

March 9, 2009

Speaker Nancy Pelosi
U.S. Capitol, H-232
Washington, DC 20515

Senator Harry Reid
528 Hart Senate Office Building
Washington, DC 20510

Subject: Contractor fraud at GAO, OMB, Treasury, and GSA

Dear Speaker Pelosi and Senator Reid,

On January 14, 2009, I sent letters to each of you, Messrs. Walker and Dodaro, EPA's managers (my employing agency), and others. An attachment to that letter also included a separate letter to Messrs. Walker and Dodaro (Attachment 1). In those letters and supporting documentation, I identified a twenty-plus year, multibillion dollar, government-wide cover-up of outsourced deficient accounting and financial software standards and processes by the Central Agencies (GAO, OMB, Treasury, and GSA) and their corporate benefactors.¹ The 24 CFO Act agencies were also implicated because they hid all accounting and financial system deficiencies reported by their GS-0510 series credentialed accountants. Then, our political appointees solved this problem, for themselves and their corporate benefactors, by modifying the Office of Personnel Management (OPM) professional standards² of our government accountants to exclude the 4 year accounting degree requirement. The government's accountants were then eliminated and replaced with virtually anyone who had worked in either the Central Agencies or the CFO Act Agencies.

The intentional "dumbing-down" of our government's management positions is significant for three reasons: (1) the federal bureaucracy could be over staffed by significantly large numbers of unqualified employees simply because unqualified managers typically hire equally inept staffs that also result in dysfunctional organization structures and even more government waste; the federal bureaucracy has never been concerned with efficiency (up until now) but, rather, in hiding all levels of our government's illegal, corrupt, and corporate-driven behavior, (2) President Obama's investment in a government of skilled professionals may actually minimize the increase to the size of this government through a review and upgrade of all OPM's professional standards, and (3) individuals not fitting these upgraded OPM professional standards can be retrained and used to fill other newly created government positions.

On February 6, 2009, Mr. Dacey, GAO's Chief Accountant, provided his comments to me regarding both my December 15, 2008 and January 14, 2009 letters (Attachment 2). The context

¹ AICPA firms, financial software companies, and management consulting firms

² In 1995, the Electrical Engineering standard was also modified to exclude their 4 year Electrical Engineering degree requirement and that standard changed to "Electric Power Industry Specialist." Now, like the accountants, these positions are filled by virtually anyone. There is no way of knowing how many other government standards have been "dumbed-down" in this manner.

of his comments were that Congress' accountability legislation (CFO Act, GMRA, etc.) ensures that our government's "highly qualified cadre of financial management professionals" have demonstrated abilities in accounting, budgeting, financial management, and systems development. He also inferred that our government's due process, the government's 21 of 24 clean audit opinions in 2008, and the AICPA's designation of FASAB as the federal government's accounting standard-setting body were all indications that the federal government has made "significant progress in improving financial management activities and practices."

My March 9, 2009 letter to Mr. Dacey (Attachment 3) details a very different scenario than GAO's. This scenario is more akin to a real concern over the financial security of this great Country. The context of my comments were that Congress' accountability legislation is meaningless without real whistleblower protection legislation and real penalties for those who violate our Constitution and Congress' laws. Without this legislation, Congress invited the gross (and on-going) misinformation it received from both the Central Agencies and the 24 CFO Act agencies. As an example, GAO needs to explain what it meant by its "significant progress in federal financial activities" statement; GAO's last three years of written testimony clearly states that it can't even ensure the accuracy of our government's assets or liabilities (Attachments 4, 4a, and 4B). EPA, as one of the 24 CFO Act Agencies, has hidden all reported accounting and financial system deficiencies on its FFMI reports over the past eleven years to get its clean audit opinions and then eliminated the accountants who reported those deficiencies; eleven of its seasoned and credentialed accountants were eliminated in the RTP, NC office, alone, over the past 15 years. It is not unrealistic to assume that the same deficiencies and accountant mortality rates exist for the other 23 CFO Act Agencies. I offer my story as an accountant whistleblower (Attachment 5) in rebuttal to Mr. Dacey's assessment of his "cadre of financial management professionals" statement. Then, if this weren't enough, the AICPA is writing our government's accounting standards for FASAB. Have we not learned anything from the excess energy costs the American people paid when ENRON wrote our government's energy policies? Now, compliments of the former administration, the entire federal financial community is forcing its SECOND and equally deficient version of our government's FASAB (and AICPA) standards and financial software on all 24 CFO Act Agencies.

DOD/non DOD accounting offices

In closing, I suggest that our government implement the following policy changes and the necessary checks and balances to ensure an accurate accounting of our taxdollars within the next three years, using government accountant professionals:

- all financial management-type software is turned over to the federal government,
- all AICPA and management consulting firm contracts are cancelled,
- a full investigation is conducted of this twenty-plus year, multibillion dollar, outsourcing failure,
- the GS-0510 accountant standard is upgraded to include a 4 year accounting degree requirement,

- this upgraded standard is applied to all GS-9 thru GS-15 positions within all 24 CFO Act agency's, Office of the Chief Financial Office (OCFO) only,
- this same GS-0510 accounting standard, for GS-9 thru GS-15 positions, apply to all Central Agency positions and, government-wide, to all budgeting-related positions,
- Congress pass real whistleblower protection legislation and real penalties for those who abuse our Constitution and Congress' laws,
- serious consideration is given to integrating our government's accounting and budgeting processes, as noted in both the accountant whistleblower websites: Taxpayers for Government Accounting Reform (TGAR) – <http://www.tgar.org> and the National Accountant Whistleblower Coalition website – <http://www.nawbc.com>.

procurement, and property management processes

For convenience, I have included a copy of the "What We Need" section from the NAWBC website (Attachment 6) to implement a government-wide integrated accounting and budgeting process, with government accountants. If there are any questions or comments regarding this letter, I can be contacted at my EPA office on 919-541-4790 or via email at fisher.larryf@epa.gov.

Sincerely,

Larry Fisher

Larry Fisher, founder,

National Accountant Whistleblower Coalition

Enclosures

Cc: Richard Burr, Senator (w/enclosures)
 Kay Hagan, Senator (w/enclosures)
 Charles Grassley, Senator (w/enclosures)
 David Price, Representative (w/enclosures)
 Henry Waxman, Representative (w/enclosures)
 Peter Orszag, Director, OMB
 Kathie Ann Whipple, Acting Director, OPM
 David Walker, Former Comptroller General U.S. (w/enclosures)
 Gene Dodaro, Acting Comptroller General U.S. (w/enclosures)
 Robert Dacey, GAO Chief Accountant (w/enclosure)