



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-4704

## **SES KNOWLEDGE TOOL KIT: INSIGHTS INTO THE ROLE OF THE DOD INSPECTOR GENERAL'S OFFICE**

*Remarks prepared for delivery by Department of Defense Inspector General Joseph E. Schmitz to the Senior Executive Service (SES) APEX Orientation Program, Arlington, VA, March 11, 2005*

---

Thank you Steve [Shirley] for that introduction. Ladies and gentlemen, good morning. First, let me congratulate all of you on achieving SES status. That is quite an accomplishment, not only because you have advanced to the next level in terms of responsibility, but also in leadership.

That is why I am focusing on leadership today, because I believe knowing what it takes to be a leader and putting those principles and values into practice is the most valuable part of your "SES Knowledge Toolkit."

Just how important is good leadership to you in accomplishing your goals and mission? I agree with the Arab proverb that says: "An army of sheep led by a lion would defeat an army of lions led by a sheep."<sup>1</sup>

While there may be no doubt in its value, however, just exactly what constitutes good leadership and a good leader is not so easy to define.

One thing we do know about leadership is that there is no one hard and fast recipe. It comes in different styles and techniques, and even good leaders can sometimes disagree on a definition.

I remember back in the early 1990s when the Department of the Navy launched an effort based on W. Edwards Deming's business philosophy of "Total Quality Management." I'm sure most of you are familiar with the "TQM."

The Navy, however, adapted the name for its own version, which it called "Total Quality Leadership" or "TQL" – based upon the idea that you manage "things" and lead "people."

That's an important distinction, but I think Dr. Warren Bennis, in his book "On Becoming a Leader," did an even better job of defining that difference when he said:

---

<sup>1</sup> Available at <http://www.motivational-inspirationalcorner.com/getquote.html?startrow=31&categoryid=24>.

“Managers are people who do things right, while leaders are people who do the right thing.”

Doing the right thing – to me that is the crux of leadership. And to do the right thing, you need a clearly defined set of values and principles to guide you.

Values and principles – these are the foundations that elevate leadership to the point where it becomes effective. They are so important, in fact, that Dr. Stephen Covey, the highly acclaimed, best-selling author of “The 7 Habits of Highly Effective People,” focuses on them in his book “First Things First, Principle-Centered Leadership.”

According to Dr. Covey, “Effective leadership is putting first things first. Effective management is discipline, carrying it out.”<sup>2</sup>

I like this definition for a number of reasons, beginning with the fact that I am a firm believer in putting “first things first” – especially as it relates to moral leadership.

This concept is certainly nothing new. It has been around for quite some time and many authors have, in one way or another, either written about it or alluded to it.

One of my favorites happens to be C.S. Lewis, who wrote so eloquently about what he referred to as “The Principle of ‘First and Second things’ .”

“[T]he principle of ‘first and second things’ as C.S. Lewis calls it. . . [is] that when second things are put first, not only first things but second things too are lost. More exactly, when there are great goods, or ultimate ends and proximate ends, if we put lesser good, like survival, before greater goods, like values to survive for, then we lost not only the greater goods, the values, but even the lesser goods that we’ve idolized. . . [T]he society that believes in nothing worth surviving for beyond mere survival will not survive.”<sup>3</sup>

If you understand C.S. Lewis’ principle of “first and second things,” the decisions you must make as a leader – while they will not be easier – will be clearer.

Unfortunately, while these concepts have been with us for quite some time, there are a good number of people, including people in positions of trust and responsibility, who do not understand them. Let me give you some examples from our web site where we have information and press releases posted. For the sake of time, I paraphrase some

---

<sup>2</sup> Available at <http://www.motivational-inspirationalcorner.com/getquote.html?startrow=11&categoryid=24>.

<sup>3</sup> PETER KREEFT, A REFUTATION OF MORAL RELATIVISM: INTERVIEWS WITH AN ABSOLUTIST 133 (1999); see C.S. Lewis, *Time and Tide* reprinted in *GOD IN THE DOCK* (1942) (“You can’t get second things by putting them first; you can get second things only by putting first things first. . . Civilizations have pursued a host of different values in the past: God’s Will, honour, virtues, empire, ritual, glory, mysticism, knowledge. The first and most practical question for ours is to raise the question, to care about the summum bonum, to have something to live for and to die for, lest we die”).

of the titles and limit the selection from just a few of the ones we've posted since the beginning of the year.

- One press release issued by the U.S. Attorney for the Northern District of Illinois cites a well-known corporation as paying – and I quote – “\$62 Million to Settle Alleged Accounting Overcharges and False Claims . . .”<sup>4</sup>
- Another issued by the U.S. Attorney for the Southern District of California mentions another company that was “. . . Fined \$28 Million in Criminal and Civil Penalties After Pleading Guilty to Violating the Foreign Corrupt Practices Act.” By the way, the U.S. Attorney who put out that press release is quoted in it as saying that fine is “the largest combined FCPA criminal and civil penalty in history.”<sup>5</sup>
- Then there is a press release by the U.S. Attorney for the District of Oregon that had a headline that reads: “United States and State of Oregon Announce Joint Effort to Combat Health Care Fraud and Kickbacks; 4 Felony Guilty Pleas, Other Felony Charges Announced, and Over \$2.4 Million in Restitution and Damages Obtained So Far.”<sup>6</sup>

Now if you do a little quick math that comes out to \$92.4 million in fines, restitution and recoveries. There is one more bit of information that you might be interested in, too! All of these press releases were issued on the same day – March 1, 2005. This is how we started the month off!

I am not citing these to show off how good our agents and auditors are – although I will admit they are very good. I am doing this to make two points.

First and most obvious, of course, is that people and corporations who try to defraud the U.S. Government are getting caught!

Second, and what you as leaders may want to think about a little more, is that these things don't just happen in a vacuum. A lot of other people are affected. Not everyone who was involved in a process that went awry to the tune of \$92 million worked in the private sector. When \$92 million “goes down the tubes” you can bet some business AND government careers went “down the tubes” along with it! I'm not talking

---

<sup>4</sup> Press Release, U.S. Attorney for the Northern District of Illinois, Northrop Grumman to Pay U.S. \$62 Million to Settle Alleged Accounting Overcharges and False Claims About Radar Jamming Device for B-2 ‘Stealth Bomber’ (Mar. 1, 2005) *available at*

[http://www.dodig.mil/IGInformation/IGInformationReleases/Northrop\\_030105B2.pdf](http://www.dodig.mil/IGInformation/IGInformationReleases/Northrop_030105B2.pdf).

<sup>5</sup> Press Release, U.S. Attorney for the Southern District of California, News Release Summary (Mar. 1, 2005) *available at* [http://www.dodig.mil/IGInformation/IGInformationReleases/Titan\\_030105.pdf](http://www.dodig.mil/IGInformation/IGInformationReleases/Titan_030105.pdf).

<sup>6</sup> Press Release, U.S. Attorney for the District of Oregon, United States and State of Oregon Announce Joint Effort to Combat Health Care Fraud and Kickbacks; 4 Felony Guilty Pleas, other Felony Charges Announced, Over \$2.4 Million in Restitution and Damages Obtained So Far (Mar. 1, 2005) *available at* [http://www.dodig.mil/IGInformation/IGInformationReleases/Oregon\\_Pleas\\_030105.pdf](http://www.dodig.mil/IGInformation/IGInformationReleases/Oregon_Pleas_030105.pdf).

about people who intentionally committed a crime. I'm talking about people who looked the other way or decided to "go along to get along."

You can bet your next paycheck that sooner or later as an SES, you are going to be asked to do just that. There will be an issue, a practice, a procedure or event that you inherently know is wrong and needs to be corrected or stopped completely.

It will probably be just below the threshold of what you would consider a "big deal" but still fall short of what you know is ethical, proper and in both the spirit and letter of the regulations, guidelines or law relating to it. By the way, you will be amazed at how little oversights turn into really big problems.

You will also be amazed at how many of your associates, co-workers, and regrettably in some instances, superiors will encourage you to either endorse it or overlook it.

If you hold out long enough, you may even find some of your closest friends trying to get you to change your mind, for the sake of your friendship.

A perfect example is reflected in a scenario depicted the 1966 movie "A Man For All Seasons." Since most of you probably haven't seen it, allow me to describe it briefly, because it includes what I consider to be classic counters to that argument – and one which you might want to add to your "SES Knowledge Toolkit."

The movie depicts the struggle between Sir Thomas More and King Henry VIII of England. In one scene, Sir Thomas' refusal to sign a document as a matter of conscience puts him at odds with the King. Many of his friends, who have an opposite view and sign the document, implore Sir Thomas to change his mind. One of them, the Duke of Norfolk, gets so frustrated that he finally resorts to telling him: "Thomas, look at these names! Why can't you do as I did and come with us, for fellowship!"

To which Sir Thomas replies: "And when we die, and you are sent to heaven for doing your conscience, and I am sent to hell for not doing mine, will you come with me, for fellowship?"<sup>7</sup>

While acting in accordance with our conscience won't cost our heads like it did Sir Thomas, I would be less than honest if I didn't tell you that in situations like this, there is some type of price to pay. As I noted earlier, with \$92 million going down the tubes in one day, you can bet that a number of careers in both the private and government sectors didn't take some type of turn for the worse.

That is why I cannot say it enough -- the most valuable asset you have in your SES knowledge Toolkit will be a thorough understanding of and belief in a set of clearly

---

<sup>7</sup> Earth's Biggest Movie Database *quoting A Man For All Seasons (1966) available at <http://www.imdb.com/title/tt0060665/quotes>.*

defined values and principles. It is called integrity and it forms the foundation of true leadership.

Now let's take a look at some of the other attributes of leadership that rest on that foundation. As I said earlier, there is no one hard and fast recipe for leadership. It comes in various styles and includes a number of different techniques. However, there are commonalities – things that successful people, no matter how different they may be in style or technique, have in common.

I remember back in the early 1990s when the Navy was going full bore on its total Quality Leadership – TQL – program. After a while, many of us came to realize that so much of what we were hearing in our TQL lectures was, in fact, based the same principles we were taught as midshipmen.

Some of the most vivid leadership lessons I learned as a midshipman at the U.S. Naval Academy occurred one summer, when I had the opportunity to attend a UDT/SEAL familiarization course. It was a learning experience in leadership and a reaffirmation of the knowledge that accomplished just of worth requires copious amounts of hard work and sweat!

It made a lasting impression on me, and not just because I still swim in the morning as part of my fitness routine. Much to my delight, I recently found out that an officer and platoon leader in the SEALs had recently published a book titled: “Team Secrets of the Navy SEALs – The Elite Military Force’s Leadership Principles For Business.”<sup>8</sup>

A little more than 130 pages, the book is in an easy-to-read format that includes a dozen chapters that each end with a summary of lessons learned. Let me share of few of them that you may want to include in your “SES Knowledge Toolkit” because even though you probably already know them, it is good to see them referenced by another highly regarded leadership source. These are short, concise and need little if any elaboration. Let's talk about a few:

- “You succeed as a team or fail as a team.”
- “Being a nice person is not a job qualification. Know who your Team members are, what they are interested in, and what they do best.”
- “Allow people to make mistakes; that is how we learn.”
- “If you rush in to remedy a mistake before it comes to fruition, your people will become complacent and rely on you to fix everything.”

---

<sup>8</sup> ANONYMOUS, TEAM SECRETS OF THE NAVY SEALs: THE ELITE MILITARY FORCE’S LEADERSHIP PRINCIPLES FOR BUSINESS (2003).

- “Practice accountability and encouragement. Hold people accountable for their actions, yet do not be so overbearing as to stifle their future efforts.”

Chapter 8 is devoted to “The Menace of Micromanagement.” There are several good bullets at the end of this chapter, including:

- “Do not nitpick a job well done just because it isn’t a carbon copy of what you had in your mind’s eye.”
- “No matter how intuitive your Team members are, they are not mind readers. Give them the essential details, then trust their judgment and results.”

Do you ever get the feeling someone is trying to tell you something? When I read the final draft of this speech, I thought to myself, “I think I’m going to have a little talk with my speechwriter.”

Then I read the next bullet: “If you ‘know it all,’ you just might get a chance to prove it!”

Forget the talk with the speechwriter!!

All kidding aside, these lesson bullets make some very good points. Another one at the end of Chapter 8 really brings the challenges we face as leaders into perspective: “Work toward the goal. Be seen, not heard. Set the stage and let the Team go, making small steering adjustments when necessary.”

I don’t want to spoil the book for you in case you get it, but I would like to share just a few more gems:

“A vigilant leader is an informed leader.” That was at the end of Chapter 9. Now some of you may be saying to yourself, “That’s just common sense.” Let me remind you that there are three press releases posted on our web site dated March 1, 2005, adding up to over \$92 million in fines, restitutions and recoveries that would indicate common sense isn’t as “common” as one might think.

Two more of my favorites come from Chapter 11:

“The goal of a Team is to develop its members, not work them into submission.” If you are to succeed, you don’t need “followers” or “yes men.” You need people who will take the initiative and do what is right, even when it may involve questioning a superior officer about a decision or course of action.

The other gem of wisdom from Chapter 11 is: “Involve the Team in the attainment of goals by keeping them informed.” How true! When an information void appears, it doesn’t stay empty for long. Either you fill that void with the facts and a

vision of what is to be done, or someone else is going to fill it with rumor and second-guessing that almost always results in a degradation of morale and mission effectiveness.

One of the bullets at the conclusion of Chapter 10 has special relevance in today's atmosphere of doing more with less, which is why I saved this one for last because I wanted to talk about it in a little more depth. It goes: "Teams are based on comfort in security; not safety in numbers."

I believe all too often, we have a tendency to overlook that. That's not to say that doing more with less isn't going to pose some challenges – especially to those of you who are advancing to levels of increased responsibility. Today, more than ever, your leadership skills will be tested. But we've done it before and we can do it again.

During the American Revolution we were outnumbered, outgunned and pitted against the most powerful armed force of its day. Fortunately, we were blessed with leaders who were able to overcome what many others regarded as insurmountable odds. One of those leaders was Baron Friedrich Wilhelm Von Steuben of Prussia, who served as George Washington's Inspector General throughout the Revolutionary War.

When the Continental Congress created the Office of the Inspector General of the Army in 1777, the functions of the office were to:

- "Review the troops;
- See that officers and soldiers were instructed in exercise maneuvers, established by the Board of War;
- Ensure that discipline was strictly observed; and
- Ensure that officers commanded properly and treated soldiers with justice."<sup>9</sup>

Von Steuben helped instill these principles into the fledgling American militia and later became an American citizen. A monument in honor of his achievements stands today in Lafayette Park, across from the White House in Washington, D.C. It bears the inscription, "He gave military training and discipline to the citizen soldiers who achieved the independence of the United States."

The techniques of Inspectors General and our scope have changed a great deal since Valley Forge, but our basic guiding principles have not.

Next month, I will travel to Potsdam, Germany to rededicate the Von Steuben monument there and commemorate Von Steuben's contributions to the American

---

<sup>9</sup> History of the U.S. Army Inspector General *available at* [http://www.public.ignet.army.mil/History\\_of\\_the\\_IG.htm](http://www.public.ignet.army.mil/History_of_the_IG.htm).

revolutionary cause. We forever will be indebted to Von Steuben for bringing the values of order, discipline, hard work, precision, and integrity to the American military.

Much has changed since those days when the Steuben first arrived in America to help in its struggle for independence and democracy; but much has also remained the same. I believe the good Baron would have taken great pleasure in reading about how SEAL Team leadership principles could be applied to today's business community.

There is no doubt that complex, highly technical issues you face today as an SES would have astounded our founding fathers. The Baron, in his wildest dreams, couldn't have imagined today's Office of the Inspector General of the Department of Defense, or for that matter, even have begun to understand the issues it must deal with.

Yet the values, principles and discipline with which we approach those complex, seemingly futuristic tasks are basically the same as those they used in the days of muzzle-loaders.

As SES members, it is incumbent upon you to be a living example of the values those values and principles of leadership which you have in common with other leaders, be they historical figures like Baron Von Steuben or modern day models of military professionalism like the anonymous SEAL who authored the book I told you about. They may have come from vastly different times, backgrounds and circumstances, but they still share a lot. What they have in common is a belief that if you do not live a life of order, discipline, hard work, precision and integrity, than you cannot expect it in your Team members or employees.

Another American hero and former President, Teddy Roosevelt, admonished, "The stream will not permanently rise higher than the main source; and the main source of national power and national greatness is found in the average citizenship of the nation. Therefore it behooves us to do our best to see that the standard of the average citizen is kept high; and the average cannot be kept high unless the standard of the leaders is very much higher."<sup>10</sup>

Those words were uttered 95 years ago, yet I heard similar sentiments expressed earlier this week, as I watched Fox News Channel's Neil Cavuto interview Dr. Stephen Covey, whom I mentioned earlier. The interview revolved around the recent resignation of the president and CEO of a major defense contractor after it was discovered that he had once been involved in a "relationship" with a female executive, who also worked for the company.

When Dr. Covey was asked why the man should have resigned, I was so impressed with his response that I obtained a copy of the interview. Here is what Dr. Covey said:

---

<sup>10</sup> Theodore Roosevelt, *Citizenship in a Republic*, reprinted in AMERICAN IDEALS: THE STRENUOUS LIFE, REALIZABLE IDEALS 509 (1926).



“You can be very competent, but unless you also have character with that competence, you can’t build high trust. And without high trust you can’t create a culture that is empowered and is one that produces high quality at low cost. They are all interwoven together. When you pick up one end of the stick, you pick up the other!”<sup>11</sup>

It all comes back to character principles and values. Over the generations, we keep rediscovering the need for these attributes and the critical role they play in that quality we call leadership in virtually every field of endeavor, from military to business.

Interestingly, similar sentiments to those of Dr. Covey are expressed by our anonymous SEAL author in his book at the beginning of Chapter 12, which is titled “What Is Expected From You.”

Here is what the SEAL author has to say: “Survival in today’s business world demands a shift from the old paradigm of managerial ‘leadership’ to that of true leadership. It is no longer enough to run a tight ship and do what is expected of you. You need to be our front, leading your Team to victory by direction and example.”<sup>12</sup>

Ladies and gentlemen, I can’t say it any better than that.

Again, congratulations on your appointments to the Senior Executive Service. I applaud your accomplishments and thank you for allowing me to spend a few moments with you. Now, if you have any questions, I will be glad to answer them.

---

<sup>11</sup> YOUR WORLD with Neil Cavuto: *Teach Your Boss a Lesson! Author Stephen Covey Details the Ethics Every Boss Should Follow* (Fox News Channel Broadcast, Mar. 7, 2005).

<sup>12</sup> ANONYMOUS, *TEAM SECRETS OF THE NAVY SEALS: THE ELITE MILITARY FORCE’S LEADERSHIP PRINCIPLES FOR BUSINESS* 117 (2003).