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PROMOTING TRANSPARENCY AND GOVERNMENT ACCOUNTABILITY THROUGH THE INVESTIGATION OF SENIOR OFFICIALS

*Remarks as delivered by Donald Horstman, Director of Investigations of Senior Officials,
Department of Defense Office of the Inspector General, to Department of State International
Visitors, Arlington, VA, August 2, 2005.*

Good morning. My name is Don Horstman. I run a small operation within the Office of the Inspector General that does senior official investigations. Now, who is a senior official? A brigadier general and above, admirals, rear admirals, vice-admirals, full admirals, lieutenant generals. Also, political appointees up to and including the Secretary of Defense, and the senior echelon of civilian managers, both appointed and competitively selected, called the Senior Executive Service.

To follow-up on the comments of Mr. Schmitz, our operation is based on the premise that public confidence in government is only going to be as good as public confidence in government leaders. We take that seriously in the Department of Defense because we've established separate investigative units that do nothing other than look at allegations against senior officials. This is to make sure that those allegations are investigated independently, that there's no cover-up, and there's no good old boy network to squash an investigation, so that investigations against senior officials are handled properly. This is what we do:

- First of all, we conduct some of the investigations ourselves. Relatively few of them – probably 40 or 50 a year. My unit does certain investigations that can't be done anywhere else. As Mr. Schmitz indicated, the Army, Navy and the Air Force all have separate, specialized units right here in Washington, D.C. that don't do anything other than senior official investigations. We do the ones they can't do. Again, it's an independence issue. We do all four-star generals because the Services won't do their own four-star generals. We'll do all political appointees. For example, the Secretary of the Army cannot be investigated by the Inspector General of the Army, so we will do that type of investigation.
- Second thing, we recommend changes to standards. This goes back to the Caligula discussion that Mr. Schmitz talked about. When we get an allegation against a senior official, one of the first questions we ask is, "Has a regulation or a rule or a law been violated?" For example, we got an allegation a couple of weeks ago saying that the general travels too much. There is no rule about traveling a lot. The general can travel as much or as little as he wants to. So, we won't investigate an allegation like that. But if the allegation is that the general frequently travels to Houston and makes up excuses to

use official travel so he can visit his mother, then we might investigate that to see if he is using official travel for personal benefit. If we find a standard that's not clear, we'll make a recommendation to clarify it.

- As Mr. Schmitz indicated, we provide oversight on all other senior official investigations. Any time the Army, Navy, or Air Force do an investigation, they must tell us about it, and they must provide us the report of investigation. Occasionally, we will elect to do more investigative work because we didn't think they did a very good job. So, we'll elect to do additional interviews and other fieldwork to make sure the allegations are fully addressed.
- We do special reviews and inquiries.
- This bottom bullet is very important. Before any general or admiral or senior official can be promoted, reassigned or retired, we will check our records on that senior official to see if there's an outstanding investigation or some other adverse information that resulted from an IG investigation. For example, if a major general is selected for promotion to lieutenant general and I get an allegation against that general today, the promotion process stops until we resolve the allegation of misconduct against that general. If a general is scheduled to be reassigned – and we have an open case today on a four-star general in the process of being reassigned – and we open an investigation against that general, the reassignment process stops until the investigation is completed.

This is our organization. It is small. We have 10 investigators and they are fully occupied. There are currently 246 open investigations into senior official misconduct in the Department of Defense. Most of them are with the Army. Why are so many with the Army? Well, it's not because the Army behaves badly. It's because, first of all, there are quite a few more generals in the Army than there are in the other services. The Army also has the bulk of National Guard generals in the States and they investigate allegations involving National Guard officers. And the third reason, of course, is that the Army has a very strong inspector general system which Army personnel use frequently, in my experience, to make complaints against senior officials.

Right now, my group has 43 open investigations. Every year we close between 400-500 investigations involving senior officials. The substantiation rate is pretty low: 15%-18%. That's been fairly constant over the years. Only 15 out of every hundred investigations substantiates misconduct, which is low from an overall standpoint. But when you think about it, we're talking about the most senior leaders in the Department and you wouldn't expect them to be engaging in misconduct. So, the fact that we are substantiating some misconduct shows there are continuing integrity, ethical and regulatory problems that continue to occur. These are the types of allegations that we investigate:

- Travel impropriety. The example I talked about before – using official travel for personal business.
- Preferential treatment in hiring. Allegation that the general hired a friend of his to be a government employee when there were more qualified people, or he bent the rules to hire

somebody. For example, we substantiated allegations that a general hired his brother-in-law for a Government position.

- Misuse and waste of funds. Making unnecessary expenditures. That's a very difficult allegation to substantiate. Very often waste can be in the eye of the beholder. Just because a general renovates his office doesn't mean he is wasting money. However, if he doesn't follow established procurement procedures and instead, as we had one official do, hired a cabinet maker and made cabinets costing over \$50,000 for his office, we would probably call that excessive and wasteful.
- Conflicts of interest. You can't have a financial interest in a company and also take official action with respect to that company. You can't own stock in Northrop Grumman and be a contracting officer making a contract award to Northrop Grumman.
- Deceptive testimony
- Improper acceptance of gifts

Those are the types of things we investigate. As you may have noticed, these are all non-criminal type matters. If it becomes a criminal investigation – and there are very few of those involving senior officials – the investigations will be handled by the Defense Criminal Investigative Service, and they follow criminal investigative procedures.

The penalties are relatively severe for general officers who are found to have committed some misconduct. Going from the bottom of the list:

- The most common disciplinary action is a reprimand. Many of the substantiated allegations are not serious, but at the same time, the conduct at issue may demonstrate an ethical lapse, a lack of integrity or some other character flaw that may have happened on one occasion, but does not reflect a pattern of inappropriate conduct.
- Retirement. General officers that are found to be engaged in some serious misconduct will often be asked to retire.
- Some general officers have had to reimburse the Government in cases where they used Government resources for personal benefit.
- Loss of stars. General officers that were slated to get promoted may go home at their current grade -- or at a lower grade. We once had a case where a 4-star general was retired as a 2-star general because of serious allegations of misconduct.

So, the Department takes misconduct by senior officials seriously and takes appropriate action when it occurs.