



<http://finance.senate.gov>
Press_Office@finance-rep.senate.gov

For Immediate Release
Thursday, June 7, 2007

Grassley says report verifies that NASA Inspector General has failed in watchdog role

WASHINGTON — Sen. Chuck Grassley said today that a new report shows that the Inspector General for NASA has failed to demonstrate the independence and judgment required for an agency watchdog and, as a result, NASA is not receiving the scrutiny and review required for an agency with a \$13 billion annual budget.

Grassley made his statements in testimony that he submitted to a Senate-House committee hearing to consider the investigation of the NASA Inspector General that was conducted by the President's Council on Integrity and Efficiency. Grassley has conducted his own inquiry of some allegations regarding the NASA Inspector General.

Grassley has worked to enhance the role of Inspectors General over time and protect their independence in holding federal agencies accountable. "The Inspector General, in any agency, is the first and main line of defense against waste, fraud and abuse of taxpayer money and misconduct by senior government officials, among others," he said. "The IGs need to be the watchdogs, not lapdogs, in the government. It's up to Congress to make sure the IGs are doing their jobs, that they have the resources to do their jobs, and that there's no undue interference from the agency on the IG's ability to accomplish their mission."

The text of the testimony Grassley submitted today is here.

Submitted Testimony of U.S. Senator Chuck Grassley of Iowa
Senate Committee on Commerce, Science, and Transportation
House Committee on Science and Technology
President's Council on Integrity and Efficiency Investigation of the NASA Inspector General
Thursday, June 7, 2007

Good afternoon. I would like to begin by thanking Senator Nelson and Congressman Miller for calling this important joint hearing concerning the investigation of the NASA Inspector General by the President's Council on Integrity and Efficiency (PCIE). I regret that I am unable to attend your hearing in person but would appreciate having this statement placed into the record.

I have been a long-time advocate of government oversight. I am also not a newcomer to overseeing the overseers. For example, I conducted inquiries into the operation of the Offices of the Inspector General at the Department of Health and Human Services and the Postal Service.

As ranking member of the Committee on Finance, I consider government oversight to be a critical role of Congress. This role is especially crucial when it relates to an office such as the NASA Inspector General, an office which plays an important role in protecting lives, guaranteeing the integrity of vital government assets, and defending a budget of over \$13 billion against waste, fraud, and abuse. The dedicated staff of the NASA Inspector General office is one of the last lines of defense for the NASA mission, and I applaud the work of the Senate Committee on Commerce, Science, and Transportation, as well as House Committee on Science and Technology, for their oversight work on this important matter.

Over a period of 14 months, the PCIE's Integrity Committee received eighteen complaints against NASA Inspector General Robert "Moose" Cobb. Then, in January 2006, the Integrity Committee referred the matter to the Office of the Inspector General in the Department of Housing and Urban Development (HUD). I also had a member of the HUD OIG's staff visit the Finance Committee staff to identify a number of concerns regarding the operation of the NASA OIG office.

The HUD OIG office conducted an extensive, independent investigation into the complaints lodged against Mr. Cobb, including 79 separate allegations. During the six-month investigation, staff in the HUD Inspector General office reviewed 26,259 e-mails, conducted 121 interviews, and cataloged 199 exhibits relating to the allegations. They interviewed 50 NASA employees and former employees. In all, the HUD investigators prepared a 289-page report substantiating allegations that Mr. Cobb abused his authority as Inspector General, and that he had created at least the appearance of a lack of independence between the Office of Inspector General and NASA management.

Created by the Inspector General Act of 1978, IG offices were intended to impartially investigate and audit programs and operations within their respective agencies to promote efficiency, and prevent waste, fraud, and abuse.

I'm alarmed by the evidence uncovered by the PCIE investigation. In fact, it appears that Mr. Cobb did not act in a manner consistent with the spirit and intent of that statute. According to the evidence, he has used this important position to interfere in the activities conducted by the investigative and audit divisions within his office for reasons that appear, at the very least, improper. In fact, Mr. Cobb repeatedly told employees that one of his priorities was to avoid embarrassing NASA. Evidence also indicates that he shied away from bringing investigations against high-ranking NASA officials.

From the evidence presented to me, Mr. Cobb hasn't simply tried to micromanage the activities of NASA IG staff; he has used the power of his office to insulate the agency from critical investigations and audits.

One such investigation concerned the theft of approximately \$1.9 billion-worth of

International Traffic in Arms Regulations data. This information, controlled by NASA, was illegally accessed by hackers and transmitted to locations in France. According to the PCIE investigation, Mr. Cobb dismissed worries over the theft of this data because, in his view, the data wasn't "stolen," since NASA was still technically in possession of the accessed information. That kind of thinking doesn't make sense to this Senator. That sort of hair-splitting suggests that Mr. Cobb would rather walk a mile to avoid embarrassing NASA than walk across the street to let the American people know what really happened.

In another instance substantiated by the PCIE report, Cobb interfered with law enforcement activities initiated by his office. Specifically, he questioned the sufficiency of a search warrant sought by the Department of Justice and issued by a federal magistrate. In fact, Mr. Cobb went so far as to say that the federal judge had been "duped" into signing the warrant. Although the search eventually took place, Mr. Cobb's interference caused the search to be delayed by more than a week in a matter that is characterized as "very time sensitive." It also may have given the targets of the search a chance to receive advanced warning, which could create the opportunity to destroy evidence before it is seized.

Another troubling allegation substantiated by the PCIE investigation concerned Mr. Cobb's discussion of potential audits and investigative findings with former NASA Administrator Sean O'Keefe and former NASA General Counsel Paul Pastorek. This included e-mail warnings on upcoming investigations. Mr. Cobb also sought the advice of NASA management about the timing and issuance of OIG findings. Those simply are not the sort of communications an independent inspector general ought to be having with officials at the agency he oversees.

Time and time again, it appears that Mr. Cobb sought to protect himself and NASA's management at the expense of maintaining the integrity of the NASA Office of the Inspector General.

The allegations against Mr. Cobb and the subsequent findings of the Integrity Committee all point to deep and systemic problems with Inspector General Cobb and how he managed his office. These problems in turn call into question his ability to investigate allegations no matter where they lead, whom they implicate, or what they uncover. Whether it embarrasses NASA or not, the Inspector General needs to do his job. Moreover, the deference demonstrated by Mr. Cobb to NASA management raises questions about how he views his own duties to be ethical, independent, and to serve with integrity.

To paraphrase a quote attributed to Abraham Lincoln, if you want to test a man's character, give him power. By this test, Inspector General Cobb has not fared well.

The evidence against Mr. Cobb goes beyond the appearance of a lack of independence between the Office of Inspector General and NASA management. The PCIE investigation also substantiated allegations that Mr. Cobb abused Inspector General staff members, creating an atmosphere of hostility and fear. According to the PCIE report, Mr. Cobb abused his staff with vile and degrading language. As a result of his management style, the bulk of his experienced audit staff left the administration. By his own admission he cannot, and will not, communicate

with a significant portion of his staff because he does not trust them and they do not trust him. Nearly a quarter of the staff was interviewed in the independent investigation, and all of them had negative things to say about Mr. Cobb. In fact, his management style has proven so abrasive that the NASA Administrator hired an "executive coach" to help Mr. Cobb learn how to better manage his staff, and has had to send him to a management "charm" school.

Additional concerns have also come to light regarding the process followed by the President's Council on Integrity and Efficiency that I am compelled to address. NASA management was provided with a completely unredacted copy of the PCIE report. This copy identified NASA employees by name. Specifically, it identified to NASA management those employees who cooperated with the PCIE investigation; who bravely spoke out about Mr. Cobb and other problems plaguing NASA. This effectively painted a target on the backs of NASA employees who provided information to PCIE investigators and to Congress. This is unconscionable. If we don't give a certain amount of protection to whistleblowers, if we can't ensure anonymity to those who speak with investigators about government wrongdoing, how can we expect anyone to cooperate with these investigations in the future? For this reason, I am requesting the Government Accountability Office to review the President's Council on Integrity and Efficiency and its procedures and operations.

It is clear to me that our ability to trust Mr. Cobb to effectively manage the Office of Inspector General and the vital functions that it seeks to carry out is in question. It seems that Mr. Cobb may care more about protecting NASA from embarrassment than he does about performing the critical functions of his office. An Inspector General must possess temperance, high ethical standards, and a firm understanding of the independent nature of that office. From the evidence presented, Mr. Cobb does not appear to possess these attributes.

So, in conclusion, I have some questions that I would like to pose to Mr. Cobb. In answering them, I hope he honestly places the mission of his office ahead of his self-interest. Mr. Cobb, do you believe that an Inspector General can continue to serve if he has lost the confidence of his staff and of Congress? Do you believe an inspector general can continue to serve who has been found by an independent investigation to have abused his authority? Do you believe an inspector general can continue to serve if he is perceived as in the pockets of the people he is supposed to investigate? Do you believe an inspector general can continue to serve if he has acknowledged verbally abusing staff on numerous occasions? These would be my questions to Mr. Cobb. The honest answering of those questions should lead him to make a decision as to what is best for NASA and the American people. Thank you again for this opportunity.