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THE FUTURE OUTLOOK FOR THE OFFICE OF THE INSPECTOR GENERAL AND THE DEFENSE CRIMINAL INVESTIGATIVE SERVICE

Remarks as prepared for delivery by Department of Defense Acting Inspector General Thomas F. Gimble to the Key West In-Discussion with DCIS Investigators, June 14, 2006

Thanks for the welcome, and good afternoon, everyone. I enjoy getting out and speaking to OIG groups because it gives me an opportunity to talk to you about the great things that are being done within the OIG that you all play a significant part in. It sounds like you have had a great couple of days here so far and I am sure that the remainder of your in service will be productive and valuable.

I believe we share the common goals of serving the warfighters and taxpayers and remaining on the forefront of detecting and preventing waste, fraud, and abuse. I want to share with you my vision for the future outlook of the DoD OIG and DCIS and what I believe we need to do and where we need to be to ensure that our organization will remain strong and capable.

I hope you all have questions for me but first, I would like to talk to you about what we have done recently within the OIG beginning with the Qatar office. As a result of input from meetings with the senior leadership and an internally initiated review, the OIG opened the Southwest Asia Field Office in Qatar co-located with CENTCOM (Forward) in March 2006.

The Qatar office provides service to DOD assets in Qatar, Iraq, Afghanistan, and Kuwait in support of the Global War on Terror (GWOT) mission. The office is headed by Greg Townsend, a retired brigadier general and state judge, and staffed with seven auditors. However, it can quickly be expanded on an as needed basis to include additional auditors and DCIS special agents, as well as inspectors from our Office of Policy and Oversight. The Qatar office is currently conducting its initial audit on the Commanders Emergency Response Program in Afghanistan and supporting a mission equipment audit in both Afghanistan and Iraq.

Efforts are underway to establish a DCIS presence in Kuwait. The Army CID Major Procurement Fraud Unit (MPFU), based in Iraq will be putting a fraud-dedicated agent in Camp Arifjan with the CID general crimes office, on June 24, 2006. CID originally offered DCIS office space to be co-located with that CID agent, and that request was forwarded to the MPFU Iraq. Although the most recent response from the MPFU Iraq suggested that space now at the CID General Crimes office in Camp Arifjan, might be full, it is anticipated that the request will still be pursued. Another option is for agents to be deployed at Camp Arifjan in the offices of the Area Support Group (ASG). The ASG Commander has in the past, suggested having a DCIS

presence at Arifjan. The DCIS European Post of Duty will be working with DCIS Operations and Mid-Atlantic Field Office personnel in moving this effort forward.

I had the opportunity to travel to Qatar, Kuwait, Iraq, and Afghanistan from April 25 through May 3, 2006 where I met with key senior officials including Ambassador Neumann, Ambassador Litt, General Abizaid, General Casey, the CENTCOM and ARCENT Inspectors General, senior staff of the Special Inspector General for Iraq Reconstruction and 33 Iraqi Inspectors General. I was able to discuss the current DOD OIG support to the GWOT in Southwest Asia and how further support can be provided. It was imperative that I see the work being done in the field and observe first hand the challenges that DoD is facing in such a volatile area. I have to say that I was quite impressed by the operational efficiency of the Qatar office. The opening of this office is an example of the OIG looking ahead to identify the best way to effectively support our warfighters and taxpayers.

Now there are three topics that I want to emphasize today because they are particularly relevant to the future outlook of the OIG and DCIS.

- OIG and DCIS Accomplishments
- Senior Officials Briefings
- Budget and Staffing Projections

First, I believe that in performing our oversight role within DoD, the OIG has had a significant impact. For example, during the FY 2004-2005 time period, the OIG:

- ✓ Realized \$6.5 billion in monetary benefits
- ✓ Completed 1,138 audit recommendations agreed to by management
- ✓ Processed 698 indictments and 603 convictions
- ✓ Obtained \$1.03 billion in Criminal Investigative fines, restitution and recoveries

Large parts of the OIG's successes are from the extraordinary work done by DCIS including the following impressive statistics:

- The total criminal, civilian, and administrative recoveries since the inception of DCIS are \$8.8 billion, excluding recoveries from the private sector.
- DCIS had 415 criminal charges filed and 362 convictions in FY 2005.

The second topic that is relevant to the OIG's future outlook is keeping the Department and senior officials informed on our activities. I attend regular meetings with senior officials throughout the Department and military services to brief them on the IG mission, organizations responsibilities, projects, accomplishments, and budget issues. I also provide monthly updates to the DEPSECDEF and bi-weekly updates to the special assistants to SECDEF and DEPSECDEF. The senior officials I have met with in 2006 to brief them on the importance of the OIG mission include:

- LTG Walter Sharp, Director of the Joint Staff
- LTG Raymond Odierno the Assistant to the Chairman of the Joint Chiefs of Staff

- General Buzz Moseley, the Air Force Chief of Staff
- Ms. Tina Jonas, the USD(Comptroller) (Updated Quarterly)
- Mr. Ken Kreig, USD(AT&L) (Updated Quarterly)
- Dr. David Chu USD(P&R) (Updated Quarterly)
- General Michael Hagee, the Commandant of the United States Marine Corps
- General Colby Broadwater III, Chief of Staff for the European Command
- Mr. William Haynes, General Counsel (Monthly updates)
- Secretary Michael Wynne, Secretary of the Air Force
- Secretary Donald Winter, Secretary of the Navy
- Secretary Francis Harvey, Secretary of the Army
- General Peter Pace, Chairman, Joint Chiefs of Staff

That brings me to my third and final topic today, ensuring that the OIG has sufficient resources to accomplish its mission. The FY 2007 budget request is \$216.3 million, which is a net increase of 7.3 million above the FY 2006 budget request. The House and Senate Armed Services Committees have approved funding for the OIG at levels requested by the President. The House bill was passed on May 11, 2006, and the Senate is expected to begin consideration of its bill this week.

In addition, our current DoD IG civilian strength is at 1,380 employees, of which, 424 are Investigation, about 330 DCIS Agents.

The OIG has also received additional funding to support the Global War on Terror. The conference report on H.R. 4939, Emergency Supplemental Appropriations Act for Defense, The Global War on Terror and Hurricane Recovery provides 5 million for the Office of the Inspector General, instead of 6.1 million as proposed by the House and 1.8 million as proposed by the Senate. This increase is intended to allow the OIG to facilitate oversight activities of the Afghanistan and Iraq Security Forces Funds, among other activities.

An important issue that will be coming up is that the current DoD budget projection does not include funding for DFS after FY 2007. Without the DFS funds, the DoD IG budget would decrease beginning in FY 2008. In addition, since 1995, the DoD budget has almost doubled while the OIG budget has remained relatively flat and unchanged. Therefore, we do have some work cut out for us to make sure that we receive a solid budget to support our warfighters and taxpayers.

For FY 2008, I will be working with the Department to stabilize the DFS workforce and request additional funding for the OIG. An investment of \$10 million would provide the following benefits:

- Potential increase in audit monetary benefits
- Potential increase in investigative recoveries
- Increased criminal convictions
- Increase in the number of civilian reprisal investigations
- 10%-15% reduction in cycle time of investigations of senior officials
- Increased oversight on special access programs and nuclear surety
- Reduction in cycle time of military reprisal investigations

This group, more than most, know that increasing our workforce will enable us to provide more efficient support to our current involvement in the GWOT, Hurricane Katrina, and other management challenges.

That is why the OIG mission is to look forward — to identify the most important initiatives needed to strengthen our organization for the future. The Qatar office gives us a presence where we are much needed, our accomplishments and briefings to senior officials keep the Department aware of our value, and increasing our budget and staffing will ensure us the means necessary to accomplish our goals of improving the economy, efficiency and effectiveness of Department of Defense personnel, programs and operations; eliminating fraud, waste, and abuse in the programs and operations of the Department, and improving the efficiency and effectiveness of OIG products, processes, and operations.

Finally, I wanted to give you some information on the new IG nominee. David H. Laufman's nomination was sent to Congress on June 5, 2006. Mr. Laufman currently works at the United States Attorney's Office for the Eastern District of Virginia as the Assistant United States Attorney for the Terrorism and National Security Unit. His biography states that he received a Bachelor of Arts in 1979 from the University of Pennsylvania and a Juris Doctor in 1987 from Georgetown University Law Center. Mr. Laufman has served as:

- Chief of Staff, U.S. Department of Justice, Office of the Deputy Attorney General
- Assistant Counsel, U.S. Department of Justice, Office of Professional Responsibility
- Staff Director and Deputy Chief Counsel, Judicial Review Commission on Foreign Asset Control
- Investigative Counsel, Committee on Standards of Official Conduct, U.S. House of Representatives
- Assistant to the Special Counsel, Ethics Reform Task Force, U.S. House of Representatives

The next steps for the confirmation process include that the Senate Armed Services Committee (SASC) will hold a confirmation hearing, if approved by SASC, then there will be a sequential referral to the Senate Homeland Security & Governmental Affairs Committee, and lastly the Senate will vote to confirm the nominee.

At this point, I will be glad to answer any questions.