

Presentation to the Madinah Institute of Leadership and Entrepreneurship
on
Corruption, an International Issue--Without Borders:
The Role of Government Oversight

Introduction

Your excellences, distinguished guests, speakers and participants. I am very honored to have been invited to contribute to this conference and I humbly thank the government of Saudi Arabia and the MILE Institute for extending an invitation to me and for the warm hospitality that everyone has shared with me thus far.

I congratulate the Madinah Institute for its work in tackling some of the most challenging issues facing developing nations as well as challenges faced by very well established governments. I congratulate each and every one of you—representing Saudi Arabia, Malaysia, Nigeria, and more--on your leadership and for having taken time out of your busy schedules to attend this session. You are obviously in search of knowledge and understanding and of ways to improve our world, its governments and the lives of its people. There is arguably no greater contribution than this that one can make to humanity.

Topic

This conference module is designed to address the challenges of corruption and transparency. I will explore this issue under the topic: Corruption: An International Issue -- Without Borders: *The Role of Government Oversight.*

Definition of Terms

There are various definitions of corruption but in all cases that I reviewed, there is a reference to wrong doing, lack of integrity and loss of public trust. Following are a few definitions I randomly collected from several sources:

- Dishonest or fraudulent conduct by those in power, typically involving bribery.
- Dishonest or illegal behavior especially by powerful people, such as government officials or police officers.
- Wrongful design to acquire or cause some pecuniary or other advantage.
- To act knowingly and dishonestly with the specific intent to undermine the integrity of something.

Corruption is an international issue that flourishes in individual states and is exported in many respects by way of our global interdependence. Whether we wish to acknowledge it or not, some of the most important systems we need to care for our people and to run our countries and their respective governments are all interdependent. No less our economies, communications and transportation networks, and national security interests are all, in varying degrees, interdependent. In reference to transportation, for example, I arrived in Saudi Arabia from the United States aboard a Saudi airline flight, which originated in Washington at Dulles international airport. Along the way on a 15-hour journey, the pilots must have communicated with numerous ground control stations, satellites and air traffic controllers located in over a dozen different countries. This trust and cooperation not only facilitated my safe arrival, but the safe arrival of over 200 people on the flight.

Transparency is a means by which to discourage corruption in government and elsewhere by allowing the people more visibility of what goes on in the “front office.” In other words, it provides access to how an organization is managed and how it derives its policies. In so doing, the opportunity and desire for corruption are mitigated. In government, transparency helps to hold public officials accountable for their performance and actions. A government or business that allows the public to review its laws, budgets, and decisions is seen as transparent. All such measures help reduce the opportunity for officials to abuse their office and position for personal gain.

Transparency International is the organization that gathers information and compiles statistics on global corruption. It then publishes the list of the least and most corrupt countries. Transparency International’s research and reports are based upon the corruption *perceptions* of people around the world and not on the perceptions of the people at Transparency International who gather the data. In other words, the Corruption Perceptions Index—or CPI—ranks countries and territories based on how corrupt their public sector is *perceived* to be and not necessarily on how corrupt the country is or is not. Some countries may be less corrupt than their ranking and some may be more corrupt than their ranking. Regardless, where a country stands in the rankings could have a significant impact on the country’s people, economy, and influence in the international market place.

As you view the latest Transparency International chart and country rankings, you note that corruption is a global issue. It is a problem in all 174 countries listed on the chart but some countries are struggling with the issue more than others. I would be pleased if my country were ranked number one in *least corrupt*, but it is not. Denmark is privileged to that position and the United States currently ranks 19th.

I believe that anti-corruption is the responsibility of every citizen, every household, every business and every government. Because we live in a very diverse and increasingly complicated world, fighting corruption requires a collective effort by all of our most important institutions and leaders. To this end, government oversight may play the most important role. I would like to highlight the inspector

general program as one mechanism that the U.S. Government uses to fight corruption and to mitigate its potential impact on government institutions and ultimately on the people of the United States.

The U.S. Congress established the Inspector General Law in 1978. Since then there have been numerous amendments to the act but its basic purpose remains the same:

- To conduct and supervise audits and investigations relating to the programs and operations of government departments and agencies.
- To provide leadership and coordination and recommend policies for government departments designed to (a) promote economy, efficiency, and effectiveness in government administration (b) prevent and detect fraud, waste and abuse.
- Provide a means for keeping the head of the department and the Congress fully and currently informed about problems and deficiencies relating to the administration of government programs and operation.
- Inform the department head and the Congress of the necessity for corrective action and of the progress on corrective action.

Every major federal department or agency has an oversight official whose title is inspector general. There are over 70 such officials within the U.S. federal structure. In most cases, inspectors general are nominated to be appointed and must be confirmed by the Congress of the United States. There are a few inspectors general who may be appointed by the President of the United States and whose appointment does not require congressional confirmation. However, provisions for such unilateral presidential appointments are supported in laws and provisions already enacted by Congress. The Inspector General Act includes such authorizations.

Congress also legislated that the entire body of federal inspectors general would form an umbrella organization which is referred to as the *Council of Inspectors General on Integrity and Efficiency in Government (CIGIE)*. This organization addresses integrity, economy, and effectiveness issues that transcend individual government agencies. In other words, although the CIGIE is made up of all of the federal inspectors general, the Council's work does not necessarily duplicate or replace the independent work expected of the inspectors general of the various government departments. The Council is also responsible for increasing the professionalism and effectiveness of inspector general personnel by developing policies, technical standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the inspectors general.

Inspector General Powers

Inspector general powers are established in the law enacted by the Congress of the United States. In general, inspectors general are authorized to conduct audits and investigations. Audits are administrative actions whereas investigations may be administrative or criminal in nature. Each inspector general is authorized to:

- Have access to all records, reports, audits, reviews, documents, papers, and recommendations, or other material which relate to the audit.
- Request information or assistance as may be necessary for carrying out the inspectors general duties and responsibilities from federal, state, or local governmental agencies.
- Have direct and prompt access to the head of the organization involved when necessary for any purpose pertaining to the audit or investigation.
- Make arrests and to carry concealed firearms in the performance of their duties.

These are only a few of the most important authorizations the Congress has granted to inspectors general.

Inspectors General Results

The Council is required to provide a report to the president of the United States each year. It highlights the collective results of all federal inspectors general. Following are a few highlights from CIGIE's 2011 report to the president. During that year, there were 14,700 employees at 73 inspectors general offices:

- Resulted in significant government wide improvements to the economy and efficiency of government programs.
- Potential savings totaling almost \$94 billion.
- Almost 500,000 hotline complaints processed.
- Over 6,500 indictments and criminal informations.
- Over 6,000 successful prosecutions.
- 5,600 suspensions or debarments.

Summary

Anti-corruption initiatives require the commitment of all institutions and individuals and especially national, provincial, and local governments and all of the business community.

Thank you, *shu-kran; ma'a'salama.*

By Major General (ret) Arnold Fields, USMC, was former Special Inspector General for Afghan Reconstruction (SIGAR). MG Fields delivered this presentation on January 27, 2014 in Madinah, Saudi Arabia for MILE's 3rd Leadership Program & Conference on High Performance Governments.