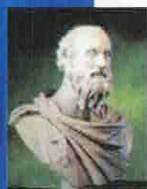


Diogenes

the magazine



Helping preserve the American Dream
through the rule of law



Court Watching
with savvy activist
Juli Star-Alexander

Ballot Access
Considering Elections
as if Voters Matter
D. Frank Robinson

On The Road Again
Traveling for Human
Rights,
**Rev. Dr. LeRoy
Gillam**

**The Sweet
Sound
of a
Whistleblower:**
veteran
accountant
Larry Fisher
exposes a federal
accountability
sham

**Legal Abuse
Syndrome:
Fact or Fad?**

Explore this pioneering
subject in our multi-part
series by
**Karin Huffer, M.S.,
M.F.T.**

Meet
Chief Deputy U. S.
Marshal,
Matthew Fogg

War on Veterans?
Yes, says distinguished
veteran and activist
Charles Heckman, Dr. Sci.



Fall Edition, 2005

© National Judicial Conduct and Disability Law Project, Inc.
All rights reserved

Annual Subscription \$29.00 U.S.
Newsstand Price \$9.25 U. S.

The Sweet Sound of a Whistleblower

"I have come to the realization that the government's accounting and financial systems were never designed to work. Rather their sole function is to fail, year after year."

Larry Fisher, federal accountant

The federal accountability sham begins at the Central Agencies' level [General Accountability Office (GAO), Office of Management and Budget (OMB), and Treasury Department] when their untested accounting standards and financial systems are imposed on all federal agencies. The sham continues when agencies are offered an opportunity to comment on these policies but then not only retaliate against any accountant who does not blindly support them, but then go to great lengths to hide any deficiencies that reflect poorly on both the Central Agencies and their own agency. One way that the Central Agencies and agencies avoid this politically embarrassing situation is to hire non-accountant managers and employees.

I am Larry Fisher, and I am a federal accountant whistleblower who has questioned the government's flawed accounting policies/standards and financial systems over the past 25 years. During that period, I have made every effort to make top government managers and Congress aware of our government's accountability problems. After all this effort, I have come to the realization that the government's accounting and financial systems were never designed to work. Rather their sole function is to fail, year after year. This self-imposed failure creates a never-ending, lucrative revenue source for revolving door bureaucrats and their corporate partners – accounting contractors and financial software contractors. Add the lack of meaningful Congressional legislation to hold self-serving, revolving door bureaucrats accountable or protect insiders who object; demented systems of rewards and punishments; deficient educational requirements for accountants, budgeting, and computer science positions; and you have all the ingredients for a government finance operation that



works as planned – to fail.

In March 1980, I accepted a Branch Chief of Agency Reports position with the Veterans Administration (VA). My staff oversaw the consolidation of the VA's 172 field hospitals' accounting data to produce its summary level financial statements. During the six years that I worked for the VA, I became aware of the use of rote formulas and large manual adjustments to hide all problems. In an effort to resolve the impasse, I read all the Central Agencies' documentation and contacted countless individuals within those agencies for an explanation. The more I read and the more explanations I heard, the more I was convinced that the government had a real problem. I requested that the VA support me in questioning the divergent and conflicting accounting policies between the GAO, OMB, and Treasury. Its representatives were not interested.

During the period April 1981 thru June 1984, on my own time, I completed an integrated accounting and budgeting model that was patterned after the private sector and based upon Generally Accepted Accounting Principles (GAAP). Because of the confusion that I encountered in reading three separate sets (OMB, GAO, and Treasury) of documentation, I also completed a book, "Principles of Accounting, Budgeting, and Cash Management for Government." About the time that I finished the book, my staff found a 40 million dollar antideficiency violation. I was asked to sign a letter authorizing the necessary adjustments to hide the problem. I refused. Another manager signed the letter.

I resigned from the VA in October 1986, citing "falsification of the agency's financial statements" as my reason for leaving. Without my consent, my personnel records were altered to attribute my

resignation to "conflicting views over systems improvement." During my subsequent unpaid sabbatical, I lobbied members of Congress and the Central Agencies' top managers to adopt a GAAP-based, integrated accounting and budgeting process. I also proposed that the government use an objective basis (such as an accounting model) to test its accounting standards before requiring compliance by all federal agencies. GAO reviewed my book, after much prompting by my congressional contacts, but did not approve of the concept for unapparent reasons. I then lobbied OMB and Treasury with no success. Yet, in October 1990, the Central Agencies formed the Federal Accounting Standards Advisory Board (FASAB) to produce a single government-wide accounting standard as I had requested in January 1987.

In October 1987, I rejoined the federal government and obtained a Systems Accountant position with the Treasury Department. I was selected to represent Treasury (along with an OMB and GAO representatives) on a committee charged with establishing the system requirements for all government procured, contractor off-the-shelf financial software appearing on the GSA (General Services Administration) Schedule. I questioned the logic of this decision since the government had no accounting standard in place at the time and thus no basis for testing financial software. The OMB representative told me not to worry about it since management (at OMB, GAO, and Treasury) had already decided that the three interested contractors would be placed on the GSA schedule. Our only responsibility was to prepare a (meaningless) systems questionnaire that all contractors would complete and certify that they had satisfied all government requirements. I protested and resigned from the committee.

Subsequent testing revealed that none of the vendor accounting software packages was capable of generating a single financial statement. As before, all financial statements would have to be done manually. Despite their knowledge of this problem, over the past eighteen years, the Central Agencies' top managers have never accepted responsibility for the deficient financial systems that they knowingly made available to an entire

federal bureaucracy. Even more important, they have never been held accountable for this gross waste of tax dollars. The next major corporate/revolving door bureaucratic scam to trick the American people on an even larger scale is to outsource government jobs to the private sector under the guise of increasing efficiency and cutting cost. Before this option can even be considered, however, Congress must first address the inbred, self-imposed management deficiencies, and gross waste of our taxpayer dollars they also allowed to occur in the name of government accountability.

In March 1990, I obtained a Branch Chief, Systems and Accounting position with the Environmental Protection Agency (EPA). After a year or so in that position, I questioned the number of contractors my supervisor (an engineer) used to complete essentially meaningless tasks and their access to the confidential business information of other contractors (i.e. cost rates). I also questioned the logic of replacing government employees with contractors, the corresponding lack of checks and balances, and the very real possibility of generating fraudulent payments as desired. I was subsequently reduced to making weekly staff presentations on the amount of paper used by our agency's printers and fax machines. I also had to give presentations on branch initiatives without being in on related meetings. Within a very short time, I was relieved of my Branch Chief position and relocated to the basement mailroom office in an unclassified position.

In June 1993, I was transferred to the Washington, D.C. Policies and Procedures Office, though I did not physically move to that location. I enjoyed my job for approximately three years. Then, I was given the responsibility for critiquing the newly completed FASAB (Federal Accounting Standards Advisory Board) accounting policies and standards. I noted a number of major concerns with the FASAB standards by a written report that was disregarded. I was told that it was not my place to disagree. I accordingly voiced my concerns to then Vice President Gore, the FASAB chairman, and Central Agency heads. Within a few months, I was offered a restrictive staff accounting position and ostracized by management.

On June 8, 1998, I gave a presentation to Senator Fred Thompson's staff in which I identified: (1) the Executive and Legislative Branches' archaic budgeting policies as stumbling blocks to instituting the very accounting reforms that Congress had mandated by law, (2) the FASAB accounting policies as fatally flawed and one of the reasons for the government's failed financial systems, and (3) the need for Congress to make FASAB responsible for producing an accounting model as proof of their accounting logic before wasting more tax payer money on this process.

In June 1999, about a year after I was told that Congress was not interested in addressing accounting related issues, I had an OP-ED published in the Washington Times where I, again, expressed my concern with the FASAB standards. Three months later, the American Institute of Certified Public Accountants (AICPA) designated FASAB as the accounting-standards-setting body for the federal government. Why a private sector body, like the AICPA, would publicly support FASAB's accounting standards considering its inability, ever, to produce meaningful U.S. Government consolidated financial statements should be a concern to all of us. In September 2002, I provided David Walker, Comptroller General of the U.S. and an accountant, a copy of my GAAP-based, integrated, accounting and budgeting model (see <http://www.tgar.org>) and, again, noted my concern with the FASAB standard.

If there is any doubt about government acquiescence to corporate fraud, you need only look at what happened to my career for raising legitimate accountability concerns. I have already noted my experiences at the VA (resignation over a 40 million dollar antideficiency cover-up), Treasury, OMB, and GAO (allowing an entire federal bureaucracy to use deficient accounting standards and flawed financial systems over the past eighteen years, and EPA, up until 1993 (reprisals for

questioning exorbitant contractor costs and deficient FASAB standards). During the balance of my career (9 years), I have been excluded from all management level meetings; performed demeaning accounting technician duties complete with 1920's style worksheets; placed in a fake management position; and threatened with a downgrade for questioning that position. For my exemplary performance, I received a \$150 cash award for assisting with filing our invoices.

A recent GOVEXEC.com article noted that, "Outside financial management experts told the House Government Reform Subcommittee on

Government Management, Finance and Accountability that federal executives must be held more accountable for their behavior." Edward Kearney, a managing partner at Kearney & Co., also stated that federal financial managers should be aware of the consequences for not following the existing rules and should know who is responsible for certain

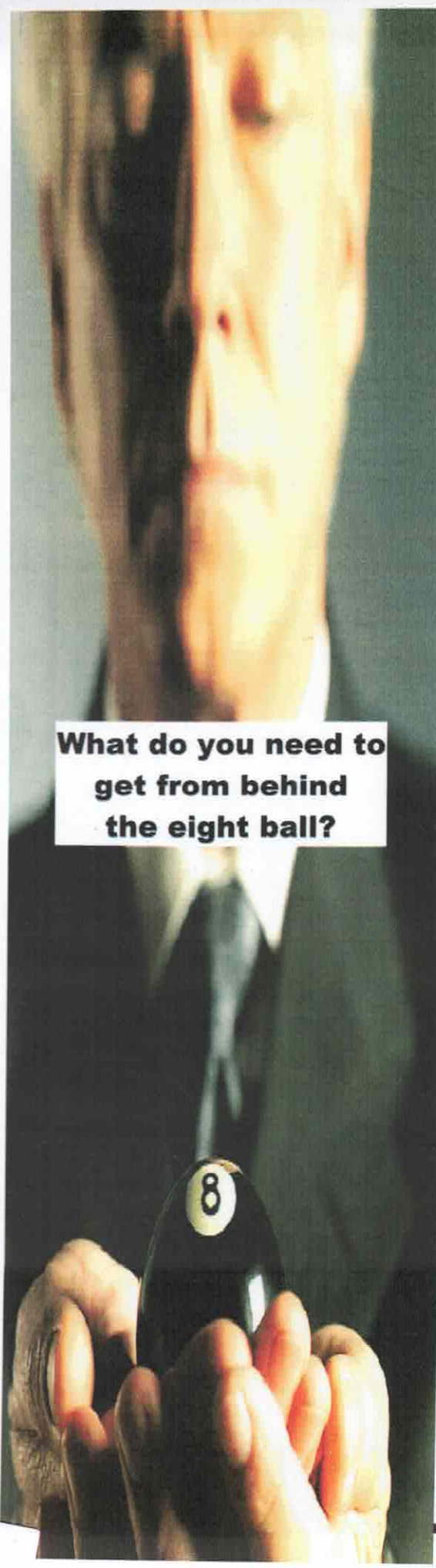
activities. "You do need one throat to grab," he said. At the request of the subcommittee, it was also revealed that Morgan Kinghorn, President of the National Academy of Public Administration, has uncovered a disconnect between the financial accounting and budgeting process. As a government "inside" financial management expert and whistleblower, I find it very troubling to learn that Congress is paying contractors to identify "disconnects" between government budgeting and accounting processes when I have already provided this same information to both the Senate (1986 and 1998) and to the Comptroller General of the U.S. – free of charge. I might also add at considerable time and expense to me and to the detriment of my federal career – all in the name of a government



that seems to systematically eliminate anyone who tells the truth.

It is because of these very games that I, and my whistleblower friends, have founded Whistleblowers for an Honest, Efficient, and Accountable Government (WHEAG). By the time we are finished, I suspect that we will be grabbing not one throat but a lot of throats of individuals who have sacrificed our federal bureaucracy's reputation to satisfy their own personal agendas. We will also be requesting congressional investigations to make sure that Mr. Kearney's dream, and ours, comes true. That is, we must begin holding individuals accountable for openly deceiving the American people regarding all facets of our government's operation in addition to contributing to the gross waste, fraud, and abuse of our hard earned tax dollars.

Finally, this story is about more than just chronicling the planned failures of the federal bureaucracy's government accountability initiative. It is also about bypassing the current morass and providing the American people with a government GAAP-based, generic, integrated, accounting and budgeting model (standard) that is easily explained, tested, and applied to both government-wide and agency-specific financial software applications. We encourage all non-partisan accountants and non-accountants to view the websites noted below and support us in our effort to take politics out of government accounting and replace it with accounting logic that we (all accountants) can understand. If we want government accountability and meaningful financial systems, a necessary first step is a generic government accounting standard that is easily explained and one that works.



**What do you need to
get from behind
the eight ball?**

LEGAL ABUSE occurs when any officer of an American court or quasi-judicial agency abandons the "rule of law"; knowingly transgresses the U. S. Constitution; ignores the civil rights of any American; usurps power from an executive or legislative branch of government; and/or commits a crime in his or her official capacity.

There is probably not a victim of legal abuse who does not believe he or she would be vindicated with access to:

- A lawyer or lawyer(s) with adequate expertise, support including investigative staff and other resources to effectively prosecute related legal claims;
- A public relations expert with knowledge of media outlets actually (as opposed to potentially) available for publicizing legal abuse, and extensive data bases for direct mailings to sympathetic audiences;
- A writing staff capable of accurately presenting any instance of legal abuse as a compelling matter of public interest;
- Fund raising experts with insight on maximizing contributions for the combat of legal abuse; and
- Adequate administrative staff, including special events coordinators, to efficiently facilitate a multifaceted battle for justice.

Yet it seems even wealthy targets of legal abuse never quite assemble such a "dream team". It may be because the suggestion that a prosecution or defense strategy must contend with legal abuse takes the effort out of the mainstream and can appear desperate.

National Judicial Conduct and Disability Law Project, Inc.
is committed to reversing that trend.

Developing in whole or part and helping to implement customized, multi-discipline advocacy strategies on a case by case basis for victims of apparent judicial collusion.

Toll Free: ~~1-888-478-4439~~ **404-590-5039**

www.njcdlp.org