



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-4704

## **INSPECTOR GENERAL FOCUSES ON DEPLOYING MORE FORWARD ASSETS AND ENHANCING TEAMWORK**

*Remarks as prepared for delivery by Department of Defense Acting Inspector General Thomas F. Gimble to the European Fraud Conference, Heidelberg, Germany, March 7, 2006.*

---

First I would like to thank all of you here for giving me the opportunity to speak with you on this very important topic of combating fraud. We in the oversight community are on the forefront of detecting and preventing waste, fraud, and abuse. We serve two important groups: warfighters and taxpayers.

During my 30-plus years as a Government auditor I've had the opportunity to visit a number of commands and installations, and each time I've been fortunate enough to meet a number of good people who not only helped make my stays productive, but also enjoyable.

I say that not just as an introduction – which, of course it is – but also to make two key points:

- First, it is important for those of us charged with ensuring our Governments' funds are properly spent and accounted for to visit those areas where those funds are being spent.
- Second, those trips were successful not just due to my efforts, but also to the efforts of people from other organizations who assisted me. In short, they were successful because of teamwork.

Let me give you some examples of what I am talking about.

A month ago I gave an interview to a reporter during which we discussed the decision to open a Field office in Qatar. I had just finished explaining to him that even though the vast majority of our work is back in the United States, where most of the contracting and companies are located, we came to realize there is still a need for some presence on the ground to demonstrate to our Combatant Commanders and warfighters that we are maintaining transparent accountability throughout the theater.

I gave him the example that was cited by a congressman during a hearing I attended. The Government had paid top dollar for a load of two-by-fours, but when they were inspected on-site, they turned out to be seconds and warped.

Now when I refer to “the decision to open an office in Qatar” I want to stress that this wasn't something that was decided in one day after returning from my first appearance as the Acting DoD Inspector General before a Congressional committee – an experience I assure you that I will not soon forget!

This decision was made after extensive consultation with current and former “stakeholders,” which brings up my second point – the importance of teamwork and information sharing.

Before the decision was made, I visited with four of the key current and past stakeholders in the South West Area theater of operations to get their input and recommendations.

- On November 16, 2005, I traveled to MacDill Air Force Base, in Tampa, Florida, where I visited General John P. Abizaid, the CENTCOM Commander.
- Roughly a month later, on December 13, I traveled to Ft. Leavenworth, Kansas, to meet with Lieutenant General David H. Petraeus, who is now the Commander of the U.S. Army Combined Arms Center. As most of you are aware, Lieutenant General Petraeus served in Iraq, where he commanded the Multi-National Security Transition Command-Iraq (MNSTC-I) from June 2004 to September 2005, and the NATO Training Mission-Iraq from October 2004 to September 2005.
- While I was at Ft. Leavenworth, I was also fortunate enough to meet with the Army Chief of Staff, General Peter J. Schoomaker, and the Sergeant Major of the Army, Kenneth V. Preston, who were visiting the area at the same time.
- In addition, Lieutenant General Stanley E. Green, the Inspector General, United States Army advised me to establish the field office in Qatar vice Kuwait in order to best accomplish my objectives.

All of them were most helpful and supportive, and each has played a significant role in enabling us to realize our goal of standing up an eight person office in theater in what is really a very short span of time.

As I said, we serve two groups: warfighters and taxpayers.

- We have a responsibility to ensure that the American taxpayer gets the most for their hard-earned dollars.
- We have a responsibility to the DoD leadership that they are getting what they pay for so they can carry out their mission of protecting the nation.
- I have a requirement to report to Congress that the DoD OIG is actively engaged in preventing fraud, waste, and abuse from occurring.
- And we have a solemn duty to ensure that we do everything possible to provide our warfighters – our sons and daughters – with the type of high quality, reliable equipment that will not only enable them to complete their mission, but also survive in hostile environments around the world.

Yes, the money is important. But our primary mission is to support that warfighter in field, that young Soldier, Marine, Sailor and Airman, as well as all the other service men and women serving around the world.

We believe that we are doing a good job accomplishing our mission. I would like to mention a press release that was issued on February 1 of this year by the U.S. Attorney's Office for the District of Northern Alabama.

The press release announced the indictment of a defense contractor and a corporation for billing DoD for specific parts, when in fact inferior grade parts were supplied instead. The part, by the way, was a switch assembly for the Phalanx Weapons System, which as most of you are aware

is capable of firing thousands of rounds a minute and is an integral part of our armaments inventory.

The amount of money involved was only about \$69,000, but that is not what United States Attorney Alice H. Martin focused on in the press release when she stated: “Individuals and corporations who put money over our military personnel’s safety will be met with zealous prosecution. Supplying inferior grade parts, yet billing for specified tested parts, endangers the lives of our soldiers and will not be tolerated.”

I wholeheartedly agree. The question for us, however, is how do we achieve the goal of protecting our warfighters by making sure they are getting the maximum benefit for every tax dollar spent? And that brings me back to the two points I mentioned earlier.

I may be just a simple fellow, but even I know that *it ain’t no use kicking the tires unless you are at the place where the rubber meets the road.*

In other words, we – the OIG – need to be forward deployed. We need a presence, or at least a close proximity, to the areas where DoD funds have been allocated to ensure we are not paying top dollar for inferior grade materials, whether it’s two-by-fours or components for highly sophisticated weapon systems.

We’ve already taken one critical step by arranging for a presence in Qatar that will provide service to DoD assets in Iraq, Afghanistan, and Kuwait. That office, by the way, will be headed by a retired brigadier general and staffed with seven auditors. However, it can be quickly 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.

That’s the first step and there will be others. We are also looking at deploying auditors here in Europe, where we already have DCIS special agents assigned – which leads me to the second point I mentioned earlier: teamwork!

Right now we are working to strengthen the coordination between our auditors, DCIS special agents, and Policy and Oversight inspectors. That’s not to say they haven’t done a good job. They have.

We did have some impressive achievements while our personnel were in Iraq, but many of our effective efforts in the GWOT took place without ever setting foot in theater – like the joint operation involving DCIS, U.S. Immigration and Customs Enforcement, and Austrian authorities in 2004. That case began in Ft. Lauderdale, Florida, and ended in Vienna, Austria, with the arrest of two Iranian nationals who were trying to purchase 3,000 sets of U.S. military night vision goggles.

That investigation was a two-year effort that involved three different agencies. That’s an example of good investigative teamwork.

Now let me give you a couple of examples of our auditing work. And, let me emphasize the value of teamwork, because we receive a lot of help and assistance from the commands and other service auditing agencies.

We did an audit on contracts to assist the Global War on Terrorism by the U.S. Army Corps of Engineers. We published the final report on October 14, 2005. This audit recommended terminating a contract valued at over \$183 million for construction in Afghanistan. As a result, the Army Corps of Engineers agreed not to use the contract and allowed it to lapse.

We are participating in a joint President's Council on Integrity and Efficiency (PCIE) effort looking at the effects of Hurricane Katrina. DOD currently has about 150 personnel working the issue: 56 DODIG, 23 AAA, 34 NAS, 16 AFAA, 24 DCAA, plus others as needed.

We believe that as members of the oversight community, we have significant impact. For example, during the FY2004-2005 time period, the OIG:

- Realized \$6.5 billion in monetary benefits resulting from audit recommendations on how to better utilize funds
- 1,138 audit recommendations agreed to by management
- 698 indictments and 603 convictions in cases involving DCIS
- \$1.03 billion in criminal investigative fines, restitutions, and recoveries.

Looking at these figures you might be tempted to say, as we did, that the OIG is doing a pretty good job. "Good" – yes; but then we took a long, hard look at what we were doing.

Nothing is static in this world. Things change, and these days they change at a rate faster than we have ever experienced before. What we found when we looked at ourselves is that while we may have been doing a good job, we could have been doing it better!

Let me give you a couple of examples. I've already mentioned that I believe we, as an organization, need to be more forward-deployed. That's an external issue.

Now let's focus on internal changes, because many of the most important changes occur at home. As an example, I would like to highlight one we recently made that resulted from our "long, hard look" at ourselves.

We have a very successful Data Mining Directorate that's been run the past few years by Army Colonel Bill Kelley. Colonel Kelley will be talking with you about data mining later this week, so I won't go into a lot of detail. But I would like to give you a short overview.

The Data Mining Directorate was established a few years ago as part of our Auditing Office. Under Colonel Kelley's guidance, the program quickly became a team effort. Auditors and investigators frequently combined their techniques and tools into business rules. Data mining then used these business rules to identify that data which indicated the highest risk. The auditors and investigators then met and planned the best course of action to follow. The result has been a number of successful convictions and the recovery of government funds.

For example, data mining enabled us to identify Government personnel who were in collusion with vendors at the Washington Headquarters Service. That led to an investigation which resulted in the recovery of \$1.7 million, prison time for some of the perpetrators, and the vendor's being debarred from doing business with the Government for life. I'm sure Colonel Kelley will give you other examples later.

Despite its success, however, when we looked at our Data Mining program, we discovered that its potential could be applied in other areas, too. So on February 4 of this year, we moved the Data Mining Directorate to our Policy and Oversight Office where its considerable talents and assets could be used to address an even wider range of issues. The above announcement was approved and paid for by the friends of...no, just by Bill Kelly.

When we closely examined the past few years something else very critical also jumped out at us. Since 1995, the DoD budget has almost doubled while the OIG budget has remained relatively flat and unchanged.

While it would be easy to place the blame for that elsewhere, the reality is that we needed to make a better case in support of our own mission and its importance to DoD and the warfighter. Hopefully, we're doing that now. But we have a lot of ground to make up.

Meanwhile, we're going to have to make the best use of what we have, as all of you are doing. And that brings up one more point. I am very aware of how closely many of you have worked with our auditors, agents and inspectors on a variety of issues. I just want you to know that your support and your achievements have not gone unnoticed and I want to thank you for all you are doing.

You are providing a vital service to your nation and to the men and women in uniform. What you do has a direct impact not only on their ability to accomplish their mission, but also on how safely they can accomplish that mission.

During this conference, I intend to make several visits. One of the visits will be at the U.S. Army Regional Medical Center in Landstuhl. I plan to spend some time visiting with our troops who were wounded in Iraq and Afghanistan, and to thank them for their efforts in combating the Global War on Terror. Their efforts contribute immeasurably to the United States of America in championing freedom throughout the world.

I plan on meeting with the United States Army Europe and Seventh Army Inspector General. He has a tough job! There I hope to learn more about his organization and how the DODIG can best support it.

Yesterday I met with Lieutenant General Colby M. Broadwater III, to discuss the possibility of the DODIG establishing an audit office in Stuttgart. It is imperative that the DODIG compliments EUCOM's efforts in theater, so it can fulfill its COCOM Mission. The initiative was favorably received.

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