

GSA Chief Seeks to Cut Budget For Audits

Contract Oversight Would Be Reduced

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The new chief of the U.S. General Services Administration is trying to limit the ability of the agency's inspector general to audit contracts for fraud or waste and has said oversight efforts are intimidating the workforce, according to government documents and interviews.

GSA Administrator Lurita Alexis Doan, a Bush political appointee and former government contractor, has proposed cutting \$5 million in spending on audits and shifting some responsibility for contract reviews to small, private audit contractors.

Doan also has chided Inspector General Brian D. Miller for not going along with her attempts to streamline the agency's contracting efforts. In a private staff meeting Aug. 18, Doan said Miller's effort to examine contracts had "gone too far and is eroding the health of the organization," according to notes of the meeting written by an unidentified participant from the Office of Inspector General (OIG).

The GSA is responsible for managing about \$56 billion worth of contracts each year for the departments of Defense and Homeland Security and other agencies.

Doan compared Miller and his staff to terrorists, according to a copy of the notes obtained by The Washington Post.

"There are two kinds of terrorism in the US: the external kind; and, internally, the IGs have terrorized the Regional Administrators," Doan said, according to the notes.

Through a spokesman, Doan said she respects the inspector general's role and is not doing anything to undercut his independence. She also denied that she had referred to Miller, a former terrorism prosecutor, or his staff as terrorists.

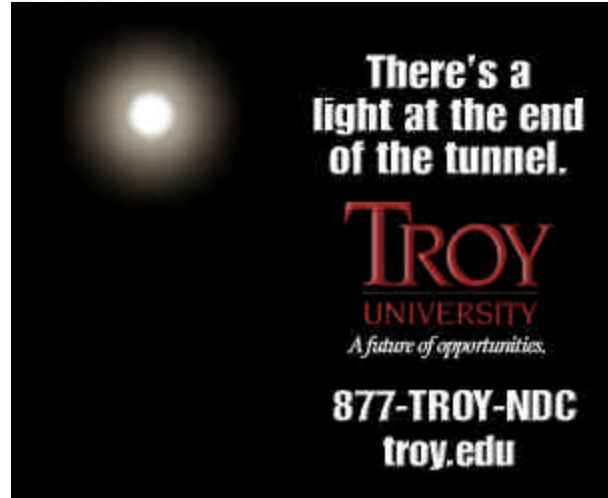
"She's trying to reduce wasteful spending," said GSA spokesman David Bethel. "Just like any other office within GSA, she has asked the OIG to live within his budget, and she's hopeful that the IG is going to embrace that concept. She is not singling him out for this attention. She's not challenging the IG's independence. This is about fiscal discipline and reducing wasteful spending and creating a business environment that can be embraced by everyone.

"By law, she can't reduce the IG's independence, and she's aware of that."

Doan, who was confirmed as administrator May 26, has publicly criticized Miller on other occasions. In her Nov. 10 annual report, Doan stated there was only one GSA manager unwilling to "confront programs and policies that had outlived their usefulness and were wasting taxpayer money." She later told Miller that she was referring to him, according to officials familiar with Doan's statement who asked not to be identified for fear of retribution.

Doan also complained in the annual report that Miller was being "unsupportive of recent changes" and

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said vendors and government contracting officials had reported that his auditors and investigators were exerting "undue pressure."

Bethel said yesterday that Doan's statement in her annual report "speaks for itself," and he declined to elaborate.

Miller declined to discuss his relationship with Doan.

"Let's keep our eyes on the larger picture, which is that GSA's \$60 billion operations need to have objective and independent scrutiny," Miller said. "My office provides that public scrutiny. Not everyone is happy with this level of scrutiny. Nevertheless, my task is to keep our office focused on fulfilling our mission of working with GSA to enhance the quality and effectiveness of the services it provides, protect the integrity of GSA operations, and to keep fraud, waste and abuse away from its doorstep."

Before joining the GSA in August 2005, Miller served as a federal prosecutor and worked on the government's case against al-Qaeda terrorist Zacarias Moussaoui.

[Sen. Charles E. Grassley](#) (R-Iowa), chairman of the Senate Finance Committee, has written to Doan expressing his concerns.

"The primary mission of the IG in your agency and every other government agency is to be a sentry standing guard against fraud, waste, and abuse wherever it occurs regardless of circumstances," Grassley wrote on Oct. 20. "This cannot be accomplished if the IG's independence is impaired or hindered by the agency in any way, shape, or form."

Doan responded by acknowledging his concerns and saying she was mainly focusing on balancing her agency's budget.

"Please be assured that I do not -- and should not -- decide which audits or investigations the IG pursues," she wrote to Grassley. "That would be inappropriate."

Inspector general's offices were given by Congress a mandate to operate as independent watchdogs in the executive branch, working on behalf of taxpayers to guard against wasteful spending. The Inspector General Act of 1978 stated: "Neither the head of the establishment nor the officer next in rank below such head shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation."

The GSA inspector general's office's audits have helped the agency recover billions of dollars in recent years from flawed or fraudulent contracts. Some vendors and government workers have complained that the audits have made contracting more cumbersome than necessary.

Soon after Doan was nominated to lead the GSA this spring, she promised outside vendors that she would make contracting with the agency much easier for both government bureaucrats and corporations. After she assumed the post, she began trimming the budget proposal of the inspector general's office. She wrote in her annual report that the office's budget and staff had "grown annually and substantially" in the past five years.

Since 2000, the number of employees in the inspector general's office has grown from 297 to 309, according to the office.

In August, a budget official in the inspector general's office described Doan's efforts to cut funding and to limit the number of audits as "unprecedented," according to an e-mail obtained by The Post. The

official, John C. Lebo, said that "for the first time in memory, the Budget Office changed or deleted portions of our budget without notifying us prior to their changes."

Lebo, who has since left the agency, said the changes were troubling.

"The Administrator's Office wants to change the IG's overall approach from independently rooting out crime, fraud and abuse, to one in which the OIG is a team player working with GSA," he wrote.

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