

**Testimony of Paul A. Schneider,
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**Before the U.S. House of Representatives
Committee on Homeland Security
Subcommittee on Management, Investigations, and Oversight**

Good morning, Mr. Chairman, Ranking Member Rogers and Members of the Subcommittee. I appreciate the opportunity today to discuss the Department's relationships with its Office of Inspector General (OIG) and the Government Accountability Office (GAO). As well, I look forward to clarifying some factual misunderstandings and describing how we intend to improve the process for cooperating with these investigative bodies.

As you know, I am the Department of Homeland Security (DHS) Under Secretary for Management and have served as such for the past four months. Prior to this experience, I was a defense and aerospace consultant for 3-1/2 years and before that, I spent 38 years as a civil servant – working in various positions, including as the Principal Deputy Assistant Secretary of the Navy for Research Development and Acquisition and as the acting Assistant Secretary for a period of time.

In four decades of government service, I have developed a deep appreciation of the investigative and audit work that Inspectors General and GAO conduct. It is through appropriate oversight that Government agencies can improve internal processes and programs.

The nature of the relationship with the DHS OIG and the relationship with the GAO are, of course, different. The OIG is a part of the Department, within the larger

executive branch, and the IG is under the supervision of the Secretary of Homeland Security. The GAO is a part of the legislative branch. In the case of both the Department's OIG and the GAO, the Department seeks to handle information access issues in a harmonious manner in accordance with the law.

In this vein, it should be noted that DHS routinely makes its employees and supporting documentation widely available for open, free-flowing exchanges with the GAO and OIG. As the Secretary stated during his February 8 congressional testimony, cooperation with these entities is imperative.

As the Under Secretary for Management, I oversee the Audit Liaison Office at the Department, housed within the Office of the Chief Financial Officer. This Liaison Office helps to oversee the Department's efforts to coordinate and cooperate with the GAO and OIG. Moreover, the Liaison Officer regularly meets with his counterparts at DHS component agencies. In this way, the Department Liaison can communicate DHS goals and objectives with the components' liaison officers.

Although some critics have claimed that the liaison officers get in the way of the process, they are actually useful facilitators of the oversight and auditing functions. For example, the liaison officers help keep track of incoming requests and outgoing responses, thus avoiding unnecessary duplication, gaps, and inefficiency. The liaison officers understand the landscape of their respective component agency and thus ensure that the GAO and OIG obtain accurate information from knowledgeable personnel. The liaison officers in Washington, DC can also assist in providing physical access to field offices and facilities. Through the liaison offices, we aim to ensure proper accountability

through a centralized, coordinated process, and we strive to provide complete, accurate and thorough responses to GAO and OIG requests.

The Department maintains Management Directives regarding its interactions and cooperation with the GAO and OIG. For instance, the Management Directive relating to the Office of Inspector General requires DHS employees to cooperate fully by disclosing complete and accurate information to the OIG and provide prompt access to “any files, records, reports, or other information that may be requested” by the OIG. The Management Directive on GAO similarly requires all DHS employees to work cooperatively with GAO. Therefore, we believe that the proper framework is already in place, as these Management Directives reflect solid concepts and principles of the Department’s cooperation.

Nevertheless, it is these concepts and principles upon which we need to improve our *execution*. The Secretary has already acknowledged that the Department’s responsiveness is not what it should be, and we are not as timely in our responses as we would like to be. We also recognize that there are serious concerns about the execution of the Department’s Directives and objectives. Admittedly, the requirements of the Management Directives have not always been followed, and we need to improve these processes, as indicated by the remarks of the Comptroller General and the Inspector General during their testimony on February 6. While we understand certain of their frustrations, we do not agree with some of their factual assertions, including that lawyers attend every interview and review every document. That is simply not the case. Even so, we understand that we need to do a better job.

We are looking into numerous ways to improve the management processes of the Department, including the responsiveness to GAO and OIG. During his February 8 testimony, the Secretary acknowledged the need for greater information flow, and he has committed to improving this process. For example, the Secretary has already put in place a mechanism to create incentives for DHS officials to make information flow to Congress a top priority, and has required that employee performance reviews be linked to individual responsiveness to such requests. In a similar vein, we are considering better ways to communicate our expectations regarding GAO and OIG inquiries to our employees.

With respect to the OIG, we are only aware of one situation where the IG has complained about access issues. This instance related to the OIG's investigation of efforts to update the Coast Guard fleet (Deepwater). It is my understanding that this issue has been addressed and resolved. I will note that, while both the Comptroller General and the IG complained about the "tone at the top" at DHS, I have seen just the opposite. The Secretary promotes an atmosphere in which the Inspector General is called—and called early—in situations where his insight and advice can prevent problems for the Department down the road. This is evidence of a healthy relationship with our IG.

With respect to the GAO, quite frankly, we were a bit perplexed by the level of their complaint, especially given the substantial level of cooperation previously provided to GAO investigators. In general, we feel that the Department's cooperation with the GAO has been very good.

Nevertheless, it is important to keep these activities in the proper perspective of the Department's overwhelming efforts to cooperate with a wide variety of investigative

and oversight bodies. The Department has assisted in providing information for over 250 OIG Management Reports, 1,350 OIG Investigative Reports, and 600 GAO reports and testimony. Each report requires extensive work to collect, prepare, coordinate, produce, review, and provide input. These efforts require substantial work-hours from the dedicated, hard-working employees of the Department who must also balance these efforts with their operational responsibilities to secure the homeland. In total, we have facilitated thousands of interviews and provided, quite literally, millions of pages of documents and other materials. Also, it is important to view this cooperation in light of the other extensive oversight by more than 88 congressional committees and subcommittees, and approximately 2,000 hearings and briefings provided by Department officials per year. The sheer volume of work product belies any notion that DHS has somehow slowed the process or shunned proper oversight.

Last Wednesday, I learned I would be the Department's witness for this hearing. In preparation, I read previous testimony, IG and GAO reports, met with representatives of all the DHS components and obtained an appreciation for the large numbers of audits that are currently underway; I also talked to the GAO and the IG. In my opinion, we do not provide consistent guidance across the Department, some of the operational components are using procedures and practices that were from their parent organizations before they became part of DHS; the use of liaison offices in each organization is somewhat inconsistent; and there is a general feeling that information provided will be used for "Gotchas." In light of my 40 years of dealing with GAO and IG organizations, I know that we can turn this around.

Looking ahead to the future, we will further improve the Department's management processes. Indeed, we are examining ways to improve the speed with which documents and information are produced in response to appropriate requests. This includes improving communications, training, and outreach to the fine employees of the Department; possibly revamping the organizational structure or placement of the Liaison Office; and providing additional or updated guidance to Department employees on how to interact with the OIG and GAO. We should make our expectations more clear to the people on the front lines. We must also improve our headquarters-level awareness of problems that arise as a result of GAO and IG engagements, and of any access issues that arise in the operational components, so that we can take expeditious action to resolve these matters quickly and satisfactorily.

As the Under Secretary for Management, I want to assure the Committee that we take this issue very seriously and are examining the best ways to improve our processes. I have worked with the GAO and IGs for nearly 40 years, and I am hopeful that I can bring my experience to bear here and affect the changes we all think are necessary. We need to do a better job of implementing the Department's stated principle of cooperation, and we will work with all DHS components to improve our implementation and execution. DHS welcomes input on how to better pursue its mission, and we look forward to working with the Subcommittee and other congressional bodies, as well as the Inspector General and Comptroller General, to better protect the Nation's homeland.

Thank you. I would be happy to address whatever questions the Members may have.