

Statement for Chairman Tom Davis  
Committee on Government Reform  
“Interior Department: A Culture of Managerial Irresponsibility and Lack of  
Accountability? Part 2”  
September 14, 2006

Good morning and welcome to the Committee on Government Reform’s hearing on the U.S. Department of the Interior. Yesterday, our Subcommittee on Energy and Resources held its fourth hearing on natural gas royalties from federal offshore leases. Inspector General Earl Devaney discussed why price thresholds were omitted from deep water leases in 1998 and 1999. Mr. Devaney also cited numerous times during his seven year tenure at the Department that examples of waste, fraud, and abuse were uncovered by OIG and subsequently ignored by the Department.

During Mr. Devaney’s testimony we learned of the massive departmental confusion surrounding the deep water leases in 1998 and 1999. Not only were price thresholds omitted from deep water leases during the two years, those within the Department of the Interior aren’t even clear on when the omission was discovered. E-mails from 2000 show that upon the discovery, a decision was made at the Associate Director level of the Minerals Management Service to keep silent the omission – a silence that lasted for another five years. Despite this lack of managerial oversight, Devaney testified that no one within the Department of the Interior has been fired, suspended, or reprimanded as a result of this multi-billion dollar cover-up.

Unfortunately, as the Inspector General has found, the deep water lease issue is not an exception at the Department of the Interior. The OIG has issued countless reports citing cases of ethics failures and a history of ineffective management and policies within the Department. These failings permeate employee morale, as the Inspector General’s Office found in 2004 that forty-six percent of employees within the Department believed that “discipline was administered fairly only ‘sometimes,’ if ever.”

There are reasons to look on the bright side at the Department of the Interior. In May, Dirk Kempthorne took the reins. In the four short months of his tenure, Secretary Kempthorne has already shown signs that the status quo at Interior is unacceptable. Mr. Devaney testified that he met with Secretary Kempthorne on the Secretary’s first day regarding the OIG’s work. Additionally, the Secretary sent a memorandum to all Interior employees instructing them to cooperate with the OIG. Will changes be implemented? It is too soon to tell. I do know that if the culture of waste, fraud, and abuse continues, the Department of the Interior will never be able to wrap its arms around the problems of deep water leases. I also know that for changes to occur, they must start from the top, down.

I have a personal connection to the Department of the Interior. After serving as the Attorney General of Nebraska, my grandfather moved to D.C. to become the Solicitor for the Interior Department. He subsequently went on to serve the Department as Under Secretary and Acting Secretary. It was my grandfather’s career at Interior that caused my

family to move to Northern Virginia. This move ultimately resulted in my career in the House of Representatives. It is with deep disappointment that I hold this hearing today, given my fond memories of the Department of the Interior and the hard work of those in decades past. I know they would also be disillusioned by the culture of waste, fraud, and abuse at the Department and would echo my call for immediate reforms.