



**U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
ORGANIZATION AND PROCUREMENT**

CHAIRMAN EDOLPHUS TOWNS

FACT SHEET

JUNE 2007

Inspectors General: Questions of Independence and Accountability

Inspectors General in federal departments and agencies are charged with investigating evidence of waste, fraud, and abuse in the Executive Branch. Over the last 25 years, investigations by IGs have saved taxpayers billions of dollars.

To effectively carry out their mission, Inspectors General must be independent and objective, which requires that they be insulated from improper management and political pressure. To preserve the credibility of the office, Inspectors General must also perform their duties with integrity and apply the same standards of conduct and accountability to themselves as they apply to the agencies that they audit and investigate.

In 2004 and 2005, Committee staff prepared a report titled “Politicization of Inspectors General,” which found that Inspector General appointments have become increasingly politicized since 2000.¹ Over 60% of the IGs appointed by President Bush had prior political experience, such as service in a Republican White House or on a Republican congressional staff, while fewer than 20% had prior audit experience. In contrast, over 60% of the IGs appointed by President Clinton had prior audit experience, while fewer than 25% had prior political experience.

However, politicization is only one element that threatens the independence of Inspectors General. Interference by agency management, the absence of input or control by IGs into their office budgets, and campaigns by management to remove IGs who are aggressive in their investigations all jeopardize the independence of the Inspector General. At the same time, a lack of consistent and credible mechanisms for investigating and resolving allegations of misconduct by IGs may threaten accountability and credibility.

¹ House Committee on Government Reform, Minority Staff, *Politicization of Inspectors General* (Oct. 21, 2004; revised Jan. 7, 2005) (online at <http://oversight.house.gov/documents/20050111164847-37108.pdf>).

FACT SHEET – INSPECTORS GENERAL: INDEPENDENCE AND ACCOUNTABILITY

As part of the Subcommittee’s oversight of Inspectors General, Subcommittee staff have reviewed Congressional testimony and correspondence, reports of the President’s Council on Integrity and Efficiency, Government Accountability Office, and Office of Special Counsel, and press accounts to identify incidents in the past five years that raise questions about the independence and accountability of Inspectors General.

The following current and recent situations involving Inspectors General demonstrate challenges to IG independence, IG accountability, or both:

NASA

NASA IG Robert Cobb allegedly suppressed investigations and penalized his own investigators for pursuing allegations of theft, safety violations, and other wrongdoing. After a six-month investigation, the Integrity Committee of the President’s Council on Integrity and Efficiency determined that Mr. Cobb had abused his authority and created a hostile work environment, and had not maintained an appearance of independence from NASA officials.² All members of the committee believed that disciplinary action, up to and including removal, could be appropriate.

At a joint House-Senate hearing, former IG employees testified about Mr. Cobb’s abusive behavior and its negative effects of morale and productivity, his close relationship with top NASA officials, and his interference with both audits and investigations, which resulted in either weakening or stopping audit conclusions and investigative work.³ In testimony before the Integrity Committee, Mr. Cobb stated that he believed that his relationships with NASA officials assisted him in his work, and that he would attempt to have the same relationship with the current NASA Administrator if he had the opportunity.

Mr. Cobb has rejected the findings of the Integrity Committee and the PCIE. In a highly unusual move, NASA’s general counsel, who had been meeting with Mr. Cobb to discuss the investigation while it was on-going, performed a *de novo* review of the Integrity Committee’s work and determined that there had been no abuse “of the office” and no ethical violations by Mr. Cobb. The NASA administrator recommended that Mr. Cobb attend a management training school and work with an “executive coach” to improve his management style. Mr. Cobb remains in office.

² Letter from James Burrus, Chair, Integrity Committee, President’s Council on Integrity and Efficiency to Clay Johnson, Chair, President’s Council on Integrity and Efficiency (Jan. 22, 2007) (online at <http://democrats.science.house.gov/Media/File/Reports/PCIE%20Report%20on%20NASA%20IG.pdf>).

³ Joint Hearing of the Subcommittee on Investigations and Oversight, House Committee on Science and Technology and Subcommittee on Aeronautics, Space and Related Sciences, Senate Committee on Commerce, Science and Transportation, *Oversight Review of the Investigation of the Inspector General of the National Aeronautics and Space Administration* (June 7, 2007).

FACT SHEET – INSPECTORS GENERAL: INDEPENDENCE AND ACCOUNTABILITY

Department of Commerce

Commerce IG Johnnie Frazier is under investigation for taking trips with no apparent official purpose at government expense, retaliating against employees who objected and refused to sign the travel vouchers, and destroying emails after he was informed of an investigation into his travel.⁴ A report from the Office of Special Counsel recently concluded that he illegally retaliated against employees who challenged his conduct by demoting them.⁵ Mr. Frazier is also alleged to have traveled to casinos accompanied by subordinates on government time.⁶

The investigations have had a serious impact on morale in the Commerce IG's office. One employee reports "a continuous and escalating pattern of harassment and retaliation," and the Deputy Secretary of Commerce convened a meeting of all OIG employees to ask them to cooperate with the investigations and report any retaliation or security concerns.⁷

Mr. Frazier recently announced that he will retire at the end of June.⁸

Special Inspector General for Iraq Reconstruction

Special Inspector General for Iraq Reconstruction Stuart Bowen was appointed in 2004 and has identified extensive waste, fraud, and abuse by U.S. government employees and contractors in Iraq.

In 2006, Congress included in a military authorization bill a provision terminating the office effective October 1, 2007.⁹ This provision was reportedly inserted at the last minute in a closed-door conference, and "generated surprise and some outrage among lawmakers who say they had no idea it was in the final legislation."¹⁰ Congress quickly repealed the provision after the circumstances surrounding its passage became public.¹¹

⁴ House Committee on Energy and Commerce, Press Release, *Committee Opens Investigation into Allegations Of Misconduct by Commerce IG* (May 2, 2007) (online at http://energycommerce.house.gov/Press_110/110nr31.shtml).

⁵ Letter from Scott J. Bloch, Special Counsel, to President George W. Bush (May 25, 2007) (online at http://energycommerce.house.gov/Press_110/110-ltr.060707.DOC.Frazier.SCtoPOTUS.pdf).

⁶ *Commerce Dept. Inspector General's Casino Trip Probed*, Washington Post (Jun. 9, 2007).

⁷ *Commerce Inspector General Broke Whistle-Blower Law, Report Finds*, Washington Post (May 16, 2005).

⁸ *Commerce Dept. Inspector General's Casino Trip Probed*, Washington Post (Jun. 9, 2007).

⁹ National Defense Authorization Act for Fiscal Year 2007, Pub. L. 109-364.

¹⁰ *Congress Tells Auditor in Iraq to Close Office*, New York Times (Nov. 3, 2006).

¹¹ Iraq Reconstruction Accountability Act of 2006, Pub. L. 109-440.

FACT SHEET – INSPECTORS GENERAL: INDEPENDENCE AND ACCOUNTABILITY

The PCIE and Rep. Tom Davis are currently investigating complaints by employees about management and procurement practices in the office.¹² The allegations under investigation by the PCIE reportedly include “a payment to a contractor that the employees believed was unjustified; a project to produce a type of report on reconstruction that they maintain is outside the Congressional mandate of the office; and what the employees contend is an inflated estimate of how much money investigations by the office have saved American taxpayers.”¹³

Environmental Protection Agency

Acting EPA IG Bill Roderick recently announced plans to cut 60 of 360 staff positions in the IG’s office due to potential budget cuts. However, the IG office budget increased for FY 2007, and Congress has not yet acted on appropriations for FY 2008. Mr. Roderick also reportedly received a \$15,000 bonus last year.¹⁴

Mr. Roderick became acting IG after the resignation of former IG Nikki Tinsley, who left in part because she was not eligible for bonuses and as a result was paid tens of thousands of dollars less than her subordinates.¹⁵ As Inspector General, Ms. Tinsley issued multiple reports critical of EPA management, including findings that EPA officials made inaccurate statements about air quality in New York City after 9/11 in response to intervention from White House officials.¹⁶

General Services Administration

GSA IG Brian Miller has investigated allegations of improper procurement practices and potential Hatch Act violations by GSA Administrator Lurita Doan. Mr. Miller states that his relationship with Ms. Doan has been difficult. Ms. Doan reportedly referred to IG audits and investigations as “terrorism,” stating: “There are two kinds of terrorism in the U.S.: the external kind and internally, the IGs have terrorized the regional administrators.”¹⁷ Ms. Doan also proposed significant decreases in funding for Inspector General audits, instead reprogramming auditing funds to “surveys” by outside contractors.¹⁸

¹² *Inspector of Projects in Iraq Is Now Under Investigation*, New York Times (May 4, 2007); *U.S. inspector general for Iraq under investigation*, Reuters (May 2, 2007).

¹³ *Inspector of Projects in Iraq Is Now Under Investigation*, New York Times (May 4, 2007).

¹⁴ Letter from Rep. John Dingell to EPA Administrator Stephen L. Johnston (Apr. 23, 2007) (online at http://energycommerce.house.gov/Press_110/110-ltr.042307.EHM.Roderick.pdf).

¹⁵ *Outgoing EPA inspector general tells of search for accountability*, Govexec.com (Mar. 6, 2006).

¹⁶ Environmental Protection Agency, Office of Inspector General, *Evaluation Report: EPA’s Response to the World Trade Center Collapse: Challenges, Successes, and Areas for Improvement*, Report No. 2003-P-00012 (Aug. 21, 2003).

¹⁷ Testimony of Brian Miller, Inspector General, General Services Administration, Hearing of the House Committee on Oversight and Government Reform, *Allegations of Misconduct at the General Services Administration* (Mar. 28, 2007).

¹⁸ *Id.*

FACT SHEET – INSPECTORS GENERAL: INDEPENDENCE AND ACCOUNTABILITY

Legal Services Corporation

Legal Services Corporation IG Kirt West was considered for dismissal by the LSC board after he issued audit reports questioning spending on travel and expenses for LSC board meetings.¹⁹ While Mr. West was conducting a continuing investigation of board expenses, the board summoned him for “informal feedback” and told Mr. West that he took a prosecutorial stance toward management, issued inflammatory reports and was not a positive help to LSC.²⁰ Mr. West perceived this feedback as an improper attempt to persuade him to back off his investigation.²¹

After Rep. Chris Cannon introduced legislation to require a supermajority vote for the LSC board to remove the Inspector General and held a hearing on the legislation, the LSC board did not proceed with removal.²²

Smithsonian Institution

Former Smithsonian Institution Inspector General Debra Ritt stated that former Smithsonian Secretary Lawrence M. Small tried to pressure her to drop an audit of high-ranking officials and their business expenses.²³ Ritt moved ahead with the audit, which found excessive spending on travel and other expenses by top Smithsonian officials and led to Small’s resignation.²⁴ However, Ritt resigned as Smithsonian IG shortly afterward, in response to cuts in the IG office budget.²⁵

In response to this situation, the Smithsonian changed its governance structure so that the IG is selected by and reports directly to the Smithsonian Board of Regents, not the Secretary.²⁶

¹⁹ *Gov't Watchdogs Under Attack From Bosses*, Washington Post (Dec. 27, 2006).

²⁰ Statement of Kirt West, *Legislative Hearing on H.R. 6101, the Legal Services Corporation Improvement Act*, Subcommittee on Commercial and Administrative Law, House Committee on the Judiciary (Sep. 26, 2006).

²¹ *Id.*

²² *Id.*

²³ *Former IG Says Small Asked Her To Drop Audit*, Washington Post (Mar. 20, 2007).

²⁴ *Id.*

²⁵ *Id.*

²⁶ Smithsonian Institution, Press Release, *Sprightley Ryan Named Smithsonian’s Inspector General* (Mar. 5, 2007) (online at http://newsdesk.si.edu/releases/si_ryan_named_IG.htm).

FACT SHEET – INSPECTORS GENERAL: INDEPENDENCE AND ACCOUNTABILITY

Department of Defense

DOD IG Joseph Schmitz resigned in 2005 during a Congressional investigation into whether Mr. Schmitz had blocked criminal investigations of senior Pentagon officials.²⁷ Sen. Charles Grassley also investigated whether Mr. Schmitz had submitted a report to the White House for review before it was issued.²⁸ Senior officials in the IG's office reportedly used code names in referring to persons under investigation, out of fear that Mr. Schmitz would tip off Pentagon officials to pending investigations.²⁹

Mr. Schmitz also faced allegations of waste and mismanagement, including a charge that he was “obsessed” with researching the history of Baron Friedrich von Steuben, the Inspector General of the Continental Army for General George Washington, and spent months personally redesigning the seal of the DOD IG to include elements of the von Steuben family coat of arms.³⁰

Mr. Schmitz left the Pentagon to become general counsel for the parent company of Blackwater USA, a major government and defense contractor.³¹

Department of Homeland Security

Clark Kent Ervin was the first IG at the Department of Homeland Security, moving to the newly-created DHS from his Senate-confirmed post as IG at the Department of State. At DHS, Mr. Ervin issued several reports critical of DHS programs, including findings that the performance of airport screeners in detecting weapons had not improved, the Transportation Security Administration spent \$500,000 on an employee awards ceremony and awarded excessive bonuses to executives, and DHS failed to carry out its mandate to consolidate multiple terrorist watch lists maintained by different agencies.³²

According to Ervin, DHS Secretary Tom Ridge complained that IG reports focused on the negative and called him in “to intimidate me, to stare me down, to force me to back off, to not look into those areas that would be controversial, not to issue critical reports.”³³ Ervin

²⁷ Letter from Sen. Charles Grassley to Secretary of Defense Donald Rumsfeld (Jul. 27, 2005) (online at <http://www.pogo.org/m/gp/gp-2005-Grassley-Schmitz.pdf>).

²⁸ Letter from Sen. Charles Grassley to DOD IG Joseph Schmitz (Aug. 8, 2005) (online at <http://www.pogo.org/m/gp/gp-2005-Grassley-Schmitz.pdf>).

²⁹ *The Scrutinizer Finds Himself Under Scrutiny*, Los Angeles Times (Sep. 25, 2005).

³⁰ *The Scrutinizer Finds Himself Under Scrutiny*, Los Angeles Times (Sep. 25, 2005).

³¹ *US: Pentagon's Chief Watchdog Joins Company that Owns Blackwater*, Reuters (Sep. 1, 2005).

³² *Ex-official tells of Homeland Security failures*, USA Today (Dec. 27, 2004).

³³ *Nightline*, ABC News (May 2, 2006).

FACT SHEET – INSPECTORS GENERAL: INDEPENDENCE AND ACCOUNTABILITY

served at DHS on a recess appointment. He left office at the end of 2004 after the Senate failed to confirm him and the White House did not renominate him.³⁴

Department of Health and Human Services

Former HHS IG Janet Rehnquist, the daughter of late Supreme Court Chief Justice William Rehnquist, resigned in 2003 amid investigations into charges of interfering with an investigation and mismanagement.

Allegations included forcing out senior staff members, improperly storing a gun in her office, questionable travel expenses charged to the government, and delaying an audit of a Florida pension fund until after an election at the request of Governor Jeb Bush's top aide.³⁵ Rehnquist also bypassed civil service procedures in selecting an individual for a top civil service position.³⁶ Furthermore, documents potentially related to the investigation by the General Accounting Office were shredded.³⁷ Investigations by the PCIE and GAO substantiated the allegations against Ms. Rehnquist.³⁸

U.S. Postal Service

Postal Service IG Karla Corcoran resigned in 2003 amid Congressional and PCIE investigations of wasteful spending. Ms. Corcoran required employees to attend elaborate team-building and awards programs for which millions of dollars were spent on travel and salaries.³⁹ IG employees were required to dress up in animal costumes and build gingerbread houses.⁴⁰ Videotapes from these sessions show “public servants dressed up as the Village People, wearing cat costumes, doing a striptease, and participating in mock trials – all on official time, all at the public's expense.”⁴¹

³⁴ *Ex-official tells of Homeland Security failures*, USA Today (Dec. 27, 2004).

³⁵ Government Accountability Office, *Department of Health and Human Services: Review of the Management of Inspector General Operations*, GAO-03-685 (June 2003).

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Goofy games cost public millions as stamp prices soar*, N.Y. Daily News (Mar. 9, 2003).

⁴⁰ Letter from Sen. Byron Dorgan and Sen. Ron Wyden to Postal Board of Governors Chair David Fineman (May 1, 2003) (online at <http://dorgan.senate.gov/newsroom/extras/050103fineman.pdf>).

⁴¹ *Id.*