



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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ARLINGTON, VIRGINIA 22202-4704

April 29, 2009

MEMORANDUM FOR THE RECORD

SUBJECT: Review of Report IE-2009-004, "Examination of Allegations Involving DoD Public Affairs Outreach Program," Initially Issued on January 14, 2009

On March 16, 2009, the Deputy Inspector General (DIG) for Auditing provided a copy of a revised Inspections and Evaluation Report No. IE-2009-004, "Examination of Allegations Involving DoD Public Affairs Outreach Program," with a to-be-issued date of March 17, 2009, with instructions to read the report to determine whether the conclusions in the report are supported by the facts presented in the report. Because the report was issued by Inspections and Evaluations, I considered the standards in the "Quality Standards for Inspections," January 2005, during my review of the report.

- Evidence Standard - Evidence supporting inspection findings, conclusions, and recommendations should be sufficient, competent, and relevant and should lead a reasonable person to sustain the findings, conclusions, and recommendations.
- Reporting Standard - Inspection reporting shall present factual data accurately, fairly, and objectively and present findings, conclusions, and recommendations in a persuasive manner.

While I did not review the working papers supporting the report, I looked at the sufficiency, competence, and relevance of evidence as described in the report. Sufficiency-how many people the inspection team interviewed. Competence-whether the interviews were taken under oath and what type of supporting documentation was described in the report. Relevance-how the information relates to the announced objectives and the 8 issues.

Results of Review of March 17 Version of Report. On March 18, 2009, I informed the DIG for Auditing that, at a minimum, the final report should be rescinded and reissued. I made that determination based on my review of the proposed revised report and a brief discussion with the Office of Audit Policy and Oversight (APO) staff member who was reviewing the working papers. My overall concerns follow:

1. Overall, the team stated that they found insufficient evidence to conclude that any wrong doing took place, therefore, concluding that activities were appropriate and authorized and that there were no contracting irregularities. However, the scope and methodology described in the report does not support that the team did the right kind of work or gathered sufficient evidence to draw conclusions either way. Plain language, I do not think that the team had sufficient evidence to conclude that there were problems or that there were not problems.

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2. When specifically addressing the 8 allegations on pages 19-21, the team never came to a conclusion regarding each specific allegation; although, they did include an overall statement, "In general, witness testimony did not substantiate the allegations. For each allegation, they just repeated what someone told them. There does not seem to be any actual analysis for those allegations where analysis could have been done. If they could not come up with sufficient evidence to either substantiate or not substantiate the allegation, then they should state that. (I did not determine the validity of the allegations themselves. i.e. Were those the 8 allegations that the team was supposed to address?)

3. Throughout the report, the team made sweeping statements and conclusions about the Retired Military Analysts (RMAs) based on interviewing only 7 of 70 RMAs. The team did not disclose that 10 RMAs declined to be interviewed until page 55. In addition, it is my opinion that drawing sweeping conclusions about a program based on only those who would voluntarily speak to you is not reliable. Also, there is a pattern of writing the sentences so that it appears that all 7 RMAs made the same statements. The APO staff who were reviewing the working papers found that this was not correct.

4. Page 23 of the report includes the statement, "The key issue in this examination is whether OASD(PA) outreach activities involving retired military analysts (RMAs) were conducted for 'publicity or propaganda purposes not authorized by Congress,' thus, raising the possibility of violating prohibitions on using appropriated funds for such purposes." This was not included as one of the 8 allegations. In addition, Appendix A considers only the trips to Iraq and Cuba as the only outreach activities that appropriated funds were used for and the reports states that the team did not review the funding for the trips.

5. Regarding affiliations/specific business relationships of RMAs to Defense contractors. I do not believe that there is a reasonable expectation that Internet searches would disclose the kind of affiliations/specific business relationships that the team was trying to find.

6. The team made broad sweeping statements that were not supported by the evidence presented in the report.

7. The information in Appendix C on the RMA interview sample may not be presented correctly needs to be reviewed by the Quantitative Methods and Analysis Division (QMAD). I do not believe that it is presented properly but QMAD would be the best group to make that determination.

The DIG for Auditing forwarded those concerns to the DIG for Policy and Oversight on March 18, 2009. The DIG for Auditing also made the following suggestion.

The key is whether the evidence is sufficient, competent and relevant to draw an overall conclusion.. Otherwise, conclusions need to be narrowly focused. For example, 3 of xx witnesses who gave sworn statements indicated that xxxx. ..Based on the testimony provided, the 3 did not xxxxx. Perhaps it is implied the word "witnesses" mean that you are sworn under oath. However, if you refer to them the reader should be reminded that they were sworn statements.

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Results of Review of March 24 Version of Report. The inspection team made changes to the report based on the suggestions from the Office of Audit and provided a revised report for review on March 24, 2009. Via email of March 30, 2009, I informed the DIG for Auditing that, while the team did revise the report to identify sworn testimony and to recharacterize the allegations as issues, I still had concerns about the content of the report. Specifically:

1. The APO Project Manager and I went over the report on March 30, 2009, and I pointed out specific places in the report where the number of people interviewed should be specified and where the interviews were sworn testimony or not should be clarified or emphasized. In addition, I identified various places where I believed that negative assurance language should be used.
2. The methodology on page 2, the second paragraph on page 23, and the scope and methodology appendix need to be more specific as to how many people were interviewed, their relationship to the program, and whether the interviews were sworn testimony. In talking to the APO Project Manager, not every interview was sworn testimony and there is still some confusion about the total number of people interviewed and the total number of people whose interviews were sworn testimony. This clarification may result in additional changes throughout the report if they have aggregated interviews and sworn testimony together when identifying total number of people who made certain statements.
3. I suggested substantial deletions on pages 25-26 to remove speculative language and sweeping conclusion.
4. I suggested that Appendix A be removed. The team did not find support for the assertions in the article; therefore, reprinting the article lends it an air of legitimacy that the article may not deserve. However, leaving the appendix in does not affect the accuracy of the report.
5. I suggested that Appendix B be removed. The announced objectives and the extent of the Congressional request have been adequately summarized in the report. However, leaving the appendix in does not affect the accuracy of the report.
6. I suggested that Appendix K be removed. Appendix K is titled, "RMA Relationship with Defense Contractors and Competitive Advantage." However, the inspection team stated that they found no indication that any contractor gained a competitive advantage by being associated with an RMA. Therefore, providing lists of names and the number of meetings/conference calls that they attended serves no purpose. The information provided on page 18 of the report is sufficient.
7. I suggested that Appendix L be removed because there is no longer a reason to include a report distribution appendix.
8. I spoke with the QMAD staff who had previously suggested substantial changes to the information on the RMA interview sample. Specifically, the table on page 55 should be deleted because it does not add value to the report. If retained, it should be corrected so that the percentage columns are next to the columns that they are associated with. In addition, the

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percentages relating to the number of attendances are meaningless and should be removed from the text. The frame of reference in the body of the report is the number of RMAs interviewed; therefore, the percentage in this section that is meaningful is the percentage of RMAs interviewed - 10 percent.

April 2, 2009, Meetings. I attended two meetings on April 2, 2009, related to this report. The first meeting was with the DIG for Policy and Oversight and APO staff at 8:30 am. At that meeting, I told the DIG for Policy and Oversight that, if it was me, I would not sign the report for the following reasons.

- I did not believe that the inspection team interviewed a sufficient number of RMAs to support the conclusions that they drew.
- There was still more clarification needed regarding where the inspection team was relying on sworn testimony.
- Appendix K was misleading and, by including the names, the inspection team was insinuating that the RMAs did something wrong even though we could not prove it.
- The report, in its entirety, had not been through an independent reference review.

The DIG for Policy and Oversight stated that (1) a sufficient number of people had been interviewed to support the conclusions in the report, (2) he did not believe that additional clarification was needed because he stated that sworn testimony was no more credible than unsworn interviews, (3) everybody already knew who the RMAs were so including the names did not make a difference, and (4) chapter 2 of the report had been through an independent reference review and that is where the bulk of the facts were.

The second meeting was at 11:00 am with the Principal Deputy Inspector General; the DIG for Auditing; the DIG for Policy and Oversight; Assistant Inspector General for Office of Communications & Congressional Liaison; and staff from the Office of General Counsel, Office of Audits, and Office of Policy and Oversight. At that meeting, the DIG for Policy and Oversight stated that the inspection team did not perform the examination in accordance with inspection standards. Instead, they used the preponderance of evidence standard which the DIG for Policy and Oversight explained as "more likely than not" or "50 percent + 1".

April 9 Email and Discussion. In an email on April 9, 2009, I informed the DIG for Auditing that earlier in the week, the DIG for Policy and Oversight sent around a coordination memo for the report. I initialed off with a caveat based on the preponderance of evidence standard. In addition, the Assistant Inspector General for Office of Communications & Congressional Liaison had come by on April 9 to talk to me because he was troubled about the report. I discussed the issues that I had (from an audit perspective) about the conclusions and Appendix K. I also explained to him that I was willing to sign the coordination based on the preponderance of the evidence standard because 'it was more likely than not' and it left the inspection team allot of latitude to make their statements and draw their conclusions. He told me that the conclusions were the problem with the first report and that he believed that there would be as much fallout

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from this version of the report as there was from the first version. I was upfront with him and stated that, if it was me, I would not sign the report.

Meeting with the IG. On April 13, 2009, I met with the IG at his request. He stated that he wanted to meet with me to discuss my concerns about the report. He asked me why I put the caveat on the coordination memo. I stated that I put the caveat on because that is what the inspection team stated that they used for an evidence standard. In addition, my signature did not mean that I approved the report but that I coordinated on it. Mr. Heddell asked what my concerns were. I stated that, based on my review of the report without looking at the working papers:

- Interviewing 7 RMAs was not sufficient to support the broad, sweeping conclusions that the inspection team drew.
- Appendix K should not be in the report because including a list of names gives a perception of wrong doing which the inspection team was unable to prove.
- The inspection team could have obtained supporting documentation and performed analysis to address at least some of the 8 issues (formerly allegations) without having to rely solely on interviews and sworn testimony.

I told the IG that, if it was me, I would not sign the report.

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