

Appendix D

Excerpts from “Assessment of the Office of the Inspector General of the Department of Defense,” by Military Professional Resources, Inc., obtained by POGO through the Freedom of Information Act in June 2007.



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

OCCL

JUN 19 2007

Mr. Nick Schwellenbach
Investigator
Project On Government Oversight
666 11th Street, NW
Washington, DC 20001

Dear Mr. Schwellenbach:

This is in response to your Freedom of Information Act (FOIA) request dated June 18, 2007. You requested, "the 2002 MPRI Department of Defense Inspector General Study."

I have carefully reviewed the document responsive to your FOIA request and determined that the enclosed document that originated with the Office of the Inspector General of the Department of Defense may be released to you with redactions. The redactions are in accordance with the FOIA under the following exemptions:

(b)(6): The disclosure of information would constitute a clearly unwarranted invasion of personal privacy of individuals.

You have the right to appeal the decision to withhold information from you that is responsive to your FOIA request. If you should appeal, your appeal must be in writing to the Appellate Authority:

Mr. John R. Crane
Assistant Inspector General
Office of Communications and Congressional Liaison
400 Army Navy Drive, Room 1034
Arlington, VA 22202-4704

To be considered your appeal should be postmarked no later than 60 calendar days from the date of this letter. Please give your reasons for the appeal and write "Freedom of Information Act Appeal" printed clearly on the envelope and the letter. Also, reference your FOIA request number 07-0211 in your appeal letter, and include a copy of this letter.

I am the official responsible for this determination and have waived all processing fees. Should you have any questions regarding this matter, please contact Ms. Melanie Tenorio at (703) 604-9779.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. R. Aaron', with a long horizontal flourish extending to the right.

Darryl R. Aaron
Chief
FOIA Requester Service Center/
Privacy Act Office

Enclosures:
As stated

Enclosure

Executive Summary of the Assessment of the Office of The Inspector General of the Department of Defense

Objective:

An independent Assessment Team from Military Professional Resources, Inc. (MPRI) was assembled and tasked by the Inspector General of the Department of Defense (IG DoD) in response to interest by DoD leadership and the Congress. The MPRI Assessment Team was assigned the objective of conducting "an independent review to assess the overall effectiveness of the Office of the Inspector General of the Department of Defense (OIG DoD)".

General:

The Assessment Team was composed of eight people: four general officers (USA Ret.), one colonel (USA Ret.), two attorneys, and an office manager. Four of these officers have extensive Inspector General experience and two are former Deputy Assistant Secretaries of Defense. These seasoned officers and civilians were hand picked for this assessment because of their experience, competence, and integrity. The team commenced the assessment on 21 April 2002. The assessment followed the time-tested method of examining organizations and commands. By design, the assessment started at the bottom and worked its way to the top.

Background:

The tasking to make an assessment of the Department of Defense Inspector General (IG DoD) organization originated at the time that the current IG DoD was being considered for confirmation by the Senate Armed Services Committee. Mr. Joseph E. Schmitz concluded that if his nomination was approved he would ask for an independent assessment by an outside team and that he would provide the results to the Committee.

It would appear to be particularly appropriate to conduct such an assessment at this time when one considers that the Inspector General Act of 1978 was passed 24 years ago and the IG DoD organization was included under the act as an amendment in 1982; since that time no outside independent assessment has been made. Further, for nearly half of its existence over the last 20 years there has been no confirmed IG DoD in charge.

Whatever the circumstance, this has resulted in a vacuum of leadership in an organization where the requirement for leadership is the primary concern. The findings enumerated as part of this document more than bear this out. There is no question that the intent of the law was directed toward the prevention of fraud, waste, and abuse. The orientation of the services inspectors general by law was directed toward "determining and reporting on the economy, efficiency, morale, discipline, and esprit de corps of each of the services". The law provides for an Assistant Inspector General for Auditing and an Assistant Inspector General for Investigation. While the Secretary of Defense and the IG DoD are not precluded from establishing whatever other accounting they believe are necessary to accomplish the IG mission, the fact remains that the principal vector of the IG DoD is the prevention, and detection of fraud, waste, and abuse.

* D (AWSW01-99-D-0026, DO 0080, Para 4.1

This dichotomy in the mission of the IG DoD and the services inspectors general causes complications that may only be solved by revised legislation.

The IG system has its foundation in the organization created by Major General Frederic Wilhelm the Baron von Steuben in 1775 at the instance of the Continental Congress and George Washington. There is a monument to General von Steuben in Lafayette Park opposite the White House in Washington and on this monument is inscribed a tribute to von Steuben that has actually provided the beacon for the inspectors general of the services ever since. This inscription states “. . .he gave military training and discipline to the citizen soldiers who achieved the independence of the United States”. For two centuries the armed forces have seized upon this tribute as the doctrinal basis for the activities of the service inspectors general. It is difficult to reconcile the thrust of the civilian inspector general to the service inspectors general although they should be focused on the same goals . . .a better Army, a better Navy, a better Air Force, and a better Joint Staff.

Overall Assessment

The assessment has revealed four major areas of paramount concern.

The first and overriding issue in OIG DoD is the quality of leadership, particularly at the Senior Executive Service (SES) and senior GS 15 level. No member of the team has seen an organization, civil or military, manned by so many talented people, so ill served by its senior leadership. This level of management displays all of the malignant attributes attributed to entrenched bureaucracy. Much of this assessment and the supporting findings is a direct result of deficient leadership.

The second area of concern is organization and grade structure of the OIG DoD. The present organization is top heavy with SESs. The IG DoD organization consists of 1257 people and has 15 assigned members of the Senior Executive Service. This over structure in grade causes serious problems in command, leadership, and management. OIG DoD has no clear staff organization responsive to a chief of staff. Critical and sensitive responsibilities such as ethics and integrity, education and training, security, public relations, the general counsel, and resource management (comptroller) are buried in the organization beyond the tight control of the IG DoD.

The third area of concern is the lack of an inspection capability in OIG DoD. The IG DoD has legal responsibility for the oversight of at least 40 DoD components. If he is to fulfill his legal responsibility for oversight, and if he is to meet the expectation of the senior DoD leadership that the IG DoD should be the eyes, ears, and conscience of the Department, the OIG DoD needs an inspection capability.

The fourth area of concern is promotion of civil service employees, particularly in OAIG Auditing. There is no more sensitive subject amongst the rank and file of OIG DoD people. They demand that the promotion process be fair and visible; the current process in OIG Auditing is neither.

Overall the assessment indicates that the leadership of the OIG DoD will have a full time job in creating an atmosphere that will lead to the implementation of command policies and procedures

that are necessary for the health of this vital organization. It will not be easy. The assessment carries with it descriptions in detail of matters requiring instant correction and implementation.

Summaries of Major Task Assessments

Task 1: Statute Compliance Summary

The OIG DoD is, literally speaking, a “creature of statute”, and is often referred to as a “statutory IG”. The Inspector General Act of 1978 (as amended) created offices of Inspector General throughout the federal government, including the DoD. The stated purpose of the Act was to create “independent and objective units” within various departments and agencies (“such establishments”). 5 USC App 3, Section 2. The independence and objectivity of the OIG DoD are qualities that are hard to measure.

Task 2: Organization, Doctrine, Policies, and Personnel Management Summary

Task 2a: The Organization of the OIG DoD The current organization of the OIG DoD reflects past attempts to accommodate mandated manpower reductions and changing missions of the OIG over a period of years. It also reflects the compromises that were recognized at the time as being less than desirable but necessary. It appears that the new Inspector General has a window of opportunity to rework the organizational structure to cure some of the past problems and prevent future ones. With that in mind, two alternative organizational structures are offered for consideration. Neither structure is “correct” or “incorrect”. They are simply efficient starting points for any reorganization to be undertaken, and it is probable that any reorganization will differ somewhat from the basic model selected.

Task 2b: Doctrine and Policy of the OIG DoD There is a comprehensive body of doctrine and implementing policies guiding the OIG DoD to the proper accomplishment of its mission. Policies however are modified at lower levels within the OIG DoD components, both orally and in writing. This is a source of confusion and frustration to some members of the staff, and is fundamentally inefficient.

Task 2c: Personal Management in OIG DoD: The Administration and Information Management Directorate, OIG DoD provides personnel and human resource advice, assistance, and services. However, some components of personnel management and development are under control of the managers and supervisors in other components and are ineffective or perceived to be unfairly administered.

Task 3: Audit Procedures and Policies Summary: The OAIG Auditing is a major component of the OIG DoD. Its past accomplishments have been laudable but substantial improvements are needed. The process for issuing audit reports, as well as the reports themselves have suffered in recent years. Self-imposed metrics concerning productivity have emphasized quantity over quality and form over substance. A performance metric on concurrence rates for audit findings and recommendations should be eliminated. Efforts to improve internal quality controls have

resulted in multiple layers of review and paperwork. Reforms have been confusing and have increased editing time. Compliance with Government Auditing Standards and OIG DoD audit policies and procedures remains a problem. Credible evidence indicates audit findings and recommendations were diluted or eliminated. The professional staff needs to be overhauled. A pervasive system of cronyism drives promotions, work assignments, and performance awards. Potential whistleblowers are deterred with reprisal and the message is ignored. Training of auditors lacks a systematic plan. Junior auditors are rotated too early and often. These circumstances erode morale and contribute to the attrition of skilled auditors when its aging work force is already exhibiting a shortage of critical GS-13 employees.

Task 4: Education and Training Summary. Education and training in OIG DoD is in some disarray. There is no articulated professional ethic for IGs. There is no one senior staff responsible for the function. There is no overall system to plan, program, budget, and manage the function. There is no Training Model for OIG DoD. Technical training in the components is being attended to. The two most serious deficiencies are:

- The lack of a program for progressive leadership education specifically for OIG DoD, and
- Training for employees at appropriate levels on how the DoD, OSD, and the Services run. This causes a serious handicap for OIG DoD people who will be auditing, investigating, and inspecting the complex organization that is DoD. (See Task 4 assessment)

5. The OIG DoD should expand SI jurisdiction to investigate and document allegations of reprisal against civilian DoD employees.
6. The OIG DoD Semiannual Report to the Congress should contain detailed descriptions of how substantiated reprisal cases were resolved.

Subject: Deputy General Counsel's Office

"It was the best of times, it was the worst of times." Charles Dickens, A Tale of Two Cities

Summary

Members of the Assessment Team conducted interviews with all seven lawyers in the Deputy General Counsel's Office (DGC) of the OIG DoD. Additional interviews were conducted of other personnel in the agency that elicited comments regarding the DGC.

While the attorneys in the Deputy General Counsel's Office expressed a high degree of satisfaction with their particular jobs and their role in the larger organization, there was a startling "disconnect" between how they felt and how their office was regarded by others in the OIG DoD. While this disparity may be more apparent than real, the resulting antagonism towards the DGC's Office, particularly within DCIS, represents both a real challenge and a unique opportunity for systemic change for the OIG DoD and the DGC's Office.

Discussion

The first impression made by the DGC's Office on the Assessment Team members was very favorable. Five of the lawyers in the office were there to explain what they did at the initial (April 22) briefing. The DGC (IG) led the briefing and handed out a 1999 job description of his position, which does a good job of defining the office's responsibilities. In addition, an outline of the work performed by the office (captioned "Program Review"), which captured the points made in the briefing, was handed out to the Assessment Team.

The Team came away from the initial briefing with two strong impressions. One was the clear-cut division of labor within the DGC's Office between OAIG Auditing and OAIG Investigations. The other was the degree of comfort expressed by DGC (IG) with the current arrangement whereby the DGC's Office is part of the DoD General Counsel's Office, while giving independent and objective legal advise to the IG DoD. He handed out an August 16, 1985 Memorandum of Understanding between the OIG DoD and the DoD General Counsel's Office which defines their relationship. These sentiments were reinforced by follow-up interviews with the individual lawyers (Associate Deputy General Counsels). The individual lawyers confirmed the impression of specialization that had been conveyed at the briefing.

Two Associate Deputy General Counsels work almost exclusively with the Audit/APO side of OIG, primarily in reviewing the three hundred draft audit reports that are generated yearly. Two other Associate Deputy General Counsels work extensively with DCIS and CIPO. Their work consists in large part of reviewing requests for subpoenas and consensual monitoring.

Two additional Associate Deputy General Counsels work closely with the Departmental Inquiries Directorate; handling such matters as whistleblower protection cases, senior official misconduct investigations, and special investigations handled by the OIG DoD.

The Associate Deputy General Counsels all echoed the DGC (IG)'s comments on the desirability of continuing with the present dual-hatted arrangement for the DGC's Office. They shared his view that being part of the larger DoD General Counsel's Office had a number of advantages, not the least of which was the ability to draw on specialized knowledge in the latter office. One area that was repeatedly pointed out to us as one that the DGC's Office had no interest in getting up to speed on on its own was personnel matters, which they were content to leave to "The Building". The lawyers also repeated the DGC (IG)'s argument that being part of the DoD General Counsel's Office gave you more clout in dealing with the service counsels.

By the same token, the DGC lawyers felt very strongly that being part of the DoD General Counsel's Office did not affect their independence and objectivity as far as representing the IG DoD's interests. They cited instances where they staked out positions at odds with the DoD General Counsel's Office. They feel that the Memorandum of Understanding (which requires them to get the IG's okay before they can make disclosures to the DoD, among other things) serves as an adequate framework to safeguard their independence.

Along with the comfort level that comes with the certainty as to what one's job duties are, the lawyers in the DGC's Office also felt good about their workloads and their collective levels of experience. Although the workload tends to cycle (peaking during the Tailhook scandal, for example), they felt they had adequate staffing. Most of the lawyers seemed to have twenty years experience or more in the legal profession and all but one had military service in various Judge Advocate Corps, (and that individual had worked as a civilian attorney for the Army).

Outwardly, at least, the DGC's Office seemed to have good morale; to be competent, experienced lawyers; and to have clearly defined areas of responsibility within the office.

It came as a shock then, when Assessment Team members heard comments about the OIG DoD Deputy General Counsel's Office such as; "they're worthless", "they fight us rather than help us", "Once it goes up to Headquarters, you're screwed!" These comments come disproportionately from DCIS agents in the field. They expressed extreme frustration at the turn around time on subpoenas and requests for consensual monitoring. While a certain natural tension between police and prosecuting attorneys may be at work in this relationship, the agents' complaints do seem to have merit.

They complain not just of delay in terms of subpoenas and requests for consensual monitoring, but also a hostile, questioning attitude on the part of the DGCs; e.g., "Why do you need these particular documents?" They also gave examples of instances where the DGC's Office refused to arrange for legal representation of a DCIS agent in critical legal proceedings like depositions. In another instance, a DCIS agent was sued by a pro se litigant in what was clearly a claim arising in the course and scope of his employment and yet no defense was afforded him.

Regarding its independence from the DoD General Counsel's Office and "The Building", the issue with the DGC's Office is not so much whether it ever takes positions at odds with the former but whether the former ever colors or clouds its objectivity.

Witnesses have provided us with several significant examples where the positions taken by the DGC's Office have arguably been influenced by organizational or personal ties to "The Building". Furthermore, the DGC's Office is an anomaly due to its hybrid nature (working for the DoD General Counsel but reporting to the IG DoD). (All the other agencies and departments have stand alone General Counsel offices).

Recommendations

The role of liaison between the DCIS agents in the field and the DGC's Office (to ensure the latter's responsiveness) could be given to CIPO in its role as maker of criminal investigative policy and performer of oversight. This could go a long way to ensuring that such breakdowns of communications and misunderstandings do not occur.

For a variety of reasons, the Gordian Knot should be severed between the DGC (IG) and "The Building". Creating a truly independent General Counsel's Office for the OIG DoD would remove the perception of the former serving two masters.

Subject: OIG Employee Survey

In the course of the assessment, the team contacted approximately 643 of the 1257 employees in OIG DoD. In order to extend our reach to a broader sample and to determine the degree of support for the initial findings and assessments, the team developed a 28-question survey of the OIG DoD employees. The survey was administered via the OIG DoD INTRANET with as much protection of anonymity for the respondents as possible. The survey effort was strongly supported by the IG DoD. Fifty-two percent of those surveyed responded, 527 made voluntary written responses. The vast majority of responses to the survey corroborate and support the Team's assessment, which was primarily based on face-to-face interviews, seminars, and observations. (See Annex 1)

Minor Assessments

A-001

Subject: Security of Firearms

Although the Assessment Team avoids commenting on compliance issues, sometimes an issue illustrates a climate within an organization that requires further amplification. The security of government issued firearms is such a case. Department of Defense Directorate 5210.56 with change one dated January 24, 2002 "Use of Deadly Force and the Carrying of Firearms by DoD Personnel Engaged in Law Enforcement and Security Duties" governs the carrying of firearms by DoD personnel assigned to various DoD organizational entities. This regulation includes the provisions that agents must follow when carrying of firearms to an agent's residence.