



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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MAY 1 2009

MEMORANDUM FOR ACTING INSPECTOR GENERAL

THROUGH: Lynne Halbrooks, General Counsel, Office of General Counsel

FROM: Carolyn R. Davis, Assistant Inspector General, Audit Policy and Oversight

SUBJECT: Limited Scope Independent Reference Review of Inspections and Evaluations (I&E) Report No. IE-2009-004, "Examination of Allegations Involving DoD Office of Public Affairs Outreach Program," January 14, 2009

We recommend withdrawal of the subject report and implementation of quality controls to preclude similar instances from occurring in the future. Based on our independent review, we determined that the report did not meet accepted quality standards for an Inspector General report. PCIE/ECIE¹ Quality Standards for Federal Offices of Inspector General, October 2003, states each OIG shall conduct, supervise, and coordinate its inspections and evaluations in compliance with the applicable professional standards.

On January 22, 2009, we were requested to perform a quality control review of the subject Inspections and Evaluations report. Based on limited time constraints, we decided to perform a limited scope independent reference review of Chapter 2-Examination Results excluding the information related to Appendix K of the subject report (see paragraph E for scope limitations). On April 2, 2009, we were requested to expand the scope of our review to include review of the appendices. As a last step in our review, the Acting Inspector General asked that we respond to the question "is there anything in the report we can issue?" In response we concluded that we would need to start from scratch based on the deficiencies found; hence, the recommendation to withdraw the report. The Inspections and Evaluations' Program Director indicated at the start of the review that the PCIE/ECIE Quality Standards for Inspections (Blue Book) was used to perform the examination. Subsequently, the Deputy Inspector General for Policy and Oversight indicated that the substance of the Inspections and Evaluations' examination work was performed in accordance with the preponderance of evidence standard.

We performed our independent reference review using the standards promulgated in the PCIE/ECIE Quality Standards for Inspections, January 2005. In conducting an independent

¹ The Inspector General Reform Act of 2008 created the Council of the Inspectors General on Integrity and Efficiency (CIGIE) combining what was the former President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE).

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reference review, the responsibility for revising and ensuring the report statements and conclusions are accurate and supportable remains with the project team being reviewed and is not the responsibility of the reviewer.

Based on our review, we did find issues with report statement accuracy and report statements that could mislead the reader. We met with the Inspections and Evaluations' project team on several occasions to identify procedures and to discuss the inspection records and supporting documentation concerns. Also, we met with the Inspections and Evaluations' project team on several occasions to resolve issues with final report statements. One of our concerns was their approach to resolving deficiencies we identified. The Inspections and Evaluations' Program Director did not change report findings or conclusions based on the amount and significance of deficiencies identified. Our initial effort was performed to assist the Inspections and Evaluations' project team in revising the report for reissuance. However, we determined the issues were more significant and that additional work would be needed to overcome the deficiencies cited if a report were to be issued.

1. Areas of Concern. We identified several areas of concern related to report findings and conclusions:

A. Initial Independent Reference Review Concerns. We provided two matrices to Inspections and Evaluations on February 18, 2009, consisting of 29 pages detailing concerns with Chapter 2-Examination Results (17 pages of the 76 page subject report), see table below.

Independent Reference Review Concerns	
Matrix 1, 10 pages, Report Pages 8-17	24 report statements needed additional references to support
	4 statements imply information obtained from Government sources absent clarification/attribution
	1 references citing contradictory information
	8 overstated statements, Lack of support for terms or phrases such as "majority," "all RMAs," and "more than one presenter"
	4 statements references cited incorrect
	2 statements with inaccurate numbers and dates
Matrix 2, 19 pages, Report Pages 18-21	Concerns relate to Witness Statement Summaries, Allegations 1-8
	The team did not disclose which allegations were substantiated and which were not.
	8 report statements not supported
	21 report statements misleading
	7 inaccurate statements.

- B. **Retired Military Analysts Selection.** In our opinion, the data collection and analysis methodology was flawed and the sample too small. Despite 70 Retired Military Analysts representing the universe under review, only seven were interviewed based on a sample. Given the low number of 70 Retired Military Analysts, the Inspections and Evaluations' project team should have given consideration to interviewing all of the 70 Retired Military Analysts with the exception of those refusing to be interviewed for the subject examination.
- C. **Source Attribution.** We had concerns with report statements that read as if attributable to a government source when the statements were excerpted from a book by Ms. Victoria Clarke, "Lipstick on a Pig: Winning in the No-Spin Era by Someone Who knows the Game."
- D. **Appendix K Concerns.** We had several concerns with Appendix K of the subject report identified below.
- 1) The January 14, 2009, report Appendix K represented a failed attempt to draw conclusions on the relationship of the Retired Military Analysts and potential competitive advantage.
 - 2) The Retired Military Analysts determined as affiliated with Defense contractors went from 29% in the subject report to 60% in the proposed revised report. Even though the percentage nearly doubled, we were still not in agreement that one other analyst should be moved from the non-affiliated to the affiliated list based on a limited "Google" search.
 - 3) We found numerous numerical inaccuracies (28 of 70 RMA attendance numbers) in appendix K and recommend that future reports not list the names of people unless absolutely necessary.
- E. **Hesitation in Making Subject Report Revisions.**
- 1) The responsible officials for the report were hesitant to change the report to ensure accuracy and in some instances once they acquiesced to making changes they did not ensure the necessary changes were consistently made throughout the report.
 - 2) With the Magnitude of the changes made it seemed as if certain conclusions in the report would have logically changed as well but there was also hesitancy on the part of those responsible for the report to acknowledge that there were sufficient questions raised for Inspections and Evaluations to appropriately adjust their conclusions.

2. Blue Book Standards and Related Findings. In addition, we observed some quality issues that further emphasize the need to withdraw the report and establish more formal internal quality controls.

A. Data Collection and Analysis. The Blue Book states:

“The collection of information and data will be focused on the organization, program, activity, or function being inspected, consistent with the inspection objectives, and will be sufficient to provide a reasonable basis for reaching conclusions.

The Inspections and Evaluations’ project team did not recognize the significance of using a sample selection and the impact that an inadequate sample would have on their overall report conclusion. Given that the 70 Retired Military Analysts represented the universe, they only interviewed seven except for those that declined. The low number of 70 Retired Military Analysts should have given the Inspections and Evaluations’ project team consideration to interviewing all of the 70 Retired Military.

B. Data Analysis. The Blue Book states concerning data analysis:

- 1) Data should be reviewed for accuracy and reliability; and, if necessary, the techniques used to collect, process, and report the data should be reviewed and revised to ensure the accuracy and reliability of inspection results.
- 2) Qualitative and quantitative information gathered in an inspection should be appropriately and logically presented and documented in work papers, to ensure supportable interpretations.

We did not find sufficient data analysis concerning inspection results and supportable interpretations. Instead, we had to rely on verbal explanations concerning how the data was analyzed to reach evaluation results and interpretations. Our review did not look at the totality of the evidence but we found indications of contradictory statements concerning report statements and report conclusions.

- 1) For example, we found supporting documentation that would indicate that the Freedom of Information Act requested documents were not fully analyzed although the inspection record states that they were reviewed. We were unable to determine the extent of use or analysis of the 8,000 pages or emails and reports received. Limited review of the emails and reports verified the accuracy of certain statements in the initial New York Times article.
- 2) Also, we found contradictory information in the sworn testimony but we found no analysis of the testimony taken as a whole to document what impact the contradictions had in context to report findings and conclusions. Since we did not assess the totality of the evidence, we could not determine the impact that the contradictory evidence could have on report statements and conclusions.

This situation further emphasizes the need for formal internal quality controls related to data analysis, inspection records, and supporting documentation that conform to the Blue Book standards.

C. Inspection Record. The Blue Book standards related to record maintenance states:

“Supporting documentation is the material generated and collected as part of an inspection that, when effectively organized, provides an efficient tool for data analysis and a sound basis for findings, conclusions, and recommendations that address the inspection objectives.”

We found a lack of data analysis in the supporting documentation for most of the report statements requiring such an analysis. For example, the data analysis of contradictory evidence mentioned above along with the other evidence used by the evaluator to draw overall conclusions should have been included in the inspection record. By having an inspection record of the evaluator’s data analysis of such evidence, the reviewer should be able to come to the same logical and supportable interpretation as the evaluator. Also, this would provide a sound basis for report findings and conclusions.

We obtained verbal explanations related to how evaluators came to their conclusions regarding examination results. In addition, Inspections and Evaluations’ project team did not have supporting documentation completed and organized at the time our review began (see paragraph E, Scope and Methodology paragraph below). Following are examples:

<p>The explanations received from the Inspections and Evaluations’ project team concerning how the 8,000 pages of emails from the Freedom of Information Act requests spanned from October 2006 to April 2008 were analyzed and used changed over time as our review progressed ranging from:</p> <ol style="list-style-type: none">1) The emails were not used because the testimony was more persuasive.2) A limited word search was performed.3) Extensive queries were performed on the emails.

Also, approximately 200 of the 8,000 pages of emails in hard copy maintained in a binder were provided to the investigators for consideration in developing the interview questions. However, the supporting documentation does not provide an explanation of why the other 7,800 pages of email were not considered relevant or pages of email were useful for investigative purposes.

D. Quality Control Policies and Procedures. The Blue Book states:

“Each OIG organization that conducts inspections should develop and implement written policies and procedures for internal controls over its inspection processes/work to provide reasonable assurance of conformance with organizational policies and procedures, the “Quality Standards for Inspections,” and other applicable policies and procedures.”

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The Assistant Inspector General for Inspections and Evaluations does not have quality control policies and procedures that would address report accuracy and identify weaknesses concerning the risks involving examination analysis, results, and reporting. In addition, Inspections and Evaluations' project team did not sufficiently document the evidence that supported the final report before the report was issued. Further, the Blue Book states:

"As appropriate, organizations should seek to have quality control mechanisms that provide an independent assessment of inspection processes /work."

The Inspections and Evaluations' project team did not recognize that the Blue Book requirement to have an independent assessment of the inspection processes/work was an inspection requirement. Inspections and Evaluations' project team often verbalized that such a requirement was an audit standard.

3. Recommendations. As a result of our review, we recommend the Assistant Inspector General for Inspections and Evaluations take the following immediate steps to eliminate reliance on the subject report and ensure that quality controls related to future inspections and evaluations are in compliance with Blue Book standards. The Assistant Inspector General for Inspections and Evaluations should take steps immediately:

- A. To withdraw the report and inform appropriate officials not to rely on the findings and conclusions in the subject report.
- B. To develop and establish formal internal quality controls for ensuring report accuracy prior to draft report issuance.
- C. To develop and establish written policies and procedures for internal controls over their inspection and evaluation processes and work in order to provide reasonable assurance of conformance with the PCIE/ECIE Quality Standards for Inspections, January 2005, the Blue Book.
- D. To eliminate the practice of naming people as was done in the subject report at Appendix K unless absolutely necessary.

4. Scope and Methodology. Initially, we conducted an independent reference review of Chapter 2-Examination Results of the subject report, beginning January 22, 2009 until March 18, 2009. We did not initially review Appendix K information in Chapter 2 of the subject report because it was being revised as we were performing our review. In addition, we did not perform an IRR on the following sections of the report:

- Chapter 1- Introduction,
- Chapter 3- Conclusions,
- Appendices A and B (New York Times Article; Announcement Memo and Congressional Request), and
- Appendices C through K.

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On April 2, 2009 we were requested by the Principal Deputy Inspector General to expand our review to include:

- Chapter 1- Introduction,
- Chapter 3- Conclusions,
- Appendices C through K

We were unable to perform a quality control review due to several limitations:

- First, I&E lacked quality control policy and procedures. The lack of policy and procedures allowed for the publication of a report that was not supported at the time of issuance.
- Second, I&E did not have the project documentation organized to review or a completely cross-referenced report available for review until January 29, 2009. We received three additional (February 4, 2009, February 6, 2009 and March 5, 2009) updates to project documentation and the cross-referenced report was not completed until February 6, 2009.
- Finally, we had limited time to complete our review due to GAO's dependence on the report to complete their review.

Based on these limitations, we decided to perform a limited scope independent reference review initially. We initially concentrated our review only on the report statements in Chapter 2 exclusive of appendix K and compared them to the evidence provided by I&E's project team. Also, we did not review the authoritative nature of the source of the evidence.

If you have any questions relating to the IRR, you may contact either [REDACTED] at [REDACTED] ([REDACTED]@dodig.mil) or [REDACTED] at [REDACTED] ([REDACTED]@dodig.mil).



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