
Statement of the Honorable Brian D. Miller
Inspector General
General Services Administration



Committee on Oversight and Government Reform
United States House of Representatives

APRIL 16, 2012

Chairman Issa, Ranking Member Cummings, members of the Committee, I thank you for inviting me to testify here today. As you know, on April 2, 2012, the General Services Administration Office of Inspector General (GSA OIG) published a report regarding GSA mismanagement of its Western Regions Conference in the fall of 2010.

It may be very difficult to find among all the bad news and repugnant conduct, but there is at least a glimmer of good news. The oversight system worked. My office aggressively investigated, audited, interviewed witnesses, and issued a report. No one stopped us from writing the report and making it public. Based on the final report, swift action has been taken, hearings have been scheduled, and the whole ugly event now lay bare for all to see. Justice Brandeis said that sunlight is said to be the best of disinfectants.

Almost every federal agency has an inspector general, someone watching and reporting fraud, waste, and abuse of taxpayer dollars. Congress recently strengthened Offices of Inspectors General so that we can better perform our oversight work. We are often the last resort for protecting taxpayer dollars -- unfortunately catching the fraud, waste, and abuse after the money is spent. More needs to be done to establish early warning systems. This is why Acting Administrator Tangherlini and I recently reminded GSA employees to alert us as soon as they see anything wrong. The Western Regions Conference could only occur in an environment where the best lack all conviction while the worst skirt the rules.

Benjamin Franklin warned us at our Nation's founding: "There is no kind of dishonesty into which otherwise good people more easily and frequently fall than that of defrauding the government." Those tempted to engage in fraud, waste, and abuse need to know they will be caught. The ultimate deterrence against fraud, waste, and abuse is criminal prosecution. We frequently partner with the Department of Justice in civil and criminal cases.

The GSA Office of Inspector General has about 300 employees to oversee an agency of over 12,000 employees, who are responsible for almost \$50 billion in civilian contracts, most federal buildings, and the federal automotive fleet. Despite the ratio of IG personnel to GSA personnel, our office has achieved over \$6.5 billion in savings to the taxpayer since 2005. In 2008, GAO found that the GSA OIG had an average return of \$19 dollars per dollar budgeted (GAO Report 09-88, 2008).

Our special agents, forensic auditors, and lawyers deserve the recognition for this report. But our office and other Offices of Inspectors General produce great work like this day after day. My own office has issued numerous audit reports relating to GSA's construction and renovation contracts under the Recovery Act. We discovered and investigated eleven federal property managers and contractors taking bribes and kickbacks. All eleven are now convicted. Criminals selling counterfeit IT products were caught and convicted, and are now serving time in federal prison, because of the work of our office and other law enforcement agencies. Federal contractors have paid back hundreds of millions of dollars, because of our audits. Most recently, Oracle paid \$199.5 million to settle False Claims Act allegations.

The core mission of GSA is to provide low cost goods and services. When GSA wastes its own money, how can other agencies trust it to handle the taxpayer dollars given to them? GSA also has the sole responsibility for the Federal Travel Regulation, which governs travel and conference planning by agencies across the executive branch. 5 U.S.C. § 5707(a)(1). As detailed in my office's report, in putting on the Western Regions Conference, GSA committed numerous violations of contracting regulations and policies, and of the Federal Travel Regulation. This is of special concern because other federal agencies need to be able to look to

GSA as a model of how to conduct their contracting and procurement efforts, and manage their travel and conference planning.

In attempting to model the entrepreneurial spirit of a private business, some in the Public Buildings Service seemed to have forgotten that they have a special responsibility to the taxpayers to spend their money wisely and economically. While a private business may use its profits to reward employees in a lavish fashion, a government agency may not. Even so, this report should not obscure the fact that thousands of GSA employees work hard and do a great job for the American taxpayers. It is only a minority of employees that are responsible for this debacle.

In preparing the Western Regions Conference report, numerous dedicated professionals from throughout the OIG worked long hours to ensure that the report was accurate and that it drew no conclusions beyond those fully supported by the evidence. My office continued to receive documents relating to this report as late as this January. We are still receiving documents relating to ongoing investigations. It is my hope that these efforts will enable GSA to improve its contracting and conference planning practices in the future, so that GSA may not only be a better steward of taxpayer dollars, but act as a leader within the federal government in efficient procurement and conference planning.

I thank you for an opportunity to discuss this important work of the OIG with the Committee. I request that the attached report and this statement be made part of the record, and I welcome your questions.

Brian D. Miller – Inspector General of the U.S. General Services Administration

The U.S. Senate confirmed Brian D. Miller as the Inspector General of the U.S. General Services Administration on July 22, 2005. Prior to becoming Inspector General, Mr. Miller worked for the U.S. Department of Justice for 15 years, beginning in the Office of Policy Development. Attorney General Janet Reno appointed him as an Assistant U.S. Attorney for the Eastern District of Virginia, where he concentrated on procurement, grant, and health care fraud cases. In 2001, he served as the Senior Counsel to the Deputy Attorney General and Special Counsel for Health Care Fraud for the U.S. Department of Justice. In 2002, he returned to the U.S. Attorney's Office to serve as Counsel to the United States Attorney, while continuing grand jury, trial, and appellate responsibilities as an Assistant U.S. Attorney.

As Inspector General, Mr. Miller leads over 300 auditors, special agents, lawyers, and support staff in conducting nationwide audits and investigations. As a leader in the fight against procurement fraud, Mr. Miller participates in the U.S. Attorney General's Financial Fraud Enforcement Task Force and partners with federal, state, and local officials to share information to detect, investigate, and prevent procurement, Recovery Act, and grant fraud. Mr. Miller is a frequent speaker at conferences, task force meetings, and regional working groups, and he testifies regularly before Congress.

Mr. Miller provides aggressive, strategic, and creative leadership by developing new ways to fight fraud. In 2010, he established the Government Infrastructure Protection Initiative within his Office of Investigations to protect the federal procurement process and supply chain from the dangers associated with counterfeit products. In 2008, he created a forensic auditing unit and sponsored federal forums to promote forensic auditing as a tool to analyze databases and to detect fraud. In 2006, Mr. Miller was named Vice-Chair of the National Procurement Fraud Task Force, a task force of the Department of Justice, law enforcement offices, and several inspectors general. As co-chair of the Legislation Committee, he played a key role in amending the Federal Acquisition Regulation to require contractors to report overpayments and crimes. He also was a principal author of a legislative and regulatory reform white paper, which resulted in legislation, regulation, and a national debate on important issues related to procurement fraud.

Mr. Miller was recognized by *Ethisphere* magazine as the 12th "most influential person in business ethics" by a worldwide panel of experts. He was named among "Those Who Dared: 30 Officials Who Stood Up for Our Country," a special report of Citizens for Responsibility and Ethics in Washington, a national advocacy organization. Mr. Miller also received the Attorney General's Distinguished Service Award.