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Gaston L. Gianni

INSPECTORS GENERAL

By Gaston L. Gianni

The Office of Inspector General is a unique function in the federal government. The inspector general has a broad range of independent statutory authorities to examine the economy, efficiency, and effectiveness of his or her agency's operations and to detect fraud, waste, and abuse in the agency's programs. Understanding the IG roles and responsibility is one of the key steps to a successful tenure in government and the establishment of an effective working relationship with the IG.

Collectively, the Offices of Inspector General have identified billions of dollars in potential savings as well as program efficiencies and enhancements from a range of audits, investigations, evaluations, and inspections. For example, in fiscal year 2007, their efforts resulted in over \$11 billion in potential savings from audit recommendations, \$5 billion from investigation recoveries and receivables, and over 8,900 successful prosecutions.

Properly managed, the relationship between an agency head and the IG can be mutually productive and help ensure the integrity, economy, efficiency, and effectiveness of agency programs. However, during past administrations, some difficulties have occurred in agency head relationships with their IG, especially when new agency heads have had little knowledge of or experience with the federal IG concept.

Recommendation One: Agency heads should learn about the IG's mission, role, and authorities.

The Inspector General Act of 1978, as amended, provides the basic authorities for the creation and operation of an Office of Inspector General (OIG). Each executive department, and some larger independent agencies, has an IG appointed by the president and subject to Senate confirmation. The IG Act also provides for the agency head at selected Designated Federal Entities to appoint their IG. These IGs have the same authorities and responsibilities as a presidentially appointed IG.

IGs are to be appointed 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.

IGs have two primary roles:

- To independently find and report on current problems in accordance with professional standards
- To prevent future problems by fostering integrity, accountability, and excellence in government programs

In carrying out these responsibilities, IGs are to:

- Independently conduct and supervise audits, investigations, inspections, and evaluations of agency programs and operations
- Review existing and proposed laws and regulations to agency programs and operations
- Provide leadership for activities designed to promote economy, efficiency, and effectiveness, and to reduce fraud, waste, and abuse
- Inform their agency heads and the Congress of problems in their agencies' programs and operations and the need for and progress of corrective actions

Furthermore, the IG Act gives IGs access to agency records and personnel to obtain the information needed for the above work. For records located outside the agency, the IGs have subpoena authority to obtain needed documents. There are several other operational matters that are unique to the OIG that warrant brief mention.

The IG Act has several provisions to help ensure and protect IG independence. IGs have full authority to select, plan, and conduct their work. Further, as a means to protect the IGs' objectivity, the act prohibits them from managing any operational program of the agency or supervising the activities of agency employees outside the OIG. In addition, IGs have independent personnel and contracting authority, separate from their agencies, and their budgets are independent line items in their agency budget requests. Also, the IG is authorized to establish its own office of counsel separate from the agency's general counsel. Finally, because of their dual reporting responsibility to the agency head and to the Congress, the IG is the only official in a department or agency that can communicate directly with the Congress without being first cleared by its agency or the Office of Management and Budget.

Virtually all IG criminal investigators exercise law enforcement authority, either through a direct statutory grant or under deputation by the Department of Justice. Under this authority the investigators can carry firearms, make arrests, and obtain and execute search warrants. IGs are required to report suspected violations of criminal law directly to the attorney general and work closely with the Federal Bureau of Investigation and the U.S. District Attorney Offices.

IGs are required to issue a report semiannually to their agency/department head and the Congress about OIG activities in the prior six months. These reports contain a statement from the IG, summaries of major problems and abuses identified, corrective actions taken on recommendations, previous recommendations not acted on by the agency, and lists of cases sent for prosecution. The IG also must identify instances where the agency declined to provide requested information to the OIG. The agency head is to forward the report to the Congress with comments on how the IG recommendations have been addressed, along with other comments on significant efficiency and integrity issues being addressed by the agency.

While the presidentially appointed IGs serve at the pleasure of the president, the Congress in the past has requested incoming administrations to treat the current IGs as careerists and keep them in place. However, if an IG is removed, the president, for presidentially appointed IGs, or the agency head, for executive appointed IGs, must notify the Congress in writing.

The IG Act specifies that the IG is under the general direction of the agency head, but provides no further guidance. Given the above mission, role, and authorities of the IG, it is imperative that the agency head quickly establish communications with the IG and begin to build a cooperative and effective working relationship.

Recommendation Two: New agency heads should reach out to their IG.

Reaching out to the IG as soon as possible after taking office will help ensure the establishment of a cooperative and constructive working relationship. In addition, the IGs' unique position within a department or agency gives them an opportunity to independently develop a broad, objective perspective on the major operational challenges and problems that face the new leadership. This type of information will be helpful to you and your team as you develop your future goals and objectives.

Recommendation Three: Work with the IG.

The key to a successful relationship between you and the IG will depend on a great deal of professionalism from both you and the IG. Specifically, you should:

- Recognize and respect the IG's independent role in carrying out its mission within the agency and its reporting responsibilities. This independent relationship will provide an ongoing challenge in your relationship, but remember that the IG Act was enacted to provide this independence.
- Interact with professionalism and mutual respect at all times. Both must remember that you share a common goal, which is the successful accomplishment of the agency's mission.
- Foster open communications at all levels in the organization. The degree to which you respect and value the IG's role and demonstrate a professional relationship will set the tone for the rest of the agency.
- Keep the IG up to date on current matters and events in your agency.
- Implement mechanisms, both formal and informal, to ensure prompt and regular dialogue. The IG's ability to maintain an ongoing dialogue and to have ready access to the agency head can serve to alleviate some inherent conflicts in roles. For example, one agency head would meet with the IG biweekly to discuss agency and IG operations. In addition, the IG was invited to attend the agency head's weekly senior management meetings. This type of openness created an environment where agency officials,

the IG, and the IG staff worked cooperatively in the pursuit of common agency goals. It also enabled the IG to communicate information, such as upcoming reports and sensitive investigations, to the agency head in a timely manner.

Given the complexity of the management and policy issues within an agency, from time to time an agency head and the IG may disagree on the extent of a problem and the need for and scope of corrective action. However, if effective working relationships have been established based on cooperation, mutual respect, and trust, such disagreements should not cause the relationship to become unproductive. Instead, effective relationships will result in more efficient and effective use of government resources; the reduction of fraud, waste, and abuse; and a more successful accomplishment of agency goals and objectives.

Gaston L. Gianni was the Inspector General at the Federal Deposit Insurance Corporation from April 1996 to December 2004. In addition, he served as the Vice Chair of the President's Council on Integrity and Efficiency from 1999 until his retirement from federal service in 2004.