

His apparent commitment to audit reform and Mr. Blair's promise to create "a modern, world-class" auditing oversight organization—those words happen to be music to my ears. They bode well for the future. In other words, they bode well for the future where, if these people do their job and do it right, fraud and waste will be rooted out and people would fear to commit it in the first place, considering the fact that people are going to be on their tail and find out about it.

For right now, though, I cannot report that I see sustained improvement in audit quality—not yet, not by a long shot. But the signals coming my way are good. I said that at the beginning of my comments. The ray of hope can be seen on the distant horizon. Maybe we will see it in the next batch of audits and I will be here to report to my colleagues what those audits show. I hope I can give every one of them Bs and As.

The 15 best reports show that the Department of Defense Office of Inspector General Audit Office is capable of producing quality reports. That number is obviously a drop in the bucket but these fine reports could be a solid foundation for building the future. Repeat them 10 times and Mr. Blair could well be on his way to creating that world-class auditing operation, one that would be capable of detecting—not only detecting but, because people are going to be so scared of them, that would be capable of detecting and deterring fraud and waste.

Before those lofty goals can be achieved, Mr. Heddell and Mr. Blair need to tear down some walls. I call them the top 10 audit roadblocks, and these roadblocks are these:

No. 1, top management lacks a clear and common vision of and commitment to the Inspector General's core mission, a problem that adversely affects every aspect of auditing;

No. 2, most audits are policy-compliant reviews that yield zero financial benefit to the taxpayers;

No. 3, auditors are not on the money trail 24-7, where they need to be to detect fraud and waste;

No. 4, auditors consistently fail to verify potential fraud and waste by connecting all the dots in the cycle of transactions. They need to match contract requirements with deliveries and payments using primary source documents. By making these matchups, auditors will be positioned to address key oversight questions such as: Did the government receive what it ordered at an agreed-upon price and schedule, or did the government get ripped off, and if so ripped off by how much money?

Roadblock No. 5, most audits take so long to complete that they are stale and irrelevant by the time they are published. Reasonable time-to-complete goals need to be set and the audit team then can be organized with the right skills, the skill sets to meet these goals.

Roadblock No. 6, until the Department of Defense accounting system is fixed, complex audits will require large audit teams if reports are to be completed within a reasonable length of time.

Roadblock No. 7, audit findings and recommendations are usually weak, responsible officials are rarely held accountable, and waste or stolen money is rarely recommended for recovery or returning to the Treasury.

Roadblock No. 8, while relentless followup is an important part of audit effectiveness, it is not practiced by the audit office.

The last roadblock, No. 9, since the Department of Defense broken accounting system is obstructing the audit process, contracts designed to fix that system need to be assigned a much higher audit priority.

These mighty barriers stand between all the promises and reality. IG Heddell and Deputy Blair must find a way to tear down these walls. Otherwise, audit reform and transformation will never happen. These unresolved issues will demand tenacious watchdogging by my oversight team and by all other oversight bodies as well, including the Committees on Armed Services and Appropriations. My oversight staff will keep reading and evaluating the Office of Inspector General audits until steady improvement is popping up on my oversight radar screen every day.

I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

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#### RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

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#### ECONOMIC RECOVERY

Mr. MCCONNELL. Mr. President, as Senators return to Washington this week, we do so amidst a crush of troubling news about the economy. In the past week alone, we have learned that home values across the country are still falling at a time when about one out of five homeowners already owes more on their home than that home is worth. Auto sales are down. Manufacturers are showing the weakest growth in nearly 2 years. And there is deep pessimism about the prospects of a recovery anytime soon. So while some in Washington have sought to kind of paper over the economic problems or offer weak assurances that a recovery is right around the corner, millions of Americans continue to suffer with no

end in sight, and very few people are confident things will turn around anytime soon. It is no secret why.

For 2½ years, Democrats in Washington have paid lipservice to the idea of job creation while pursuing an agenda that is radically opposed to it, and the results speak for themselves. They told us that if we borrowed \$1 trillion and spent it, unemployment would rise above 8 percent. Mr. President, 2½ years later, unemployment is hovering above 9 percent—higher than when the stimulus was signed. They told us that if we spent trillions on a new health care entitlement, we would see health care costs go down. A year later, health care costs are expected to go up. They told us that if we spent money on things we didn't have, such as cash for clunkers, turtle tunnels, solar panels, and windmills—in other words, on more government—the recovery would take care of itself. And where has it gotten us? Well, last week a second rating agency threatened that if we do not get our fiscal house in order in a matter of weeks, America's stellar rating runs a serious risk of being downgraded. This is uncharted territory.

The warning signs are clear and urgent. Something must be done. The first step is to recognize how we got here. That is the easy part. The government-driven policies of the last 2½ years have clearly been a failure. The next step is getting Democrats in Washington to admit it, and that is the hard part. If the last few weeks have shown us anything, it is that Democrats in Washington are in a deep state of denial. We have seen their approach to all the warnings.

As signs of an economic catastrophe have gathered, Republicans have offered concrete proposals for creating jobs and growing the economy. We have offered multiple concrete budget proposals. We have offered specific plans for reining in the crushing cost of entitlements and for preserving them. Democrats have offered a 30-second campaign ad of someone pushing a grandmother off a cliff. As ratings agencies have sent up smoke signals about the catastrophic consequences of a potential default, Republicans have proposed plans that will rein in our deficit and debt and send a clear signal to taxpayers and the world that lawmakers in Washington have the will to live within our means. Democrats rushed to the White House and demanded that the President raise taxes. These past weeks should have been a wake-up call for Democrats. They sent it through to voicemail. More concerned about an election that is nearly 2½ years away, Democrats have ignored every single warning.

Americans look at all this, and they ask themselves a simple question: When will these guys get serious? Every light on the control panel is flashing red. Yet, amidst all the bad news this past Friday, the President heads out to Toledo to pat himself on

the back for an auto bailout that is expected to cost taxpayers tens of billions of dollars. Nearly 14 million Americans are looking for jobs and can not find them. Yet the President, who acknowledges that free-trade agreements will create hundreds of thousands of new jobs, is now suddenly holding them hostage in exchange for even more government spending. American businesses want to expand and hire. Yet the White House has weighed them down with mountains of new regulations and costs, health care mandates, taxes, and conflicting signals about the future. American energy producers want to tap into our own resources. Yet the administration is blocking them at every turn. One of our Nation's biggest and proudest manufacturers wants to build a new factory that would employ thousands and solidify its reputation as an industry leader in the world. Yet the administration is standing in the way in order to help their union allies. Since when do businesses have to ask the President's permission to create jobs?

Most people know that when it comes to politicians, you should pay more attention to what they do than what they say. Never was this truer when it comes to Democrats in Washington today.

Just consider this. Three years ago, my good friend the majority leader issued a press release blasting the Bush administration on its approach to unemployment and debt. He called these figures a casualty of the administration's failed economic policies and a shameful legacy of the policies of the previous 8 years. At the time my friend the majority leader made that statement, unemployment was 5 percent and the national debt stood at \$9.2 trillion. Today, with unemployment above 9 percent and the debt at more than \$14 trillion, Democrats are silent. They have no plan, no proposals, no sense of urgency. They run the White House and they run the Senate, and yet their entire approach is to sit back and wait—no budget, no plans, just wait for the next election; let Republicans offer solutions, and then we will attack them and pretend we care about jobs.

That is the game plan. Here is the problem. Unless one is a political consultant or just standing around waiting for a bailout, their plan won't do anything to create a single new job—and it won't do anything to address the crisis we know is coming.

There is no excuse for inaction. That is why Republicans refuse to sit back and wait. Until these crises are met, until we see more jobs being created, until the American people begin to regain their confidence in this economy, then we will have to be out there proposing solutions, coming up with answers, and making our case. And we will keep at it until our Democratic friends finally start to focus on the battle for America's future instead of the battle over next year's election.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KYL. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for up to 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### UNEMPLOYMENT

Mr. KYL. Mr. President, I would like to talk about two subjects briefly this afternoon. The first is the relatively bad news about unemployment in the country; the fact that the latest numbers are out and the country has not produced as many jobs as had been hoped for.

In fact, it added only 54,000 payroll jobs in May and thereby fell short of the 130,000 to 150,000 which are needed each month just to keep pace with population growth. So we lost ground. As a result, the unemployment rate has now gone back up to 9.1 percent.

It is not just the lack of jobs but also other economic news. Factory orders were down 1.2 percent in April, so we are not growing there. Interestingly, the Home Price Index, which is something very important in my State, the S&P Case-Schiller Home Price Index edged down .2 percent in March and is now 3.5 percent from this time a year ago.

All of these and other pieces of the news present a very bleak picture for economic recovery. One of the interesting commentators on this is Michael Barone, who is well known to most of us involved in political work. He had an interesting op-ed today in the Washington Examiner with the unfortunate title, "Obama Tunes Out, and Business Goes on Hiring Strike." The problem is, there is some information to back up the title of his piece. He is reflecting on government policies the last couple of years such as growing government spending as a percent of GDP, which has gone up from 21 percent to 25 percent.

So we have been expanding government borrowing and spending at the same time as the economy is depressed. That included the time in which the failed stimulus plan was supposed to have provided economic growth and job creation. It also included the time of the health care entitlement, the Dodd-Frank financial regulation bill, and so on. So let me quote from the piece. He said:

It is hard to avoid the conclusion that the threat of tax increases and increased regulatory burdens have produced something in the nature of a hiring strike.

In relation to the President's speech at George Washington University,

where the President had sort of repackaged his Federal budget, Barone says:

The message to job creators was clear. Hire at your own risk. Higher taxes, more burdensome regulation, and crony capitalism may be here for some time to come.

I ask unanimous consent to have the article by Michael Barone dated June 6, 2011, printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

#### NEW START TREATY

Mr. KYL. The other subject I would like to address today is news on a totally different front, but it is a subject that will be familiar to us from last December when the Senate argued the New START treaty and ultimately passed it. I am going to speak primarily about questions of missile defense cooperation with Russia, which was a big part of that discussion.

I wanted to first call attention to the fact that the Department of State released a fact sheet last Wednesday. It was entitled "New START Treaty Aggregate Numbers of Strategic Offense Arms"—a long title. But the statement from the State Department confirmed what we had argued during the time of this START debate and what I thought was pretty widely understood at the time, despite administration protestations to the contrary; namely that the New START treaty is perhaps the first bilateral treaty that resulted in U.S. unilateral reductions in nuclear forces.

As this fact sheet makes clear, Russia was already below the deployed strategic forces and deployed delivery vehicle limits of the treaty when we ratified the treaty. This is something we tried to point out. We said this is not a two-way street. Russia has already reduced its weapons below the levels called for in the treaty. The only country that will have to reduce levels from what currently exists is the United States. Now this information is confirmed by the State Department. Even the Arms Control Association recognized this when it posted on its blog recently, on June 1:

Why has Russia already met its obligations? Because Moscow was in the process of retiring older strategic missiles while the treaty was under negotiation.

Exactly correct. This fact should not be overlooked, especially not as the administration undertakes a review of the nuclear deployment guidance and targeting and deterrence doctrines, which are designed, or so the administration claims, to be "preparations for the next round of nuclear reductions." That is according to the President's National Security Adviser.

I worry that the next round may also be a unilateral round where the United States makes all of the concessions, as occurred under the New START treaty.

According to Gary Samore of the national security staff, at an Arms Control Association Conference, he said