

here to make this country work for hard-working Americans. That is our job, and it is time for this Republican Senate to start doing that job.

Let's take up and pass the Schedules That Work Act. Let's give working families a fighting chance to build a future.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

#### MARINE CORPS AUDIT

Mr. GRASSLEY. Mr. President, yesterday a very important Government Accountability Office report came out. I am going to present my view of that report in a little bit backward way by giving a summary before I speak about the fine points of this report.

Broken bookkeeping has plagued the Pentagon for years. Under deadline pressure, the Marine Corps claimed to be ready for a clean audit. An outside auditing firm produced work papers in support of an opinion on a clean audit that employees in the Defense Department inspector general's office found lacking. However, a manager in the inspector general's office overruled his lower level colleagues. That resulted in the inspector general's release of a clean opinion on the audit of the Marine Corps.

Meanwhile, work papers began to creep out of the bureaucracy showing the unsupported basis for such a clean opinion. The inspector general was then forced to withdraw that opinion.

Now the Government Accountability Office is releasing a report that exposes the whole house of cards. One senior employee with an apparent bias toward the outside auditing firm led his agency down the wrong path. We need to get things back on track and prevent an embarrassing setback like this from ever happening again.

I will go into those details. As I often do, I come to the floor to speak about the latest twist in the 25-year struggle to fix the Defense Department's broken accounting system. Billions have been spent to fix it and achieve audit readiness, but those goals remain elusive. Defense dishes out over \$500 billion a year. Yet the Department still can't tell the people where all the money is going, and now the drive to be audit-ready by 2017—that is what the law requires—has taken a bad turn and become a fight over the truth.

As overseers of the taxpayers' money, we in Congress need to get the Audit Readiness Initiative back on track, moving forward in the right direction.

I last spoke on this subject a long time ago—December 8, 2011. On that occasion, I commended the Secretary of Defense, Leon Panetta, for trying to get the ball rolling. He wanted to halt endless slippage in audit deadlines. He wanted to provide an accurate and regular accounting of money spent to comply with the constitutional requirements. He turned up the pressure and in effect drew a line in the sand.

He directed the Department to, in his words, "achieve partial audit readiness," with limited statements by 2014, and, in his words, "full audit readiness" with all-up statements by the statutory deadline of 2017.

Not one of the major DOD components—including the Army, Navy, Marine Corps, and Air Force—reached Leon Panetta's 2014 milestone. None was or is audit ready today.

That said, one component—the Marine Corps—stepped up to the plate and claimed to be ready for what Leon Panetta's goal was. To test that claim, the accounting firm Grant Thornton was awarded a contract to audit five Marine Corps financial statements, 2010 to 2014.

The first two, 2010 and 2011, were unsuccessful. The Marine Corps was not ready. The third one was the 2012 audit, which is finally finished.

The 2012 audit was put under a microscope and subjected to intense review by the Office of Inspector General along with two other independent watchdogs.

The Marine Corps audit was a disaster. First, it took an ugly turn. It got twisted out of shape and turned upside down. Now it is getting turned right side up, thanks to the Government Accountability Office.

Grant Thornton was required to produce a conclusion memorandum. This happens to be what we might call a quasi-opinion. Work was to be finished by December 2012, but it took an extra year. So right off the bat it was running into trouble. The scaled-down financial statement did not meet contract specifications. So this was a showstopper that got glossed over. The contract was modified to accept a makeshift compilation that was cobbled together. It is called a Schedule of Budgetary Activity. It covers only current year appropriations and not vast sums of prior year appropriations that are still lost in the statutory and money pipeline. Of course, that is a far cry from a standard financial statement.

Even reducing the scope of the audit wasn't enough to overcome all of the other problems. The Office of Inspector General audit team was responsible for issuing the final opinion. After completing a review of Grant Thornton's workpapers in early 2013, the team determined that the evidence presented did not meet audit standards. It concluded that an adverse opinion—or what they call a disclaimer—was warranted. The team's rejection of Grant Thornton's conclusions embroiled the opinion in controversy and foul play. The trouble began when the Deputy IG for Auditing, Mr. Dan Blair, intervened and reportedly overruled his team's conclusions. He issued an unqualified or clean opinion that was not supported by the evidence in the workpapers—quite a showboat approach.

Despite mounting controversy about the validity of the opinion, Secretary

of Defense Hagel rolled out that opinion December 20, 2013—with trumpets "ablast." At a ceremony in the Pentagon's Hall of Heroes, he gave the Marine Corps an award for being the first military service to earn a clean opinion. The Assistant Commandant of the Marine Corps, Gen. John Paxton, accepted the award. According to press reports, he did so with "reluctance. . . . He mumbled something, then bolted from the stage at flank speed." Why would General Paxton take off like a scalded dog? Was it because he sniffed a bad odor with this so-called clean report and all the colorful presentations that were made by Secretary Hagel?

At that point, the word was already seeping out: The opinion was allegedly rigged. I heard rumblings about it and began asking Inspector General Rymer questions. Because of all the controversy, we asked his independent audit quality watchdog, Deputy Assistant IG Ashton Coleman, to review the audit. Mr. Coleman sent Inspector General Rymer reports in October 2014 and May of this year. These reports ripped the figleaf clean off of Mr. Blair's charade. They reinforced the audit team's disclaimer. After recommending "the OIG rescind and reissue the audit report with a disclaimer of opinion," Mr. Coleman zeroed right in on the root cause of the problem. That root cause was impaired independence. In other words, the people involved in this charade had an agenda that wasn't about good handling of the taxpayers' money, it was protecting somebody.

Mr. Coleman concluded that Mr. Blair "had a potential impairment to independence." He and a Grant Thornton partner, Ms. Tracy Porter Greene, had a longstanding but undisclosed professional relationship going back to their service together at the Government Accountability Office in the early 1990s. According to Coleman, that relationship by itself did not pose a problem. However, once it began to interfere with the team's ability to make critical decisions, he said it created an appearance of undue influence. Coleman identified several actions that led him in this direction.

The appearance problem was framed by a four-page email on August 2, 2013, from Ms. Greene to Mr. Blair but seen by the team and others, including me. It was a stern warning. If a disclaimer was coming—and Ms. Greene knew it was—she wanted, in her words, "some advanced notice."

She needed time then, as she thought, to prepare the firm's leadership for the bad news. A disclaimer, she said, would pose "a risk to our reputation." At the email's end, she opened the door to private discussions to resolve the matter.

The record clearly indicates that both Blair and Greene began holding private meetings—without inviting Contracting Officer's Representative Ball and the Office of Inspector General team to participate in those discussions. Both believed the contracting

officer's representative and the team were—in the words of Greene and Blair—“biased toward a disclaimer rather than considering all the facts.” I attributed those words to Greene and Blair, but those were Mr. Blair's words.

This shows how the independence of the audit and the review of the audit were questionable. To put these actions in perspective, I remind my colleagues that the inspector general was exercising oversight of the company's work. The inspector general needed to keep top company officials like Ms. Greene at arm's length, and holding private meetings with Greene wasn't the way to do it. These meetings may have violated the contract.

Why would the top IG audit official prefer to hold private meetings with Ms. Greene? Why would he seem so willing and eager to favor the firm over his team—even when the evidence appeared to support the team's position? Why would he favor the firm over the evidence and over the truth? Why would he admit on the record that “OIG auditors were not independent of Grant Thornton”? Why would he order the team to give the work papers to the firm so they could be “updated to reflect the truth”? The firm was not even supposed to have those documents, so we get back to impaired independence again.

Coleman cited other indications of this impaired independence. Contracting Officer's Representative Ball had rejected the firm's 2012 deliverables because they were “deficient.” They did not meet quality and timeliness standards. The deliverables in question were the company's final work product, including the all-important quasi-opinion called a conclusion memorandum.

This posed a real dilemma. Until she accepted the 2012 deliverables, the follow-on 2013 contract with Grant Thornton could not be awarded, and Blair wanted it done yesterday.

The impasse was broken with a crooked bureaucratic maneuver. A senior official, Assistant Inspector General Loren Venable, provided a certification that there were no major performance problems and Grant Thornton had met all contract requirements. Just then, with the stroke of a pen, that deceptive document cleared the way for accepting the disputed materials, paying the firm all their money, and awarding them at the same time a follow-on contract. Yet the record shows that even Mr. Blair admitted that “we accepted deficient deliverables.”

Why would a senior Office of Inspector General official attempt to cover up a major audit failure by Grant Thornton in order to reward the poorly performing company with more money and a new contract? For a series of audit failures, the firm got paid \$32 million.

These actions appear to show how undue influence and bias trumped objectivity and independence. Alleged

tampering with the opinion may be the most flagrant example of impaired independence.

While the team identified major shortcomings with Grant Thornton's work and disagreed with its conclusions, the team was blocked from exercising its authority to issue a disclaimer. So where is the independence? Instead, that team was forced to do additional work in a futile attempt to find evidence to match the firm's conclusion, but there was no such evidence.

Two weeks after Ms. Greene's email warning that a disclaimer could destroy the company's reputation, the front office resorted to direct action. With the team's disclaimer staring him in the face and with complete disregard for evidence and standards, Mr. Blair gave the Office of Inspector General team a truly stunning set of instructions. These were as follows: No. 1, the Marine Corps earned a clean opinion; No. 2, Grant Thornton has supported a clean opinion; and No. 3, do what it takes to reach the same conclusion as Grant Thornton.

In the simplest of terms, this August 14 edict says: There will be a clean opinion. Disregard the evidence. Figure out how to do it and make it happen.

These instructions provoked an internal brawl. The team manager, Ms. Cecilia Ball, balked. She stated flatout:

I cannot do that. Our audit evidence does not support an unqualified [clean] opinion. We are at a disclaimer.

She wanted justification for Mr. Blair's decision to overturn the team's opinion. She asked:

Show me where my work is substandard and where my conclusions are incorrect. And I want to know what standards Mr. Blair used to reach his conclusions.

She never got a straight answer. From that point on, it was all downhill. When the team ignored coaxing, they got steamrolled.

Mr. Blair attacked their competence, professionalism, and independence. He repeatedly accused them of being “biased.” The team's top manager, Ms. Cecilia Ball, reacted to the abusive treatment. She said:

I don't appreciate the accusations to my professionalism and my team's. I don't think we are the right fit as our integrity is being questioned.

She later quit the team in disgust.

In early December, just as the clean opinion was about to be wheeled out, Ms. Ball made one final request for explanation: Why was “the team's disclaimer of opinion not the correct opinion”? We repeatedly documented and explained why Grant Thornton's conclusion was unsupportable. “The vast knowledge of the Front Office could have provided us insight as to where the team's logic was flawed.”

In this case, the front office was unwilling to consider anything other than a clean opinion. These words are from the horse's mouth. The clean opinion was handed down from on high. The front office was Mr. Blair's domain.

All of these actions, when taken together, appear to show a lack of independence and a flagrant disregard for audit ethics, audit standards, audit evidence, and accepted practices.

In his oversight role, Blair had a responsibility to be independent, objective, and professionally skeptical. If the firm's work failed to meet standards, as it did, then he had a responsibility to face the truth and tell it like it is. He needed to be a junkyard dog and issue the disclaimer. Maybe he lost sight of his core mission and turned into a Grant Thornton lapdog. It sure looks that way.

Mr. Blair's words, deeds, and prior association with the Grant Thornton partner, Ms. Greene—when coupled with their many emails that were widely distributed—gave the appearance of undue influence by the Grant Thornton partner. The tone and the substance of the Blair-Greene emails suggest a professional relationship that was just too cozy—a relationship that might have been wise to disclose according to audit standards and professional ethics.

Inspector General Rymer disagrees with Mr. Coleman's findings of impaired independence. However, Mr. Rymer's evidence does not square with evidence presented by Coleman. For these reasons, Senator JOHNSON of Wisconsin and I will be asking the Comptroller General—the guardian of government auditing standards—to review all relevant evidence. Since independence is a cornerstone of audit integrity, we must be certain it has not been compromised.

Now, just yesterday another blockbuster report has been rolled out. The Government Accountability Office has issued a highly critical report. It was prepared at the request of Senator JOHNSON, Senator MCCASKILL, and Senator CARPER. The Government Accountability Office report is thorough and competent and tells the story as it happened.

Over the last 2 years, the GAO team held endless meetings with the Office of Inspector General, including Jon Rymer and Dan Blair. So the IG has known for some time what was coming down the pike. They knew early on the GAO report concluded that the evidence in the workpapers did not support the clean opinion of the Marine Corps audit.

Echoing Ms. Ball's unanswered pleas, the Government Accountability Office states: The OIG's management's decision to overturn the disclaimer is—in their words—“undocumented, unexplained, and unjustified by evidence in the work papers as required by professional standards.”

This is the evidentiary gap identified by the Government Accountability Office. There is no legitimate explanation for how the auditors got from point A—the disclaimer—to point B—the clean opinion. There is no crosswalk between the two poles. It is a bridge too far.

Despite mounting questions about the opinion, the IG turned a blind eye

to Blair's charade. The IG allowed it to go on and on. Countless man-hours and millions of dollars were wasted on cooking the books and on vicious infighting instead of productive problem-solving to right the ship. Mr. Coleman and the GAO got that done.

On March 23, the day before the IG's final exit briefing with the GAO, came a bolt from the blue. The IG stepped forward with a brave, bold announcement. The clean opinion was formally withdrawn. It was like a rush of fresh air in a very stuffy room. The inescapable truth finally dawned on Inspector General Rymer. So I want to thank Mr. Rymer for having the courage to do the right thing.

An audit failure of this magnitude should have consequences. This one is especially egregious. It leaves at least one former Secretary of Defense with egg on his face. Mr. Blair was removed as head of the Audit Office on June 10 but is still serving as the Office of Inspector General's Deputy Chief of Staff. He is the chief architect of the now discredited clean opinion. He is the one who planted the seeds of destruction when he allegedly quashed the audit team's disclaimer. Of course, those responsible for what happened ought to be held accountable.

Mr. Blair wants us to believe that the muffed opinion was the result of a routine dispute between opposing auditors' judgments over evidence, a mere difference of opinion among auditors. True, it reflects an unresolved dispute between the audit team and the management, and yes, that happened; however, there is a right way and a wrong way to resolve the conflicts.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to complete this. I was told I would be given the time to do it, and I have about 4 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. SANDERS. Mr. President, reserving the right to object, and I won't object, I want to make certain that after Senator GRASSLEY has completed his remarks, I will have time to make my remarks for up to 15 minutes. It will probably be less than that.

Is that all right, Senator?

Mr. GRASSLEY. That is OK.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Those responsible for what happened ought to be held accountable.

Mr. Blair wants us to believe the muffed opinion was the result of a routine dispute between opposing auditors' judgments over evidence and a mere difference of opinion among auditors. True, it reflects an unresolved dispute between the audit team and management, and yes, that happened; however, there is a right way and a wrong way to resolve such conflicts. According to audit standards cited in the GAO report, the dispute should have been addressed, resolved, and documented in

workpapers before the report was issued. It was not because the two opinions were irreconcilable.

The team's disclaimer was based on evidence measured against standards documented in workpapers. Blair's so-called "professional preference," by comparison, is none of these things. As the GAO's evidence gap suggests, Mr. Blair's opinion was hooked up to nothing. It was unsupported, and it was improper. So plain old common sense should have caused senior managers to realize that issuing the report with the opinion hanging fire was a senseless blunder. Doing it had one inevitable result: The opinion had no credibility, and that opinion had to go.

True, the integrity of the Office of Inspector General audit process may be damaged, but the final outcome of this tangled mess may help clear the way for recovery. That recovery ought to lead us to being able to have clean audits not only of the Marine Corps but all of the four services. The Marine Corps audit was the first big one out the box. If Inspector General Rymer had not embraced the truth, we might be staring at a bunch of worthless opinions awarded to the Army, Navy, and Air Force. The Department of Defense could have declared victory and buried the broken bookkeeping system for another 100 years.

Hopefully, the Defense Department will begin anew with fresh respect for the truth, audit standards, and the need for reliable transaction data. Reliable transaction data is the lifeblood of credible financial statements. Unreliable transaction data doomed the Marine Corps audit to failure from the get-go. Without reliable transaction data, the probability of conducting a successful audit of a major component is near zero.

With the right leadership and guidance, a plan with achievable deadlines can and should be developed. In the meantime, we watchdogs—and that is all of us in the Congress of the United States, or at least it ought to be all of us—must remain vigilant. My gut tells me we are still not out of the woods.

I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### CYBERSECURITY INFORMATION SHARING ACT OF 2015—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 754, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to Calendar No. 28, S. 754, a bill to improve cybersecurity in the United States through enhanced sharing of information about cybersecurity threats, and for other purposes.

Mr. SANDERS. Mr. President, I ask unanimous consent to address the Senate for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CAMPAIGN FINANCE REFORM

Mr. SANDERS. Mr. President, on November 19, 1863, standing on the blood-stained battlefield of Gettysburg, Abraham Lincoln delivered one of the most significant and best remembered speeches in American history. At the conclusion of the Gettysburg Address, Lincoln stated "that we here highly resolve that these dead shall not have died in vain . . . that this nation, under God, shall have a new birth of freedom . . . and that government of the people, by the people, for the people, shall not perish from the earth."

In the year 2015, with a political campaign finance system that is corrupt and increasingly controlled by billionaires and special interests, I fear very much that, in fact, government of the people, by the people, and for the people is perishing in the United States of America.

Five years ago, in the disastrous Citizens United Supreme Court decision, by a 5-to-4 vote, the U.S. Supreme Court said to the wealthiest people in this country: Billionaires, you already own much of the American economy. Now we are going to give you the opportunity to purchase the U.S. Government, the White House, the U.S. Senate, the U.S. House, Governors' seats, legislatures, and State judicial branches as well. In essence, that is exactly what they said, and, in fact, that is exactly what is happening as we speak.

As a result of Citizens United, during this campaign cycle, billions of dollars from the wealthiest people in this country will flood the political process. Super PACs—a direct outgrowth of the Citizens United decision—enabled the wealthiest people and the largest corporations to contribute unlimited amounts of money to campaigns. According to recent FEC filings, super PACs have raised more than \$300 million for the 2016 Presidential election already, and this election cycle has barely begun. This \$300 million is more than 11 times what was raised at this point in the 2000 election cycle. What will the situation be 4 years from now? What will the situation be 8 years from now? How many billions and billions of dollars from the wealthy and powerful will be used to elect candidates who represent the rich and the superrich?

According to the Sunlight Foundation, more than \$2 out of every \$3 raised for Presidential candidates so far is going to super PACs and not to the candidate's own campaign. This is quite extraordinary. What this means is that super PACs, which theoretically operate independently of the actual candidate, have more money and more influence over the candidate's campaign than the candidate himself or herself. Let me repeat that. The millionaires and billionaires who control