

HOW THE “MOST TRANSPARENT ADMINISTRATION EVER” WORSENS TRANSPARENCY WITH TRANSPARENCY EFFORT

The Director of National Intelligence has floated a “shockingly bad” proposal on how much review GAO will be permitted within the intelligence community. According to Steven Aftergood, because the proposal defines the intelligence community broadly, it might result in the loss of GAO review in agencies like DOD and State.

The Director of National Intelligence has prepared a draft intelligence directive on access by the Government Accountability Office (GAO) to intelligence information, but it is “shockingly bad,” a congressional official said.

[snip]

The first draft of the new directive is said to reserve maximum discretion to the DNI, and to offer little practical assurance that GAO will get access to the information it needs. So, for example, the definition of intelligence information that may be withheld from GAO extends broadly to law enforcement, military and intelligence information related to national security. GAO access is to be denied whenever it concerns information regarding “intelligence budgets or funding, or personnel information that... may reveal intelligence strategy, capabilities, or operations.”

"In other words, GAO cannot look at anything that involves money or people," the congressional official told Secrecy News. "Combine that with the sweeping, open-ended definition of intelligence and large chunks of the federal government suddenly vanish from [GAO] oversight— DOD, FBI, DHS, State Department, etc."

Aftergood points out what I did several weeks ago: the intelligence agencies generally (with the exception of NRO), and NSA in particular, have completely ineffective accounting systems.

But when the Committee looked at NSA's books in 2009, they were still a complete clusterfuck.

The NSA's annual financial report was the exception, in that it showed no apparent improvement. In particular, the Committee was concerned about the failed implementation of NSA's new financial system. An NSA Inspector General report found that this system was put into operation before it was adequately tested and that operators were not properly trained to use it. The NSA also made \$7 million in duplicative invoice payments, and the agency could not successfully reconcile its financial books at the end of fiscal year 2008. Further, a July 2008 Army Finance Command report, referenced by the NSA IG, found that the NSA's accounting system was in violation of public laws, Treasury Department financial manuals, and DoD regulations, and was inconsistent with the Federal Managers Financial Integrity Act.

After SSCI cracked heads, the NSA claimed it had fixed the problems in June 2009. Only they hadn't.

In June 2009, the Director of NSA wrote to the Chairman and Vice Chairman, claiming that the NSA was now –fully compliant with the laws, regulations, and manuals referenced in the U.S. Army Finance Command report and the Federal Financial Managers Integrity Act. The NSA Director's letter also stated that the NSA had been able to reconcile its fiscal year 2008 financial records. In July 2009, the Chairman and Vice Chairman wrote to the Secretary of Defense concerning the NSA Director's letter. They stated that in light of the NSA's past difficulties in producing auditable financial statements, the Committee believed the progress claimed by the NSA should be independently confirmed by the DoD Inspector General. Specifically, the letter requested that the DoD IG conduct a form and content review of the NSA's fiscal year 2009 financial statements to determine whether they were supported by reliable and accounting data and supporting information.

The Committee received the results of the DoD IG's review in November 2009, which was very critical of NSA's claims. Overall, the IG found that the NSA's financial statements were not adequately supported by reliable accounting data and supporting information. An even

more disturbing finding was that the NSA's –remediation plans do not fully address audit impediments. Specific findings included an inability to reconcile critical general ledger balances, failure to perform required accounting processes, and inconsistencies between the information contained in the notes to the financial statements and the information provided to the IG. The IG's findings raised serious questions about the assertions made by the NSA Director in his June 2009 letter and the support he is receiving from the administrative staff involved.

The report doesn't actually say whether NSA has since fixed its auditing systems such that someone can actually tell whether the telecoms paid to spy on us are paid what they are supposed to be paid. So the most up-to-date information the report provides is that in late 2009, the NSA wasn't really planning to fix the things that made it difficult to audit its books.

In other words, even before you get into the GAO oversight of the actual things the intelligence community does, you could at least throw the auditors in GAO at NSA's awful accounting.

But James Clapper proposes to specifically prohibit such help from GAO.

It's almost like they want to ensure that no one can audit the NSA's books.