



INSPECTOR GENERAL  
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## **INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE AUDIT ASSESSMENT INDUSTRY DAY -- ARLINGTON, VA**

*Remarks as Delivered by Inspector General Joseph E. Schmitz of the Department of Defense. Arlington, VA, Thursday, April 8, 2004.*

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Thank you Paul [Granetto] for that introduction. First of all, I would reiterate Paul's expression of gratitude to Dr. Zakheim and to his Deputy, JoAnn Boutelle, for their cooperation and support in taking on this unprecedented challenge [to achieve an unqualified opinion on the DoD consolidated financial statement audit by FY2007].

Honored guests, certified public accountants, auditors, financial watchdogs, keepers of government integrity, welcome, and thank you for your participation in today's discussions.

Nations are often stamped by the circumstances of their birth.

The United States had the good fortune to have had leaders of great wisdom and character at the time of its founding, particularly in the case of George Washington.

At Washington's funeral, Congressman Henry Lee was chosen to deliver the official eulogy.

His stirring eloquence befitted the man he praised:

[quote] "First in war, first in peace, and first in the hearts of his countrymen, he was second to none in humble and enduring scenes of private life. Pious, just, humane, temperate, and sincere; uniform, dignified, and commanding; his example was as edifying to all around him as were the effects of that example lasting . . . Correct throughout, vice shuddered in his presence and virtue always felt his fostering hand. The purity of his private character gave effulgence to his public virtues . . . Such was the man our nation mourns."<sup>1</sup> [close quote]

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<sup>1</sup>Representative Henry "Light-Horse Harry" Lee, *George Washington! A Funeral Oration On His Death* (December 26, 1799) (London: Printed by J. Bateson, 1800).

<http://gwpapers.virginia.edu/exhibits/mourning/response.html>

Thomas Jefferson later wrote of Washington that “the moderation and virtue of a single character probably prevented this Revolution from being closed, as most others have been, by a subversion of that liberty it was intended to establish.”<sup>2</sup>

Let us note two key ideas in Jefferson’s comment: “as most others have been” and “a subversion of that liberty.”

This is a recognition of a fundamental truth—liberty is not the norm among governments, and that liberty is always at risk of being subverted.

We must never forget that, and we must always keep in mind the difference between societies where the rule of law prevails, and those where it does not.

For people who have lived their entire lives in the United States, it is a difficult concept to grasp that the American commitment to accountability, openness, and equal justice under law truly sets us apart from the majority of nations around the world.

We should be under no illusions about human nature or the imperfections of our great country.

We have our Enron and our WorldCom scandals, and I, for one, would not have a job if there were not a critical need of oversight and accountability in the transactions of business and government.

But these constant challenges are of an order of magnitude wholly different from what plagues most other nations of the world.

In what anthropologists call “shame/honor cultures,”<sup>3</sup> contractual arrangements simply do not mean the same thing that they mean to us.

Similarly, the rule of law can scarcely be said to exist in tribal cultures, such as, for example, parts of Iraq and Afghanistan, where loyalty to one’s own trumps everything—honesty, the law, fairness, and even common sense.

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<sup>2</sup> Letter from Thomas Jefferson to George Washington (April 16, 1784), in THE PAPERS OF THOMAS JEFFERSON, 1743-1826 (Edited by Julian P. Boyd et al. Princeton: Princeton University Press, 1950); see also THE FOUNDER’S CONSTITUTION, Volume 3, Article 1, Section 9, Clause 8, Document 5. (University of Chicago Press) <[http://press-pubs.uchicago.edu/founders/documents/al\\_9\\_8s5.html](http://press-pubs.uchicago.edu/founders/documents/al_9_8s5.html)>

<sup>3</sup> ROLAND MULLER, *Honor And Shame in A Middle Eastern Setting* (2000), <<http://nabataes.net/h&s.html>>

That is the context in which we might wish to consider our discussions today, for we are all in the accountability business—and actions that fall under the rubric of auditing and financial management are aimed at nothing less than preserving the rule of law established by our Founding Fathers.

The Constitution itself mandates that [quote] “a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”<sup>4</sup> [close quote] If you think about it, that means that those of us in the accountability business who also swear an oath to support and defend the Constitution have an opportunity every day to live our sacred oath.

Today I have the great pleasure of introducing a public servant with a truly distinguished record.

David Walker was chosen to serve as the nation’s chief accountability officer because his professional achievements are matched only by his reputation for personal integrity and character.

He began his 15-year term as head of the U.S. General Accounting Office (GAO) in 1998, following a long and brilliant career in both government and private industry.

David Walker worked at Arthur Anderson for nearly a decade, served as a Public Trustee for Social Security and Medicare during the 1990s, and served in the Department of Labor prior to his most recent appointment in government.

He is a CPA and a graduate of Jacksonville University<sup>5</sup> and Harvard University.<sup>6</sup>

Please welcome a great American and the Comptroller of the United States, David Walker.

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<sup>4</sup> U.S. CONSTITUTION, Article I, Section 9 (1787)..

<sup>5</sup> Bachelor of Science in Accounting, Jacksonville University in 1973.

<sup>6</sup> Senior Management in Government Certificate in public policy, John F. Kennedy School of Government at Harvard University in 1986.