



United States Senate
Committee on Homeland Security and Governmental Affairs
Chairman Joseph I. Lieberman, ID-Conn.

Opening Statement of Chairman Joseph Lieberman
Homeland Security and Governmental Affairs Committee Hearing
“Strengthening the Unique Role of the Nation’s Inspectors General”
Washington, DC
July 11, 2007

Good morning. In today’s hearing, “Strengthening the Unique Role of the Nation’s Inspectors General,” this Committee will examine two distinct but related questions fundamental to the effective operation of our nation’s government watchdogs.

One: “Who is watching the watchdogs?”

And two: “Who is watching out for the watchdogs?”

We need to ask these questions because recent news stories have said that some Inspectors General may have been retaliated against by their agency heads, while other Inspectors General have created the appearance of not being independent enough, sweeping problems and complaints under the rug.

With today’s hearing, we are going to ask our panelists for advice on how we can improve the existing Inspectors General legislation to encourage and maintain the independence that is crucial if these offices are to carry on their vitally important jobs of ensuring that taxpayers’ money is spent efficiently and that the executive departments of our government carry out their jobs fairly.

In the United States, the job of Inspector General is older than the Republic itself, tracing back to Prussian Baron Friedrich von Steuben’s service as Inspector General to General George Washington during the Revolutionary War.

The conflict inherent in the Inspector General’s office became clear even back then. Washington wanted von Steuben and his inspectors reporting only to him. Von Steuben wanted more independence.

The Continental Congress split the difference by passing legislation requiring that while Inspector General von Steuben would report directly to General Washington, his reports would go to Congress as well.

The system worked so well that many of the ideas and systems von Steuben began putting into place in 1778 are still used by military Inspectors General today.

Building on this model, precisely 200 years later, in 1978, both Houses of Congress unanimously passed the Inspectors General Act that created an office of Inspector General in 12 major departments and agencies that would report both to the heads of the agencies as well as Congress.

These new IGs were empowered with even more independence than their military counterparts to ensure they would be able to conduct robust oversight.

The law was amended in 1988 to add an Inspector General to almost all executive agencies and departments to combat waste, fraud and abuse.

Overall, the law is working as desired. According to the President’s Council on Integrity and Efficiency, last year alone IG audits resulted in \$9.9 billion in potential savings and another \$6.8 billion in savings when the results of civil and criminal investigations are added in.

Two of our witnesses today – Department of Justice Inspector General Glenn Fine and Department of Interior Inspector General Earl Devaney – are in my view models of what an IG should be.

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Among the many efforts of his office, Mr. Fine recently detailed the sloppy and often inappropriate use of National Security Letters to conduct wiretaps within the United States. Mr. Devaney has uncovered costly blunders regarding oil and gas leases, while challenging lax ethical conduct by department officials

While not all IG activities can or should generate as much attention as those investigations, this is the kind of independent and credible work we want to make the standard for all Inspectors General offices and that means we have to examine where the system has flaws.

On the one end, we have heard reports of the independence of Inspectors General threatened, such as former Smithsonian Inspector General Debra S. Ritt, who said she was pressured by former Smithsonian Director Lawrence Small to drop her investigation into the business practices of Small and other high-ranking officials at the Smithsonian.

The investigation continued – first by Ritt then by her successor – and ultimately revealed that Small, among other things, had charged the Smithsonian \$90,000 in unauthorized expenditures, including chartered jet travel, his wife's trip to Cambodia, hotel rooms, luxury car service and expensive gifts.

Over at the General Services Administration, Administrator Lurita Doan has been highly and publicly critical of Inspector General Brian Miller's audits of the agency's office practices and into prices vendors were charging the government for products or services, at one point even reportedly calling his auditors "terrorists," and threatening to cut his budget and responsibilities.

At the other end of the spectrum, we've had several IGs step down amid allegations about their conduct and some have called for the resignation of the NASA Inspector General Robert Cobb.

As many in this room are aware, an Administration investigation of Mr. Cobb concluded that he has created an appearance of lack of independence by his close relationship with the NASA Administrator, and has created an "abusive work environment."

With today's hearing, we want to start exploring the question of how best to balance the need of the IG offices to be an independent investigative force for good government practices within their department's and agencies, while still ensuring that those investigations are thorough and fair.

I know both Senators Collins and McCaskill have given much thought to this topic and have proposals for change that I hope we'll have the opportunity to discuss this morning.

With that, I want to thank today's expert witnesses for agreeing to share their thoughts and experience with this Committee to help guide our legislative efforts.