

Working Paper

U.S. Offices of Inspector General: A Contemporary Overview

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Created by statute in 1978, Offices of Inspector General (OIGs) emerged in an era emphasizing accountability of government and at a time of heightened concerns about fraud and mismanagement of government programs. The Inspector General Act of 1978 authorizes inspectors general (IGs) to (1) pursue independent audits, investigations, or evaluations of agency programs and practices; (2) provide leadership and coordination of policies that promote economy, efficiency, and effectiveness of agency programs; and (3) prevent fraud, waste, and abuse. Unique among federal officials, IG are legally required to report to both the executive and legislative branches of government. Inspectors general are expected to be non-partisan appointments and to pursue their responsibilities without regard to partisan interests. Thus, IGs and the offices they manage are independent, yet accountable to executive offices and to Congress – but undeniably they work in a partisan environment.

Since passage of the 1978 legislation, the number of inspectors general at the federal level has increased to over 70 OIGs, the collective budgets of these offices exceed \$2.7 billion, and over 14,000 federal employees work in OIGs producing over 6,000 audits and investigative reports annually. An annual report from the Council of Inspectors General on Integrity and Efficiency (CIGIE) for 2011 claims \$84.8 billion in potential savings from audit recommendations and the recovery of over \$9 billion from investigations. Additionally, OIGs secured over 6500 indictments, over 6000 successful prosecutions, and nearly 1000 successful civil actions against individuals and corporations defrauding the federal government.

IG Reports, Congressional testimony, and controversies surrounding their respective offices are routinely reported in lead stories by the national media. Despite IG's emergence as major players in the administration of public policies and their involvement in a number of controversies regarding federal executive actions, scholarly attention to these important offices and officials is quite sparse¹. Indeed, the scholarship that does exist predates several significant changes in the legal and political status of IGs. Seeking to fill significant gap in the literature, this paper offers a contemporary overview of U.S. Inspectors General in three sections: (1) the rationale and politics of OIGs' creation and development, (2) current OIG authority, responsibility, and organization, and (3) the professionalization of OIGs since 1978.

I. Rationale and Politics in Creating Offices of Inspector General

Inspectors general were established to address financial challenges facing the U.S. government in the 1970s. One challenge cited by most proponents of inspectors general is captured in the aforementioned mission of the OIGs – namely, to ferret-out fraud, waste, and abuse in the federal government and to advance efficient and effective administration of federal programs. IGs were

¹ Books by P. Light (1993) and M. Moore (1986) discuss the initial development of OIGs in the first decade; and K. Newcomer (1998) and Newcomer and G. Grob (2004) report surveys of IGs in public administration journals. Additional insights about OIGs come from memoir-like books by three former IGs: N. Barofsky (2012) [TARP IG]; C. Ervin (2006) [State and DHS IG]; and J. Schmitz (2013) [DOD IG]. A contemporary analysis of relations between OIGs, their host agencies, and Congress is presented in C. Johnson, K. Newcomer, and A. Allison (2015).

created to address widely reported fraud and waste, particularly when existing efforts to tackle mismanagement by administrative officials were viewed as ineffective. Development of OIGs was also influenced by long term trends in Presidential-Congressional relations which aimed to enhance financial management in the executive branch and to engage Congress with the emerging modern administrative state. Because the contemporary structure, authority, and responsibilities of OIGs have been shaped by these motivations, it is important to discuss factors leading to the passage of the 1978 legislation and amendments in subsequent statutes. (see, Light (1993) and Gates & Knowles (1984) for full discussions of the IG Act's legislative history)

Inadequate Responses by Federal Agencies to Governmental Fraud and Waste

In spending billions of dollars, virtually every government official acknowledges that some of those dollars are diverted, stolen, spent unwisely, or simply wasted on unworthy programs, projects, people, or purchases. Scandals revealed by media investigations and congressional oversight hearings generated pressure for the federal government to create mechanisms to eliminate fraud and waste. Two scandals, in particular underscored the need for reforms and pointed the way for approaches attacking fraud and waste in federal programs – the Billy Sol Estes scandal involving the Department of Agriculture and a variety of fraudulent activities and ineffective auditing capacities in the Department of Health, Education, and Welfare. By no small coincidence, Representative L.H. Fountain (N-C.) played a key role in both of these episodes, and Rep. Fountain went on to champion passage of the 1978 legislation initially creating inspectors general in 12 federal agencies.

Billy Sol Estes defrauded the federal government of millions of dollars through schemes that involved Department of Agriculture (USDA) programs in the 1950s and early 1960s. Congressman Fountain's House Subcommittee held hearings which not only revealed deceptions leading to the fraudulent payments to Estes, but also highlighted the ineffective administrative oversight of programs from which he received those payments. As questions about various expenditures emerged over time, administrative units and various officers were shown simply to be inattentive and ineffective in seeing the larger picture of the fraud pursued by Estes.

Secretary of Agriculture Orville Freeman offered a multi-point plan in response to the Estes scandal which included the creation of an Inspector General for the Department in 1965. (Light, 1993: 31) While this IG was not the first to be created in the federal government (See, Light (1993) pp. 28-31 for a discussion of the Department of State's IG and Schmitz (2013) pp. 9-33 for discussion of the historical use of IGs in the military), the office structure and authority of the newly created USDA inspector general bore many of the characteristics that shaped the 1978 legislation. Notable features of the newly created office included the IG reporting directly to the Secretary and consolidation of audit and investigation activities under the IG's authority. Moreover, the IG had the authority to review virtually any activities in the Department of Agriculture and engage all parties with whom it had business relations.

USDA's inspector general was not created by congressional action, but instead was created under the general authority of the Secretary to organize the Department of Agriculture as he deemed appropriate.

Thus, the IG could be dismissed by the Secretary at any moment for any reason, and the office itself could be eliminated or reorganized by the Secretary. Indeed, with a change in administration, Secretary of Agriculture, Earl Butz, appointed by newly elected President Richard Nixon, eliminated the position of IG and reorganized its auditing and investigation divisions after taking office. Secretary Butz undertook these actions despite positive reviews of the IG's actions addressing fraud and waste in USDA, including the support of the General Accounting Office (GAO) and various congressional committees. While Secretary Butz clearly had the authority to eliminate the inspector general office, Paul Light's review of this episode concludes that "the Agriculture experiment was critical to the evolution of the IG concept, if only to establish the need to give the office some measure of independence." (1993: 35)

Fourteen years after revealing fraud and waste in USDA, Senate and House committee investigations documented substantial fraud and ineffective administrative responses in the Department of Health, Education, and Welfare. Testifying before a subcommittee of the House Committee Government Operations, one of the lead sponsors of legislation, Representative Benjamin S. Rosenthal, (D, NY), called for creation of an inspector general for Department of Health, Education, and Welfare highlighting congressional findings of fraud and waste in the HEW:

Examples abound of HEW mismanagement and abuse. Losses in Medicare and Medicaid programs due to waste or fraud reportedly total as much as \$3 billion a year, or 10 percent of these programs' overall outlays. ...

Moreover, enormous amounts of money have been lost because of program mismanagement and abuse. The Senate Aging Subcommittee on Long-Term Care recently reported that HEW, in a manner of speaking, wasted more than \$1 billion in reimbursements for unnecessary surgery...

The Federal student loan program is another HEW activity reportedly crippled by fraud, mismanagement, and abuse. The Office of Guaranteed Student Loans, with a total of \$3.3 billion in federal insured loans, experienced an 18-percent default rate in fiscal year 1975 These statistics contrast sharply with the 5 to 8 percent default rate under State-guaranteed student loan programs, and 3 percent delinquency rate for consumer loans generally, and the 1 percent rate for mortgage loan delinquencies. (Subcommittee of the Committee on Government Operations, House of Representatives (1976), p. 8)

In addition to earlier examples of high-dollar fraud and waste, sub-committee chair, Rep. Lawrence H. Fountain (D, NC), also pointed to the inadequate resources and actions by HEW to identify and address fraudulent activities in many its programs in an opening statement for the hearing:

HEW's investigative resources were ridiculously inadequate. Its central investigative unit had only ten investigators with a 10-year backlog of uninvestigated cases.

Information needed by both HEW and Congress for effective action against fraud and abuse was simply not available.

Units responsible for combating fraud and abuse were scattered throughout HEW in a haphazard, fragmented, and confusing pattern, with no single unit having the overall responsibility and authority necessary to provide effective leadership.

Personnel of most of these units lacked independence because they reported to and were hired and fired by officials directly responsible for the programs being investigated. Consequently, honest and thorough reports concerning serious problems might often embarrass their own bosses.

Even when serious deficiencies became known to responsible officials, corrective action was sometimes not taken until literally years. (Subcommittee of the Committee on Government Operations, House of Representatives (1976), pp. 1-2)

Table 1 summarizes major elements of the 1976 legislation creating an inspector general for HEW in the wake of these reports. These elements set the general template for legislation two years later creating IGs for a dozen federal agencies.

Importantly, the HEW IG legislation appeared to tackle effectively fraud and waste in HEW, thus meeting Rep. Fountain's expectations for the IG post. Skeptics, however, remained in executive agencies where there was concern about introducing an independent office for auditing and investigations within the agency. Critics foresaw considerable conflict between an IG's office and the executive agency in which the office was imbedded. To address these concerns and to show the potential effectiveness inspectors general, in 1977 Representative Fountain's sub-committee (which was considering creation of additional IG offices) gave the newly appointed HEW inspector general, Mr. Thomas D. Morris, and Secretary of HEW, Mr. Joseph A. Califano, an opportunity to discuss whether the HEW IG office created conflicts within the department. Their testimony gave no support to these contentions. (see, Subcommittee of the Committee on Government Operations (1977) pp. 449 – 452 and 468-469)

HEW's inspector general provided reinforcing evidence of the office's effectiveness in rooting-out fraud and waste. In particular, IG Morris announced an initial effort to tackle Medicaid fraud under an initiative entitled "Project Integrity" and later another initiative to investigate welfare fraud under an initiative entitled "Project Match." (see, Subcommittee on Governmental Efficiency and The District of Columbia (1978) pp. 53-56). The Senate committee report on the 1978 legislation took note of Project Integrity and its success in identifying 535 cases for full investigation and 554 cases for administrative action. The Senate report also highlighted an inspector general estimate that "between \$6.3 and \$7.4 billion in HEW funds have been misspent." (Committee on Governmental Affairs, U.S. Senate, (1978) p. 8).

Representative Fountain's committee also offered evidence that mechanisms currently in place to address waste and fraud were not up to the task. Fountain's House subcommittee in 1977 sought information into how agencies pursued fraud and waste by requesting information regarding their auditing and investigation capabilities. Table 2 summarizes the responses to the committee's request for information. Notably, every agency had auditing and investigating units – most were separate units, with only a few consolidated under a single unit. Often there were additional units engaged in audits or

investigations beyond those identified as principle organizations for those purposes in the agencies. In most instances, the staff numbers were small or perceived as inadequate, and in virtually all agencies the auditors or investigators reported to an official other than lead official or deputy in the agency. Responses to the subcommittee questionnaires and testimony before the committee revealed a variety of efforts in ferreting-out fraud and waste. While all of these agencies voiced opposition or significant concerns with the proposed legislation to create independent offices of inspector general, some witnesses also acknowledged that greater staff numbers, expanded authority, or more independence might allow them to be more effective. In the end, Chairman Fountain concluded a change was needed:

The subcommittee found serious deficiencies in auditing and investigative organization, procedures, and resources, such as:

Multiple audit or investigative units within a single agency, organized in fragmented fashion and without effective central leadership;

Auditors and investigators reporting to officials who were responsible for the programs under review or were devoting only a fraction of their time to audit and investigative responsibilities;

Lack of affirmative programs to look for possible fraud or abuse, some agencies did not even require employees to report evidence of irregularities;

Instances in which investigators had been kept from looking into suspected irregularities, or even ordered to discontinue an ongoing investigation;

Potential fraud cases which had not been sent to the Department of justice for prosecution; and

Serious shortages of audit and investigative personnel, even though such personnel repay many times their cost in savings and recoveries.

Several agencies admitted they had only one-third to one-fifth the number of auditors or investigators needed.

(Testimony by Rep. Fountain to Senate Committee, Committee on Governmental Affairs (1978) p. 6)

Paul Light rightly highlights what he calls the “three horsemen of the IG concept: fraud, waste, and abuse” in accounting for passage of the 1978 IG act, though he also points to additional factors that promoted its adoption. (1993: 40, *passim*). Clearly, legislative hearings in House and Senate committees revealed extraordinary examples of fraud and waste which executive agencies were either not addressing in the view of leading members of Congress. The success of IGs appointed in the Department of Agriculture and later in HEW provided substantial lessons for legislators and foreshadowed adoption of the Inspectors General Act of 1978.

Trends in Presidential – Congressional Relations

If fraud and waste highlighted in the 1960's and 1970's provided a strong impetus for adoption of the inspectors general concept at the federal level, a broader perspective suggests that the 1978 legislation was also part of two related trends that began before the 1960s and continued after the 1970s. Both trends involved congressional efforts to influence executive actions -- the first involved a push for improved financial management and greater accountability for federal government operations and the second elevated congressional engagement through legislative oversight of executive branch activities. These two trends are intertwined and resulted in a series of legislative actions of which the 1978 Inspectors General Act was a part. There is no evidence that the 1978 IG Act was a component of a grand plan by Congress or others to impose greater financial management and oversight of executive actions, but there were clearly common motivations in underlying a series of actions by Congress that led to passage of the 1978 IG legislation. (Discussions leading to passage of the 1978 IG Act also appear not to have been substantially influenced by deliberations regarding the 1978 Ethics in Government Act which passed at roughly the same time and created the Office of Independent Counsel. This latter act was in response to executive misconduct surrounding the Watergate affair and created a process for appointment of independent counsel when the attorney general received substantial allegations of wrong doing by high-level executives. While the House Committee on Government Operations and the Senate Committee on Government Affairs held hearings on the Ethics in Government Act, the judiciary committees in both houses were the primary loci of most discussions for this act -- especially the provision for appointment of independent counsel. For thorough discussion of the development and implementation of the independent counsel legislation, see Johnson and Brickman (2001))

Improving Financial Management and Assuring Accountability

Most discussions of financial management and accountability at the federal level in the 20th century begin by highlighting the 1921 Budget and Accounting Act and the 1950 Budget and Accounting Procedures Act. The former legislation reshuffled the organizational structures that oversaw financial activities of the federal government – a shift that Fredrick Mosher characterized as “an innovation of major proportions ... [for which] there was very little precedent.” (1984: 21). Changes brought about by the 1921 legislation included (1) granting the President authority to develop the federal budget working through and with the Bureau of the Budget (BoB) [forerunner of the current Office of Management and Budget] and (2) authorizing the General Accounting Office (GAO, now called the General Accountability Office) to manage accounting processes for Congressionally approved appropriations and expenditures by executive agencies. The Comptroller General and accompanying accounting responsibilities were moved out of the Department of the Treasury to an independent agency, the General Accounting Office. The Comptroller, as head of the GAO, would be appointed for a fixed term of fifteen years by the President with the advice and consent of the Senate, but could be dismissed by a joint resolution of Congress. The Comptroller General and the GAO would primarily report to Congress on the expenditures that followed its appropriation process to assure that they were “proper, accurate, and legal.” (Mosher, 1984: 2)

As the scope and size of the federal programs grew in response to, among other key events, the Great Depression and World War II, the BoB and the GAO grew in size and responsibility. As the accounting and auditing agency, GAO's workload and number of personnel increased rapidly because the agency had responsibility for overseeing 400,000 different accounts and millions of dollars in expenditures. This workload significantly limited the GAO's ability to look at the larger picture of program effectiveness and overall economy in government operations. The 1950 Budget and Accounting Procedures Act kept the BoB and the GAO in operation, but reconceived and shifted responsibilities. The BoB (and the President) more clearly became central to the development, organization, and management of the federal budget. Additionally, a new budgeting approach was undertaken which meant that most proposed expenditures "related to larger functions and programs, rather than detailed [appropriations] ... based on things and services purchased. Attention was directed more to work done and outputs than to prices paid for inputs." (Mosher, 1984: 72-73, and see also, Light, 1997: 27))

Among changes for the GAO stemming from the 1950 legislation, two were particularly significant with respect to financial management and accountability. First, accounting and auditing responsibilities were shifted to the executive agencies expending federal dollars and for which agency-specific accounting systems were needed by agency managers. Second, while the GAO no longer had responsibility for centralized accounting operations, the 1950 legislation provided that the "Comptroller General, after consulting the secretary of the treasury and the director of the budget, [would] prescribe the accounting principles and standards for agency systems and for integrating them with the general financial retirements of the Treasury Department." (Mosher, 1979: 120) In essence, the GAO gave up the detailed accounting and auditing role that its 14,000 employees had assumed under the 1921 legislation and in the wake of federal expenditures relating to the Great Depression and WWII. In making this shift, a much smaller agency emerged that focused on establishing standards for accounting and auditing, and undertook evaluations of whether and how well agencies were meeting those standards. (see, Mosher, 1979, pp. 103-129)

Passage of the 1921 and 1950 legislation set the stage for what Paul Light characterizes as a "war on waste" that particularly emerged in the 1970s. At mid-20th century the executive branch was expected to manage federal expenditures "from appropriation to final audit" (Light, 1997: 17) and the GAO was to set standards that agencies should follow in meeting this expectation. Subsequent actions by both the executive branch, the Congress, and the GAO created mechanisms for identifying and eliminating wasteful spending, and mismanagement. Ironically, these initiatives revealed how difficult the "war on waste" was likely to be and the need for further actions to win the war. Adair and Simmons highlight several key events that followed the 1950 legislation relating to internal auditing and investigations that involved Congress and the GAO:

1957	GAO issues a comprehensive statement of principles and concepts to assist federal agencies in developing internal audit organizations and procedures
1963	U.S. House of Representatives Committee on Government Operations reports that internal audit system recommended by GAO has not been widely adopted and that inadequate staffing compromises this functionality

1966-70 GAO issues 42 reports on internal audit activities arguing that there was greater need for centralization, more auditors, and closer follow-up to recommendations

(Adair and Simmons, 1988: 96, Figure 1)

These actions by the GAO and the Comptroller's reports of shortcomings in accounting systems throughout the federal government arguably contributed to what Paul Light (1997) identifies as one of four "tides" of reform aimed at winning the war on waste. As noted previously, inspectors general were also created during this time period in the USDA, in HUD, and in HEW in response to widely publicized reports of fraud and waste in these agencies. The 1978 Inspectors General Act was one of several Congressional initiatives from this era identified by Light which established either new responsibilities or new mechanisms to assure sound financial management to eliminate fraud, waste and abuse. Indeed, by Light's analysis, 37 percent of 30 reform laws passed between 1975 and 1984 involved war on waste legislation, followed by 28 percent of 45 such laws from 1985 – 94 and 21 percent of 28 laws passed from 1995 to 2002. These percentages were in stark contrast to the two previous decades from 1945 to 1964 during which time Congress passed virtually no war-on-waste legislation. ((Light, 2006: 9, Table 3)

Among the legislation aimed at improving financial management one finds the 1974 Budget Control and Impoundment Act, legislation creating the statutory IGs in Departments of HEW (1976) and Energy (1977), 1982 Federal Manager Financial Integrity Act; 1989 Whistleblower Protection Act; 1990 Chief Financial Officer Act; 1993 Government Performance and Results Act, and 1994 Government Management Reform Act. Significantly, inspectors general were assigned new responsibilities and authorized in a number of these laws passed after 1978 which effectively broadened their authority; and in doing so, inspectors general continued to be key components of financial management plans embraced by war-on-waste legislation. This period also saw legislation that extended the IG concept to many more agencies culminating in 1988 amendments to the 1978 act that doubled the number of statutory offices of inspector general in federal agencies. Table 3 summarizes the agencies receiving offices of inspector general, including the creation of short-term offices for major programs spending programs in Iraq, Afghanistan, and TARP.

Opening remarks by Sen. John Glenn (R, OH) in a 1994 Senate Committee on Governmental Affairs hearing entitled "Reforming Government: What Really Needs to be Done?" capture well the coordinated efforts surrounding the war on waste legislation (and his frustration with the progress to date):

Today the Committee on Governmental Affairs meets, as it has many times before, to discuss improvements to the management and performance of the Federal Government. For many years, the Governmental Affairs Committee has worked to carry out the mandate of improving the efficiency and organization of government.

... I believe we have obtained considerable success, including things such as the Chief Financial Officers Act and expansion of the Inspectors General to almost all agencies and departments of government. Now we have to make them work.

With the CFO Act, agencies will, for the first time, give year-end audited statements of what works and what doesn't work....

With the IG, we are doing very well in ferreting out fraud, waste, and abuse. Last year, we had some 2,296 successful prosecutions and recouped about \$1 billion, and that is just the start.

While little heralded, I believe these are key building blocks toward any successful revamping of government and are necessary to restore public confidence that tax dollars are wisely and productively spent.

Unfortunately, we still have a long way to go.

(Committee on Governmental Affairs, (1994) p. 1)

Asserting Congressional Oversight Of and Engagement With Executive Actions

Allied with efforts to improve financial management and to reduce fraud in federal programs, Congress also sought at this time to limit executive powers and to assert their active engagement with the administration of federal programs. Allen Schink's review of congressional actions during this time leads him to argue that the "[t]he 1970's was a boom period for enactment of limitations on executive power." And, not only was executive power narrowed, Congress "also established procedures to monitor or to enforce executive compliance." (Schink, 1983: 154)

Congress' actions in the 1970's were part of that institution's reaction to the wide-spread view that executive powers had increased dramatically in early- and mid-20th century. David Rosenbloom argues that Congress responded in three ways to "reposition itself in the separation-of-powers system ... [1] treating agencies as adjuncts for legislative functions; [2] reorganizing itself to enhance its legislative and oversight capacities; and [3] improving its ability to intercede in administrative decision making to promote the specific interests of its members' constituents and districts." (Rosenbloom, 2010: 114)

Two legislative acts passed in 1946, in particular, asserted Congress' authority over the bureaucracy and laid the basis for subsequent legislation asserting congressional authority: the Administrative Procedures Act (APA) and the Legislative Reorganization Act (LRA). The APA specified procedures and processes by which administrative agencies were to make rules, to enforce and adjudicate those rules, and to do so with transparency. With this legislation, Congress asserted its authority to set agency procedures, established statutory expectations for administrative agencies to engage in open processes for rulemaking that allowed interested stakeholders to know of and comment about potential rules, and mandated consideration of those comments emerging from this process. (Rosenbloom, 2010: 114). (Also, see, McCubbins, Noll, and Weingast, 1987, for a discussion of the APA's importance in a principal-agent theoretical framework)

Subsequent to passage of the APA, Congress passed additional legislation that enhanced congressional control over administrative agencies, the authority those agencies exercised, and processes the agencies were required to follow. Table 4 presents Rosenbloom's summaries of key legislation that "reflect the

purposes of and strengthen[s]” the 1946 Administrative Procedure Act. Significantly, Rosenbloom views the 1978 Inspector General Act as one of those key statutes extending Congress’ authority over the bureaucracy – part of a trend in defining executive-legislative relations in the latter half of the 20th century.

Another act of Congress, the 1946 Legislative Reorganization Act (LRA), focused internally on Congress itself, but had the effect of increasing its leverage over the bureaucracy. This act restructured the congressional committees and their jurisdictions, and directed that standing committees:

... exercise continuous watchfulness of the executive by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the Congress by the agencies in the executive branch of Government.

A key phrase in this section of the act, “exercise continuous watchfulness,” set expectations for and clearly established the authority of Congress to oversee administrative actions. Joel Aberbach’s review of this legislation leads him to conclude that Congress “set a very high standard for itself” with the expectation that oversight activities “take up a significant share of any committee’s time and effort.” (Aberbach, 1990: 30) LRA also provided staff support for committees, thus allowing them to conduct investigations and initiate legislation independent of the executive branch. (Schickler, 2011: 727)

Congress’ ability to pursue oversight of federal administrative agencies was further enhanced by the Legislative Reorganization Act of 1970. This act specified that “each standing committee shall review and study, on a continuing basis, the application, administration, and execution of those laws or parts of laws, the subject matter of which is within the jurisdiction of that committee.” 84 Stat. 1156 (1970). It also required biennial oversight reports from most committees and increased the number of permanent staff members for each standing committee. The 1970 legislation strengthened responsibilities of the Government Accounting Office and Legislative Reference Service (renamed in the legislation to the Congressional Research Service) for program evaluation and analysis. The net effect of these expanded responsibilities was to increase independent information provided to Congress for legislative and oversight activities. (see, Kriser, et. al. (2011) pp. 7-8)

Four years later, the 1974 Congressional Budget Act further expanded committee authority by permitting them to review and evaluate programs using committee members and staff, by contract, or by requiring the government agency to follow-through and report to Congress. Additionally, the 1974 legislation authorized the Comptroller General to conduct program evaluations at his initiative or at the request of a congressional committee. (Kriser, et. al. (2011) p. 8) Notably, the Congressional Research Service in 1978 developed the “Congressional Oversight Manual” following a three day workshop on this topic which has continued to the present day along with updated manuals published by CRS. The manual, in particular, details statutory authority, processes, and oversight techniques to inform members of congress, committees, and staff about oversight activities. The office of inspector general is listed among the resources available for oversight activities. (see, Kriser, et. al., (2011))

An empirical assessment of congressional oversight by Joel Aberbach during this period shows a marked increase in oversight hearings. He reports that in his sample of committee work in the first six months of odd numbered years from 1961 through 1983, oversight activities increased from 146 to 587 “oversight days.” Another measure showed that oversight behavior expanded from 8.25 percent of the total hearings in 1961 to 25.1 percent of the total hearings in 1983. A marked increase in the number and percentage of oversight activities occurred in the mid-1970s. Aberbach’s data show an average of 170 “oversight days from 1961-1971; 290 “oversight days” in 1973; and an average of 504 “oversight days” from 1975 – 1983. Similarly, the percentage of total hearings devoted to oversight increased from an average of 7.3 percent from 1961-1971; 11.5 percent in 1973; and an average of 20.0 percent from 1975-1983. (Aberbach, 1990, Table 2-1, p. 35)

The increased expectations for oversight and increased oversight activities required increased staffing, as well as greater access to and analysis of information. While congressional staff increased in size during the 1970s, those increases were not dramatically large after 1977. Light (1993: 52) reports that staff for subcommittees where much of the oversight work is done did not increase commensurate with responsibilities and expectations. He goes on to argue that IGs became vital to the operations of subcommittees pursuing legislative oversight showing that IG appearances before subcommittees increased substantially from 1977 to 1988. Light goes on to quote a legislative staffer saying “The IGs are often the number one or number two witness at the subcommittee level, and are always well prepared. With the number of hearings that go on each day up here reaching the dozens, if not hundreds, having a reliable front witness is a big advantage, especially at the subcommittee level where it may be the IG or no one at all.” (Light, 1993: 55) Another “key legislative player” is quoted by Light focused on the important role of IGs as officers who were closer to the agencies and who were obligated to keep both the agency head and the Congress informed about that agency’s activities:

The IG Act basically moved Congress from retail into wholesale. One of the basic reasons for adopting the idea was that we had been busting our butts to cover even a fraction of our agencies. It wasn’t that we couldn’t get information, but it was always like pulling teeth. The IGs gave us a middleman in the system, someone who would give us regular input though the semi-annual reports and irregular access through the development of good working relationships. It wasn’t our only source of information by any means, but it cut down on some of the spade work we would have to do, and let us go directly to more detailed investigations (Light, 1993: 56)

Congressional strategy of placing an agent in the midst agencies reporting to Congress can be seen as part of the strategy discussed by Epstein and O’Halloran by which Congress constrains executive discretion. These researchers found that government had, indeed, expanded its role and scope during the 1947-1991 period they analyzed and that delegated authority had remained relatively constant, but discretion by executive agencies had decreased due to empowering other actors to intervene in decision making. Though not mentioned directly by Epstein and O’Halloran, auditing and investigative organizations such as IGs and the GAO could be rightly viewed as components of Congress’ strategy to export watchfulness and to limit the executive agency discretion. (Epstein and O’Halloran, 1999, p. 117-120)

Provisions of the 1978 Inspector General act required that the IG be a non-political appointment, provided that the IG could to conduct audits and investigations unencumbered by agency leadership, guaranteed access to information from within the agency, and required that the IG keep the agency head and Congress informed through semi-annual and, as appropriate, immediate reports. Though these provisions may not have been specifically aimed at providing a source of support for oversight activities, they clearly contributed to these efforts and reflected the prevailing trend of congressional actions seeking to counter the perception or reality of an expanded executive branch.

Summary. Passage of the 1978 legislation creating statutory Offices of Inspector General was the result of congressional interest in attacking waste, fraud, and abuse in the administrative state and burgeoning federal programs dispensing billions of federal dollars. Passage of the legislation also sought to enforce accountability for efficiency and economy in federal programs. And, to assure that oversight by these offices would be free to offer independent assessments, the OIGs could not be eliminated by executive action, and IGs were to report directly to agency leadership and to Congress, to be non-partisan, open-ended appointments, and could only be fired by the President or agency directors – after which Congress needed to be informed of the reasons for their termination. To a great extent, therefore, IGs were highly independent and, yet, were also held accountable to both their agency and to Congress. No other federal officers could claim such independence and none had such independent authority.

II. Independence to Act: Contemporary OIG Authority, Responsibility, and Organization

U.S. Offices of Inspector General have grown in number, size, and complexity, since their initial authorization in 1978 and subsequent major amendments to the original legislation in 1988 and 2008. The net effect of this legislation has been the institutionalization of IGs as “watchdogs” for fraud, waste, and abuse. Moreover, the independence of OIGs from politics and agency control that marked creation of these offices has also been strengthened in subsequent legislation, and their responsibilities and authority have increased relative to their respective agencies.

The original 1978 legislation created IGs for 11 cabinet-level agencies and incorporated two previously created IGs from the Departments of Energy and of Health, Education, and Welfare under the statute. In the following decade, eight OIGs were created, of which five have continued in existence while three were eventually closed or merged with other offices. All of these IGs were appointed by the President and confirmed by the U.S. Senate.

Amendments to the 1978 legislation between 1979 and 1987 added OIGs to eight major agencies, including the Departments of Education, State, and Defense. Major legislation in 1988 created OIGs for the 5 additional agencies, including the Departments of Justice and Treasury – the final two cabinet-level departments to be assigned OIGs. The 1988 legislation also introduced a new group of IGs in non-cabinet level agencies and designated a new process by which these IGs were appointed. This new group of OIGs created for large-to-moderately sized, non-cabinet level federal agencies were termed “designated federal entities,” otherwise known as “DFEs.” A total of 34 DFE agencies were assigned new offices of inspector general, of which 25 remain largely in place as of 2013 – since their creation in

1988, nine were subsequently closed or merged with other agencies. Under the 1988 legislation DFE IGs are not appointed by the president, but instead are appointed by their agency head and the appointment did not require U.S. Senate confirmation. Thus, there are now two different groups of IGs – presidentially appointed – senate confirmed IGs (PAS IGs) and agency head appointed IGs (DFE IGs) – each with the same authority and responsibility.

Subsequent to the 1988 legislation, thirteen new PAS IGs were created, including the shift of one OIG from DFE to PAS status and the creation of two OIGs for special purposes – for Afghanistan Reconstruction and for the Troubled Asset Relief Program. Eleven of these PAS OIGs remain in place and two have been closed or modified. Since 1988, sixteen additional DFE IGs were created, including a special purpose OIG for Iraq Reconstruction and a group of OIGs for national security agencies. A list of these OIGs, year of authorization, and those that have been closed or merged is found in Table 3.

PAS and DFE IGs are to be appointed, according to the legislation, “without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.” (sec. 3(a)). With a few exceptions written into statutory language, IG appointments are not for a specific term and IGs leave office only by their own decision or by action of the President for PAS IGs or by the agency head for DFE IGs. For each type of IG, the president or the agency head may remove the IG from his/her office, but in doing so must inform Congress of this action and state the reasons for the removal. Legislation in 2008 changed this reporting requirement to mandate that the President or the agency head inform Congress 30 days in advance of any terminations or shift of an IG from his/her position.

Many IGs have remained in place through presidential and agency head changes. As Table 5 shows, with the exception of the changeover in 1981 from President Carter to President Reagan, presidential transitions do not produce significant turnover in inspectors general in either PAS or DFE offices – differences in departures and new appointments do not vary substantially comparing first and subsequent years of each presidential term. The sole exception in 1981 involved the first presidential transition after passage of the 1978 legislation in which President Reagan on the first day of his administration dismissed or reassigned all IGs who had been appointed by President Carter. This mass dismissal engendered substantial push-back in Congress, although there were no official investigations or legislative actions to counter such dismissals. Later, several IGs dismissed or reassigned by Reagan were reappointed in their original agencies or in other agencies. The next change in administration from President Reagan to President George H.W. Bush in 1989 saw no such personnel action and this has been the pattern in all subsequent administrative changes. (See Paul Light (1993) pp. 81-145, for full discussion of the Carter-to-Reagan-to-Bush transition) Not being subject to dismissals prompted by changes in administrations underscored expectations and perceptions regarding the non-political nature of OIGs in their respective agencies.

Authority

Independence is at the root of virtually all authority granted to OIG by federal legislation. While IGs are members of the executive branch, they are granted substantial freedom to pursue their work

independent of direction from or interference by any executive official – including the President or their respective agency head. Table 6 summarizes the statutory authority granted OIGs which effectively makes these offices independent within their respective agencies. (Some OIGs have special legislative provisions regarding their authority, i.e., the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), see, Vanessa K. Burrows (2009)).

In addition to the grants of authority listed in Table 6, OIG independence is enhanced by the statutory provision that “each Office of Inspector General shall be considered to be a separate agency.” This authority gives IGs substantial administrative control to create positions, make appointments, and carry out duties that are routinely held by agency heads. (Inspector General Act of 1978, as amended, Pub. L. 111-259, section 6 (d)(1)A(i)). Legislation in 2008 enhanced this administrative flexibility by granting IGs increased authority in personnel matters, including direct access to the Office of Personnel Management (OPM) instead of working with their respective agency’s human resources office on such matters. (see, Fong, (2008-2009) for a discussion of this and other changes in the 2008 act that enhanced the authority and independence of OIGs)

Each OIG has a separate budget line in the U.S. budget which means that an OIG’s funding cannot be easily altered by agency leadership subsequent to budget approval. The 2008 legislation elevated the visibility of OIG budgetary needs by alerting every organization in the budget-making process – the host agency, the Office of Management and Budget, the President, and, ultimately, Congress – to an OIG’s original budget request. As before, OIG budgets are subject to review and adjustment by the agency head, OMB, and the President, but the original budget request by an OIG is now reported throughout the process and to Congress. Moreover, the IG may include comments about any reductions in funding levels if the President’s recommended budget “would substantially inhibit the Inspector General from performing the duties of the office.” (Inspector General Act of 1978, amended, section 6 (f)(2)(E)). This special treatment of OIG budget requests is unlike virtually all such requests from bureau or division directors in which adjustments to budget requests by an agency, by OMB, or by the President are reported in the final annual budget request submitted to Congress.

Responsibilities

A chief responsibility for IGs is “to provide policy direction for and to conduct, supervise, and coordinate audits and investigations related to the programs and operations” of their respective agency. This includes reviewing existing and proposed legislation and regulations; preparing reports which include a semiannual report to the agency head and to Congress; recommending policies that promote “economy and efficiency” in the agency and in the agency’s relations with other governmental units; and keeping the agency head and Congress “fully and currently informed” about the OIG’s work. IGs are instructed to comply with auditing standards promulgated by the Government Accountability Office (GAO) and to avoid duplicating GAO’s activities. IGs are also instructed to “report expeditiously to the Attorney General [of the United States] whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.” (Inspector General Act of 1978, amended, section 4 (b)(c)(d)).

Federal statutes provide considerable detail about what IGs must report in their semiannual reports, including information about problems they discovered in their audits, investigations, or evaluations; recommendations they made to resolve the problem; and whether their recommendations have been adopted by the agency. (Inspector General Act of 1978, amended, section 5) Agency directors are to review the report regarding their respective agency and they may comment on the report. The agency head cannot change the report, but may add comments as he or she submits the report to Congress.

In addition to the responsibilities outlined in the 1978 statute, as amended, inspectors general have also been assigned responsibilities by Congress in major legislation passed since that date. These additional responsibilities include directing IGs to perform or oversee audits within their respective agencies for financial statements required under the Chief Financial Officers Act of 1990 (P.L. 101-576) and the Government Management Reform Act of 1994 (P.L. 103-356). Implementing the Federal Financial Management Improvement Act of 1996, the Office of Management and Budget has directed IGs (and agency chief financial officers) to assist with determining whether the financial management systems comply with federal laws and regulations. Legislation in 2000, the Reports Consolidation Act of 2000 (P.L. 106-531) requires that IGs identify the most serious management and performance challenges facing their respective agencies and discuss how the agency is addressing those challenges. And, the Federal Information Security Management Act of 2002 (P.L. 107-347) requires that IGs perform independent annual evaluations of their respective agency's IG cyber-security.

Responsibilities assigned to IGs underscore and build on the independence of OIG offices within their respective agencies. Similarly, the independent voice of IGs is re-enforced by requirements that audit reports be posted on the OIG's website and that semiannual reports be given to the agency head, who in turn, conveys the original report to Congress with comments that he or she might provide. The responsibility for IGs to report "fully and currently" to the agency head and to Congress provides an important tool for IGs in general, and most particularly if there are issues that need immediate attention. If an IG encounters difficulties in performing his or her duties and the issue requires immediate attention, the IG may issue what is known as a "seven-day letter" to the agency head which he or she must share with Congress within seven days, thus underscoring the urgency and seriousness of the matter. In fact, "seven-day letters" are rarely used by IGs because, according to a report by the Government Accountability Office, such urgent issues are usually settled informally within the agency. Nevertheless, such reporting process responsibility and authority constitutes a potent instrument to prompt action by agency leadership. (see, GAO (2011) and for recent criticism of IGs for under-utilizing these letters and, generally, not keeping Congress informed of such matters, see, Charles S. Clark (2014)).

Organization

Internal Organization. Originating federal legislation in 1978 specified a basic organization for OIGs that has remained largely in place over time. Each inspector general is to appoint an assistant inspector general for auditing and an assistant IG for investigations. Additionally and importantly, each IG was authorized "to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office...." (PL 95-452, Section 6 (6)). Section 6

basically authorized the IGs to organize their offices as they deem appropriate and in virtually every instance, the IG has appointed a deputy IG to be second in command of the office. Various OIGs have added assistant IGs or senior officials for inspections or evaluations, for management or administration, or for particular areas specific to the agencies they serve such as Chief Engineer in the NASA OIG. Additionally, some OIGs have regional offices that roughly correspond to regionalized offices of the host agency.

Paul Light's summary of the dynamics of increased size, scope, and organizational layers in OIGs ((1993) pp. 175-186) argues that these increases added to the independence of these offices relative to their host agencies. These increases enhanced the capacities of OIGs to conduct audits and investigations, but also expanded OIG functions to include program evaluation or "inspection" of agency programs. Creation of deputy IG positions, according to Light, served to make OIGs similar in structure to other federal agencies and provide opportunities to mentor future candidates for inspector general appointments in the host agency or in another federal agency.

An important change for OIGs that began in the 1990's involved who IGs turned to for legal advice. Whereas OIGs relied primarily on agency general counsel for legal advice during early stages of their existence, this practice created potential conflicts of interest for an agency's general counsel and potentially compromised the independence of OIGs from their agency. Some OIGs began to hire their own legal advisors and these early ad hoc successes led to 2008 legislation authorizing IGs to appoint a Counsel to the Inspector General or to rely on counsel provided by another IG office or the Council of the Inspectors General on Integrity and Efficiency (CIGIE). After adoption of this provision, IGs were no longer dependent on legal advice from host agency's legal counsel which further enhanced independence from their host agency.

The Whistleblower Protection Act of 2012 (PL 112-199, sec. 117) instructs IGs to "designate a Whistleblower Protection Ombudsman" to inform agency employees about their rights as whistleblowers and protections against retaliation for doing so. This new provision strengthens a provision in the original 1978 legislation which authorized IGs to "receive and investigate complaints or information from an employee [of the agency] concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety." (Sec. 7 (a)). The 2008 amending legislation also requires that OIG websites include a link for individuals to report fraud, waste, and abuse. Once again, OIGs were given clear authority to receive information from (and perhaps to encourage) whistleblowers in an agency and to act on receipt of that information under the umbrella of independent authority granted by the original 1978 legislation.

Cross-Agency Coordination. Coordination among OIGs was not addressed in the 1978 or the 1988 legislation, but legislation in 2008 created the Council of the Inspectors General on Integrity and Efficiency (CIGIE). This federal council is composed of all statutorily-created inspectors general plus the Deputy Director for Management from OMB, Deputy Director of OPM, Special Council from the Office of Special Council (DOJ), Assistant Director for Criminal Investigative Division (FBI – DOJ), Director of the Office of Government Ethics, and Controller of the Office of Federal Financial Management (OMB).

CIGIE and two precursor organizations – the President’s Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) – are discussed the next section of this paper.

In addition to the CIGIE, PCIE, and ECIE, three cross-agency organizations have come together marshalling resources across the IG community and, in effect, raising the community’s profile in Washington. Two of these organizations emerged from the IG community and the third was created by Congressional action in 2010. In 2005, PCIE created a special working group of IGs to address homeland security issues with the IG for the Department of Homeland Security serving as its chair. Later that year in the aftermath of Hurricane Katrina, and the federal programs and massive funding dedicated to recovery, this group focused its efforts on fraud, waste, and abuse that might accompany those programs. By the fall, 2005, this ad hoc group of inspectors general from 21 agencies with major funding associated with relief and reconstruction met regularly to focus resources on audits and investigations, offer advice on controls and policy to avoid duplication of effort, and to bridge oversight involving multiple agencies. Reports by this group were issued to Congress for several years detailing their activities from 2005 through 2008. (See, for example, President’s Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency (2008))

A second council organized the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) in 2009 also attempted to focus IG resources to oversee federal programs dedicated to recovery and relief from the 2008 fiscal crisis, sometimes known as the “Great Recession.” Legislation creating SIGTARP did not initially require this OIG to coordinate its work with OIGs in Treasury and other IGs in agencies receiving TARP programs, but coordination was required in legislation passed one year later. Neil Barofsky, SIGTARP’s first IG, created this council, chaired by himself and including IGs from 8 agencies responsible for TARP funds, plus the Comptroller General of the United States. Barofsky’s aim was to coordinate audits and investigations associated with TARP-funded programs. SIGTARP’s initial report in February, 2009, referenced creation of this group (Barofsky (2012) pp. 20-21) and subsequent reports by SIGTARP through April, 2010, mention the council. The FY 2013 SIGTARP budget request references this group as a coordinating council and indicates that it meets “as needed to discuss developments in TARP and coordinate interconnected audit and investigative issues.” (Special Inspector General for TARP (2013), pp. 10-11). Overall, however, the council appears to have not met regularly and that it was not particularly effective in coordinating the efforts of several OIGs. Notably, Neil Barofsky’s account of his service as the first Special Inspector General for TARP reports considerable friction between SIGTARP and other OIGs involved with the program, especially the IG in Treasury, regarding the independence of their respective offices and, in particular, their independence from SIGTARP. (See, Barofsky (2012) p. 60, *passim*)

Creation of the Council of Inspectors General on Financial Oversight (CIGFO) by the Dodd-Frank Wall Street Reform and Consumer Protection Act (PL 111-203) was aimed to coordinate the work of IGs relating to financial sector regulations. As a multi-agency council, CIGFO reported to the newly created Financial Stability Oversight Council and chaired by the Treasury IG. All of the OIGs in agencies on FSOC serve on the CIGFO plus SIGTARP constitute the Council which meets quarterly, publishes meeting minutes, and issues annual reports which are primarily devoted to accounts by each IG of activities within their respective agencies that relate to financial regulations. (see, CIGFO (2010) for these reports

and additional information) Here, too, the level of coordination is unclear and there are few indications of joint efforts that effectively limit the independence of the OIGs involved in the council.

An important point about these three councils – two created by IGs themselves and a third by congressional mandate – is that none is authorized to impinge on the independence or the work of member OIGs. While the Gulf recovery council appears to have coordinated among themselves and with other offices, the SIGTARP Council appears to have met considerable resistance to coordination among its members. Reports from the statutorily created CIGFO suggest that the group shares information, but there are few coordinated efforts documented in official materials.

Summary: The original 1978 inspector general legislation and subsequent amendments provided an IG with a great deal of independence. An IG reports to his or her host agency head, but the agency head cannot (1) direct what the IG does, (2) deny access to requests for information by the IG (except in a few agencies primarily in defense or national security agencies), (3) interfere with an IG audit, investigation, inspection, or other activity, (4) reduce the IG's budget request without including the original request in communications with OMB, the President, or Congress, or (5) prevent the IG from communicating with Congress about his or her findings or other activities. Agency heads in DFE agencies may appoint new IGs without Senatorial confirmation, but presidentially appointed IGs must be confirmed by the Senate. The President or an agency head for DFE IGs can dismiss or transfer a sitting inspector general, but they must inform Congress of this action and explain the reason for the action – the 2008 legislation requires that Congress be so informed 30 days prior to this action.

On the other hand, an IG is required or has clear authority to (1) submit legislatively mandated reports to Congress that include statutorily required detailed information about their activities, (2) talk with congressional contacts without OMB, agency, or White House approval, (3) organize their offices largely as they deem appropriate and to conduct human resource discussions directly with the Office of Personnel Management, and (4) to serve as long as they wish until they are dismissed by the President or their host agency head (if they are a DFE appointment). Moreover, an IG's activities and reports can be the subject of media and congressional attention – an informal authority that can result in positive in news coverage by the Washington media corps.

III. Enhancing Independence – Professional Development of the U.S. Offices of Inspector General

If legislative history of OIGs points to congressional interest in creation and maintenance of independent OIGs and current legislation provides a legal basis for substantial independence by offices of inspector general, then professionalization of these offices since their creation has reinforced this independence. While inspectors general may not be considered a profession, *per se*, the IG community takes on many of the attributes of professional occupations. Such attributes include (1) having specialized knowledge about their responsibilities and activities, (2) organizing as a collectivity to speak for the community on shared interests, (3) providing professionalized training to new and continuing members of the community, and (4) being self-regulated in terms of standards and ethics, including investigations of

alleged wrongdoing . [see, Larson (1977) for discussion of the dimensions of professionalism and professional groups.)

Specialized Knowledge

Financial management, especially auditing, has a long history in the U.S. and elsewhere as a specialized form of knowledge. [see, Gustave and Rothstein (2013 and Gustavson (2013)]. As noted previously, auditing functions have been carried out by a variety of agencies prior to establishment of OIGs in 1978 and auditing itself is a professional field embraced by public and private organizations as a means to assure accountability. Methodologies for those activities are taught in business schools and accountancy programs, and professional organizations provide workshops to keep auditing professionals current. The so called “Yellow Book” created by the Governmental Accountability Office is the standard reference work for audits involving federal funds and OIGs are among those governmental organizations mandated to follow that guide in their work.

Investigations are another aspect of OIG work in which specialized knowledge is considered important. Here, too, investigations are not unique to OIGs, but investigative activities by inspectors general – especially units devoted to investigations – employ investigative standards and methodologies common to federal law enforcement agencies, including the Federal Bureau of Investigation. Training is provided for OIG staff in federal law enforcement training academies. A hard-won authority for OIG investigative agents involved authorization to carry weapons which requires levels of training comparable to law enforcement personnel in other federal investigative units.

Program evaluation is another area of responsibility for OIGs that has emerged in the 1990s and has elements of specialized knowledge similar to auditing and investigative activities. Program evaluation has become a critical element of graduate training in public administration, public management, and public policy analysis. Additionally, in-service training programs focusing on program evaluation have emerged for several OIGs where this activity is especially prevalent.

Originating legislation called for the appointment of inspectors general with knowledge and experience in these areas to the exclusion of political considerations. Though OIGs do not exercise authority in these areas exclusively, they clearly are expected to have specialized knowledge that, in turn, accentuates their independence relative to agency officials and to congressional overseers.

Professional Organization

After several years of lobbying by members of the IG community, the IG Reform Act of 2008 included provisions creating the Council of the Inspectors General on Integrity and Efficiency – otherwise known as CIGIE (see, discussion by IG Phyllis K. Fong (2008-2009) pp. 1-60). This council is composed of all statutorily created inspectors general plus representatives from other federal agencies as noted previously. CIGIE was intended to replace separate councils that were created by presidential executive orders -- the President’s Council on Integrity and Efficiency (PCIE) in 1981 and the Executive Council on Integrity and Efficiency (ECIE) in 1992. The former council was composed of PAS IGs and the latter council DFE IGs.

The legislation creating this council highlighted two missions: first, “address integrity, economy, and effectiveness issues that transcend individual Government agencies,” and second, “increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained skilled workforce in the offices of the Inspectors General” (Public Law 110-409 (2008), Section 7 (a) (1 & 2)). In pursuing these missions, CIGIE is authorized under this legislation to perform three critical functions that contribute to professionalization in the community. First, CIGIE is expected to develop plans and programs that promote the work of inspectors general within and across federal agencies. This does not authorize directing the work of individual IGs, but CIGIE is expected to coordinate activities and to develop standards for operation that would guide the IG community collectively and individually. Second, CIGIE is authorized to develop professional training programs for “audits, investigators, evaluators, and other personnel” so as to maintain a “corps of well-trained and highly skilled” individuals in IG offices. And, third, CIGIE is to oversee an “Integrity Committee” that is to “receive, review, and refer for investigation allegations of wrongdoing” that involve IGs and leading OIG staff. The “Integrity Committee” conducts investigations of alleged wrongdoing and makes recommendations to either the President (PAS appointments) or an agency head (DFE appointments), with copies of the recommendation also being sent to Congress. The President or the DFE agency head make the final determination about the allegations and any subsequent sanctions, with the decision being conveyed to Congress soon thereafter. (Section 7 (d))

CIGIE’s organization and membership is detailed in the 2008 legislation, and most importantly, so too is the financial basis for the organization. As with budget processes involving individual OIGs, funding requests for CIGIE are carried through the budget-making process and the amount originally requested for training operations and for CIGIE’s operation are also to be conveyed by the President to Congress. Leadership of CIGIE is elected by council membership, and committees in CIGIE are created and their membership appointed by council leadership.

As authorized by the 2008 legislation, CIGIE has issued statements for “Quality Standards” in the areas of Digital Forensics (2012), Investigations (2011), Inspection and Evaluation (2012), and, more generally, federal offices of inspector general (2012). (see CIGIE (2014) for current statements) The quality statements in the later three areas largely incorporated statements previously developed by PCIE or by ECIE, but in doing so provided a statutory basis for their adoption as compared to being previously based on authority granted in a presidential executive order. Finally, the quality standards for auditing are set by The Yellow Book prepared by the Government Accountability Office.

CIGIE was also authorized under the 2008 legislation to “submit recommendations of individuals to the appropriate appointing authority for any appointment to an office of Inspector General....” (Sect 7 (c) (F)). Under this authority, CIGIE has created the IG Candidate Recommendation Panel and its website posts vacancy announcements (<http://www.ignet.gov/jobs/>). CIGIE’s panel solicits and reviews potential IG candidate and makes recommendations to appointing authorities, but those authorities are not required to accept the recommendations. There has been no publically available accounting of how recommendations from CIGIE have fared in the process. (see, comments in 2012 by Inspector General Phyllis K. Fong (2012), pp. 4-6))

Following the broad mission outlined in the 2008 legislation, CIGIE also created a series of committees to make recommendations and oversee various activities of the Council. These standing committees cover the areas of Audit, Professional Development, Information Technology, Inspection and Evaluation, Investigations, and Legislation, in addition to the aforementioned Integrity Committee and the Candidate Recommendation Panel. Various ad hoc working groups are also created for specialized activities and their accomplishments are reported in annual reports (e.g. CIGIE (2012))

The statutory institutionalization of an IG council provided a legislative foundation for professionalization activities in the IG community. Accordingly, CIGIE offers the kind of supportive mechanism that one finds in professional fields – namely, training, recruitment, and self-governing that contribute to independence.

Professionalized Training

Training programs for areas relating to activities in OIGs predated creation of CIGIE. The 2008 legislation, however, specifically authorized CIGIE to “maintain 1 or more academies ... for professional training of audits, investigators, inspectors, evaluators, and other personnel.” (Section 7 (c) (1) (E)). Accordingly, CIGIE created the CIGIE Training Institute which oversees the “Audit, Inspection, & Evaluation Academy,” the “Inspector General Criminal Investigator Academy (or IG CIA),” and the “Leadership and Mission Support Academy.” [see, <http://www.ignet.gov/pande/training1.html>] The IG CIA, in particular, was previously affiliated with the Federal Law Enforcement Training Center since 1994 by virtue of an agreement with PCIE and was legislatively authorized in 2000 in Public Law 106-422. The leadership academy is affiliated with American University, but also organizes programs independently.

Topics and courses in these academies cover introductions to OIGs, audits, and investigations; advanced courses in specific activities in their respective areas; and general management or leadership training for senior high-ranking civil service appointees. Reported actual use of the academies in 2012 shows 27 audit, inspection, and evaluation courses attended by at least 800 OIG staff members; over a dozen investigator courses attended by at least 600 OIG personnel; and 14 courses on leadership and management attended by at least 300 OIG senior-level officials. CIGIE’s report for 2012 also indicates the addition of training for OIG legal counsels and human resources personnel. (CIGIE (2013) pp. 6-7).

Development, funding, and the mere existence of these training operations arguably creates a professional career ladder with civil service staff members, and perhaps some non-civil service appointments at the IG, deputy IG, and assistant IG levels.

Self-Regulation, Self-Evaluation, and Self-Policing

Offices of Inspector General, as noted in the previous section, have agreed upon standards for work in the areas of audit, investigations, inspections and evaluation, and integrity. These standards incorporate government-wide standards where applicable to these respective areas. Thus, the audit quality standards are guided by GAGAS or “Generally Accepted Government Auditing Standards” promulgated by the GAO (2014), also known, and referred to, as “The Yellow Book.” Similarly, the

guidelines for investigations draw on the “Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority,” (Department of Justice (2003)). While there are no government-wide guidelines for the area, standards for inspections and evaluation were first developed by PCIE in 1993 and subsequently adopted by CIGIE (2010) as the official statement of standards for this area. Guidelines focusing on integrity matters speak primarily to processes for handling allegations of wrongdoing or misconduct by IGs or particular staff members (CIGIE (2009)). These procedures will be addressed later in this section.

Quality standards in the above mentioned areas form the basis of periodic evaluations of OIGs that are conducted by other inspectors general. This form of external peer review leaves the reviews largely in the hands of the IG community since CIGIE’s committees organize and assign peer reviews for OIGs, usually on a rolling three year schedule. CIGIE prepares and publicizes schedules for peer reviews in various areas. (e.g. see CIGIE (2011-2013)). Guidelines and procedures for conducting these peer reviews are detailed in CIGIE documents, including information to be considered, expectations of the review team external to the OIG under review, procedures for submitting a report, and responses by the reviewed OIG to recommendations. OIGs’ semi-annual reports inform Congress about peer reviews for their respective offices, and these reports also indicate whether the particular OIG has been asked to conduct a peer review of another OIG. Importantly, the peer reviews are largely limited to whether and how well the OIG under review is meeting the standards articulated by the community in the areas of auditing and investigations. The peer review is not intended to assess the overall operation of the OIG under review, its effectiveness, or its impact on the agency. Nor, do the peer reviews address matters of OIG independence or relations with their host agency or with Congress.

Allegations of misconduct are also investigated by inspectors general under the 2008 legislation, the Integrity Committee of CIGIE incorporated an existing group and activities previously managed within PCIE and ECIE as authorized by an executive order by President Bill Clinton in 1996. The committee was to evaluate allegations of wrongdoing involving IGs or senior IG staff. Incorporating specifications from the 1996 executive order, the 2008 statute specified that the Integrity Committee be composed of (a) an official from the Federal Bureau of Investigation (FBI), serving as chair of the committee, (b) four IGs appointed by the chair of CIGIE; (c) the Special Council from the Office of the Special Council, and (d) the Director of the Office of Government Ethics. The Chief of the Public Integrity Section of the Criminal Division of the Department of Justice serves as the committee’s legal advisor. The 2008 legislation gives a general framework for who is covered by the statutory provisions; how allegations of wrongdoing are to be handled; how reviews of allegations are to occur; what committee actions are authorized, including investigations and recommendations; and how and to whom these activities are to be reported annually. (see, Inspector General Act of 1978, amended, Public Law 95-452, section 11 (d)). The Integrity Committee is authorized to develop policies and procedures to carry out its responsibilities (see, CIGIE (2009)). The CIGIE website provides instructions and an email address that may be used to file a complaint to the Integrity Committee.

Drawing on requirements governing actions by the Integrity Committee in the 2008 legislation and CIGIE has adopted provisions for the operation of the integrity committee, including policies and procedures for reviewing and investigating allegations of wrongdoing and referring criminal allegations to

prosecutorial authorities. Any OIG staff member reporting directly to the IG and anyone designated by the IG in his or her OIG is covered by these integrity committee provisions of the law. The 2008 legislation requires that actions of the committee are to be reported to the President and to Congress annually. Table 7 summarizes these activities since 2008. Notably, with the passage of time, fewer allegations have been closed by the committee and more cases have been referred to an appropriate agency which could include the Department of Justice's criminal division or to the home agency of the individual involved in the allegation. The lengthy investigations has come under harsh criticize by some members of Congress and resulted in proposed legislation to accelerate the process. ## While allegations may be registered directly with the Integrity Committee, IGs have some discretion about allegations they receive regarding their own office. If they believe the allegation does not merit further review, they may decline to refer the matter to the Integrity Committee. How many allegations are made directly to OIGs instead of the Integrity Committee is not reported, and so the total number of allegations is unknown.

Career Tracks and Inspectors General

Paul Light's analysis of the career backgrounds of the 33 IGs appointed during the Reagan administration, all of whom were PAS appointees, revealed that most (31) were affiliated with a federal executive department and only two were outside the executive branch prior to their appointment as IGs. Moreover, a significant number (n= 20) had prior experience in OIGs prior to their appointment – although some appointees in the first term were IGs who were reappointed after Reagan's firing of all IGs on his first day in office. Nevertheless, by Reagan's second term, most newly appointed IGs (12 of 14) were drawn from a cadre of individuals with experience in OIGs as IGs, deputy IGs, or assistant IGs. This pattern, Light observes, demonstrated that the IG community had substantial influence over the recruitment and selection process and effectively limited appointments of non-IG administrative office holders. A consequence of this influence was that IGs "gained greater independence from their home departments and agencies" (see, Light, 1993, pp. 115-120, data drawn from Table 6-4 and text on p. 117)

An update of Light's analysis shows that 253 inspectors general have been appointed to their respective posts from 1978 through 2013. (This number includes IGs who have served in multiple offices of inspector general during the course of their careers.) This count does not include acting IGs, unless they were eventually appointed to a permanent position in the OIG in which they were serving as acting or in another agency. In 2013, sixty-three IGs (63 of 73 positions) are permanently appointed – 30 in PAS offices and 33 in DFE offices.

To examine career tracks of IGs, biographical information for the universe of 263 statutory IGs was drawn from Senatorial hearings for PAS appointments, various Who's Who volumes, the Washington Post, and biographies posted by the IGs themselves. Data on the most recent appointment prior to their appointment as IG were found for 234 IGs; data for their second and third previous appointments were available for a smaller number of IGs.

Table 8 summarizes the data on the positions held immediately prior to their appointment as IGs based on publically available information. Notably, the data in this table point to differences in IG backgrounds comparing PAS and DFE IGs – an analysis that Light did not report in his 1993 volume. Most IGs (83.3%) have some level federal executive experience, but this is truer for DFE IGs of whom 90.4% have such experience versus 79.3% for PAS IGs. There is a more substantial difference in backgrounds immediately prior to their appointment when considering where the federal experience occurred – DFE IGs were much more likely to have come from within their respective agency’s OIG or another part of the agency than is the case with PAS IGs – 58.5% versus 23.6%. Among IGs not coming from a Federal executive office, DFE IGs were much less likely to come from the private for-profit sector than PAS IGs (3.2% versus 11.4%). While DFE IGs are slightly more likely to come from within their agency’s OIG than PAS IGs (30.9% versus 20.0%), the substantial difference in career backgrounds is that DFE IGs are more likely to come from non-OIG positions in their agencies than PAS IGs (17.0% vs. 3.6%). That many DFE IGs come from within their respective agencies may not be surprising given that those agencies and OIG are smaller and perhaps less politically visible. Comparing DFE IGs and PAS IGs on experience outside their current agency, one finds that PAS IGs are nearly twice as likely to come from other agencies in which they do not hold OIG positions (17.0% for DFE IGs versus 30.0% for PAS IGs). And, they are substantially more likely to come from private businesses or private law practices. It remains an open empirical question whether the close ties DFE IGs have with their agencies translate into less independence, even if their agency experience means that they are more familiar with agency dynamics. The varied experience of many PAS IGs, on the other hand, may mean that they know less about the agency for which they are the IG, but they bring differing perspectives borne of wider experience in different agencies. This wider experience plus presidential appointment and Senate confirmation may result in political capital for PAS IGs that is simply not available to DFE IGs. This greater political capital, in turn, could translate into greater independence – or at least the potential for independence.

Among the 63 officials currently serving as IGs in 2013, the distribution of positions roughly mirrors that reported for all IGs appointed since 1978. Table 9 indicates that most currently serving IGs have had federal executive experience (83.6% overall) with a higher proportion of DFE IGs having federal executive experience compared with PAS IGs (90.3% versus 76.3%). Although small numbers in this analysis exaggerate percentage differences, DFE IGs are slightly more likely to have served in their agencies’ IG offices; while PAS IGs are more likely to have served in non-federal executive positions.

Career tracks of current IGs can also be considered over the long term since those data are reliably available. Table 10 reports data percentage of current IGs with prior appointments in OIGs – in their current agency or in another federal agency for their most recent position held before appointment as an IG, as well as the second most recent position and the third most recent position. Again the numbers are small and missing data for the second and third positions are larger than one would like.

Nevertheless, the percentages again point to differences between PAS (57% for most recent prior appointment in an OIG) and DFE IGs (71% for most recent prior appointment in an OIG) – the former are more likely to have OIG experience (inside or outside their current agency) than the latter. In both PAS and DFE agencies, however, substantially fewer of the current IGs have non-OIG roots in their own agencies – 23% for PAS IGs and 36% for DFE IGs.

Summary. Since their statutory creation in 1978, and subsequent expansion in the number of federal offices with OIGs, the overall operation of inspectors general has taken-on many of the characteristics of a profession. Although not a licensed occupation, *per se*, OIGs do house individuals with specialized knowledge and skills that characterize professions usually granted some measure of independence in their work. A statutorily created federal council, CIGIE, composed of IGs and allied federal officials is intended to provide oversight and professional support for the IG community in terms of development of professional standards for critical aspects of its work, training for community members, and self-evaluations of OIGs. Allegations of wrongdoing by senior members of the IG community are also handled in the first instance by individual IGs for their respective office or by a statutorily sanctioned Integrity Committee as part of CIGIE. These professionalization attributes give the IG community considerable, although not ultimate, independence to manage their own affairs and to assess the work of individual members of the community. In other words, the professionalization advances IG independence.

Data regarding the career tracks of inspectors general point to a substantial proportion of inspectors general with prior experience in offices of inspector general – some with the agency’s OIG for which they now serve in a leadership role and others from OIGs in other federal agencies. Among current (2013) IGs, PAS IGs are less likely than DFE IGs to have OIG experience, but the percentages are quite high for both – 57% and 67% respectively. On the other hand, experience external to federal executive agencies for PAS IGs and DFE IGs is notably infrequent – 21% and 10% respectively. One might reasonably infer that training, mentorship, or simply experience in the IG community where the value of independence is fundamental reinforces the sense of independence among past and current IGs.

Consequences of OIG Independence and Professional Development

OIGs play a distinctive role in the process of evaluating government actions and pointing to government fraud, waste, and abuse. Reports highlighting governmental shortcomings have prompted congressional investigations, dismissals of or resignations by agency officials, and criminal investigations. OIGs issuing reports that attract congressional or media attention occur under the statutory cover of independence provided by the legislation authorizing inspectors general. That legislation mandates that IGs tell truth to power – power being both the agency head and Congress. The independence of IGs to identify areas of inquiry as they deem appropriate and to have unencumbered access to data and personnel in an agency, mean that these and other reports could be pursued without being compromised by agency officials. IGs report the results of their audits, investigations, or evaluations to both the agency leadership and Congress which means that agency officials are put on notice that something is amiss in their organization and that programs authorized by congressional action are being potentially mismanaged. Thus, OIG independence and a mandate for reporting to both executive and legislative officials create a modality for identifying areas where greater economies, efficiencies, and effectiveness might be achieved.

Because IGs focus their work on what government programs might be broken, these officials often have considerable insight to what might be done to remedy the situation. However, a price to be paid for granting OIGs independence and their development of professional values maintaining that

independence is that these offices compromise their independence if they become involved in solving those very problems. Legal and professional expectations that auditors or investigators remain independent of the programs they are evaluating or investigating mean that OIGs cannot become involved as policy makers, program designers, or project implementers. OIGs can *recommend* that changes be made and sometimes outline the shape and thrust of those changes, but the *actual changes* remain in the hands of the agency or the Congress. Additionally, when an IG's independence, non-partisanship, or lack of bias is doubted by either the administration or Congress, the IG's effectiveness is substantially reduced. In such instances, there are often calls for his or her dismissal or for the IG to voluntarily depart. (e.g., see, Kaufman (2007) and O'Keefe (2009) for events surrounding the resignation of an inspector general for NASA)

Conclusion

United States Office of Inspector General, an office created by statute only in the last 35 years, has become an important independent voice in major executive agencies. These offices are uniquely positioned to identify waste, fraud, and abuse in federal agencies and programs, and they are expected to contribute to the federal government's efficiency, economy, and effectiveness. The independence of these offices is based on their historic origins, statutory authorization, professionalization in the IG community, and recruitment of new IGs primarily from that community. Though responsive to requests from their host agencies and from Congress, these offices have significant authority to initiate audits, investigations, or evaluations; have access to any documentation held by their host agencies; report directly to the leadership of their host agency; communicate directly with Congress regarding their findings, difficulties with their host agencies, and their budgetary needs. Only the President or their agency head may dismiss IGs after informing Congress of the intended personnel action.

The independence of IGs holds great potential for contributing to the aims of governmental reforms. A macro-level assessment of work by OIGs as reported in mandated semi-annual reports to Congress suggests that (1) OIGs do identify fraud, waste, and mismanagement, (2) they do recommend policies to improve efficiencies and effectiveness of governmental programs; and (3) they pursue prosecutions of wrongdoing by federal employees or individuals doing business with their respective host agencies. The major challenge for OIGs as agents of change and improvement of government operations is that their independence requires that they maintain an "arm's length distance" between their office and their host agency. So, they might know of policies or programs that are deficient, might recommend changes, and follow-up those recommendations to determine whether they were accepted by the agency. However, they cannot become involved in either the design or re-design of agency programs, even if they are knowledgeable about and well positioned to improve a program or policy.

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Table 1

Summary of 1976 Legislation Creating the Office of Inspector General for the Department of Health, Education, and Welfare

- Established an Office of Inspector General within HEW to investigate fraud and abuse in all departmental programs and to conduct audit activities.
- Stipulated that the inspector general would be a presidential appointee subject to Senate approval; allowed only the President to remove the inspector general from office and required him to inform Congress of his reasons for any such firing.
- Allowed the inspector general to use outside auditors to ensure independent investigations.
- Required the inspector general to set up a separate staff within his office to investigate abuses in Medicaid, Medicare and other health programs.
- Required the inspector general to submit annual reports to Congress and the HEW Secretary detailing significant program abuses, progress in combating such abuses and the outcome of matters referred to prosecutors for action; required special quarterly reports on corrective steps recommended by the inspector general that had not been taken by the department.
- Required the inspector general to report serious or flagrant problems or abuses immediately to the HEW Secretary and then to Congress within seven days.
- Stipulated that reports by the inspector general should be forwarded to Congress without any further approval or clearance by HEW or other executive agencies.
- Gave the inspector general access to all HEW materials he needed to carry out his responsibilities; gave the inspector general subpoena power; required him to report to Congress if he found that budget cuts seriously hurt the performance of his duties; required heads of outside agencies to cooperate with requests for information.
- Transferred audit and investigation duties of existing HEW offices to the inspector general's office

Source: "HEW Inspector General." In *CQ Almanac 1976*, 32nd ed., 561-63. Washington, DC: Congressional Quarterly, 1977. <http://library.cqpress.com/cqalmanac/cqal76-1187277>.

Table 2

Pre- 1978 Audit and Investigative Activities in Major Federal Executive Agencies

		Agriculture	Commerce*	HUD	Interior	Labor	Transportation*	EPA	Energy Research and Development	Federal Energy Administration*	GSA	NASA	SBA	Veterans Administration	Community Services Administration	Justice
II.1	Auditing Unit Reported	Office of Audit +	Office of Audits +	Office of Inspector General +	Office of Audit and Investigation (AAI) +	Directorate of Audit and Investigations	Office of Audit +	Office of Audit	Office of Internal Review +	OIG*	Office of Audits and Investigations	Office of Management Audit	Office of Audits and Investigations	Internal Audit Service +	External Audit and Internal Audit	NOT MENTIONED
II.1	Investigations Unit Reported	Office of Investigation +	Office of Investigations and Security +	Office of Inspector General	AAI	Office of Investigation and Compliance	Office of Investigations and Security +	Security and Inspection Division	Office of Internal Review +	OIG*	Office of Audits and Investigations	Office of Inspections and Security	Office of Audits and Investigations	Investigation and Security Service +	Inspection Division	Fraud Section, Criminal Division; Public Integrity Section, Criminal Division; Frauds Section, Civil Division
II.2	Additional Unit(s) promoting economy and efficiency	YES	Not Mentioned	YES	YES	YES	Distributed	YES	NO	NO	YES	YES	NO	YES	NO	NO
II.2	Additional Unit(s) preventing or detecting fraud	YES	Not Mentioned	YES	YES	NO	YES	NO	NO	NO	YES	NO	NO	YES	NO	NO
II.3	Agency engages external auditing or investigative units	NO	YES	YES	YES	YES	YES	YES	YES	NO	NO	YES	YES	YES	YES	NOT MENTIONED
III.1.a.	Number of Professional/Clerical staff for Audit Unit	43 / 26 (HQ) 397 / 68 (FIELD)	38 / 9 (HQ) 44 / 5 (FIELD)	54 / 26 (HQ) 347 / 57 (FIELD)	5 / 4 (HQ) 120 / 9 (FIELD)	47 / 18 (HQ) 113 / 21 (FIELD)	39 / 6 (HQ) 59 / 9 (FIELD)	3 / 2 (HQ) 95 / 12 (FIELD) all report to HQ	33 / 2 (HQ) 129 / 7 (FIELD)	25 / 4	42 / 7 (HQ) 42 / 9 (FIELD)	16 / 2 (HQ) 30 / 6 (FIELD)	1 / 1 (HQ) 81 / 24 (FIELD)	66 / 8 (HQ) 6 / 1 (FIELD)	4 / 1 (IA) 23 / 10 (EA)	NOT MENTIONED
III.1.a.	Number of Professional/Clerical staff for Investigations Unit	44 / 24 (HQ) 261 / 59 (FIELD)	6 / 3	COMBINED	7 / 2 (HQ ONLY)	13 / 3 (HQ ONLY)	4 / 1 (HQ) 0 / 0 (FIELD)	6 / 2 (HQ) 9 / 1 (FIELD)	9 / NA 5 / NA	COMBINED	18 / 12 (HQ) 72 / 17 (FIELD)	1 / 1 (HQ) 9 / 5 (FIELD)	12 / 8	16 / 8 (HQ) 10 / 1	6 / 3	27 / 12
III.1.d	Auditing Jurisdiction -- Department-wide	YES	YES	YES	YES	YES	NO	YES	YES	YES	YES	YES	YES	YES	YES	NOT DIRECTLY DISCUSSED
III.1.d	Investigations Jurisdiction -- Department-wide	YES	YES	YES	YES	YES	NO	YES	YES	YES	YES	YES	YES	YES	YES	NOT DIRECTLY DISCUSSED
III.3.b	Auditing -- Clearance Required	NO	REVIEWED	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO -- Except for internal audits	NOT DISCUSSED	NOT DISCUSSED	NOT MENTIONED
III.3.b	Investigations -- Clearance Required	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	NOT DISCUSSED	YES	YES	NOT DIRECTLY DISCUSSED
III.4.a	Number of Audits Reported	2232	"many" (I) 1302 (Ex)	129 (I) / 1376 (Ex)	647	1145 (I) 37,761 (Subsponsor audits)	262	2044	1500	3	416	71	50 EXTERNAL 14 INTERNAL	133	1820	NOT MENTIONED
III.4.a	Number of Investigations Reported	4404	159 (6 months)	2834	49	35	26	151	80	Not Mentioned	327 cases opened first quarter of FY 1977	453	55	60	47	NOT CLEARLY DISCUSSED
III.4.a	Audit Backlog reported	YES	YES	NO	YES	YES	Not Mentioned	YES	Not Available	YES	Not Mentioned	NOT MENTIONED	NOT MENTIONED	YES	NOT DISCUSSED	NOT MENTIONED
III.4.b	Reported Recovery of Funds from Audits	\$32.6 M (OA) \$29.1 M (OI)	\$6.4 M (I) \$4 M (Ex)	\$18.8 M ("cash savings")	No measure for Internal; estimate for external \$5 M	\$8.3 m "SUSTAINED"	\$3.5 M "potential savings"	\$142.8 M ("Total Costs Questioned")	\$14.9 M ("Costs recovered")	NONE	\$49.8 ("Reported Savings")	For 3 year period (1971-1973), "hard savings" were \$8.6 M in one-time and \$6.4 M in recurring	\$15 M "saved, recovered, or the potential liability for funding eliminated"	\$12 M if recommendations "fully implemented"	\$23.3 "QUESTIONED"; \$6.4 "DISALLOWED"	NOT MENTIONED
III.4.b	Indictments, prosecutions, or convictions reported	YES	YES	YES	YES	YES	YES	YES	YES	NONE	YES	No Statistics available	YES	YES	YES	YES
	Source: Table constructed from responses to GAO survey published in "Hearings, Subcommittee of the Committee on Government Operations, House of Representatives, 95th Congress, First Session, (May 17 - July 27, 1977) on HR 2819, pp. 487 - 729. Note: + indicates that response included related offices in the agency		*Responses concern offices reporting to Sec. of Commerce	**"sustained" findings = \$33.8 M		**"Questioned" findings reported as \$59.3 M	*Fed. Highway Administration, FAA, & Urban Mass Trans. Admin have additional capabilities			*An Office of Inspector General as created on April 5, 1977, by the FEA Administrator John F. O'Leary Responses apply to newly formed OIG. Operations of other auditing and investigation units are not included in table.						

Table 3

Offices of Inspector General (OIGs), Creation Dates, Appointment Type, and Current Status (2013)

Year OIG Created	N as of 2013	Inspectors General Nominated by the President and Confirmed by the Senate (PAS)	N as of 2013	Inspectors General Appointed by Agency Head or Other Entity (DFE)
1976	1	Health Education, and Welfare (now Health and Human Services)		
1977	1	Energy		
1978	11	Agriculture, Commerce, <i>Community Services Administration (CSA)</i> *, Housing and Urban Development, Interior, Labor, Transportation, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, Small Business Administration, Veterans Administration (now the Veterans Affairs Department)		
1979	1	Education		
1980	1	<i>U.S. Synthetic Fuels Corporation</i> *, State		
1981	1	Agency for International development		
1982	1	Defense		
1983	1	Railroad Retirement Board		
1986	0	<i>U.S. Information Agency</i> *		
1987	0	<i>Arms Control and Disarmament Agency</i> *		
1988	4	Justice, Treasury, <i>Federal Emergency Management Agency</i> *, Nuclear Regulatory Commission, Office of Personnel Management	25	<i>ACTION</i> *, Amtrak, Appalachian Regional Commission, <i>Board of International Broadcasting</i> *, Commodity Futures Trading Commission, Consumer Product Safety Commission, Corporation for Public Broadcasting, Equal Employment Opportunity Commission, Farm Credit Administration, Federal Communications Commission, <i>Federal Deposit Insurance Corporation</i> *, Federal Election Commission, <i>Federal Home Loan Bank Board</i> *, <i>Federal Housing Finance Board</i> *(Succeeded Federal Home Loan Bank Board), Federal Labor Relations Authority, Federal Maritime Commission, Federal Trade Commission, Government Printing Office, <i>Interstate Commerce Commission</i> *, Legal Services Corporation, National Archives and Records Administration, National Credit Union Administration, National Endowment for the Arts, National Endowment of the Humanities, National Labor Relations Board, National Science Foundation, <i>Panama Canal Commission</i> *, Peace Corps, Pension Benefit Guarantee Corporation, Securities and Exchange Commission, Smithsonian Institution, <i>Tennessee Valley Authority</i> *, U.S. International Trade Commission
1989	1	<i>Resolution Trust Corporation</i> *, Central Intelligence Agency	0	
1993	2	Corporation for National and Community Service, Federal Deposit Insurance Corporation	0	
1994	1	Social Security Administration, <i>Community Development Financial Institutions Fund</i> *	0	
1996	0		1	U.S. Postal Service
1998	1	Treasury Inspector General for Tax Administration	1	Danali Commission
2000	1	Tennessee Valley Authority	0	
2002	2	Export-Import Bank, Homeland Security	1	Election Assistance Commission
2004			1	Iraq Reconstruction** (succeeded Coalition Provisional Authority (2003))
2005			2	Library of Congress, U.S. Capitol Police
2007			2	Architect of the Capitol, Postal Regulatory Commission
2008	3	Federal Housing Finance Agency (Succeeded Federal Home Loan Bank Board and Federal Housing Finance Board), Afghanistan Reconstruction**, Troubled Asset Relief Program**	1	Government Accountability Office
2010			6	Office of Director of National Intelligence (IG of Intelligence Community), Defense Intelligence Agency; National Geospatial-Intelligence Agency; National Reconnaissance Office; National Security Agency, Federal Reserve Board & Bureau of Consumer Financial Protection
Total	33		40	
Notes:		* = Department, agency, or unit has been eliminated or changed and the associated IG office as originally authorized has been closed		
		** = Offices of Special Inspectors General created for specific periods of time outlined in the authorizing legislation		

Table 4

Illustrative Legislation Furthering Congressional Control and Leverage Over Federal Administrative Agencies

Freedom of Information Act (1966, significantly amended in 1974) – created a requester model for obtaining government records and mandates timely responsiveness

National Environmental Policy Act (1970) – required agencies to develop environmental impact statements for major projects affecting the environment

Congressional Budget and Impoundment Act (1974) – strengthened Congress' role in developing the federal budget and controls presidential impoundment of appropriated funds

Privacy Act (1974) – limited federal agencies authority to collect and release information on individuals

Government in the Sunshine Act (1976) – required commissioners and board members of multi-headed federal agencies to hold open meetings

Inspector General Act (1978) – established statutory offices of inspector general in 12 federal agencies, regulated appointment and authority of inspectors general, and mandated reporting to Congress

Regulatory Flexibility Act (1980) – required agencies to assess the impact of potential rules on small businesses

Administrative Dispute Resolution Acts (1990, 1996) – established procedures by which federal agencies non-adjudicatory procedures to settle disputes

Negotiated Rulemaking Act (1990) – provided mechanism for agencies to negotiate rules with stakeholders

Government Performance and Results Act (1993) – required agencies to engage in strategic planning with congressional consultation, performance measurement, and performance reporting to Congress

Congressional Review Act (1996) – created procedures by which Congress can block and overturn agency rules

Assessment of Federal Regulations and Policies on Families Act (1998) -- required agencies to assess the impact of their actions on family concerns

Data Quality Act (2000) – sought to improve the quality of data on which administrative rule making relies

Source: Rosenbloom, 2010: 116-117

Table 5

**Appointments of U.S. Inspectors General By
First and Subsequent Years of Presidential Terms**

Presidential Term	First Year of Term		2 nd , 3 rd , and 4 th Years of Term	
	# Departures	# Appointments	Avg. # Departures	Avg. # Appointments
Carter	*	*	5.00	1.67
Reagan I	9	15**	1.67	2.00
Reagan II	2	2	3.33	4.67
G.H.W. Bush	4	30***	5.33	6.67
Clinton I	6	5	7.67	8.67
Clinton II	10	7	8.00	7.33
G. Bush I	5	7	6.67	7.00
G. Bush II	10	12	5.67	6.33
Obama I	9	6	3.00	7.33
Obama II	4	4	na	na

*President Carter made no appointments in the first year of his term (1977) since the IG authorizing act was passed in 1978. He subsequently appointed 15 IGs to posts created under that legislation.

**President Reagan dismissed all permanent IGs immediately after his inauguration, and then appointed new IGs – including several who previously served and were dismissed on his first day in the Office of President.

***This total includes new appointments for President George H.W. Bush resulting from the expansion of number of OIGs under legislation passed in 1988 just prior to his first year in office.

Table 6

Key Statutory Responsibilities and Authorities of U.S. Inspectors General

Responsibilities:

- Provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations
- Review existing and proposed legislation and regulations relating to programs and operations of such establishment
- Make recommendations in the semiannual reports required by [this legislation] concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by [the host agency] for the prevention and detection of fraud and abuse in such programs and operations
- Recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by [the agency] for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations
- Recommend policies for, and to conduct, supervise, or coordinate relationships between such establishment and other Federal agencies, State and local governmental agencies, and nongovernmental entities with respect to (A) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by such establishment, or (B) the identification and prosecution of participants in such fraud or abuse
- Keep the head of such establishment and the Congress fully and currently informed, by means of the reports required by [this legislation] and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by [the host agency], to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action

Authorities:

- Have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to [the host agency] which relate to programs and operations with respect to which that Inspector General has responsibilities under this [legislation]
- Make such investigations and reports relating to the administration of the programs and operations of {the host agency} as are, in the judgment of the Inspector General, necessary or desirable
- Request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this Act from any Federal, State, or local governmental agency or unit thereof
- Require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other data in any medium (including electronically stored information, as well as any tangible thing) and documentary evidence necessary in the performance of the functions assigned by this [legislation]
- Administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the functions assigned by this [legislation]
- Have direct and prompt access to the head of the establishment involved when necessary for any purpose pertaining to the performance of functions and responsibilities under this [legislation]
- Select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office
- Upon request of an Inspector General for information or assistance . . . the head of any Federal agency involved shall . . . furnish to such Inspector General; . . . Whenever information or assistance requested [under this legislation] is, in the judgment of an Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the head of [the host agency] involved without delay
- Each Inspector General, any Assistant Inspector General for Investigations under such an Inspector General, and any special agent supervised by such an Assistant Inspector General may be authorized by the Attorney General to . . . carry a firearm while engaged in official duties . . . ; make an arrest without a warrant while engaged in official duties . . . ; [and] seek and execute warrants for arrest, search of a premises, or seizure of evidence issued under the authority of the United States upon probable cause to believe that a violation has been committed

Source: Inspector General Act of 1978, Amended; items quoted directly from sections 4 and 6

Table 7

Actions of Integrity Committee as reported in CIGIE Annual Reports

Reported Actions	2009	2010	2011	2012
Number of Allegations Received	43	44	51	44
Number of Cases Closed	36	36	22	8
Number Cases Referred to Appropriate Agency	5	1	23	25
Number Cases Referred to Committee Chair For Investigation	2	1	1	3
Number of Cases Pending Further Review	0	6	5	8

Source: Annual CIGIE reports for Fiscal Years 2009, 2010, 2011, and 2012; reports available at:

<http://www.ignet.gov/randp/arpt1.ht>

Table 8**Most Recent Appointment Prior to Selection As Inspector General
(1978 - 2013)**

	PAS IGs		DFE IGs		All IGs	
	Presidential Appointments		Agency Head Appointments		N	%
	N	%	N	%		
In Agency and in OIG*	28	20.0%	29	30.9%	57	24.4%
In Agency and NOT in OIG	5	12.1%	16	17.0%	21	9.0%
NOT in Agency and in other OIG	36	25.7%	24	25.5%	60	25.6%
In OTHER Federal Exec. Agency, NOT OIG	42	30.0%	16	17.0%	58	24.8%
In OTHER Non-Exec. Agency, NOT OIG	3	2.1%	1	1.1%	4	1.7%
U.S. Attorney	1	0.7%	1	1.1%	2	0.9%
Armed Forces (Including JAG)	2	1.4%	2	2.1%	4	1.7%
State Official	5	3.6%	1	1.1%	6	2.6%
Private Business or Attorney	16	11.4%	3	3.2%	19	8.1%
Non-Profit	2	1.4%	1	1.1%	3	1.3%
Total	140	100%	94	100%	234	100%

Missing n= 19

*Includes immediately prior appointments as Acting Inspector General

Table 9

**Most Recent Appointment of Current IGs Prior to Selection as Inspector General
(2013)**

	PAS IGs Presidential Appointments		DFE IGs Agency Head Appointments		All IGs	
	N	%	N	%	N	%
In Agency and in OIG*	6	20%	10	32%	16	26%
In Agency and NOT in OIG	1	3%	1	3%	2	3%
NOT in Agency and in other OIG	11	37%	11	35%	22	36%
In OTHER Federal Exec. Agency, NOT OIG	5	17%	6	19%	11	18%
In OTHER Non-Exec. Agency, NOT OIG	2	7%	1	3%	3	5%
U.S. Attorney	0	0%	1	3%	1	2%
Armed Forces (Including JAG)	1	3%	1	3%	2	3%
State Official	1	3%	1	3%	2	3%
Private Business or Attorney	3	10%	0	0%	3	5%
Non-Profit	0	0%	0	0%		
Total	30	100%	31	101%**	61	101%**
Missing	0		2		2	

*Includes immediate prior appointment as Acting Inspector General

**Exceeds 100% due to rounding error

Table 10

Percent of Current U.S. Inspectors General With
Recent Prior Appointments in Offices of Inspector General
(2013)

	PAS IGs Presidential Appointments*	DGE IGs Agency Head Appointments**
Most Recent Position	57%	71%
Second Most Recent Position	41%	64%
Third Most Recent Position	24%	70%

Total n= 63

* PAS IGs with confirmed data: Most = 30 IGs; Second = 29; Third = 29

** DFE IGs with confirmed data: Most = = 22; Second = 16; Third = 14