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ONE HUNDRED TWELFTH CONGRESS

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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August 3, 2012

Mr. Michael G. Carroll  
Acting Inspector General  
U.S. Agency for International Development  
1300 Pennsylvania Avenue NW  
Washington, D.C. 20523

Dear Mr. Carroll:

The Committee on Oversight and Government Reform, like the rest of Congress, relies on the community of inspectors general to bring matters to our attention that may require additional oversight or investigation. Without prompt access to information about serious or flagrant issues at Executive Branch departments and agencies, Congress cannot use the full range of tools at its disposal to prevent further waste, fraud, or abuse. The General Services Administration (GSA) conference scandal offered lessons about the importance of making Congress aware of serious issues as soon as possible. Had Congress been made aware of the waste and excess associated with GSA's 2010 conference in Las Vegas sooner, we might have viewed differently the annual appropriations bill that increased GSA's budget authority by more than \$410 million.<sup>1</sup>

With that in mind, I am writing to clarify the Committee's expectations for timely reporting of information about serious or flagrant issues. On April 16, 2012, the Committee held a hearing entitled "Assessing GSA's Culture of Wasteful Spending." The hearing explored allegations of misconduct outlined in a report issued by GSA Inspector General Brian Miller on April 2, 2012. Miller's report – which focused on excessive spending related to a 2010 GSA conference held in Las Vegas – brought this very serious matter to the attention of Congress for the first time. The same day, GSA Administrator Martha Johnson resigned. Miller subsequently made a criminal referral of the matter to the Department of Justice.

As of April 2, 2012, agency leadership had been aware of the IG's investigation for nearly a year. The White House knew of the IG's investigation as early as May 2011. Meanwhile, Congress remained in the dark.

<sup>1</sup> See Consolidated Appropriations Act, FY2012, P.L. 112-74 (H.R. 2055) (Dec. 23, 2011).

Section 5(d) of the Inspector General Act requires the inspectors general to report particularly flagrant problems to Congress through the agency head within seven days via what has become known as a “seven-day letter.”<sup>2</sup> The seven-day letter has been used sparingly.<sup>3</sup> It has become a tool of last resort, often used to leverage agency leadership into taking action.<sup>4</sup> Often the mere discussion of the use of a seven-day letter with management results in needed actions, without the need to actually issue the letter. In those cases, Congress may never learn of the issues that led to consideration of a seven-day letter. Going forward, it is my expectation that you will inform Congress about serious or flagrant problems at your agency – like those at GSA – much earlier.

Congress included language in the IG Act designed to encourage prompt and frequent communication. The IG Act provides for additional channels for IGs to communicate with the agency head and Congress. Section 4 requires inspectors general to take the following steps:

**[T]o keep the head of such establishment and Congress fully and currently informed**, by means of the **reports** required by section 5 **and otherwise, concerning fraud and other serious problems, abuses, and deficiencies** relating to the administration of programs and operations administered or financed by such establishment, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.<sup>5</sup>

The concept of keeping the head of the agency and Congress informed by reports and “otherwise” allows for a variety of mechanisms by which the inspector general or staff can communicate with Congress about serious problems. Rather than use the specter of communication with Congress for leverage, inspectors general should proactively provide information directly to Members of Congress, its committees and subcommittees, congressional staff, and other stakeholders. Congress relies on timely information supplied by the IGs to legislate effectively. As such, I endeavor to establish an understanding between Congress and the IG community whereby information about serious or flagrant problems is communicated promptly.

In some cases, certain serious or flagrant problems about which Congress expects prompt reporting might implicate national security or privacy concerns. Rather than widely circulate reports in these cases, you should communicate the matter to the respective Chairmen and Ranking Members of the agency’s authorizing committees in the House of Representatives and the Senate, the House Committee on Oversight and Government Reform, and the Senate Committee on Homeland Security and Governmental Affairs. This protocol is modeled on the

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<sup>2</sup> 5 U.S.C. App. § 5(d).

<sup>3</sup> GAO-11-770, “Inspectors General: Reporting on Independence, Effectiveness, and Expertise,” Sept. 2011, at 8-9. In September 2011, GAO reported that only one of 62 IGs surveyed had used the seven-day letter at any time during fiscal years 2008, 2009, and 2010. In 1999, GAO reported that no IGs had used the seven-day letter during the period from January 1990 through April 1998.

<sup>4</sup> *Id.*

<sup>5</sup> 5 U.S.C. App. § 4(a)(5) (emphasis added).

Mr. Michael G. Carroll

August 3, 2012

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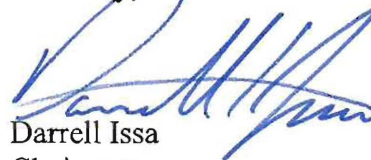
“Gang of Eight” system for allowing the President to report to Congress about covert intelligence activities.<sup>6</sup>

So that the Committee can better understand how seven-day letters are viewed by the IG community and develop a more clear understanding of Congress’s expectation for prompt reporting of serious or flagrant problems, please provide written responses to the following questions:

1. Since January 1, 2009, have you issued any seven-day letters? If yes, please describe the matters involved.
2. Since January 1, 2009, have there been any serious or flagrant problems at your agency that were not reported to Congress? If yes, please describe the matters and explain why Congress was not informed.
3. Please explain what you and your staff understand section 4(a)(5) of the IG Act to require.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at “any time” investigate “any matter” as set forth in House Rule X. If you have any questions about this request, please contact Jonathan Skladany or Jessica Donlon of the Committee Staff at (202) 225-5074. Thank you for your attention to this matter.

Sincerely,



Darrell Issa  
Chairman

cc: The Honorable Elijah E. Cummings, Ranking Minority Member

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<sup>6</sup> The President is required to “ensure that the congressional intelligence committees are kept fully and currently informed of the intelligence activities of the United States.” 50 U.S.C. § 413(a)(1). In cases in which the President believes “it is essential to limit access” to information about a covert action, however, he may elect to report instead to a select group of congressional leaders known as the “Gang of Eight,” consisting of the Speaker of the House, House Minority Leader, Senate Majority Leader, Senate Minority Leader, Chairman and Ranking Member of the House Permanent Select Committee on Intelligence, and Chairman and Ranking Member of the Senate Select Committee on Intelligence. *Id.* § 413b(c)(2).

Name	Title	Agency/Department
Mr. Michael G. Carroll	Acting Inspector General	U.S. Agency for International Development
Mr. Ted Alves	Inspector General	Amtrak
Mr. Hubert Sparks	Inspector General	Appalachian Regional Commission
Ms. Carol Bates	Inspector General	Architect of the Capitol
Honorable David Buckley	Inspector General	Central Intelligence Agency
Mr. A. Roy Lavik	Inspector General	Commodity Futures Trading Commission
Mr. Christopher W. Dentel	Inspector General	Consumer Product Safety Commission
Honorable Deborah Jeffrey	Inspector General	Corporation for National and Community Service
Mr. Kenneth Konz	Inspector General	Corporation for Public Broadcasting
Mr. John Carey	Inspector General	Defense Intelligence Agency
Mr. Curtis Crider	Inspector General	Election Assistance Commission
Mr. Milton Mayo	Inspector General	Equal Employment Opportunity Commission
Honorable Osvaldo L. Gratacós	Inspector General	Export-Import Bank of the United States
Mr. Carl A. Clinefelter	Inspector General	Farm Credit Administration
Mr. David L. Hunt	Inspector General	Federal Communications Commission
Honorable Jon T. Rymer	Inspector General	Federal Deposit Insurance Corporation
Ms. Lynne A. McFarland	Inspector General	Federal Election Commission
Honorable Steve A. Linick	Inspector General	Federal Housing Finance Agency
Ms. Dana Rooney-Fisher	Inspector General	Federal Labor Relations Authority
Mr. Adam Trzeciak	Inspector General	Federal Maritime Commission
Mr. Mark Bialek	Inspector General	Federal Reserve Board
Mr. John M. Seeba	Inspector General	Federal Trade Commission
Honorable Brian D. Miller	Inspector General	General Services Administration
Ms. Frances Garcia	Inspector General	Government Accountability Office
Mr. Charles J. Willoughby	Inspector General	Government of the District of Columbia
Michael Raponi	Inspector General	Government Printing Office
Mr. Jeffrey E. Schanz	Inspector General	Legal Services Corporation
Mr. Karl W. Schomagel	Inspector General	Library of Congress
Honorable Paul K. Martin	Inspector General	National Aeronautics and Space Administration
Mr. Paul Brachfeld	Inspector General	National Archives and Records Administration
Mr. William DeSarno	Inspector General	National Credit Union Administration
Ms. Tonie Jones	Inspector General	National Endowment for the Arts
Ms. Laura Davis	Acting Inspector General	National Endowment for the Humanities
Ms. Dawn R. Eilenberger	Inspector General	National Geospatial-Intelligence Agency
Mr. David Berry	Inspector General	National Labor Relations Board
Ms. Lanie D'Alessandro	Inspector General	National Reconnaissance Office
Ms. Allison Lerner	Inspector General	National Science Foundation
Dr. George Ellard	Inspector General	National Security Agency
Honorable Hubert T. Bell	Inspector General	Nuclear Regulatory Commission
Honorable Patrick E. McFarland	Inspector General	Office of Personnel Management
Mr. Charles McCullough, III	Inspector General	Office of the Director of National Intelligence
Ms. Kathy A. Buller	Inspector General	Peace Corps
Ms. Rebecca Anne Batts	Inspector General	Pension Benefit Guaranty Corporation
Mr. Jack Callender	Inspector General	Postal Regulatory Commission
Honorable Martin J. Dickman	Inspector General	Railroad Retirement Board
Honorable Jon T. Rymer	Acting Inspector General	Securities and Exchange Commission
Honorable Peggy E. Gustafson	Inspector General	Small Business Administration
Mr. Scott S. Dahl	Inspector General	Smithsonian Institution
Honorable Patrick P. O'Carroll Jr.	Inspector General	Social Security Administration
Mr. Stuart W. Bowen Jr.	Inspector General	Special Inspector General for Iraq Reconstruction
Honorable Christy Romero	Inspector General	Special Inspector General for the Troubled Asset Relief Program
Honorable Richard Moore	Inspector General	Tennessee Valley Authority
Mr. Mike Marsh	Inspector General	The Denali Commission
Honorable J. Russell George	Inspector General	Treasury Inspector General for Tax Administration
Mr. Carl W. Hoecker	Inspector General	U.S. Capitol Police
Honorable Phyllis Fong	Inspector General	U.S. Department of Agriculture
Honorable Todd J. Zinser	Inspector General	U.S. Department of Commerce
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Honorable Kathleen Tighe	Inspector General	U.S. Department of Education

Honorable Gregory H. Friedman	Inspector General	U.S. Department of Energy
Honorable Daniel Levinson	Inspector General	U.S. Department of Health and Human Services
Mr. Charles Edwards	Acting Inspector General	U.S. Department of Homeland Security
Honorable David A. Montoya	Inspector General	U.S. Department of Housing and Urban Development
Ms. Mary L. Kendall	Acting Inspector General	U.S. Department of Interior
Honorable Michael E. Horowitz	Inspector General	U.S. Department of Justice
Mr. Daniel Petrole	Deputy Inspector General	U.S. Department of Labor
Mr. Harold W. Geisel	Deputy Inspector General	U.S. Department of State
Honorable Eric M. Thorson	Inspector General	U.S. Department of the Treasury
Honorable Calvin L. Scovel III	Inspector General	U.S. Department of Transportation
Honorable George Opfer	Inspector General	U.S. Department of Veteran Affairs
Honorable Arthur A. Elkins Jr.	Inspector General	U.S. Environmental Protection Agency
Mr. Philip M. Heneghan	Inspector General	U.S. International Trade Commission
Mr. David Williams	Inspector General	U.S. Postal Service