

STATEMENT OF MARY L. KENDALL  
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FOR THE DEPARTMENT OF THE INTERIOR  
BEFORE THE SENATE COMMITTEE  
ON HOMELAND SECURITY AND GOVERNMENT AFFAIRS  
SUBCOMMITTEE ON FINANCIAL AND CONTRACTING OVERSIGHT  
“OVERSIGHT OF SMALL AGENCIES”  
APRIL 10, 2014

Chairwoman McCaskill and members of the subcommittee, thank you for the opportunity to submit comments for the record.

I applaud the Subcommittee’s effort to consider solutions for small agencies that do not have an Inspector General. I would respectfully suggest, however, that included in that consideration should also be the small Inspectors General that do not have adequate staff to fulfill their mission.

I do not submit my comments to the Subcommittee with any particular solutions or recommendations in mind. I merely wanted to share several experiences of the Office of Inspector General for the Department of the Interior (DOI) in assisting small entities to review issues properly addressed by an Inspector General.

The Inspector General for the Election Assistance Commission (EAC) has recently sought our help for audits and investigations related to suspected fraud in the expenditure of EAC funds in the Virgin Islands. We were requested to conduct this work in part because the OIG for Interior has jurisdiction over the Virgin Islands, but also because we have a well-established relationship with the Inspector General for the EAC who previously spent many years as an auditor in our office. We have investigated other issues for the EAC OIG over the years, all under Economy Act reimbursable agreements. The Inspector General for EAC presently attempts to exercise his oversight responsibilities with no staff.

The Udall Foundation is a statutorily established Federal entity with extremely limited resources. When the Foundation found itself mired in some serious management and potential conflict of interest issues, its Board of Directors reached out to our office to request audit and investigative services. Because it has no oversight body, like an Inspector General, itself, the Foundation sought assistance from our office because the Secretary of the Interior holds a position on the Foundation’s Board, and we were able to extrapolate jurisdiction from this relationship. In undertaking this work, however, we started with no knowledge of the Foundation, and had a steep learning curve to overcome. As a result of extremely adept work by our staff, we were able to parse the management problems, explain them clearly to the Board of Directors, and provide meaningful and actionable recommendations to correct them. Because of the interest this generated with the Senate Appropriations Committee, we now receive funding out of the Foundation’s annual appropriation to provide ongoing oversight services to the Foundation.

Recently, we received a request from the House Appropriations Committee staff to provide oversight for the Office of Navaho and Hopi Indian Relocation (ONHIR), another statutorily established entity that has no oversight body to monitor its performance or funding.

Again, we will be provided funds to conduct this oversight, but as with the Udall Foundation, we undertake this effort with no knowledge about the ONHIR, and attenuated jurisdiction. With the Udall Foundation, we had the full support of the Board of Directors. We do not know how our presence will be received by the ONHIR.

The OIG for DOI is a small organization, less than 300 employees to oversee a department of over 70,000, and perhaps double that when all contractors and grantees are considered. Our oversight of entities like EAC, the Udall Foundation, and ONHIR is important and meaningful. We do receive funding or reimbursement for our efforts, but providing these services does divert audit and investigative resources from our oversight of DOI.

We offer this information to the Subcommittee as it considers the dilemma of providing oversight to entities that do not have Inspectors General, and hope that you will also consider the quandary that small IGs, like that for the EAC, face in fulfilling their mission.

Thank you for the opportunity to provide this statement. I am available for questions should the Chair or members of the Subcommittee have them.