasm about its potential.

The FLETC looks forward to the challenges ahead. The FLETC's accomplishments in FY 2001 were a direct result of the Bureau's dedication and results-driven workforce. The FLETC will continue to work with our Partner Organizations to ensure that the very best training is provided.

W. Ralph Basham

Message from the Chief Financial Officer



**Chief Financial Officer
D. Kenneth Keene**

I am pleased to present the Federal Law Enforcement Training Center's (FLETC) FY 2001 Accountability Report. This report includes audited financial statements, program performance measures, and Federal Managers' Financial Integrity Act (FMFIA) plans and accomplishments.

In April 2001, the Secretary of the Treasury challenged the bureaus to improve their financial reporting capabilities by targeting a three day monthly closeout. The FLETC has gradually progressed toward the target. In August and September 2001, including the year-end closeout, the FLETC has successfully met the three day target. The FLETC has continuously improved its financial processes to achieve the financial reporting goal.

After using Momentum Financials as its core financial system for the past year, the FLETC has increased the competency of its financial operations. The FLETC will proactively evaluate the appropriate software enhancements and upgrades to take advantage of the cost-effectiveness inherent in technology advancement.

The FLETC remains committed to achieving and maintaining the highest standards of financial management by ensuring that its Finance staff receives proper training and stays abreast of the Treasury directives, the Joint Financial Management Improvement Program, Office of Management and Budget directives and Statements of Federal Financial Accounting Standards.

For the second straight year, the FLETC received an unqualified opinion on its financial statements – a prime indicator of good financial management and stewardship of the FLETC assets, liabilities, and funds. The achievement of an unqualified opinion requires a tremendous amount of effort by many people throughout the organization.

These landmark events demonstrate the FLETC's commitment for continuing efforts to improve our financial processes. The CFO organization remains committed to achieving the highest levels of professional excellence while providing the guidance and support necessary to ensure responsible stewardship of the FLETC's resources. We look forward to the challenges in the future.

D. Kenneth Keene

DEPARTMENT OF THE TREASURY
FEDERAL LAW ENFORCEMENT TRAINING CENTER



HIGHLIGHTS
FISCAL YEAR 2001

FY 2001 HIGHLIGHTS

The FLETC has been in operation since 1970. During its 30 plus years of operation, the FLETC has seen many changes. Two of the most important were the selection of Glynco, Georgia as the headquarters site in 1975 and the opening of the Artesia, New Mexico facility in 1989. These two permanent locations ensure that the original intent of the interagency law enforcement training task force that created the FLETC has been met. Specifically, the FLETC was established to provide consistent, high quality law enforcement training programs in state-of-the-art facilities. The following FY 2001 selected highlights reflect the most recent accomplishments "in furtherance of our mission to provide" world class law enforcement training to our partner organizations.

TRAINING INTEGRATION

During FY 2001, the FLETC integrated the following three significant training initiatives:

- ◆ the Unified Training Principles
- ◆ Holistic Curriculum using Graduated Phases of Training, and
- ◆ the Student-Centered Learning Methodology

The Unified Training Principles (UTP)

The UTP are four common law enforcement principles that have applications in each of the primary training disciplines. The UTP are: 1) position of advantage, 2) threat perception/assessment, 3) response, and 4) evaluation. The UTP are an integral component of the accepted laboratory and practical exercise evaluation protocols that are used to provide instructors with a consistent and effective student feedback mechanism. The UTP provide students with a roadmap or blueprint for working through law enforcement situations. Through prior preparation and recall of these principles during law enforcement encounters, students are able to access a body of relevant information, validating all acceptable tools and tactics within the scope of the principle.

Holistic Curriculum Development

Holistic curriculum development employs the Graduated Phases of Training (GPT) as a major component. The GPT are a building block approach to curriculum development, organized around three distinct phases or stages. The three training phases are static, dynamic and interactive. In static training, basic theory, concepts, and fundamentals are introduced and essential skills or techniques are mastered through repetition in a controlled environment. The dynamic training facilitates the training transfer and transitional proficiency through the combining of skills and the fluid integration of decision making and tactical concerns. The interactive training is the most realistic training offered and requires students to participate in job-related scenarios that replicate

law enforcement encounters. The holistic curriculum concept is consistent with accepted education instructional system design protocols and is viewed as a career-long endeavor, rather than a short-term infusion of skills and knowledge at the onset of a career. Basic training programs proportionately place a greater emphasis on the static and dynamic phases, while follow-on or in-service training programs emphasize the interactive stage and build on previous learning objectives. The targeted curriculum is based on a sound justification or needs assessment, accurate logistical requirements, and is designed to progressively build toward pre-determined training outcomes or end goals.

Student-Centered Learning

In a student-centered methodology, the students engage in activities and problem solving, and are given more responsibility for their own learning. Issues and problems are often discussed in teams, and the learners themselves provide solutions to problems. Case studies, discussions, practice sessions, and skits or role-plays all lend themselves to student-centered instruction. In conjunction with learner-centered methodologies, facilitative techniques are now more widely employed. The classroom facilitator, rather than the all-knowing purveyor of knowledge, functions more as guide, coach and tutor, and, together with the students, adopts the role of learner as well. The classroom facilitator, by posing problems and designing projects, creates opportunities to achieve the learning objectives of both the program and the organization.

TRAINING CONDUCTED

PERCENT OF TOTAL				
CATEGORY	STUDENTS	STUDENT -WEEKS	ARSP*	STUDENT -WEEKS
GLYNCO:				
Basic	9,638	66,496	1,279	62.5
Advanced	8,523	12,108	233	11.4
State/Local	1,067	1,522	29	1.4
International	207	451	9	0.4
Subtotal	19,435	80,577	1,550	75.7
ARTESIA:				
Basic	268	2,263	44	2.1
Advanced	2,097	3,570	69	3.3
State/Local	178	161	3	0.2
International	0	0	0	0.0
Subtotal	2,543	5,994	115	5.6
CHARLESTON:				
Basic	829	16,827	324	15.8
Advanced	0	0	0	0.0
State/Local	0	0	0	0.0
International	0	0	0	0.0
Subtotal	829	16,827	324	15.8
EXPORT:				
Basic	0	0	0	0.0
Advanced	905	1,015	20	1.0
State/Local	1,906	1,923	37	1.8
International	71	71	1	0.1
Subtotal:	2,882	3,009	58	2.9
Basic	10,735	85,586	1,646	80.4
Advanced	11,525	16,693	321	15.7
State/Local	3,151	3,606	69	3.4
International	278	522	10	0.5
Grand Total:	25,689	106,407	2,046	100.0

*ARSP=Average Resident Student Population

The FLETC used 106,407 student-weeks to train 25,689 students in FY 2001, an increase of 9,071 student-weeks mostly in Glynco, from FY 2000 levels. Of the total student-weeks, 81% and 16% were attributed to the basic and advanced training programs, respectively.

FEDERAL LAW ENFORCEMENT TRAINING ACCREDITATION

Congress has directed the FLETC to initiate an interagency effort to establish written standards and procedures for the accreditation of Federal law enforcement training. The effort includes gaining support and commitment from Cabinet levels to establish a Federal Law Enforcement Training Accreditation (FLETA) Board, under the provisos of a Memorandum of Understanding (MOU) between participating departments, to represent law enforcement agencies throughout the Federal Government and their various training academies and programs. The Board will make final decisions on the format and authority for a government-wide accreditation process. Until the Board is established, and to assist in establishing standards that represent the best practices of law enforcement training development, delivery, and evaluation, the FLETC has established an accreditation office and a task force under the administrative supervision of the FLETC's Planning and Development Directorate. Since January 2001, the Task Force has been researching several models for accreditation standards and procedures and leading the development of the accreditation model, and the MOU. The Task Force is composed of representatives of numerous federal organizations that are involved in law enforcement training. Also included are representatives of state Police Officer Training and Standards (POST) organizations, the Commission on Accrediting Law Enforcement Agencies (CALEA), the American Society for Crime Lab Directors (ASCLAD), the International Association of Directors of Law Enforcement Standards and Training (IADLEST), and academic representatives from university level criminal justice programs. During FY 2001, the Task Force committees have already developed a body of procedures and standards for training academies, programs, and instructors that will be presented to the FLETA Board for approval. The third and most recent meeting of the Task Force was held at the Drug Enforcement Administration (DEA) Academy in Quantico, VA, and was jointly sponsored by the Federal Bureau of Investigation (FBI) and the DEA. Future meetings will be alternately conducted at the FLETC and other prominent federal law enforcement training locations.

CONSTRUCTION

The FLETC continued to construct new facilities and renovate existing infrastructures at Glynco and Artesia in FY 2001. At Glynco, several new facilities, including a dormitory, a new classroom building and two indoor/outdoor firearms ranges were completed. Also, a chilled water plant is nearing completion. The new dormitory was completed in June 2001. The 60,000 square-foot three-story structure joined to a recreation building by a covered walkway houses 233 students in private rooms with shared baths. The adjoining 6,500 square-foot single story recreation building contains TV rooms, game rooms, a laundry facility, and offices. The new 135,000 square-foot two-story state-of-the-art classroom building, named the Paul D. Coverdell Learning Center, was completed in August 2001. The building contains 16 large classrooms, seven small classrooms and numerous breakout rooms. Specialized areas include three courtrooms with jury video rooms and an interview complex equivalent to five 12-person breakout rooms. There are two language

rooms, as well as two storage rooms for equipment and supplies. Similarly, the two new indoor/outdoor firearms ranges were completed in August 2001, bringing the number of similar ranges at Glynco to eight. The two 33,000 square-foot, 25-point multi-purpose ranges will accommodate a wide variety of firearms training programs. The new chilled water plant nearing completion at Glynco is the third campus-wide chilled water plant, and will support approximately 30 of the Center's buildings. The new 3,000-ton chilled water distribution system will more than double the existing central plant cooling capacity. At Artesia, the expansion of the Physical Techniques Building was completed in August 2001. This expansion provides an additional 34,000 square feet for state-of-the-art weight rooms, mat rooms, classrooms, instructor offices, trainer and health facilities, locker and shower rooms, a gymnasium, and equipment issue space. In addition, the FLETC awarded a contract in August 2001 for the construction of a 47,000-square-foot three-story office building in Artesia to house administration and staff personnel.

WIRELESS INFORMATION TECHNOLOGY

In FY 2001, the FLETC successfully implemented a wireless network to support the Internal Revenue Service Criminal Investigation (IRS-CI) training program. The FLETC installed wireless access points in the necessary classrooms allowing students with laptops equipped with wireless radio cards to connect to the computer network. The wireless network alleviated scheduling difficulty for computer-based training and allowed IRS-CI coordinators to successfully meet the increased demand for training of newly recruited agents. The IRS-CI commended the performance of the wireless network. The network response times remain robust even with 20 to 24 students simultaneously accessing the network. In addition, the FLETC realized the cost-effectiveness of the wireless network. After completing its first four nine-week classes, IRS-CI had yet to replace a single wireless radio card. Similarly, the FLETC successfully implemented a wireless network in support of the Immigration and Naturalization Service Border Patrol Enforcement/Identity training. Students use stationary desktops outfitted with fingerprint readers and other devices to aid in their training application. The FLETC eagerly anticipates other training applications of the wireless technology in FY 2002.

FLETC REORGANIZATION

During FY 2001, the FLETC completed a substantive refinement to the primary bureau organization structure that was established in FY 1998. The Center created the Planning & Development Directorate to focus on strategic planning and workforce development matters for the FLETC. The mission of the new directorate includes comprehensive strategic planning; facility master planning; policy development; workforce development and succession planning; training program accreditation; employee development and related services; and workforce issues. The Directorate is comprised of the Equal Employment Opportunity, Critical Incident Stress Management, Ombuds

Program, Accreditation Program, Strategic Planning and Analysis Division, and the Workforce Development Division. In addition, the FLETC established the Office of Compliance that will manage the new inspections program as well as provide managerial oversight to the Special Investigations and Security Division, Inspection Division and Environmental and Safety Division.

CHELTENHAM, MD TRAINING FACILITY

In Public Law 106-346 (Department of Transportation and Related Agencies Appropriation Act of 2001), the U.S. Congress appropriated \$30 million authorizing FLETC to establish a firearms and driver training facility in the metropolitan Washington, D.C. area. The principal function of the training facility will be for firearms and vehicle operation requalification for Federal partner organizations with personnel assigned in the area and training for other state and local law enforcement agencies on a space-available basis. After a survey of several government surplus sites, the General Services Administration transferred the former 247-acre Naval Communications Detachment facility in Cheltenham, MD and its 61 structures to the FLETC on May 10, 2001. Following the transfer of the property into its inventory in FY 2001, FLETC has begun the process of designing the renovation and construction of new structures necessary to convert the site into a world class training facility.

DEPARTMENT OF THE TREASURY

FEDERAL LAW ENFORCEMENT TRAINING CENTER



MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL YEAR 2001

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The FLETC is an interagency organization that provides law enforcement training to the majority of Federal law enforcement officers. The FLETC, which began training operations in 1970, also trains State, local, private sector security, and foreign law enforcement officers. The number of agencies attending training and the number of students trained and student-weeks delivered have steadily increased over the 30 plus years of the FLETC's existence. The FLETC's workload is expected to continue increasing as a result of the September 11, 2001 terrorist attack.

After beginning operations in Washington, D.C., the FLETC was relocated to Glynco, Georgia in 1975. Located on the southeast Georgia coast, the Glynco training center has classrooms, dining and residence halls, and state-of-the-art facilities for firearms, physical, driver, marine, and computer-based training activities. A similar, but smaller training center is located in Artesia, New Mexico. Artesia, which opened in late 1989, accommodates training principally for the Bureau of Indian Affairs and other law enforcement personnel located in the western United States. It also can accommodate basic and advanced training that cannot be conducted at Glynco because of space limitations. In addition, a temporary training center is located in Charleston, South Carolina to accommodate training for the U.S. Border Patrol. In May 2001, the former Naval Communications Detachment facility in Cheltenham, MD, was transferred to the FLETC for conversion into a firearm and vehicle requalification facility for federal law enforcement officers in the metropolitan Washington, D.C. area.

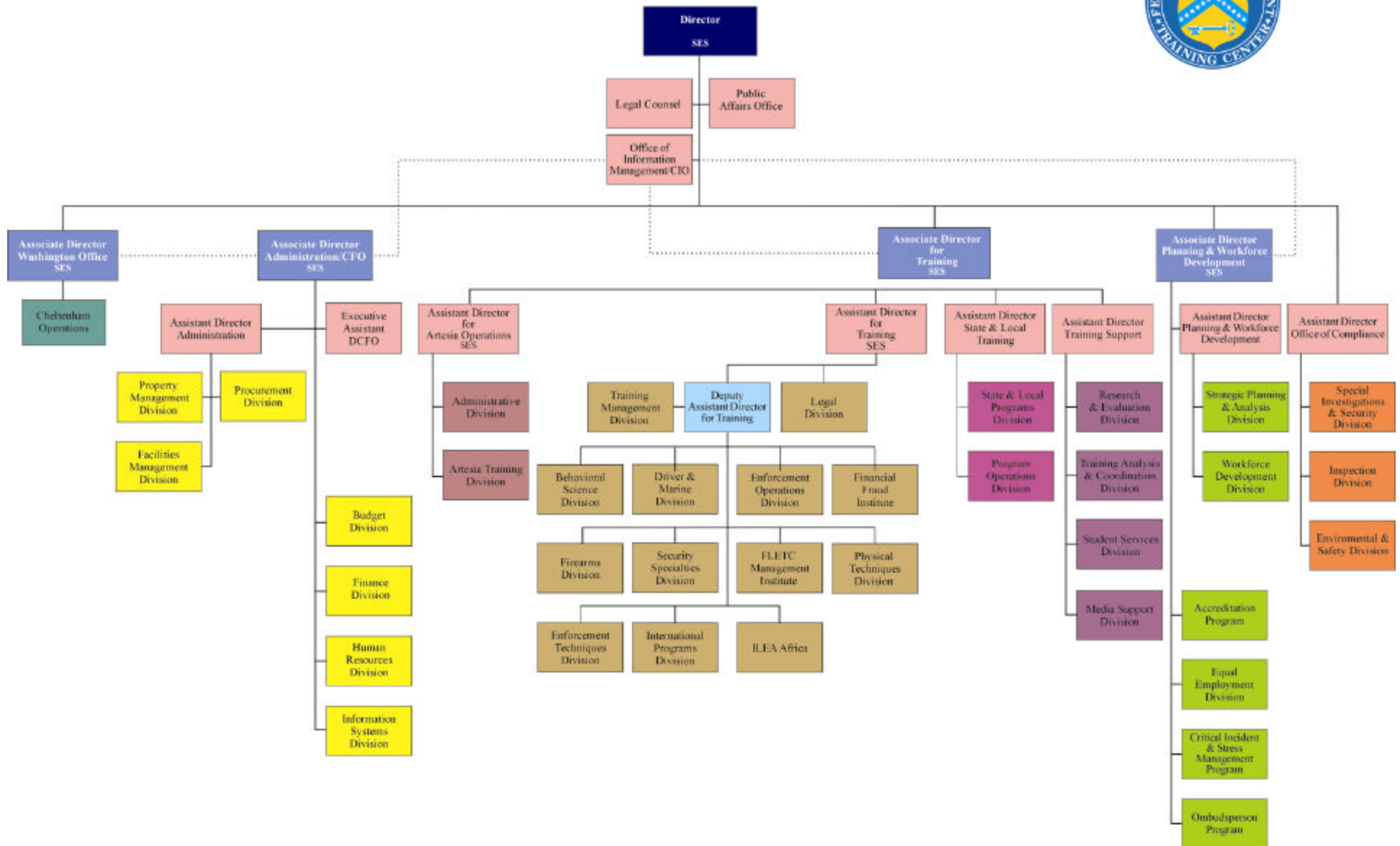
Originally only a handful of agencies trained at the FLETC. However, there are now 74 agencies that hold partner organization status (i.e., that have signed the FLETC Memorandum of Understanding) and that train at the FLETC. Additionally, other Federal, State and local organizations, along with foreign law enforcement officials, train at the FLETC on a space-available basis. The growth in the number of agencies that train at the FLETC is a testament to the success of the consolidated training concept and to the quality and cost effectiveness of the training provided.

ORGANIZATION

The FLETC is a bureau of the Treasury Department and is headed by a Director who is appointed by the Secretary of the Treasury. Organizationally, the FLETC is divided into four directorates led by Associate Directors who report to the FLETC Director. During FY 2001, the FLETC implemented organizational changes in a continuing effort to better align personnel and operations with the training mission. These changes will ensure that the FLETC continues to provide high quality and cost-effective training for law enforcement professionals. The following Table of Organization displays the entire organizational structure of the FLETC.

Table of Organization

Department of the Treasury Federal Law Enforcement Training Center



The following describes the elements in the Table of Organization.

Office of the Director: The Office of the Director administers the activities of the FLETC and is responsible for accomplishing its mission. The Director provides overall direction for the operation of the FLETC's programs within the objective of ensuring effective, efficient and economical administration. The Director develops, manages and directs the FLETC's programs. Staffs attached to this office include Legal Counsel, Public Affairs, Office of Information Management/Chief Information Officer and the Office of Compliance. These personnel aid the Director in accomplishing the mission of the FLETC by providing coordination, public affairs, and other activities. The Office of Compliance provides managerial oversight to the Environmental and Safety, Inspection, and Special Investigations and Security Divisions.

Senior Associate Director for Washington Operations: This Associate Director, serving as the Director's surrogate in Washington, D.C., provides legislative support, Treasury and OMB coordination, liaison with our partner organizations and oversees the Cheltenham operation.

Associate Director for Training: Consisting of four offices, Office of Training, Office of Artesia Operations, Office of State and Local Training, and Office of Training Support, the Training Directorate is responsible for all law enforcement training activities at the FLETC.

- **Office of Training:** This office directs faculty and staff and manages programs in support of basic, advanced, specialized, and international law enforcement training. There are 12 faculty elements within the Office of Training.
 - **Behavioral Science Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the area of interpersonal relations including interviewing, handling crisis situations, professional ethics, conduct, sexual harassment, cultural sensitivity, and oral and written communications.
 - **Driver and Marine Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the specialized nature and use of vehicles and vessels, including search techniques and operational procedures in a law enforcement environment. This division is also responsible for the special use equipment and facilities assigned to these specific training areas.
 - **Enforcement Operations Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to various law enforcement operational procedures ranging from undercover and surveillance activities to the execution of search warrants. This division also provides the overall coordination for practical exercises.

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- **Enforcement Techniques Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to various criminalistic skills and knowledge including laboratory and crime scene activities.
 - **Financial Fraud Institute:** This division plans, develops, and presents formal training courses and practical exercise applications related to the investigation of white collar crime violations, computer fraud, and microcomputer applications in law enforcement. This division is also responsible for the special use equipment and facilities assigned to this specific training area.
 - **Firearms Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the specialized and technical nature of law enforcement armament and weaponry. This division is also responsible for the special use equipment and facilities assigned, including the armory, which provides FLETC-wide armament and weaponry security, repair, and maintenance services.
 - **FLETC Management Institute:** This division plans, develops, and presents formal training courses and practical exercise applications related to managing and supervising law enforcement operations.
 - **International Training Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to international law enforcement training.
 - **International Law Enforcement Academy (ILEA) Africa:** This division provides management direction for the Botswana ILEA.
 - **Legal Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to the U.S. Constitution, applicable case law, statutory provisions, criminal law and evidence procedures.
 - **Physical Techniques Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to trauma management and cardiopulmonary resuscitation, self defense, arrest techniques, physical fitness, safety and water survival. This division is also responsible for special use equipment and facilities assigned to the specific training area.
 - **Security Specialties Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to anti-terrorism, counter-terrorism, and physical security.

In addition to the faculty elements, the Training Management Division is also assigned to the Office of Training. The Training Management Division provides logistical and administrative assistance to the Office of Training, including coordinating advanced training activities and support; serving as the repository for lesson plans, syllabi, class reports, and student performance records; and developing optimal scheduling plans to meet training requirements.

- **Office of Artesia Operations:** This office administers and ensures the delivery of law enforcement training programs at our training center in Artesia, New Mexico. In addition to conducting training, this office manages all logistical and support activities for Artesia, including various contractual services providing lodging, food, maintenance and other support services.
- **Office of State and Local Training:** This office presents specialized program offerings that enhance networking and cooperation between Federal, State, and local law enforcement agencies. These programs vary in length from three days to four weeks and have an average class size of 25 students. Additionally, technical assistance is provided to State and local law enforcement agencies' training initiatives. There is one faculty element within the Office of State and Local Training.
 - **State and Local Programs Division:** This division plans, develops, and presents formal training courses and practical exercise applications related to State and local law enforcement training.

In addition to the faculty element, the Program Operations Division is assigned to the Office of State and Local training. This division provides logistical and administrative assistance to the Office of State and Local Training, including coordinating training activities and support; serving as the repository for lesson plans, syllabi, class reports, and student performance records; and designing scheduling plans to meet training requirements.

- **Office of Training Support:** This office provides services and materials that most directly relate to the training mission. It consists of the following four divisions:
 - **Media Support Division:** This division provides a full range of media and graphic arts services for all basic and advanced training activities including visual/media production, library services, and printing/reproduction.
 - **Research and Evaluation Division:** This division provides institutional research, consultation services, student evaluation and testing, and program validation studies.

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- **Student Services Division:** This division provides physical therapy, student recreation, and contractual support for health services, lodging, meals, student records maintenance, and other contractual services.
 - **Training Analysis and Coordination Division:** This division develops both long and short range plans for training operations, including scheduling of training activities and facilities.

Associate Director for Administration/CFO: This office plans, directs and coordinates the FLETC's administrative programs and objectives. It formulates policies and courses of action for programs, which include staffing requirements, administrative services, human resources, financial management, budgeting, procurement, property management, information systems management, and facilities management. The Administration Directorate is comprised of seven divisions:

- **Budget Division:** This division prepares the FLETC budget submissions for the Treasury, OMB, and Congressional levels.
- **Facilities Management Division:** This division develops and administers the facilities management program, including maintenance, alterations, emergency service, repairs and preventive maintenance for all buildings, grounds and equipment. It also coordinates all in-house, GSA or contract construction/alteration operations, and provides professional engineering consulting services and assistance.
- **Finance Division:** This division directs the financial management/accounting system including accounts payable, accounts receivable, travel, and managerial/financial reporting of the FLETC.
- **Information Systems Division:** This division plans, organizes and coordinates computer, telecommunications, and electronic information management systems to better employ technology throughout the FLETC.
- **Human Resources Division:** This division develops and administers the personnel policies and programs at the FLETC.
- **Procurement Division:** This division develops and administers the procurement and contracting program at the FLETC.
- **Property Management Division:** This division plans and directs the overall property management program including real property and non-expendable personal property at the FLETC.

Associate Director for Planning and Development: This office develops and implements the FLETC strategic plans and workforce related activities including organizational assessments, training program accreditation and employee development programs. The directorate consists of the Office of Accreditation, Critical Incident and Stress Management, Equal Employment Opportunity Office and Ombuds Program and two divisions:

- **Strategic Planning and Analysis Division:** This division develops the FLETC Strategic Plan, researches, develops, recommends, and documents policies and procedures and conducts management analysis.
- **Workforce Development Division:** This division conducts workforce and organizational assessments, workforce structuring and planning, studies and analyses, external marketing and diversity programs and employee development programs.

MISSION

The mission of the FLETC is to serve as the Federal government's leader for and provider of world-class law enforcement training. The FLETC prepares new and experienced law enforcement professionals to fulfill their responsibilities in a safe manner and at the highest level of proficiency. The FLETC also ensures that training is provided in the most cost-effective manner by taking advantage of economies of scale available only from a consolidated law enforcement training center.

VISION FOR THE FUTURE

The FLETC is committed to providing strong, collaborative leadership for law enforcement training. Working as partners with client agencies including State, local and international organizations, the FLETC will identify ways that research, training, and education can be used to protect our democratic institutions, ensure public safety, and preserve law and order.

PERFORMANCE GOALS AND RESULTS

In order to be effective, training must be closely linked to law enforcement challenges, issues, and needs. As law enforcement needs and techniques evolve, training must change to keep pace. Law enforcement, as an integral part of society, is not immune from the effects of accelerating and multi-faceted change that has become the hallmark of turn-of-the-century America. This change involves the nature of crime itself, methods available to law enforcement, and expectations of society and the political world.

Terrorism became a reality in the United States on September 11, 2001. Law enforcement today is faced with violent extremists from a variety of foreign and domestic groups ranging from racial supremacists, to fringe religious zealots, to environmental extremists. Many of these groups utilize Internet technology to spread their message and recruit members, as well as to gain access to information that facilitates violent acts. The willingness of a wide variety of groups to use violence to further their cause has been amply demonstrated and constitutes a major law enforcement issue.

Increasing awareness of and sophisticated use of computer technology has created an entirely new law enforcement arena. The dramatic growth of the Internet has spawned a revolution in technology related crime. Financial frauds of all descriptions, money laundering, trafficking in pornography and child molestation are only a few of the types of crimes facilitated by Internet communication. The globalization of the economy and of information has made it possible to commit crimes against American interests without ever setting foot in the United States. Federal law enforcement today must have an awareness and understanding of the issues involved when dealing with international criminal activity.

The nature of organized crime is also changing. Foreign organized crime has established operations in major U.S. cities. Other organized groups have also emerged, including juvenile gangs, motorcycle gangs, white supremacist and anti-government organizations. These groups present serious law enforcement challenges including language barriers, difficulty in penetrating their structure, their propensity for violence, and their ability to coordinate their activities over large geographic areas.

New technology benefits law enforcement as well as presents new challenges. Law enforcement agencies are able to quickly obtain large amounts of information from public sources via the Internet and from increasingly sophisticated databases maintained by various government agencies. Rapid identification of individuals, the ability to conduct discrete surveillance and the ability to manage large amounts of evidentiary material with computer assistance are only a few of the aids to law enforcement made possible by modern technology. Future changes will likely include increased use by law enforcement personnel of non-lethal weapons, enhanced requirements for collection and analysis of digital evidence, and improved crisis management techniques. At the same time, these advances create certain challenges. Law enforcement agencies must integrate these new methods into their processes, develop appropriate policies for their use, and ensure that staff is adequately trained.

Faced with real problems affecting the very fabric of society, the United States is relying increasingly on law enforcement solutions. For example, the dramatic increase in the number of law enforcement officers mandated by Congress, the enhanced funding for the "war on drugs," and significantly increased spending for counter-terrorist activities exemplify the expectation on the part of policy makers that law enforcement officers are increasingly being called on to act as

"problem solvers," taking on roles quite different from those associated with traditional enforcement.

While being called on to address a widening array of social problems, law enforcement agencies are also being held to heightened levels of scrutiny and accountability. In today's world an officer must ensure that his or her actions pass not only the test of legality, but they must also pass the more subjective tests of appropriateness and propriety. The citizenry expects law enforcement personnel to act professionally and react quickly to complaints and lawsuits when this expectation is violated.

Given the changes cited above and the central role in ensuring that law enforcement personnel are trained to address them, the FLETC's challenge is to develop strategic priorities that position the Center to adjust operations without disruption or diminishing effectiveness. To accomplish its mission, the FLETC has identified and will address the issues discussed below.

Mission Clarity

While the stated mission appears clear and straightforward, there has been some confusion and disagreement over the FLETC's exact role in the law enforcement arena as well as the kind of training organization the Center should aspire to be. It is clear there is a mandate to provide "Federal basic law enforcement training" and oversee facilities used by partner organizations to conduct their training.

However, there are considerably different perspectives and opinions regarding the FLETC's role in providing advanced Federal, State and local, and international training and conducting serious, focused, results-oriented law enforcement training research. The strategic planning process has given the FLETC a forum for discussing these issues and resulted in a broader and more comprehensive view of the Center's leadership and training role across all venues. While the FLETC is fully committed to fulfilling the requirement to provide basic Federal law enforcement training, the Center must also meet the advanced training needs of the constituent organizations.

Physical Capacity to Meet Training Demands

Over the last three years, the FLETC has had difficulty meeting demand for basic training, particularly Border Patrol, the largest partner organization in terms of student -weeks trained, which experienced a sudden and dramatic increase in the number of newly hired recruits who needed to attend basic training. This trend is expected to continue as a result of the September 11, 2001 terrorist attack. In addition, the need for in-service and advanced training will continue to grow as well because many basic students who graduate will return later for advanced training. Clearly the FLETC will have to seek creative and flexible means to better predict and meet the capacity demands of all the partner organizations.

Quality of Instruction

Since its inception, the FLETC has been committed to its students and to instructional quality. The FLETC is fortunate to have a cadre of dedicated instructors who foster innovation and are willing to go "beyond the call of duty" to provide quality training. In addition, feedback from students and their supervisors indicates that the partner organizations are generally very satisfied with the quality of the training. However, as discussed earlier, the law enforcement arena is faced with a more complex and hostile environment. The FLETC must be able to anticipate and respond to these needs by adopting new instructional technologies, improving instructor training, and ensuring that instructors have sufficient recent field experience.

Partnerships with Law Enforcement Organizations

Establishing cooperative partnerships with the partner organizations and other State, local, and international law enforcement organizations is a key underlying principle of the strategy to improve the quality, relevance, and timeliness of the FLETC's training. Currently, the FLETC has excellent relationships with the partner organizations, but has recently initiated efforts to further improve communications with all its customers. Building on this base, the FLETC will continue to expand efforts to better anticipate, understand and respond to customer's needs. The FLETC will need to work with partner organizations to develop innovative viable solutions to problems as they arise.

Program Evaluation

The FLETC uses an architecture of linked Performance Evaluations. Training is evaluated in curriculum review conferences and curriculum development conferences wherein reviews are conducted course -by- course and program-by-program. The continuous review, evaluation, and validation are accomplished through a professional team within the Research and Evaluation Division (RED). The results are published as documents that FLETC management uses to derive training improvement and formulate training doctrine. Program evaluations are a basis for decision-making and a way of doing business as a professional training institution.

Survey Instruments

Given the structure and function of the FLETC, survey instruments are prepared and developed based upon the Modified Likert Scale, using contemporary survey methodology with anecdotal comments captured for specificity and clarity. Performance measures, such as Employee Satisfaction, will be assessed through survey instruments prepared, developed and evaluated by the RED. The survey instrument for an Employee Survey has been discussed with Treasury's Office of Business Innovation (OBI) and consensus reached between RED and OBI. The FLETC will work with the partner organizations to develop a survey that is in concert with key business lines.

Strategic Direction

The FLETC continuously assesses, innovates and more clearly focuses its strategic approach to the mission. The FLETC is keenly aware of the serious nature of the challenges faced by law enforcement officers and commits to ensuring that the best training possible is provided. Key aspects of the strategy will focus on three lines of business:

- Providing Comprehensive Training to Law Enforcement Officers That Fully Supports the Mission of All Partner Organizations--adopting a more holistic view of training that goes beyond the development of static skills and requires the student to make decisions and perform under stress. The FLETC must also provide career-long training that is responsive to the diverse and evolving needs of the law enforcement community;
- Advancing Training Effectiveness Through Dramatic Improvements in Training Development--establishing meaningful partnerships with the partner organizations in order to anticipate and respond to their training needs and to ensure that course content is up-to-date and is taught using the most innovative teaching approaches and delivery methods; and
- Working Closely With All the Partner Organizations to Evaluate and Adjust Training Scheduling and Availability--ensuring that partner organizations have access to appropriate training and that their needs are met on a timely basis.

To fulfill its mission, the FLETC has developed a Strategic Plan that includes goals/objectives. These goals/objectives, along with key trends, accomplishments and results follow.

Treasury Objective: Enhance Basic, Advanced, and In-Service Training Programs to Meet Changing Needs and Increasing Demands

Key Trends

The decline in the number of students receiving basic training between FY 1998 and FY 2000 has rebounded in FY 2001, as reflected in the chart below. The increase in the number of students receiving basic training in FY 2001 substantiated the Administration and Congressional initiatives to curb crime, especially in the areas of immigration, border security, drug control and interdiction, anti/counter-terrorism, and firearms enforcement. The number of law enforcement officers requiring training is expected to increase significantly due to the terrorist attack on the United States in September 2001. The projections received from the partner organizations indicate 40,317 students and 39,985 students for FY 2002 and FY 2003, respectively.

Number of Students Trained

CATEGORY	FY 1998	FY 1999	FY 2000	FY 2001
Basic	10,605	9,005	8,635	10,735
Advanced	11,038	11,708	10,985	11,525
State/Local	3,494	3,860	3,383	3,151
International	625	595	323	278
Total	25,762	25,168	23,326	25,689

Treasury Programs

The mission of the FLETC is to serve as the Federal Government's leader for and provider of world-class law enforcement training. The FLETC prepares new and experienced law enforcement professionals to fulfill their responsibilities in a safe manner and at the highest level of proficiency. The FLETC accomplishes its mission by utilizing law enforcement and training experts; providing facilities, support services, and technical assistance; conducting law enforcement research and development; and sharing law enforcement technology. Continuous review and revision of training programs helps to ensure that law enforcement officers receive training that keeps pace with the changing criminal and law enforcement environment. The FLETC also ensures that training is provided in the most cost-effective manner by taking advantage of economies of scale available only from a consolidated law enforcement training organization.

To accomplish its mission, the FLETC must balance the competing needs and demands of its 74 partner organizations. The FLETC must also be flexible enough to respond to changes resulting from budget decisions, fluctuations in training demands, and variations in recruitment within the partner organizations.

FY 2001 Accomplishments and Results

In FY 2001, the FLETC trained a total of 25,689 students, a 10% increase from FY 2000 levels. This included meeting all basic training for 10,735 law enforcement officers from partner organizations. Of the total students trained in FY 2001, 11,525 students received advanced training. Also, 3,151 State and local and 278 international law enforcement officers were trained.

During FY 2001, the FLETC implemented the revised Criminal Investigator Training Program and facilitated the integration of three significant training initiatives, namely, the Unified Training Principles, Holistic Curriculum using Graduated Phases of Training, and the Student-Centered Learning Methodology. Additionally, the FLETC in coordination with partner organizations developed and or/significantly revised three Center and integrated basic training programs, namely, the National Park Ranger Integrated Training, Natural Resources Police Training and Federal Air Marshal Training Programs (FAMTP). The five-week FAMTP is designed to equip the students with the necessary skills to enter the rigorous three-week FAM Follow-on Basic Program.

Following is a report on the performance targets in Treasury's FY 2001 Performance Plan related to this objective:

Federal Law Enforcement Training Center Performance Goals:

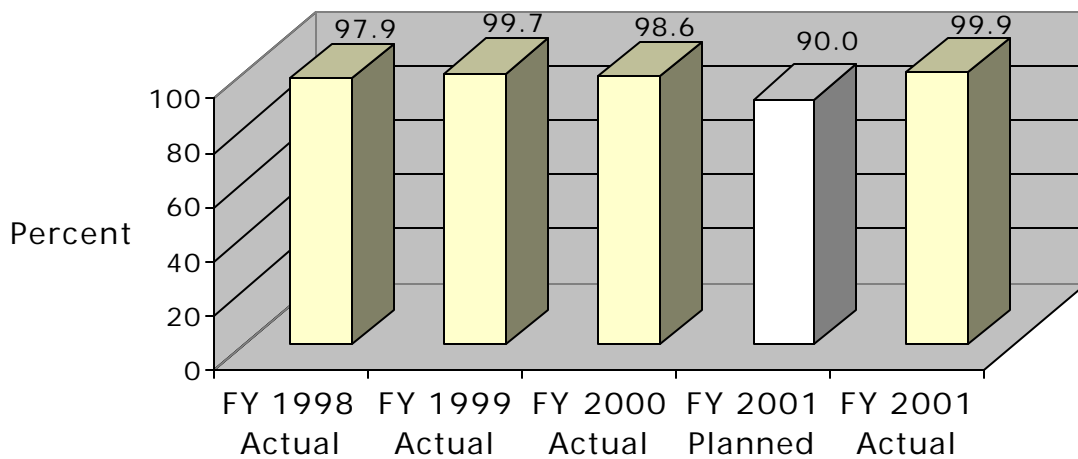
- ◆ Achieve 90% on Student Quality of Training Survey
- ◆ Achieve 80% on Partner Organization satisfaction survey by keeping variable costs of training to \$149 per student week

Achieve 90% Rating on Student Quality of Basic Training Survey	FY1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual
		97.9%	99.7%	98.6%	90.0%

Explanation of Measure: Basic training program students are surveyed to obtain their views on the overall quality of training received. The scale is 0- 100%.

Explanation of Shortfall: (If applicable) N/A

Student Quality of Basic Training Survey

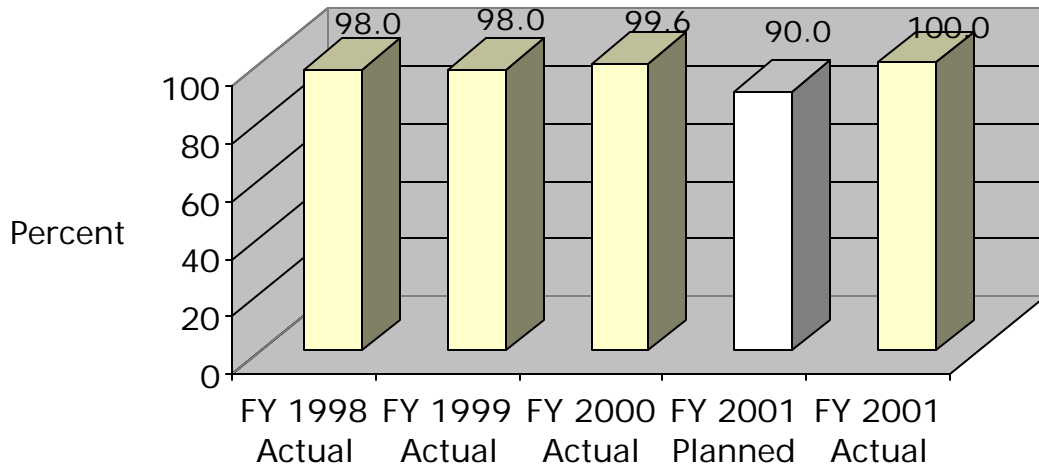


Achieve 90 % Rating on Student Quality of Advanced Training Survey	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual
	98.0%	98.0%	99.6%	90.0%	100.0%

Explanation of Measure: Advanced training program students are surveyed to obtain their views on the overall quality of training received. The scale is 0-100%.

Explanation of Shortfall: (If applicable) N/A

Student Quality of Advanced Training Survey



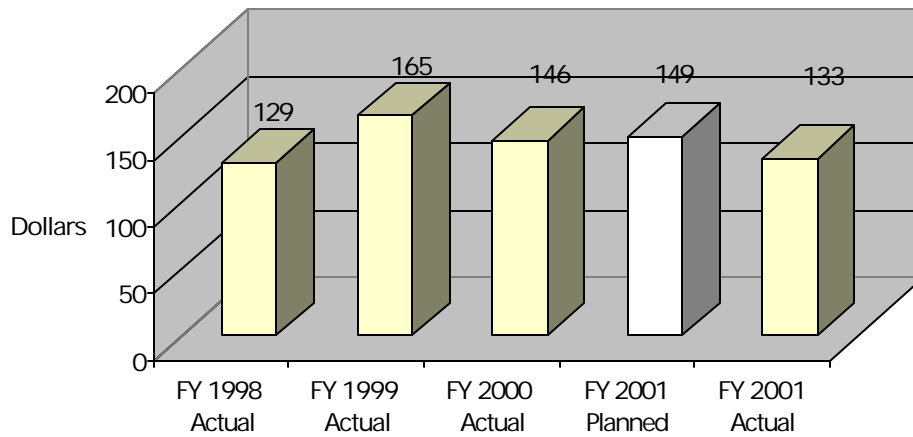
Variable Unit Cost per basic Student-Week of Training

FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual
\$129	\$165	\$146	\$149	\$133

Explanation of Measure: The cost is calculated taking the actual expenses divided by the number of basic student-weeks trained.

Explanation of Shortfall: (If applicable) N/A

Variable cost per basic Student-Week



Treasury Objective: Develop and Operate State -of-the -Art Facilities and Systems Responsive to Interagency Training Needs.

Key Trends

In order to comply with a Congressional mandate to close the Charleston, South Carolina training site by FY 2004, the FLETC has a Five-year Construction Plan that will provide the facilities required to increase the student throughput to accommodate this training workload and the projected workload of the 74 partner organizations. The FLETC is taking a leadership role in seeking creative solutions to expand access and availability. New ideas for distributed learning are under development. Construction is continuing on facilities that will provide a training environment that is compatible with the actual working environment of law enforcement officers and that are equipped with the latest technology. Several new facilities were completed in FY 2001, namely, a dormitory/recreation building, a classroom building, and two indoor/outdoor firearm ranges.

The FLETC is planning a Student Network, which is a predominantly wireless network that will serve the Glynco and Artesia campuses. It will provide students with network and Internet access at virtually any location on the campus. The Student Network will consist of servers, routers, switches and other equipment necessary to support the basic infrastructure of the network, while classroom buildings and dormitories will be outfitted with Wireless Access Points to give students the necessary access. Other servers will eventually be implemented to support on-line training materials, tutorials, distributed learning, etc., that instructors, students and agencies deem necessary to enhance training. Email servers will provide another tool for instructor to student and student to student communication access. Internet access will furnish a necessary research tool for students during non-duty hours, when library access to the Internet is not available. In FY 2001, the FLETC successfully implemented a wireless network to support the IRS Criminal Investigation Training program and INS Border Patrol Enforcement/Identity training.

Finally, the FLETC continues to move forward with the concept of an accreditation process that would lead to the establishment of professional standards for accrediting Federal law enforcement training organizations. In FY 2001, the FLETC has established an accreditation office and a task force to develop the accreditation model.

Treasury Programs

The FLETC began training students in 1970 with the mission of providing high quality law enforcement training programs in state-of-the-art facilities. In recent years, the FLETC has become recognized in the law enforcement community as the benchmark of excellence in law enforcement training. Since 1970, the number of Federal organizations that train at the FLETC has grown from 18 to 74.

One of the FLETC's strategic goals is to significantly expand the access to and availability of quality law enforcement training. One objective toward achieving this goal is to provide sufficient capacity to meet the training requirements of the partner organizations. In addition, the FLETC strives to meet the training needs of law enforcement organizations that would otherwise be unable to use the FLETC because of capacity constraints or cost considerations and to establish professional standards for accrediting Federal law enforcement training organizations. Further, the FLETC's goal is to effectively organize, develop, and lead its personnel in support of the Center's mission and to continually work toward strengthening its partnership among the partner agencies. The FLETC also carries out research in the various aspects of law enforcement training.

The voluntary affiliation of 74 partner organizations requires that the FLETC continually balance competing needs and demands among these organizations. The FLETC must also be flexible enough to respond to changes resulting from shifting priorities, budget decisions, fluctuations in training demands, and variations in recruitment within the partner organizations.

In order to ensure that the FLETC facilities are state-of-the-art and meet the needs of its customers, the FLETC conducts a Student Quality of Services Survey. This survey assesses the quality of the facilities and services that the FLETC provides the students attending training, such as classrooms, dormitories, and dining facilities. It assists the FLETC in the continuing review of these facilities and services. In addition to surveying its students, the FLETC continually reviews and revises the Facilities Master Plan to ensure the plan meets and is responsive to training requirements. The review takes into consideration the needs of the customers and the FLETC.

FY 2001 Accomplishments and Results

A study was conducted to develop a plan to generate the training capacity needed to meet the U.S. Border Patrol's (USBP) law enforcement training requirements during and after the closure of the temporary training facility at Charleston, South Carolina. The study supports the realignment of all USBP training from Charleston and Glynco to the FLETC's Artesia facility by FY 2004 and the retention of all Bureau of Indian Affairs training at that site. Current funding and projected plans/requests allow for significant enhancement to the Artesia training center and increase throughput capacity. FY 2001 initiatives were funded and begun to move toward that goal.

As part of the Master Plan process, the FLETC continued to construct new facilities at Glynco and Artesia in FY 2001, as well as to make improvements to existing infrastructure. In June 2001, a 60,000 square-foot dormitory was completed at Glynco. This three story "L" - shaped building accommodates 233 students in private rooms with shared baths. Each room is wired for cable and can readily be configured for computer network systems. The construction included a 6,500-square foot single story recreation building that contains a laundry room, game room, and TV rooms. The buildings are connected by a covered walkway. In August 2001, a 135,000 square foot two story classroom building was completed. The classroom building, named the Paul D. Coverdell Learning Center, contains 23 classrooms, specialized training areas and state-of-the-art classroom technology. Also in August 2001, two new indoor/outdoor firing ranges were completed at Glynco. Each new range consists of 33,000 square feet of floor space with 25 firing points and firing lines of 1.5, 3, 7, 15, 25, and 50 yards. Range equipment consists of computer controlled turning targets, running targets, and portable pop-up target systems. The facility has a ballistic metal projectile trap with air emission controls and ceiling ballistic metal baffle plate system. A range command center, audio command system, weapon cleaning station, and storage areas are included in each range. Sound absorbing materials were used on interior wall surfaces to reduce noise levels during weapons training.

The 34,000 square foot expansion of the Physical Techniques Building at the Artesia training center was completed in FY 2001. The expansion provides additional space for physical fitness activities. The FLETC is leading a collaborative effort with other Federal law enforcement agencies to establish a training accreditation model, organizational structure, and process. The model will be used to establish Federal law enforcement training standards and to evaluate the facilities, policies, and procedures by which these standards are met. This process is formalized in the FLETC Strategic Plan, which calls for the formation of an Implementation Team to develop the specific plans and processes to carry out this strategy successfully. The establishment of professionally developed, recognized, and maintained training standards for Federal law enforcement will assist in maintaining public confidence in the integrity, professionalism, and accountability of law enforcement. During FY 2001, the FLETC established an accreditation office within the Planning and Development Directorate. The office has been researching several accreditation models.

Following is a report on the performance targets in Treasury's FY 2001 Performance Plan related to this objective:

Federal Law Enforcement Training Center Performance Goal:

- ◆ *Achieve 90% on Student Quality of Services Survey.*

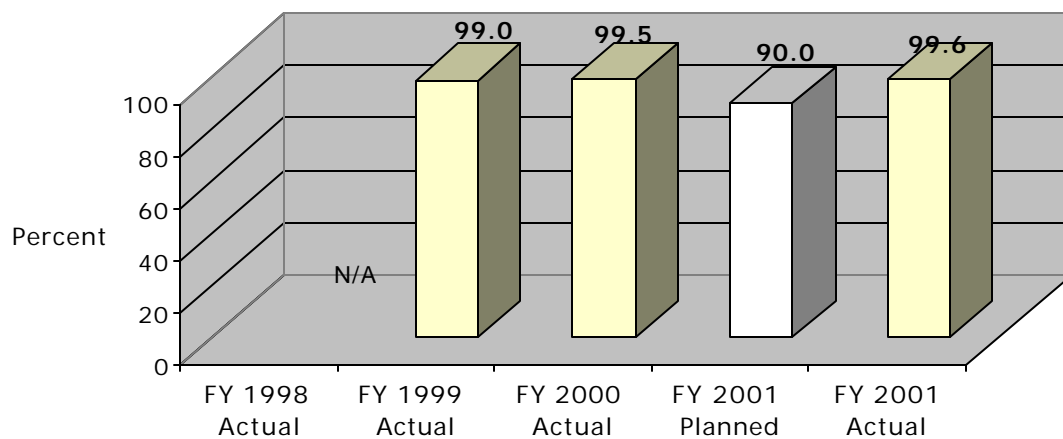
Rating on Student Quality of Services Survey	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual
		--	99.0%	99.5%	90.0%

Explanation of Measure: Students in basic and advanced training programs complete surveys on the quality of administrative support services. The scale of the survey is 0- 100%.

Note: During FY 1998 this was measured on a scale from 1-5 and a weighted mean response was used to measure overall quality. In FY 1998, the actual rating was 4.5.

Explanation of Shortfall: (If applicable) N/A

Student Quality of Services Survey



Definition of Performance Measures and Validation of Data

- Performance Measure: Achieve 90% Rating on Student Quality of Training Survey

Definition: This measure deals with the quality of law enforcement training. Basic and advanced training program students are surveyed to obtain their views as to the overall quality of training received at the FLETC. The information obtained from this survey assists the FLETC in the continuing review of program curricula. The scale is 0-100% and the FLETC goal is to obtain an overall rating of 90%.

Validation: Students in basic and advanced training programs complete surveys on the quality of training, including instructors, program material, equipment, etc. Individual programs and cumulative reports are generated. From this data, trends can be identified and areas that are consistently rated low can be reviewed and corrective action can be taken.

Data Accuracy: Reasonable.

- Performance Measure: Variable Unit Cost Per Basic Student -week of Training

Definition: This measure deals with the variable cost per student-week of funded basic training. Data is captured through the automated financial system (costs) and the Student Information System (student-weeks trained).

Validation: The cost per week is calculated by taking the actual expenses divided by the number of basic student -weeks trained.

Data Accuracy: Reasonable.

- Performance Measure: Rating on Student Quality of Services Survey

Definition: This measure assesses the quality of the services that the FLETC provides to its customers, namely the students who attend training. This includes both administrative and support services. The information obtained from this survey assists the FLETC in the continuing review of the administrative and support services provided to the training mission. The scale is 0-100% and the FLETC goal is to obtain an overall rating of 90%.

Validation: Students in basic and advanced training programs complete surveys on the quality of administrative support services, including cafeteria, dormitory, janitorial, etc. Individual programs and cumulative reports are generated. From this data, trends can be identified and areas that are consistently rated low can be reviewed and corrective actions taken.

Data Accuracy: Reasonable.

FUTURE EFFECTS ON EXISTING, CURRENTLY KNOWN DEMANDS, RISKS, UNCERTAINTIES, EVENTS, CONDITIONS AND TRENDS

As a result of the September 11, 2001 terrorist attacks, a significant number of the FLETC's 74 partner organizations are abruptly requesting significant amounts of additional training for new law enforcement officers. The following chart summarizes the projections:

Category	FY 2002		FY 2003	
	Students	Student-Weeks	Students	Student-Weeks
Basic	17,463	149,326	15,863	118,888
Advanced	14,851	23,695	15,739	25,006
State and Local	6,073	6,495	6,290	6,727
International	1,930	1,626	2,093	1,727
Total	40,317	181,142	39,985	152,348

The FLETC has conducted extensive planning for responding to these training requirements as they are communicated from the agencies. The limiting factors for the FLETC are facility constraints, instructor staffing, and funding for the direct costs of the additional training. The situation is exacerbated by the accelerated timeframes for delivering the training.

Over the past several years, the FLETC has been executing a rigorous construction program to increase facility capacity at both the Glynco, GA and the Artesia, NM Centers. This increased capacity will now be used to accommodate the additional training being requested. About two years ago, the FLETC successfully piloted an extended workday program that indicated training could be sustained over a lengthy period at levels beyond the normal 8-hour workday. The FLETC implemented an extended workweek in January 2002 at the Glynco center. As a result, the FLETC is in a position to complete more training without compressing the training program timelines. The additional training being requested by the Federal Aviation Administration Federal Air Marshal (FAM) is currently underway utilizing the Artesia, NM center. It is projected that FLETC will conduct 40 basic FAM Training Program and FAM Follow-On Basic Program, graduating 1,296 students through November 2002. Also, in conjunction with the U.S. Border Patrol, the FLETC has rescheduled the basic training requirements of that agency from Glynco to the temporary training center in Charleston, SC. It is expected that this will maximize the capacity available at the Charleston site. Additionally, the renovation of the firearms and driver training requalification facility at Cheltenham, MD is underway. Once operational, the Cheltenham, MD facility will serve as a requalification training center for federal law enforcement officers located in the area and the metropolitan Police Force.

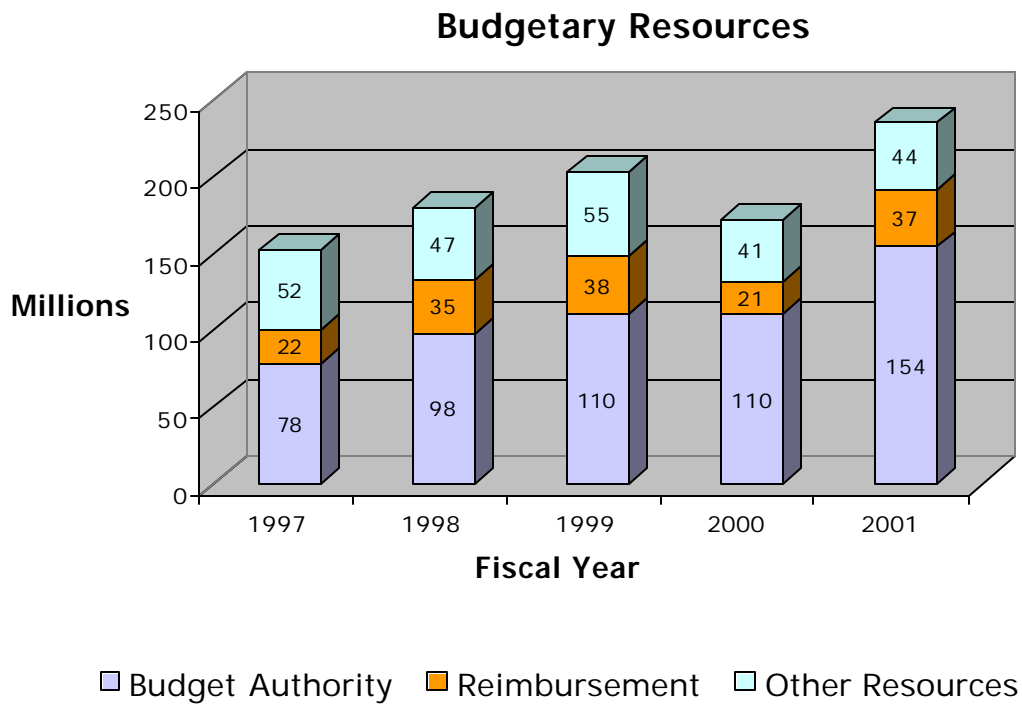
Based upon our best assessment of the training needs that are being communicated by partner organizations, the FLETC has requested additional funding for the direct cost of the basic training and expanded authority to increase the number of approved full-time equivalent positions to accommodate the additional training. The FLETC developed a staffing strategy to secure additional instructors with extensive Federal Criminal Investigator (GS-1811) experience. Throughout its history, the FLETC has experienced difficulty recruiting and retaining these individuals. The FLETC asked for and was granted temporary authority from Treasury and the Office of Personnel Management to utilize the Waiver of Dual Compensation Reduction to hire retired experienced Federal Criminal Investigators to augment the existing staff. This temporary authority allows FLETC to rehire instructors for a period of one year. In an anticipation that the increase for expanded levels of training will continue for the next several years, FLETC will need to obtain a permanent authority to rehire annuitants.

President Bush has stated that the United States will be in a protracted period of response to the war on terrorism and that law enforcement will play a vital role in domestic security. Undoubtedly, training will be a key, if not an absolute necessity, for every Federal law enforcement agency. As stated in its mission, the FLETC is committed to serving as the Federal government's leader for and provider of world-class law enforcement training.

FINANCIAL RESOURCES AND THEIR USES

Budgetary Resources

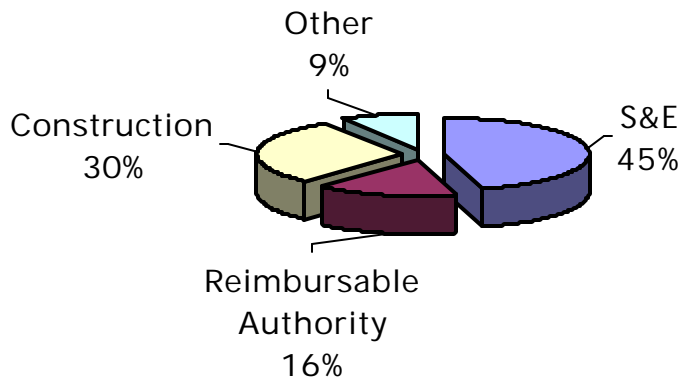
The FLETC's budgetary resources have grown over the past five years. Budgetary resources consist of the budget authority or annual appropriation, reimbursement for services provided and other resources comprised mostly of carryover funds from prior fiscal years. The 37% increase in FY 2001 budget resources is attributed to the \$30 million appropriation received for the renovation and operation of the Cheltenham, MD requalification training facility.



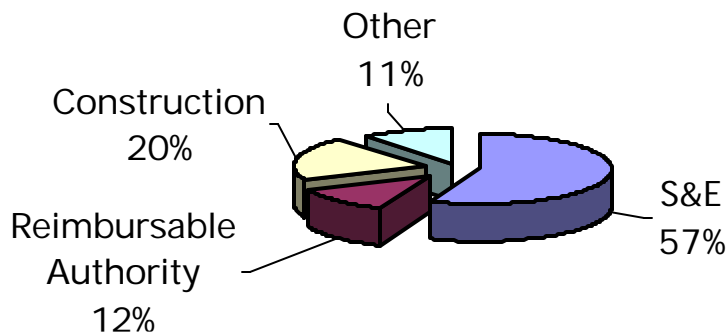
Sources of Funds

In FY 2001, the FLETC's \$235 million total budget resources consisted of \$154 million in budget authority, \$37 million in earned spending authority, and \$44 million carryover from prior fiscal years. Of the total budget, the FLETC earmarked \$108 million for salaries and expenses, \$70 million for construction, and \$57 million for reimbursable and other expenses. The increase in total budget resources in FY 2001 was due primarily to additional construction funds provided to the FLETC.

FY 2001 Total \$235 Million



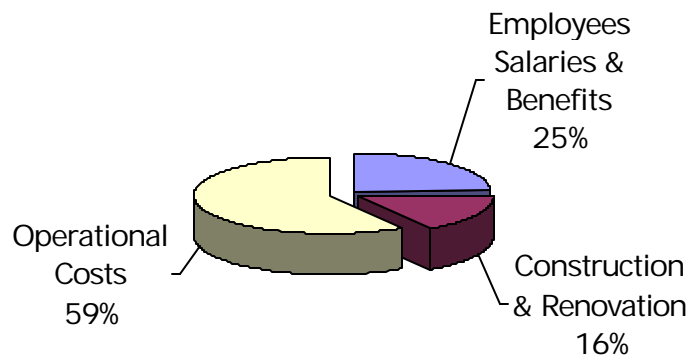
FY 2000 Total \$ 172 Million



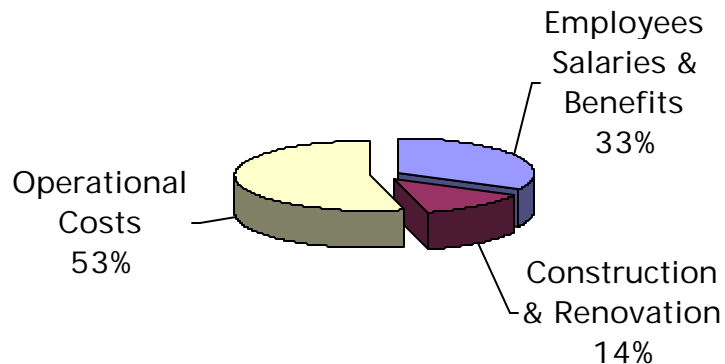
Uses of Funds

The FLETC obligated \$231 million or 99% of its available budget in FY 2001, an increase of \$84 million from FY 2000. Of the total obligation, the FLETC used \$136 million for operation and maintenance, \$57 million for employee salaries and benefits, and \$38 million for construction and/or renovation of facility structures.

FY 2001 Total \$231 Million



FY 2000 Total \$147 Million



KEY FINANCIAL INDICATORS

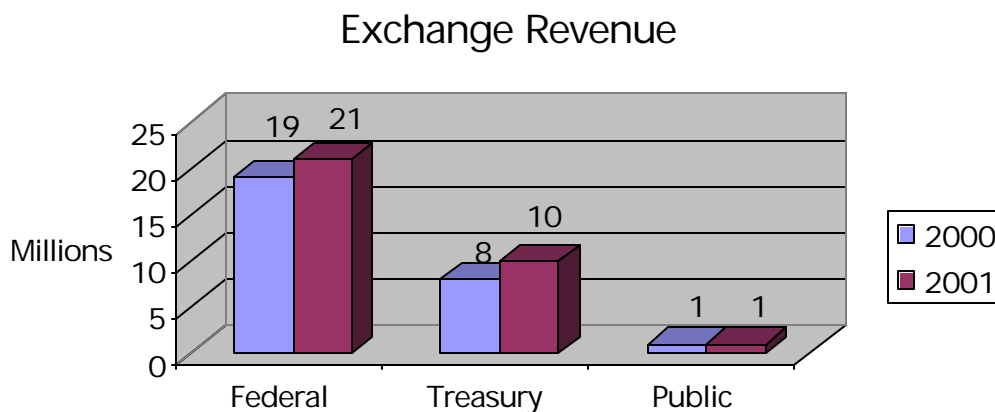
Exchange Revenue

Pursuant to the OMB/Treasury/FLETC funding policy that was approved in FY 1987, the FLETC finances the direct cost of basic training while the partner organizations pay for the cost of travel, en route per diem and reimburse the FLETC for actual costs of meals and lodging. The direct cost of basic training includes items such as the following:

- utilities/janitorial services for classrooms
- printed materials
- role players
- support contracts
- ammunition
- materials and supplies

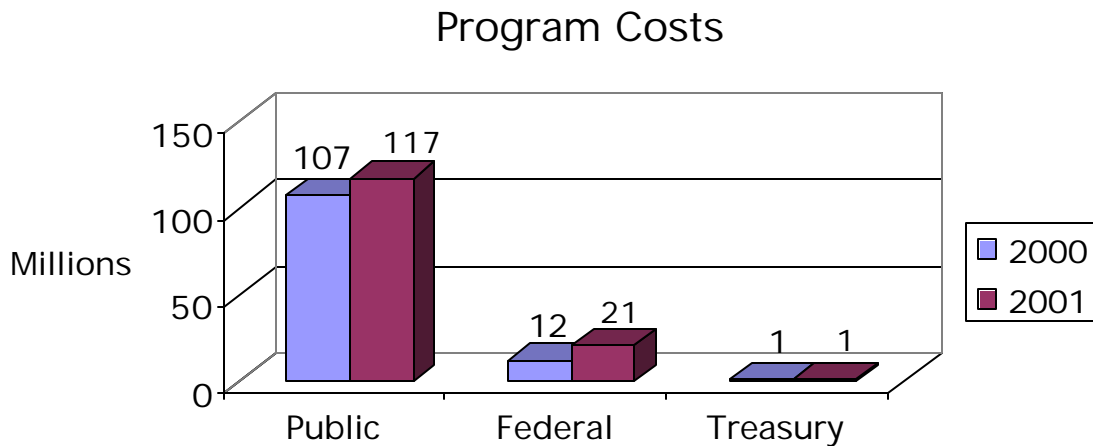
In addition to the travel, meal and lodging costs, the partner organizations reimburse the FLETC for any variable costs incurred in the advanced training courses. State and local agencies normally pay for the actual costs of training.

For FY 2001, the total exchange revenue amounted to \$32 million of which \$31 million and \$1 million were derived from Federal, State and local agencies, respectively.



Program Costs

In carrying out its mission of providing world-class law enforcement training programs, the FLETC incurred costs for materials and services that were available commercially or from other Federal agencies. In FY 2001, the program costs totaled \$139 million, of which \$117 million or 85% and \$22 million or 15% were procured from public entities and Federal agencies, respectively.



FINANCIAL PERFORMANCE GOALS

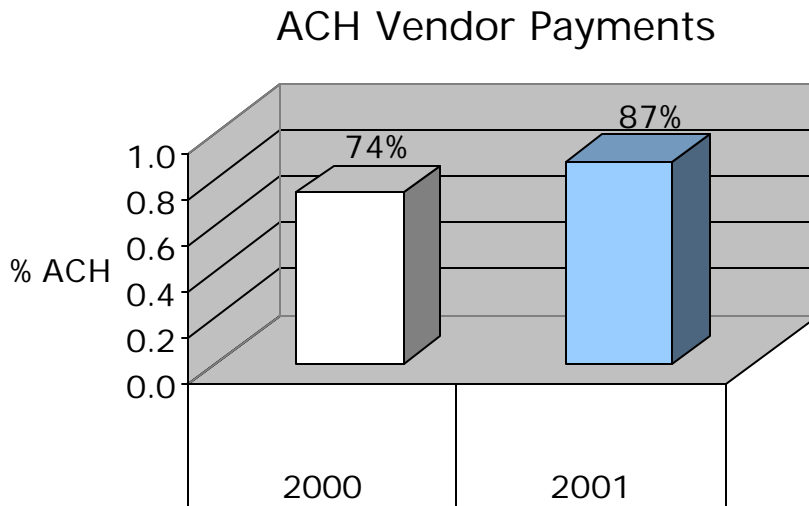
The FLETC proactively updates its financial management vision and goals. It established financial performance measures designed to assess progress in accompanying its management objectives.

Goal: Earn an unqualified opinion on FLETC Financial Statements

Measured Results: The FLETC earned an unqualified opinion on its FY 2001 Financial Statements. By receiving its second consecutive unqualified opinion, the FLETC clearly demonstrated the financial integrity and prudent stewardship of taxpayers' money at the Center.

Goal: Increase number of Automated Clearing House (ACH) Vendor Payments

Measured Results: ACH vendor payments have notably increased by 13% in FY 2001. ACH is an expeditious, cost-effective payment method that enhances accuracy and customer service to vendors.



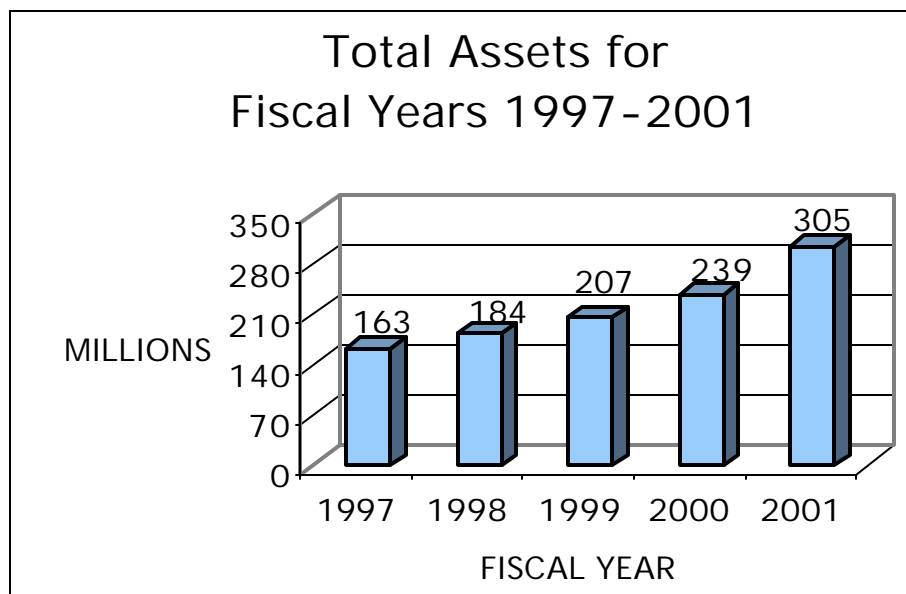
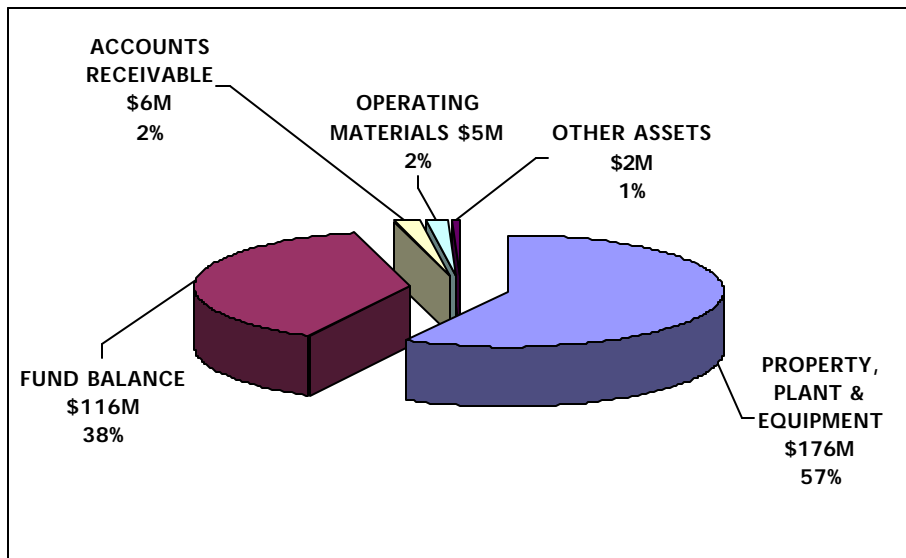
Goal: Maintain 98% of employee salary payments via Electronic Fund Transfer (EFT).

Measured Results: All FLETC employees are enrolled and paid via EFT for three consecutive years.

ASSETS

The FLETC's total assets are \$305 million as of September 30, 2001, an increase of \$66 million or 28% over FY 2000. The property, plant and equipment and fund balance increased by \$39 million and \$25 million, respectively, in FY 2001.

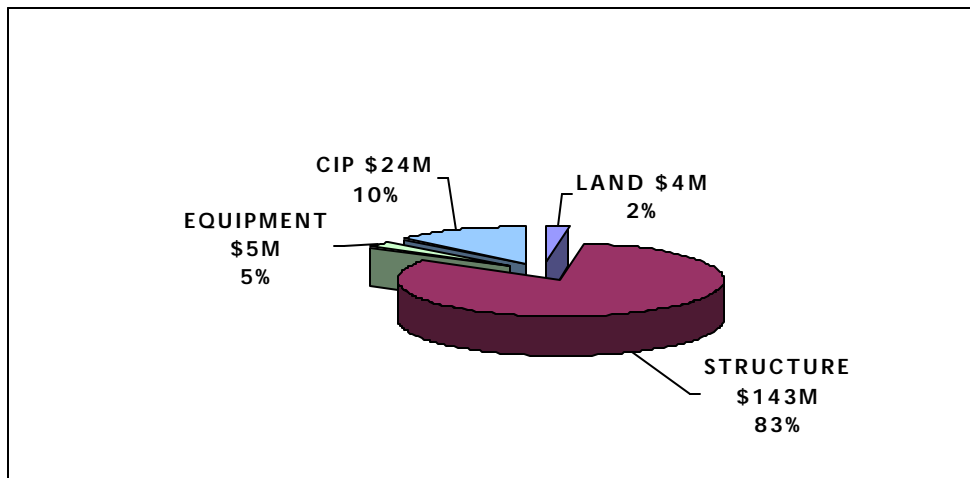
Total Assets



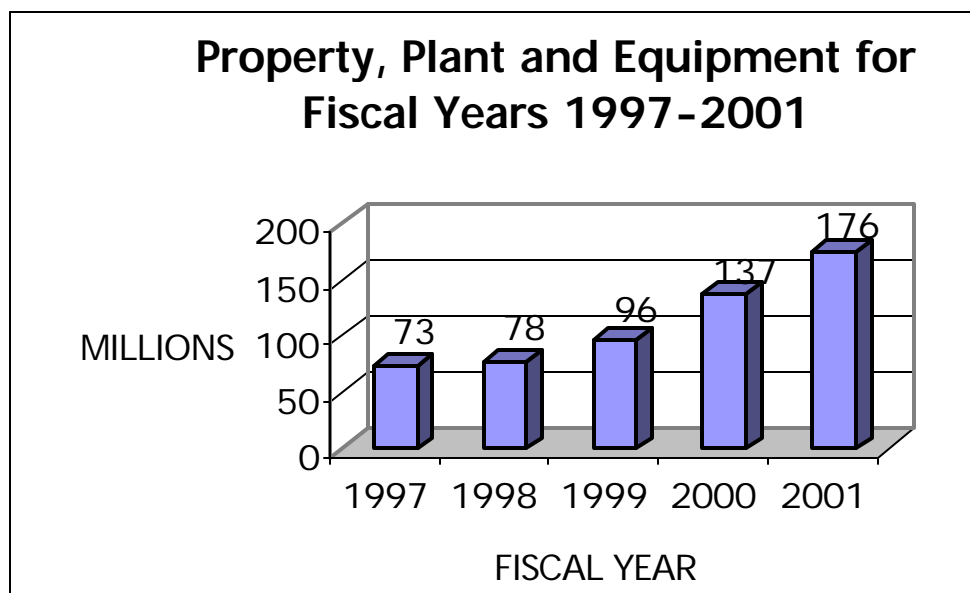
PROPERTY, PLANT, AND EQUIPMENT

The FLETC's property, plant and equipment are \$176 million as of September 30, 2001, an increase of \$39 million or 28% over FY 2000. The increase in the value of the account is attributed to the completion of the new buildings and transfer of the facility structures at Cheltenham, MD to the FLETC.

Property, Plant and Equipment



Property, Plant and Equipment for Fiscal Years 1997-2001



DEPARTMENT OF THE TREASURY

**FEDERAL LAW ENFORCEMENT TRAINING
CENTER**



**FEDERAL MANAGERS' FINANCIAL INTEGRITY
ACT**

FISCAL YEAR 2001

Federal Manager's Financial Integrity Act (FMFIA) Summary

FLETC management controls are established in accordance with standards required by Section 2 of the Federal Managers' Financial Integrity Act (FMFIA) and provide reasonable assurance that (1) our programs are achieving their intended results; (2) resources are used in a manner that is consistent with our mission; (3) assets are protected from fraud, abuse, waste, and mismanagement; (4) laws and regulations are followed; (5) continuity of operations planning in critical areas is sufficient to reduce risk to reasonable levels; and (6) performance information is reliable. There is a reasonable assurance that the financial system for the FLETC is in conformance with Governmentwide financial information standards as well as financial system functional standards for FY 2001 in accordance with section 4 of the FMFIA. The FLETC is in substantial compliance with the requirements of the Federal Financial Management Improvement Act (FFMIA) of 1996. Specifically, FLETC has implemented and maintained financial systems that comply substantially with Federal financial management system requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level.

Annual Assurance Statement for FY 2001

Based upon the results of its annual assessment process the Federal Law Enforcement Training Center (FLETC) can provide reasonable assurance that its systems of management, accounting and administrative control, taken as a whole, achieve the objectives of Section 2 of the Federal Managers' Financial Integrity Act (FMFIA). The FLETC can provide reasonable assurance that its accounting and financial systems generally conform to the Comptroller General's principles, standards and related requirements and achieve the objectives of Section 4 of the FMFIA.

W.Ralph Basham
Director
Federal Law Enforcement Training Center

SECTION I: OPEN MATERIAL WEAKNESSES AS OF 9/30/01

FMFIA Section (2,4A or 4F)	Bureau and Control Number	Title of Material Weakness:	Description of Material Weakness:	Major Milestones a) Short Term b) Long Term	Milestone Dates	
					Original Due Dates	Current Due Dates
2	ID Number FLE 911 (#2)	Environmental Problem	An environmental problem exists at the FLETC Glyngo, Georgia outdoor firearms ranges.	a) Complete the environmental restoration of the area and reconstruction of the Outdoor Firearms Ranges. This will be accomplished through the FLETC's Remedial Plan. b) N/A	12/30/98	04/05/05

SECTION II: THE LIST OF MATERIAL WEAKNESSES CLOSED DURING FY 2001 – NONE REPORTED

SECTION III: OPEN REPORTABLE CONDITIONS SECOND TIER ISSUES AS OF 9/30/01 - NONE REPORTED

DEPARTMENT OF THE TREASURY

**FEDERAL LAW ENFORCEMENT TRAINING
CENTER**



AUDITOR'S REPORT

FISCAL YEARS 2001 AND 2000

Carmichael
Brasher Tuvell
& Company
Certified Public Accountants

678-443-9200
Facsimile: 678-443-9001
www.cbtcpa.com

REPORT OF INDEPENDENT ACCOUNTANTS

To W. Ralph Basham
Director of the Federal Law Enforcement Training Center (FLETC)

We have audited the accompanying balance sheets of the Federal Law Enforcement Training Center (FLETC) as of September 30, 2001 and 2000, and the related statements of net cost, changes in net position, budgetary resources, financing and custodial activity for the years then ended. These financial statements are the responsibility of the FLETC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, as amended, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements appearing on pages 48 through 69 of this report present fairly, in all material respects, the financial position of FLETC as of September 30, 2001 and 2000, and its net costs of operation, changes in net position, budgetary resources, financing and custodial activity for the years then ended in conformity with accounting principles generally accepted in the United States of America.

REPORT ON INTERNAL CONTROLS

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, as amended, issued by the Comptroller General of the United States, and OMB Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.

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In planning and performing our audits of the financial statements of FLETC for the years ended September 30, 2001 and 2000, we considered FLETC's internal controls over financial reporting by obtaining an understanding of the agency's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purposes of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin 01-02. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Financial Managers' Financial Integrity Act of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audits was not to provide an opinion on internal control. Accordingly, we do not express an opinion on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards established by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the agency's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal controls, misstatements, losses or noncompliance may occur and not be detected.

Finally, with respect to internal control over performance measures reported in the "Management Discussion and Analysis" section on pages 11 through 41, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions, as required by OMB Bulletin No. 01-02. Our procedures were not designed to provide an opinion on internal control over reported performance measures, and, accordingly, we do not express such an opinion.

During FY 2001, FLETC made significant improvements in, or created compensating controls for, the areas noted as reportable conditions in the FY 2000 internal control report. The progress was sufficient to preclude reporting of these as reportable conditions for FY 2001.

We did note certain other matters involving internal control that we have reported to the management of FLETC in a separate management letter.

REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

We conducted our audits in accordance with auditing standards generally accepted in the United States; *Government Auditing Standards*, issued by the Comptroller General of the

United States; and OMB Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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The management of FLETC is responsible for complying with laws and regulations applicable to FLETC. As part of obtaining reasonable assurance about whether FLETC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts and certain other laws and regulations specified in OMB Bulletin 01-02, including the requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. However, the objective of our audits of the financial statements was not to provide an opinion on overall compliance with such provisions and, accordingly, we do not express such an opinion.

The results of our tests of compliance disclosed no instances of noncompliance with other laws and regulations discussed in the preceding paragraph exclusive of FFMIA that are required to be reported under *Government Auditing Standards* or OMB Bulletin No.01-02.

Under FFMIA, we are required to report whether FLETC's financial management systems substantially comply with the Federal financial management systems requirements, applicable Federal accounting standards, and the United States Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA section 803(a) requirements.

The results of our tests disclosed no instances in which the management systems did not substantially comply with the three requirements discussed in the preceding paragraph.

Consistency of Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of FLETC, taken as a whole. The other accompanying information included on pages 1 to 43, and 70 to 73 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of FLETC, the U.S. Treasury, OMB and Congress, and is not intended to be and should not be used by anyone other than those specified parties.

Carmichael, Brasher, Jewell & Company

December 6, 2001
Atlanta, Georgia

1647 Mount Vernon Road, Dunwoody Exchange, Atlanta, Georgia 30338

DEPARTMENT OF THE TREASURY

**FEDERAL LAW ENFORCEMENT TRAINING
CENTER**



FINANCIAL STATEMENTS

FISCAL YEARS 2001 AND 2000

DEPARTMENT OF THE TREASURY, FEDERAL LAW ENFORCEMENT TRAINING CENTER

BALANCE SHEETS

AS OF SEPTEMBER 30, 2001 and 2000

(DOLLARS IN THOUSANDS)

ASSETS	<u>2001</u>	<u>2000</u>
Entity Assets:		
Intra-Governmental Assets		
Fund Balance with Treasury (Note 2)	\$ 115,786	\$ 90,728
Accounts Receivable, (Note 3)	6,530	4,718
Advances and Prepayments (Note 4)	1,956	2,392
Total Intra-Governmental Assets	<u>\$ 124,272</u>	<u>\$ 97,838</u>
Operating Materials and Supplies (Note 5)	4,525	3,521
Property, Plant and Equipment (Note 6)	175,570	137,006
Other Government Assets (Note 3)	722	452
Total Entity Assets	<u>\$ 180,817</u>	<u>\$ 140,979</u>
 TOTAL ASSETS	 <u>\$ 305,089</u>	 <u>\$ 238,817</u>
 LIABILITIES		
Entity Liabilities Covered by Budgetary Resources:		
Intra-Governmental Liabilities		
Accounts Payable	<u>\$ 35</u>	<u>\$ 52</u>
Total Intra-Governmental Liabilities	<u>35</u>	<u>52</u>
Accounts Payable with the Public	3,431	2,948
Accrued Payroll and Benefits	3,409	2,999
Other Accrued Liabilities	482	445
Advances and Prepayments	23	17
Liabilities of Deposit Funds and Suspense Accounts	127	172
Total Other Liabilities Covered by Budgetary Resources	<u>\$ 7,472</u>	<u>\$ 6,581</u>
Total Liabilities Covered by Budgetary Resources	<u>\$ 7,507</u>	<u>\$ 6,633</u>
Entity Liabilities Not Covered by Budgetary Resources:		
Contingencies (Note 7)	\$ 1,048	\$ 1,223
Other Liabilities (Note 8)	12,201	10,924
Total Liabilities Not Covered by Budgetary Resources	<u>13,249</u>	<u>12,147</u>
Total Liabilities	<u>20,756</u>	<u>18,780</u>
NET POSITION (Note 9)	<u>284,333</u>	<u>220,037</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 305,089</u>	 <u>\$ 238,817</u>

The accompanying notes to the Financial Statements are an integral part of these statements.

DEPARTMENT OF THE TREASURY, FEDERAL LAW ENFORCEMENT TRAINING CENTER
STATEMENTS OF CHANGES IN NET POSITION
 FOR THE YEARS ENDED SEPTEMBER 30, 2001 AND 2000
 (DOLLARS IN THOUSANDS)

	<u>2001</u>	<u>2000</u>
<u>NET COST OF OPERATION</u>	<u>\$ 106,976</u>	<u>\$ 93,228</u>
FINANCING SOURCES		
Appropriations used	127,974	115,735
Imputed Financing Resources	5,239	3,086
Transferred In Without Reimbursement	8,460	6,765
Other Financing Sources	2,794	-
Total Financing Sources	<u>\$ 144,467</u>	<u>\$ 125,586</u>
<u>NET RESULTS OF OPERATIONS</u>	<u>\$ 37,491</u>	<u>\$ 32,358</u>
Prior Period Adjustments	<u>2,288</u>	<u>8,816</u>
Net Change in Cumulative Results of Operation	39,779	41,174
Increase (Decrease) in Unexpended Appropriation	<u>24,517</u>	<u>(6,988)</u>
Change in Net Position	64,296	34,186
Net Position - October 1	<u>220,037</u>	<u>185,851</u>
NET POSITION - September 30	<u>\$ 284,333</u>	<u>\$ 220,037</u>

The accompanying notes to the Financial Statements are an integral part of these statements.

DEPARTMENT OF THE TREASURY, FEDERAL LAW ENFORCEMENT TRAINING CENTER
STATEMENTS OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2001 and 2000
(DOLLARS IN THOUSANDS)

	<u>2001</u>	<u>2000</u>
COSTS:		
Program: LAW ENFORCEMENT TRAINING		
Intra-Governmental Costs	\$ 21,573	\$ 18,548
With the Public	<u>116,949</u>	<u>102,261</u>
Total Costs	138,522	120,809
Less Earned Revenue	<u>(31,546)</u>	<u>(27,581)</u>
NET COSTS OF OPERATION (Note 10)	<u>\$ 106,976</u>	<u>\$ 93,228</u>

The accompanying notes to the Financial Statements are an integral part of these statements.

DEPARTMENT OF THE TREASURY, FEDERAL LAW ENFORCEMENT TRAINING CENTER
STATEMENTS OF BUDGETARY RESOURCES
 FOR THE YEARS ENDED SEPTEMBER 30, 2001 AND 2000
 (DOLLARS IN THOUSANDS)

<u>BUDGETARY RESOURCES</u> (Note 12)	<u>2001</u>	<u>2000</u>
Budget Authority	\$ 154,007	\$ 110,038
Unobligated Balance	25,271	31,275
Spending Authority Earned	37,025	21,103
Adjustments, Anticipated for Rest of Year	<u>18,967</u>	<u>9,879</u>
Total Budgetary Resources	<u>\$ 235,270</u>	<u>\$ 172,295</u>
 <u>STATUS OF BUDGETARY RESOURCES</u> (Note 12)		
Obligations Incurred	184,201	147,024
Unobligated Balances Available	46,802	-
Unobligated Balances Not Available	<u>4,267</u>	<u>25,271</u>
Total Budgetary Resources	<u>\$ 235,270</u>	<u>\$ 172,295</u>
 <u>OUTLAYS</u>		
Obligations	184,201	147,024
Spending Authority from Offsetting Collections and Adjustments	(57,702)	(33,029)
Obligated Balance, Net-Beginning of the Period	65,286	71,499
Obligated Balance, Net-End of Period	<u>(64,591)</u>	<u>(65,286)</u>
Total Outlays	<u>\$ 127,194</u>	<u>\$ 120,208</u>

The accompanying notes to the financial statements are an integral part of these statements.

DEPARTMENT OF THE TREASURY, FEDERAL LAW ENFORCEMENT TRAINING CENTER
STATEMENTS OF FINANCING
 FOR THE YEARS ENDED SEPTEMBER 30, 2001 AND 2000
 (DOLLARS IN THOUSANDS)

<u>OBLIGATIONS AND NON-BUDGETARY RESOURCES</u>	<u>2001</u>	<u>2000</u>
Obligations Incurred	\$ 184,201	\$ 147,024
Less Spending Authority from Offsetting Collections and Adjustment	(57,702)	(33,029)
Transferred In	8,460	6,764
Imputed Financing	5,239	3,086
Exchange Revenue not in Budget	<u>(2,082)</u>	<u>(1,684)</u>
Total Obligations as Adjusted and Non-budgetary Resources	<u>\$ 138,116</u>	<u>\$ 122,161</u>
 <u>RESOURCES NOT FUNDING NET COST OF OPERATIONS</u>		
Change in Undelivered Orders	\$ (156)	\$ (1,276)
Capitalized Costs	(39,978)	(41,103)
Financing Sources that Fund Costs of Prior Periods	<u>(888)</u>	<u>(186)</u>
Total Resources not Funding Net Costs of Operations	<u>\$ (41,022)</u>	<u>\$ (42,565)</u>
 <u>COSTS NOT REQUIRING RESOURCES</u>		
Depreciation and Amortization	\$ 6,858	\$ 5,529
Disposition of Assets	(409)	610
Bad Debts	<u>5</u>	<u>6</u>
Total Costs not Requiring Resources	<u>\$ 6,454</u>	<u>\$ 6,145</u>
FINANCING SOURCES YET TO BE PROVIDED (Note 13)	<u>3,428</u>	<u>7,487</u>
 NET COST OF OPERATIONS	 <u>\$ 106,976</u>	 <u>\$ 93,228</u>

The accompanying notes to the financial statements are an integral part of these statements.

DEPARTMENT OF THE TREASURY

FEDERAL LAW ENFORCEMENT TRAINING CENTER



NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR 2001

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Federal Law Enforcement Training Center (FLETC), a component of the Department of the Treasury, serves as an interagency law enforcement training center. The FLETC provides facilities, equipment, and support services for conducting law enforcement training for Federal agencies and specialized programs for State and local agencies and foreign governments. The FLETC was established on July 1, 1970, by Treasury Department Order No. 217, as an organizational entity within the Department of the Treasury, and placed under the supervision of the Assistant Secretary (Enforcement and Operations). This oversight position subsequently became the Under Secretary (Enforcement). Training sites and offices include Glynco, Georgia; Artesia, New Mexico; Washington, D.C.; Charleston, South Carolina; and a new site at Cheltenham, Maryland. Currently, the FLETC conducts training in three International Law Enforcement Academies (ILEA) located in Budapest, Hungary; Bangkok, Thailand; and Gaborone, Botswana. The programs and operations of the FLETC are funded principally through Congressional appropriations on an annual, multi-year, and no-year basis. Accordingly, operating costs incurred and recorded as expenses are offset by an equal amount of appropriated funds that are recorded as financing sources or an offset by reimbursable revenue or other financing sources.

B. BASIS OF ACCOUNTING AND PRESENTATION

The FLETC maintains its accounting records and prepares its financial statements on the accrual basis of accounting. The FLETC has historically prepared its financial statements in accordance with generally accepted accounting principles, based on accounting standards issued by the Financial Accounting Standards Board (FASB), the private-sector standards-setting body. In October 1999, the Federal Accounting Standards Advisory Board (FASAB) was designated by the American Institute of Certified Public Accountants (AICPA) as the standards-setting body for financial statements of Federal government entities, with respect to the establishment of generally accepted accounting principles. FASB has indicated, however, that financial statements prepared based upon accounting standards published by FASB may also be regarded as in accordance with generally accepted accounting principles for those Federal entities, such as the FLETC, that have issued financial statements based upon FASB accounting standards in the past. Therefore, consistent with historical reporting, the FLETC financial statements are presented in accordance with accounting standards published by the FASB.

C. ASSETS AND LIABILITIES

Entity intra-governmental assets and liabilities result from activity with other Federal Agencies. All other entity assets and liabilities result from activity with parties outside the Federal government, such as domestic and foreign persons, organizations, or governments outside the U.S. Government. Assets represent tangible items that have probable economic benefits that can be obtained or controlled by the FLETC. Liabilities represent the amount of monies or other resources that are likely to be paid as a result of a transaction or event that has already occurred. However, no liability can be paid absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as Liabilities not covered by Budgetary Resources. Although future appropriations to fund the liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities. Also, liabilities arising from other than contracts can be abrogated by the Government, acting in its sovereign capacity.

D. FUND BALANCES WITH TREASURY AND CASH

Fund balances with Treasury represent appropriated funds available to pay liabilities and finance authorized expenditures. The cash held outside Treasury represents imprest fund balances.

E. ACCOUNTS RECEIVABLE AND RELATED ALLOWANCES FOR UNCOLLECTABLE AMOUNTS

Outstanding billed reimbursable costs for goods and services provided to other Federal agencies and State and local governments comprise the majority of accounts receivable. The FLETC uses the allowance method for recognizing bad debt expense on accounts receivable.

F. INTRA-TREASURY ADVANCES

The Treasury's Working Capital Fund (WCF) was established by Section 104 of Public Law 91-614, December 31, 1970, and amended by Section 442 of Public Law 98-369, July 1984. Amounts in the fund are available for expenses of operating and maintaining common administrative services of Treasury that have been determined to be carried out as centralized services. In accordance with established WCF procedures, funds for these services are collected from Treasury bureaus in advance. This advance is expended as services are provided by the WCF.

G. GOVERNMENTAL ADVANCES

The majority of governmental advances consist of advances to the United States Department of Agriculture (USDA) Graduate School for specialized projects. Advances are expended when services are provided by USDA.

H. OPERATING MATERIALS AND SUPPLIES

Operating materials and supplies are tangible personal property that takes one of three forms: held for sale under the reimbursable program; consumed in the process of production for reimbursable services; or consumed in the provision of direct program services. Recognition as a financial resource occurs when title passes to the FLETC, or goods are in the FLETC's possession. At the time title passes to the purchaser, or the goods are used in the provision of a service, the financial resource is removed from the account.

I. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment purchased individually that costs \$50,000 or more are capitalized. Depreciation is calculated on a straight-line basis over the useful life of the asset.

J. ACCRUED ANNUAL, SICK, AND OTHER LEAVE AND COMPENSATORY TIME

Annual leave, compensatory time, and other leave time are accrued when earned. The accrual is presented as a component of liabilities not covered by budgetary resources in the Balance Sheet and is adjusted for changes in compensation rates and reduced for annual leave taken. Sick leave is not accrued when earned, but is expensed when taken.

K. PENSION COSTS AND OTHER RETIREMENT BENEFITS

In general, FLETC employees hired prior to January 1, 1984, participate in the Civil Service Retirement System (CSRS), while employees' hired after that date participate in the Federal Employees' Retirement System (FERS). FLETC and its employees contribute to the retirement plan a certain percent of base pay as provided by the Office of Personnel Management (OPM). The costs of providing these benefits by OPM is more than the amounts contributed by FLETC and its employees. As a result of SFFAS No. 5, FLETC is required to report the full cost of providing pension benefits, to include the cost financed by OPM. The additional cost is included as an expense and as an imputed financing source in the FLETC's Statement of Change in Net Position.

L. ACCRUED WORKERS' COMPENSATION

The Federal Employees Compensation Act (FECA) program is administered by the U.S. Department of Labor (DOL) and provides income and medical cost protection to covered Federal civilian employees who have been injured on the job or have incurred a work-related occupational disease. Beneficiaries of employees whose death is attributable to a job-related injury or occupational disease receive compensation. The DOL initially pays valid FECA claims for all of the Federal government and seeks reimbursement two fiscal years later from the Federal agencies employing the claimants. Estimated future FECA costs are determined by the DOL for Treasury, which in turn, allocates to the FLETC the actuarial liabilities not covered by budgetary resources. This governmental liability is determined by using the paid losses extrapolation method calculated over the next 37-year period. This method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period.

M. LITIGATION CONTINGENCIES AND SETTLEMENTS

Probable and estimable unsettled litigation and claims against the FLETC are recognized as a liability and expensed for the full amount of the expected loss. Expected litigation and claim losses include settlements to be paid from the Treasury Judgement Fund on behalf of the FLETC and settlements to be paid from FLETC appropriations. Settlements paid from the Judgement Fund for the FLETC are recognized as an expense and imputed financing.

N. REVENUES AND FINANCING SOURCES

The FLETC receives the majority of its funding through annual, multi-year, no-year, and trust fund appropriations that may be used within statutory limits for operating and capital expenditures. Appropriations are recognized as financing sources when the related expenses are incurred. The FLETC enters into reimbursable agreements with Treasury and other Federal entities for services or goods provided. Under these arrangements, one entity provides goods or services to another at an agreed-upon price, and revenue from reimbursable agreements is recognized when the services are provided. Other minor financing sources include gifts and transfers from the Department of Justice's Violent Crime Reduction Trust Fund.

NOTE 2: FUND BALANCES WITH TREASURY

Entity fund balances with Treasury as of September 30, 2001 and 2000, are as follows (in thousands):

	<u>2001</u>	<u>2000</u>
Trust Funds	\$2,834	\$8,028
Appropriated Funds	112,825	82,664
Other Fund Types	<u>127</u>	<u>36</u>
TOTAL	<u>\$115,786</u>	<u>\$90,728</u>

Trust fund balances are comprised of gifts and transfers from the Department of Justice's Violent Crime Reduction Trust Fund. Other fund balances result from the FLETC's authority to use the proceeds from the sale of surplus items and recyclable materials to purchase like-items.

NOTE 3: ACCOUNTS RECEIVABLE**ENTITY INTRA-GOVERNMENTAL ACCOUNTS RECEIVABLE**

Intra-governmental Accounts Receivable due from other Federal agencies, as of September 30, 2001 and 2000, respectively, total \$6.5 and \$4.7 million, and are considered fully collectable.

ENTITY ACCOUNTS RECEIVABLE, NET

Receivables due from the public are recognized for law enforcement training provided to State, local and foreign governments. As of September 30, 2001 and 2000, receivables from the public total \$722 thousand and \$452 thousand, respectively, and are net of uncollectible amounts totaling \$18 thousand and \$13 thousand, respectively. The allowance for estimated uncollectible accounts receivable due from the public is determined by using the Percentage Analysis Method. The Percentage Analysis Method derives an estimated percentage of uncollectible accounts receivable by account type that is based on the experience of collecting past due accounts. The Specific Identification Method is used when actual uncollectible amounts of receivable are known.

NOTE 4: ADVANCES AND PREPAYMENTS

Entity advances and prepayments as of September 30, 2001 and 2000, are as follows (in thousands):

	<u>2001</u>	<u>2000</u>
Working Capital Fund	\$1,857	\$2,292
USDA Graduate School	<u>100</u>	<u>100</u>
TOTAL	<u>\$1,957</u>	<u>\$ 2,392</u>

The Working Capital Fund balance is available for expenses of operating and maintaining common administrative services of Treasury that have been determined as more advantageous and economical to be carried out as centralized service. Advances to the USDA Graduate School are for specialized computer based training courses. Expenses are recognized as services, which are provided by the Working Capital Fund and USDA.

NOTE 5: OPERATING MATERIALS AND SUPPLIES

Operating materials and supplies as of September 30, 2001 and 2000, consist of the following (in thousands):

	<u>2001</u>	<u>2000</u>
Ammunition	\$1,616	\$1,137
Uniforms	1,794	1,677
Maintenance materials and supplies	163	169
Training and office supplies	751	386
Gas and oil	13	20
Auto materials and supplies	<u>188</u>	<u>132</u>
TOTAL	<u>\$4,525</u>	<u>\$3,521</u>

The value of operating materials and supplies is determined by the average cost method.

NOTE 6: PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of September 30, 2001 and 2000, consist of the following (in thousands):

2001					
Property, Plant & Equipment	Depreciation Method	Service Life	Acquisition Cost	Accumulated Depreciation	Net Book Value
Land	-	-	\$3,838	\$ -	\$3,838
Structure, Facilities	Straight Line	20-30 years	198,131	(55,368)	142,763
Equipment	Straight Line	6-10 years	13,010	(8,143)	4,867
Construction in progress			<u>24,101</u>	<u>-</u>	<u>24,101</u>
TOTAL			<u>\$239,080</u>	<u>\$(63,511)</u>	<u>\$175,569</u>

2000					
Property, Plant & Equipment	Depreciation Method	Service Life	Acquisition Cost	Accumulated Depreciation	Net Book Value
Land	-	-	\$3,820	\$ -	\$3,820
Structure, Facilities	Straight Line	20-30 years	143,664	(49,283)	94,381
Equipment	Straight Line	6-10 years	14,824	(10,193)	4,631
Construction in progress			<u>34,174</u>	<u>-</u>	<u>34,174</u>
TOTAL			<u>\$196,482</u>	<u>\$(59,476)</u>	<u>\$137,006</u>

Property, plant, and equipment are valued at cost. Property and equipment transferred to the FLETC from the Department of Defense on the date that FLETC relocated to Glynco is stated as the transfer value that approximates historical cost. Major construction, renovation, and equipment acquisitions are capitalized, while maintenance, repair, and minor equipment costs are charged to expenses as incurred. Property, plant, and equipment purchased individually that cost \$50,000 or more are capitalized.

NOTE 7: CONTINGENCIES

The FLETC is involved in various legal actions and administrative proceedings incidental to its operations. Management vigorously contests all claims and lawsuits. As of September 30, 2001, FLETC recorded contingent liabilities of \$1 million for these pending claims and lawsuits. This compared with a probable liability as of September 30, 2000 of \$1.2 million. An estimate of the range of the possible liability as of September 30, 2001 and 2000, follows (in thousands):

	2001			2000		
Not Covered by Budgetary Resources	Probable Estimate	Possible Minimum	Possible Maximum	Probable Estimate	Possible Minimum	Possible Maximum
TOTAL	\$1,048	-	\$1,048	\$1,223	-	\$1,223

NOTE 8: OTHER LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

As of September 30, 2001 and 2000, other liabilities not covered by budgetary resources consists of the following (in thousands):

	2001	2000
Accrued Payroll and Benefits	3,481	3,230
FECA LIABILITY	\$8,720	\$7,694
TOTAL	<u>\$12,201</u>	<u>\$10,924</u>

NOTE 9: NET POSITION

Net position as of September 30, 2001 and 2000, consists of the following (in thousands):

	2001		
	Trust Funds	Appropriated Funds	Total
A. Unexpended Appropriations			
(1) Unobligated - Unavailable	\$235	\$50,825	\$51,060
(2) Obligated/ -Undelivered Orders	<u>2,457</u>	<u>61,845</u>	<u>64,302</u>
Total Unexpended Appropriations	2,692	112,670	115,362
B. Cumulative Results of Operations	<u>3,550</u>	<u>165,421</u>	<u>168,972</u>
TOTAL NET POSITION	<u>\$6,242</u>	<u>\$278,091</u>	<u>\$284,333</u>

	2000		
	Trust Funds	Appropriated Funds	Total
A. Unexpended Appropriations			
(1) Unobligated - Unavailable	\$955	\$24,605	\$25,560
(2) Obligated/ -Undelivered Orders	<u>7,111</u>	<u>58,174</u>	<u>65,285</u>
Total Unexpended Appropriations	8,066	82,779	90,845
B. Cumulative Results of Operations	<u>421</u>	<u>128,771</u>	<u>129,192</u>
TOTAL NET POSITION	<u>\$8,487</u>	<u>\$211,550</u>	<u>\$220,037</u>

Unexpended appropriations represent the amount of spending authorized as of year-end that is unliquidated or unobligated and had not lapsed, been rescinded, or been withdrawn. No -year appropriations remain available for obligation until expended. Annual appropriations remain available for upward or downward adjustment of obligations until expired. Cumulative results of operations is the net difference between (1) expenses and losses and (2) financing sources, including appropriated capital used, revenue, and gains, since the inception of the entity.

NOTE 10: STATEMENT OF NET COST

The program displayed is equivalent to the mission listed in the FLETC FY 2000-2005 Strategic Plan.

Gross costs and earned revenue by budget functional classification for the years ended September 30, 2001 and 2000; consist of the following (in thousands):

	2001		
Functional Classification	Gross Cost	Earned Revenue	Net Cost
Administration of Justice	138,522	31,546	106,976

	2000		
Functional Classification	Gross Cost	Earned Revenue	Net Cost
Administration of Justice	120,809	27,581	93,228

Program Expense by object code classification for the years ended September 30, 2001 and 2000, consists of the following (in thousands):

PROGRAM EXPENSES	2001	2000
Personnel Compensation	\$37,106	\$33,011
Personnel Benefits	18,059	15,116
Travel and Transportation of Persons	4,320	4,079
Transportation of Things	584	368
Rent, Communication and Utilities	7,034	4,370
Printing and Reproduction	1,072	780
Services	41,461	32,828
Supplies and Materials	10,002	9,237
Equipment	6,737	10,720
Minor Maintenance	5,747	6,070
Disposition of Assets	(409)	610
Depreciation and Maintenance	6,858	5,529
Bad Debts Expense	5	6
Claims and Indemnities	(55)	(1,916)
Interest	<u>1</u>	<u>1</u>
TOTAL	<u>\$138,522</u>	<u>\$120,809</u>

NOTE 11: STATEMENT OF NET POSITION-PRIOR PERIOD ADJUSTMENTS

FLETC adjusted the cumulative results of the operations account balance during FY 2001 and 2000 for corrections relating to prior year activity associated with Department of Labor and with appropriations used for capital investments pertaining to buildings. The net effect of the adjustments to FY 2001 and 2000 cumulative results of operations account balances totaled \$2.3 million and \$8.8 million, respectively.

NOTE 12: STATEMENT OF BUDGETARY RESOURCES

As of September 30, 2001 and 2000, budgetary resources obligated for undelivered orders total \$70.4 and \$68.4 million, respectively. The FLETC did not have any borrowing or contract authority, and did not have any repayment requirements, financing sources for repayments, or any other terms of borrowing authority used.

Adjustments to budgetary resources available at the beginning of FY 2001 and 2000 consist of the following (in thousands):

	2001	2000
Recoveries of prior year obligations	\$20,677	\$11,918
Cancellation of expired and no -year accounts	(1,049)	(1,068)
Enacted rescissions of prior year balance	(338)	(436)
Permanently not available PL105-61	(323)	(548)
Net Transfers, current year authority realized	(4)	3,852
Total	<u>\$18,963</u>	<u>\$13,718</u>

NOTE 13: STATEMENT OF FINANCING

The Financing Sources yet to be provided presented on the Statement of Financing represents the change between the beginning and ending balances for Liabilities not covered by Budgetary and Other Resources presented on the Balance Sheet.

NOTE 14: ENVIRONMENTAL CONCERNS

Firearms Ranges

In 1991 an environmental problem was identified with the FLETC Glynco outdoor firearms ranges. A remedial plan of action for the restoration of the outdoor firearms ranges was prepared and implementation of the plan was to begin in Fiscal Year 2001. In order to accomplish the restoration, several activities had to take place:

- 1) Four new indoor-outdoor firearms ranges had to be completed and operational before the outdoor ranges could be taken off line; and
- 2) The Georgia Environmental Protection Department and the Federal Environmental Protection Agency had to review the plan and give final approval that it met with all regulatory requirements.

During Fiscal Year 2001, the FLETC let a contract to the U.S. Army Corp of Engineers for \$2.1 million to accomplish the restoration. The four new indoor-outdoor firearm ranges were completed and became operational during FY 2001. Because of the increased demand for training resulting from the September 11, 2001 terrorist attack, the FLETC has deferred taking the outdoor firearms ranges offline. The outdoor firearms ranges are expected to be taken off-line no later than December 2003 so that the restoration can begin. The restoration should be completed by April 2005.

DEPARTMENT OF THE TREASURY

**FEDERAL LAW ENFORCEMENT TRAINING
CENTER**



CUSTODIAL FINANCIAL STATEMENTS

FISCAL YEARS 2001 AND 2000

SCHEDULES OF CUSTODIAL ACTIVITIES

AS OF SEPTEMBER 30, 2001 and 2000

(DOLLARS IN THOUSANDS)

<u>SOURCES OF CUSTODIAL REVENUE AND COLLECTIONS</u>	<u>2001</u>	<u>2000</u>
Revenue Received		
Fines, Penalties, Interest and Other Revenue	\$14	\$908
Total Revenue Received	<u>14</u>	<u>908</u>
Net Revenue Received	14	908
TOTAL REVENUE	<u><u>\$14</u></u>	<u><u>\$908</u></u>
 <u>DISPOSITION OF REVENUE RECEIPTS</u>		
Amounts Provided to Fund the Federal Government	<u>\$14</u>	<u>\$908</u>
Total Disposition of Custodial Revenue and Collections	<u>14</u>	<u>908</u>
NET CUSTODIAL REVENUE ACTIVITY	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

NOTES TO THE CUSTODIAL FINANCIAL STATEMENTS

NOTE 1: BASIS OF ACCOUNTING

The Schedule of Custodial Activities reports collections of miscellaneous receipts using the cash basis of accounting; i.e., when remittance is received. Revenue disposition is also reported on a cash basis.

DEPARTMENT OF THE TREASURY
FEDERAL LAW ENFORCEMENT TRAINING CENTER



SUPPLEMENTAL INFORMATION

FISCAL YEAR 2001

FLETC PARTNER ORGANIZATIONS

3 Branches of Government
31 Member Departments and Independent Agencies
74 Partner Organizations

EXECUTIVE BRANCH:

Agriculture	Forest Service Office of Inspector General
Amtrak	Amtrak Police
Central Intelligence Agency	Office of Inspector General Office of Security
Commerce	National Institute of Standards and Technology National Marine Fisheries Service Office of Export Administration Office of Inspector General Office of Security
Defense	Air Force Office of Special Investigations Defense Protective Service National Security Agency Naval Criminal Investigative Service Criminal Investigative Service/Office of Inspector General
Education	Office of Inspector General
Energy	Office of Inspector General
Environmental Protection Agency	Office of Criminal Investigations Office of Inspector General
Federal Deposit Insurance Corporation	Office of Inspector General
Federal Emergency Management Agency	Security Division Office of Inspector General
General Services Administration	Office of Federal Protective Service Office of Inspector General
Health and Human Services	Food and Drug Administration National Institutes of Health Office of Inspector General
Housing and Urban Development	Office of Inspector General
Interior	Bureau of Indian Affairs Bureau of Land Management Bureau of Reclamation National Park Service U.S. Park Police Office of Inspector General Office of Surface Mining, Reclamation and Enforcement U.S. Fish and Wildlife Service

Justice	Bureau of Prisons Drug Enforcement Administration Immigration and Naturalization Service U.S. Border Patrol Office of Inspector General U.S. Marshals Service
Labor	Office of Inspector General
National Aeronautics and Space Administration	Office of Inspector General
Nuclear Regulatory Commission	Office of Inspector General
Office of Personnel Management	Office of Inspector General
Railroad Retirement Board	Office of Inspector General
Small Business Administration	Office of Inspector General
Smithsonian	National Zoological Park Office of Protection Services
Social Security Administration	Office of Inspector General
State	Agency for International Development-Office of Inspector General Bureau of Diplomatic Security Office of Inspector General
Tennessee Valley Authority	TVA Police Office of Inspector General
Transportation	Federal Aviation Administration Office of Inspector General U.S. Coast Guard
Treasury	Alcohol, Tobacco and Firearms Bureau of Engraving and Printing Financial Crimes Enforcement Network Internal Revenue Service Office of Inspector General Treasury Inspector General for Tax Administration U.S. Customs Service U.S. Mint U.S. Secret Service
U.S. Postal Service	Office of Inspector General Postal Inspection Service-Postal Police
Veterans Affairs	Office of Inspector General
JUDICIAL BRANCH: Supreme Court	Supreme Court Police
LEGISLATIVE BRANCH: U.S. Congress	Government Printing Office - Office of Inspector General Government Printing Office - Office of Security Library of Congress Police U.S. Capitol Police

PRINCIPLE OFFICIALS OF THE FLETC

Director.....W. Ralph Basham
Legal Counsel.....Willis C. Hunter
Assistant Director/CIO.....Sandy H. Peavy
Assistant Director for Office of Compliance.....Bruce J. Bowen

Associate Director for Washington Office.....John C. Doohar
Deputy Associate Director.....Jeffrey L. Hesser
Deputy Associate Director.....Paul B. Imbordino

Associate Director for Training.....Paul A. Hackenberry
Assistant Director for Artesia Operations.....G. Ray Havens
Assistant Director for Training.....Michael R. Hanneld
Assistant Director for State and Local Training.....Bruce P. Brown
Assistant Director for Training Support.....Hobart H. Henson

Associate Director for Planning and Workforce Development.....Connie L. Patrick
Assistant Director for Planning and Workforce Development.....Sandra L. Wiggins

Associate Director for Administration/CFO.....D. Kenneth Keene
Assistant Director for Administration.....Gregory G. Carver

For Additional Information Contact:

**Public Affairs Office
Federal Law Enforcement Training Center
Glynco, GA 31524**

(912) 267-2447

Internet Address

<http://www.fletc.gov>