

CEP Magazine – October 2018 Meet Eric Feldman

an interview by Gerry Zack

Eric Feldman (efeldman@affiliatedmonitors.com), CCEP-I, CFE, Senior Vice President of Affiliated Monitors, Inc. in Los Angeles, was interviewed in August 2018 by **Gerry Zack** (gerry.zack@corporatecompliance.org), Incoming CEO of SCCE & HCCA, based in Minneapolis, MN.

GZ: You spent many years in the federal government, in various Office of Inspector General roles, including serving as Inspector General (IG) for the National Reconnaissance Office (NRO). Tell us a bit about these experiences.

EF: I spent the entirety of my 32-year federal government career in the “oversight” of government programs, people, and contracting. Most of this was done from the perspective of enforcement. I started with the Government Accountability Office (GAO) as an auditor/program evaluator chasing down the use of funds in support of military assistance to El Salvador and Honduras during the Central American conflicts in the 1980s. In fact, TheWashington Post called our little group the “combat accountants for the GAO,” depicting us in cartoons as nerds with pocket protectors counting the numbers of mortar shells as the bullets were flying over our heads. This is where I learned that Compliance can be dangerous!

I eventually moved on to evaluating the effectiveness of intelligence programs around the world, and I was particularly drawn to the challenge of providing oversight of taxpayer dollars in highly sensitive programs with little transparency. The amount of fraud and abuse in these programs can be staggering. I served the bulk of my career at the Defense Intelligence Agency (DIA) and the Central Intelligence Agency (CIA), where I served as the Deputy IG for Audit, responsible for a large team of auditors tasked with detecting and preventing fraud, waste, abuse, and mismanagement in our intelligence programs, including some of the government’s most sensitive covert action programs. Although the commitment to the mission and the security of our nation at these agencies was (and still is) admirable, compliance and ethical behavior were not always considered mission imperatives.

For a few years post-9/11, I worked directly for CIA leadership, helping to restructure the organization, then was appointed the IG of the NRO. For those who may not be familiar, the NRO is an Intelligence Community agency responsible for the research and development, launch, and operations of the nation’s spy satellites. The agency had previously been covert; its very existence used to be classified, until it illegally utilized funds appropriated for other purposes to secretly build a multimillion dollar headquarters building in suburban Virginia. This revelation, among other instances of financial and legal non-compliance, led to the establishment of an expanded IG function and my appointment.

GZ: What were some of the most important things you learned about compliance and ethics programs from your federal career?

EF: Because the NRO executes a large proportion of its budget using contractors, our focus was on procurement fraud. Billions of dollars used to flow to hundreds of contractors and subcontractors with little independent oversight; my office quickly got busy conducting audits — and investigations. Many of our investigations resulted in referrals to the Department of Justice (DoJ) for prosecution of both individuals and companies. Over

time, I became frustrated that we were investigating the same companies for similar types of fraud and other misconduct. Although IGs are very good at meeting their “Prime Directive” — conducting audits and investigations and measuring success in prosecutions, convictions, and recoveries — the Inspector General Act of 1978 (as amended) also requires IGs to “prevent” fraud and remediate control deficiencies. In the contracting world, I quickly discovered that the only way to do this was to work with our contractors to help strengthen their compliance and ethics programs and ethical cultures. We conducted best practices conferences for corporate compliance officers, conducted cross-training on procurement fraud red flags, and regularly met with the leadership of defense contractors to communicate the government’s expectations on ethics and compliance.

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