
Statement of Honorable Brian D. Miller

Inspector General

General Services Administration



Committee on Transportation and Infrastructure

United States House of Representatives

August 1, 2012

Chairman Mica, Ranking Member Rahall, and members of the Committee, thank you for the invitation to testify today. I appreciate this Committee's support of Inspectors General (IG) and my office's mission to weed out instances of fraud, waste, and abuse at the General Services Administration (GSA).

It was with that mission in mind and pursuant to our Congressional reporting requirements that I wrote my July 19th letter to our committees of jurisdiction, some of which had requested that IGs bring matters to their attention earlier in an investigation. In my letter, I informed Congress about an incident that had been brought to my attention by Acting Administrator Dan Tangherlini, who advised me that GSA planned to release similar information in response to a Freedom of Information Act request.

On November 17, 2010, the Federal Acquisition Service (FAS) division of the GSA held a one-day performance award ceremony in the Washington, D.C., metropolitan area. The ceremony featured a team-building drum band exercise conducted by a third party vendor and speeches by current and former GSA officials. Our initial findings, though subject to further investigation and change, show costs of over \$200,000 for the one-day ceremony, including over \$34,000 for the venue, \$28,000 for picture frames, and \$140,464 for coordination and logistical management to a third party vendor. The vendor cost included \$20,579 for drumsticks and \$10,000 for management of a presentation called "Mission Possible Agent X."

As I stated in my letter, we have begun a preliminary analysis of the information we received from GSA and have opened an administrative investigation. Since our investigation began just a few weeks ago, we have already uncovered changes in the cost figures and new facts.

This may be a good opportunity to explain how an OIG investigation is conducted. OIG investigations originate through any number of sources. Our Hotline affords GSA employees, GSA senior management, other government employees, contractors, and concerned citizens a mechanism to report instances of fraud, waste, or abuse throughout GSA. Such reports can be made anonymously if the individual wishes for no one to know his or her identity. My Office of Investigations receives between 2,000 and 3,000 Hotline tips annually and will assess each complaint or tip for credibility and open up an

investigation if appropriate. Additionally, some matters warranting an investigation are brought to our attention by GSA senior management, as was the case with the FAS ceremony. In other scenarios, our auditors may bring a matter discovered during an audit to our Office of Investigations, or our special agents may be tipped off by an informant. No matter the source, our special agents conduct their investigations with professionalism, objectivity, and diligence. They interview witnesses and collect available evidence and documents. Our agents may compile the evidence in a written report of investigation, commonly known as an ROI, with relevant evidence attached. In the last semiannual reporting period, our Office of Investigation made 486 referrals for criminal prosecution, civil litigation, and administrative action. Civil settlements and court-ordered and investigative recoveries for that same period totaled \$218,496,507.

Because of the impact an IG investigation can have, accuracy is of the utmost importance. Inaccurate reports can threaten the integrity of an OIG and damage the OIG's reputation as a mechanism for dependable oversight. Because our investigation into the FAS ceremony is ongoing, the preliminary figures in the confines of my letter to Congressional committees are the extent to which I can discuss this incident. Those numbers were based on information provided by the Agency, information that I understood was going to be released publicly. My office will continue to look into this ceremony and will update the Committee when our investigation concludes.

Since the release of our April 2012 Management Deficiency Report on the 2010 Western Regions Conference (WRC), my office has been charged with examining other GSA conferences to determine whether the 2010 WRC was an outlier of excessive spending, or whether systemic or deep-seeded cultural problems exist within the Agency. We have begun to examine a cross-section of previous GSA conferences in addition to our ongoing audit and investigative work into Agency programs and high dollar contracts. Our Office of Audits is currently analyzing conferences of 25 or more attendees that cost over \$10,000 from Fiscal Year (FY) 2011 to the present from all regions. Examining only those conferences subsequent to FY 2010 allows us to validate the financial data with more accuracy. Additionally our Office of Investigations and our Office of Forensic Auditing continue to examine

conferences specific to GSA Region 9 or that have come in through the Hotline. If these initial examinations uncover regional or programmatic trends of excessive spending on conferences, we will devote additional audit and investigative resources to those areas. While our auditors and agents are working at a diligent pace, the heightened interest in conference spending of late cannot supplant the accuracy of their reviews. We also must keep in mind the other work we're always engaged in such as reviews of multi-million dollar contracts where there is a high risk of significant losses to the United States.

In the meantime, the Acting Administrator has begun a Top to Bottom Review of the Agency and is instituting systemic changes such as the centralizing the Office of the Chief Financial Officer and strengthening the Office of Administrative Services. We expect that these and other changes should prevent future wasteful conferences. The Acting Administrator's efforts, coupled with this Committee's vigilance and the OIG's continuing investigations and audits into the various management and programmatic challenges, advance the effectiveness of our collective mission to weed out instances of mismanagement and abuse at GSA.

Thank you for the opportunity to provide testimony. I would be happy to answer questions the Committee may have.