

Statement of Senator Daniel K. Akaka

Government-wide Intelligence Community Management Reforms

Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia

February 29, 2008

Today's hearing — *Government-wide Intelligence Community Management Reforms* — will examine how to improve oversight of the intelligence community (IC) as it implements extensive government-wide management reforms.

Intelligence failures before the attacks of September 11, 2001, spurred the largest restructuring of the intelligence community since it was established. The Intelligence Reform and Terrorism Prevention Act of 2004 created a new position – the Director of National Intelligence (DNI) – to serve as the head of the intelligence community and principal advisor to the President on intelligence matters related to national security.

The Intelligence Reform Act provides the DNI with centralized authorities similar to but significantly more extensive

than those formerly held by the Director of Central Intelligence. The Director of National Intelligence oversees and coordinates the intelligence activities of the other members of the IC, which include sixteen other components spread throughout much of the executive branch.

Acting on these new authorities, the DNI has proposed a host of management reforms including changes in IC personnel policies, acquisitions, information sharing, and business practices. Such management reforms would create serious transformational challenges in any organization. The intelligence community, with its new, but still decentralized structure, led by a new director with new authorities, faces a daunting task in successfully carrying out these management reforms. While what the DNI is proposing may be new for the intelligence community, it is not new for the rest of the federal government. Many of the issues being confronted and the solutions posed are ones other federal agencies have managed already.

It is my strong belief that the intelligence community could benefit from the Government Accountability Office's (GAO) expertise in reviewing organizational transformations and management reforms. My view is shared by others, including Representative Lee Hamilton, who was Vice Chairman of the 9/11 Commission, and Senator Slade Gorton, also a member of the 9/11 Commission. In response to my questions for the record of a January 2007 Senate Homeland Security and Governmental Affairs Committee hearing entitled, "Ensuring Full Implementation of the 9/11 Commission's Recommendations," both stated that GAO should have the same authorities with respect to the intelligence community as it does with other federal government agencies. I will place these responses as well as a letter from Representative Hamilton addressing the issue into the record.

I am disappointed that despite GAO's government-wide mandate to assist Congress in reviews, audits, and investigations, the DNI and the Central Intelligence Agency so far have resisted

taking advantage of GAO's assistance in the transformation of their business practices.

The IC's cooperation with GAO is not simply a matter of making Congress's oversight job easier; it is a matter of making the IC's management reforms smoother, more effective, and more efficient. GAO has substantial expertise evaluating virtually all of the bread-and-butter management challenges that the intelligence community is confronting.

For example, GAO has done extensive work on how to fix the security clearance process, which is on GAO's high-risk list. Fixing the long delays in the process is an important national security priority. In response to a question for the record from Senator Voinovich from a November 2005 hearing of this Subcommittee on improving the security clearance process, GAO stated that it lacked the cooperation needed to ensure progress on this critical issue.

Similarly, GAO has done numerous evaluations of government information sharing and has provided valuable

recommendations on improving information sharing processes. Nonetheless, DNI refused to comment on GAO's March 2006 report on government sharing of sensitive but unclassified information because of its narrow view of GAO's authority.

Moreover, GAO has been a key advisor to Congress in its oversight of the development of new personnel systems at the Departments of Defense and Homeland Security. Given the fact that there are no union representatives to highlight employee concerns or implementation problems with the proposed personnel reforms in the IC, it is essential that Congress have an independent expert to review how such proposals are working.

Congress as well as the intelligence community could benefit from GAO's expertise on all of these topics, as well as its capacity to do crosscutting, government-wide evaluations and its institutional and political independence.

In September 2006, I introduced the Intelligence Community Audit Act, which I reintroduced in the 110th Congress (S. 82). This bill would reaffirm GAO's existing authority to perform audits

and evaluations of IC financial transactions, programs, and activities, and to obtain the documents needed to do so. At the same time, the bill contains provisions to enhance the protection of classified information, including restricting GAO work and dissemination of GAO reports related to covert actions and intelligence sources and methods, and affirming that GAO staff would be subject to the same penalties for unauthorized disclosure of classified information as IC employees.

The intelligence community is proposing far-reaching transformational policies. It clearly could benefit from independent analysis and sufficient congressional oversight. But the response of the DNI to Congress is, in effect, “Trust us, we know what we are doing.” Unfortunately, history provides numerous examples of intelligence failures that became evident only after it was too late to correct them. The stakes are too high to operate on trust.

Congress must redouble its efforts to ensure that U.S. intelligence activities are conducted efficiently, effectively, and

with due respect for the civil rights and civil liberties of Americans.

I will work to see that it does.

I look forward to hearing from our witnesses on their perspectives of how Congress can improve oversight of the intelligence community, in particular the role of the GAO. I want to thank our witnesses for being here today to discuss this important issue.

In particular, I want to thank David Walker for nearly a decade of service as the Comptroller General as he prepares to transition to become the President and Chief Executive Officer of the newly-established Peter G. Peterson Foundation. It has been my pleasure to work closely with him. I wish him well in his new endeavor, and I hope that his replacement will be someone who is equally capable and dedicated in his or her service.