

**Committee on House Administration**  
**Hearing on the**  
**“Assessment of Administrative Compliance with Internal Controls”**  
**Chairman Robert A. Brady**  
**Opening Statement**  
**May 21, 2008**  
**11:00 a.m.**

Good morning. The hearing will come to order.

During the transition between the 109<sup>th</sup> and 110<sup>th</sup> Congresses, the House Inspector General was conducting a routine audit. He was looking at the House system for uncovering and eliminating duplicate payments. His investigators found a troubling record of embezzlement by one employee of the House. She had defrauded the House of more than \$160,000, a crime that was made easier by the fact that she was employed by several different congressional offices – and none of them knew of the duplicate charges being made to the others.

The IG brought the findings of embezzlement to our committee in February 2007, shortly after we took control of the House. The criminal proceeding against that one employee took its course. But we then asked the IG to conduct a further review – how did the system of shared employees make congressional offices vulnerable to waste, misuse of data, or even outright theft – and what could we do about it?

The original defendant was sentenced on May 2<sup>nd</sup>. Today we will hear the results of the IG’s further review. The point of this review is not to name any other names or point fingers. I have asked the IG not to use any names during this hearing, and I’ll ask the Members of the committee to avoid this as well. Our purpose here is to find out where we are vulnerable, and what we can do to secure House funds and data.

What we will hear today from the IG is that some – not all, but some – of these employees have ignored the controls we already have in place to prevent abuse. Further controls may also be necessary.

I look forward to the IG’s findings. We have no intent to eliminate shared employees, or to interfere with the benefits they offer to congressional offices. But we will take all necessary steps to address the problems the IG has identified and protect the House.