THE WATCHDOGS AFTER FORTY YEARS: Recommendations for Our Nation’s Federal Inspectors General

July 9, 2018
THE PROJECT ON GOVERNMENT OVERSIGHT (POGO) IS A NONPARTISAN INDEPENDENT WATCHDOG that investigates and exposes waste, corruption, abuse of power, and when the government fails to serve the public or silences those who report wrongdoing.

WE CHAMPION REFORMS to achieve a more effective, ethical, and accountable federal government that safeguards constitutional principles.
Acknowledgments

The Project On Government Oversight is grateful for the insights, guidance, and knowledge of the former inspectors general who participated in the review group.

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We also acknowledge the work of late POGO staff member **BEVERLEY LUMPKIN** whose work in past years laid important groundwork to the recommendations.
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## Abbreviations

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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>CIGIE</td>
<td>Counsel of the Inspectors General on Integrity and Efficiency</td>
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<td>DOD</td>
<td>Department of Defense</td>
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<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
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<td>GAO</td>
<td>Government Accountability Office</td>
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<td>IG(S)</td>
<td>Inspector(s) General</td>
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<td>POGO</td>
<td>Project On Government Oversight</td>
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<td>ROI</td>
<td>Return On Investment</td>
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Foreword
FORTY YEARS AGO, THE U.S. CONGRESS ENACTED THE INSPECTOR GENERAL ACT OF 1978. This landmark law established a greater stature for government oversight by our federal watchdogs. Congress granted the government agency inspectors general (IGs) new authorities. The new law promised more powerful, independent, and effective oversight than under previous law.¹

Federal IGs have played an important role over the past four decades, investigating agency mismanagement, waste, fraud, and abuse, and providing recommendations to improve federal programs and the work of federal agencies. What we spend on IGs results in substantial financial savings, with a reported return-on-investment of almost seventeen dollars for every dollar spent on IG activities.²

On this anniversary of the passage of the original Act, now is the time policymakers should ask this simple but important question: Is the work of the IG community fulfilling the promises of four decades ago?

The Project On Government Oversight (POGO) established a review group that included former federal inspectors general and POGO staff in order to determine what is working well, what needs improvement, and which provisions of the Inspector General Act need revisiting. The review group explored key issues IGs are facing and developed ideas for improvements. The examination resulted in a set of recommendations for strengthening current inspector general policies, practices, tools, procedures, authorities, and requirements.

POGO’s recommendations address the need for strong and consistent leadership, a higher prioritization of major issues affecting the nation, such as harm to the public’s health, safety, and constitutional rights, and how to best work with and support whistleblowers.

The IGs face many challenges, and our recommendations require action by several players. For some, Congress will have to make changes to current law and set appropriate funding levels. Other recommendations could be implemented by the IGs themselves under existing authority. Still others require the White House to take action.

One of the most glaring problems that needs to be addressed is IG vacancies. Presidents have too few incentives to appoint strong watchdogs, and instead leave the position vacant, sometimes for years. Our recommendations not only emphasize the importance of the president and Congress making it a priority to fill these positions, but also provide solutions. Both must be committed to nominating and vetting qualified candidates who are willing and able to address the nation’s major issues.

The next 40 years will present new, unforeseen problems, as well as opportunities, for our nation, posing new challenges to government programs and agencies. We cannot predict with certainty all the necessary changes the inspectors general will need to make in the decades to come. However, our government watchdogs will always play a key role in ensuring an effective and accountable federal government.

Danielle Brian
Executive Director
Introduction

The drafting of the Inspector General Act of 1978 was directly influenced by that specific time period in our nation’s history.

The abuse of power by the White House known as the Watergate affair is still considered one of the worst scandals in American history, and it gave rise to critical questions about the abuse of government power and the responsibility of national leaders.

Similarly, the Senate Church Committee, convened to examine “illegal, improper, or unethical” activities by the intelligence agencies, revealed serious abuses of power. Both of these events underscored the need for stronger oversight of federal agencies.

Congress understood the necessity for independent entities to have the authority and tools to examine major questions and to dig into the details of government operations.

That is why the Act specifically granted IGs independence from the agency they oversee, but also a direct line of communication to the agency and to Congress. For example, the law specifically states that the office of the inspector general is established, “to provide a means for keeping the head of the establishment and the Congress fully and currently informed.” (Emphasis added).
Strong Inspector General Leadership Is Essential

A KEY QUESTION OUR REVIEW GROUP EXAMINED IS WHETHER WE HAVE SEEN PROGRESS IN HOW INSPECTORS GENERAL DO THEIR WORK, AND IF SO, WILL THIS PROGRESS ENDURE?

We looked through the historical lens of the post-Watergate era to see whether the IGs currently have ample ability to address, and to prevent, the factors that can lead to Watergate-sized problems. The review group has proposed recommendations to help the IG community better respond to such challenges in the future.

Congress understood the necessity for independent entities to have the authority and tools to dig into the details of government operations.

Considering their invaluable function, and the reality of finite investigative and oversight resources, it is imperative that the IGs focus their attention on the most important issues.

Former Central Intelligence Agency Inspector General John Helgerson stated the approach as, “We have to wash the big windows and ignore the little ones.”

In a recent report of “Top Management Challenges,” the Counsel of the Inspectors General on Integrity and Efficiency (CIGIE) noted several major issues faced by many federal agencies and pursued by IGs.

For example, the report described ongoing, if not worsening, government challenges in areas including cybersecurity, financial management, and grants management. To these, POGO would add protection of constitutional rights and risks to public health and safety.

One of our biggest concerns is that current reporting requirements incentivize many IGs to spend a significant amount of time chasing “small-window” projects in order to boost their offices’ metrics in semiannual reports (SARs) to Congress.

In many cases, if an IG’s office can’t monetize an issue, the office will often turn a blind eye to it, turn against the whistleblowers who brought it to their attention, or turn the issue over to law enforcement as a criminal matter in order to boost the office’s referral metrics.
Evolving Institutions

SINCE PASSAGE OF THE 1978 ACT, THE AUTHORITY OF INSPECTORS GENERAL HAS EVOLVED, ESPECIALLY IN THEIR POWER TO CONDUCT INDEPENDENT OVERSIGHT.

Ten years ago, POGO wrote two reports celebrating the 30th anniversary of the Inspector General Act, setting out a series of recommendations. The reports noted the importance of additional protections for IG independence. At the time, each IG had to rely on its parent agency or the White House to communicate its budget needs to Congress. In effect, this allowed the IG’s budget to be held hostage by other governmental entities. POGO advocated for direct communication between Congress and the IG offices regarding the IG’s budget.

The Inspector General Reform Act of 2008 included a provision requiring that the budget requests and justifications prepared by the IGs be transmitted directly to Congress. The president would also send his or her proposal and explain any differing views, giving a more complete picture to Congress of the IGs’ spending needs.

The IGs therefore were placed on a more equal footing with the White House in seeking resources.

The 2008 Act included other important reforms. Provisions covered everything from creating CIGIE to imposing a requirement that the president or appointing agency head notify Congress 30 days before removing a serving IG. It also requires that IGs have legal counsel independent from their parent agencies.

Most recently, Congress passed the Inspector General Empowerment Act in December 2016. This law strengthened the independence of the IGs through provisions that, among other things, further underscored and facilitated access to agency information. It also established rules improving Congressional and public access to the work of IGs.
Challenges

TOO OFTEN, INSPECTORS GENERAL SUFFER FROM INADEQUATE OR INCONSISTENT BUDGETS.

Resource constraints can directly affect the ability of IGs to conduct effective and consistent oversight.

This is most apparent when an agency receives a large surge in funding that must be spent quickly, such as “emergency” funding for the Department of Defense (DoD) during wartime or for disaster agencies during a hurricane. However, the agency’s IG does not usually see a similar increase. Congress needs to recognize the importance of proportionally funding IG oversight.

There are some recommendations that require relatively small actions, yet would yield large returns very quickly. For example, IGs have recently improved Congressional and public access to their reports by establishing Oversight.gov, a website containing recently released IG reports. However, more can and should be done to ensure even greater access to the important work of the IGs.

Other challenges facing the IG community will need further collaboration to solve. For example, we have presented specific steps for improving whistleblower protection and the use of whistleblower disclosures. However, we recognize that the complex issues raised by whistleblower laws and procedures, often involving governmental entities other than inspectors general, will require additional considerations in order to develop recommendations.
Recommendations
EVERY PRESIDENTIAL ADMINISTRATION SHOULD CONSIDER INSPECTORS GENERAL AS CRITICALLY IMPORTANT for ensuring strong, effective, and accountable government operations. The Constitution gives the president the power to appoint “officers of the United States,” and nominating qualified IG candidates should be a high priority.

Congress also has a role to play. Not only is Congress a major consumer of IG work, Senate confirmation is a required step for the 34 presidentially-nominated inspector general positions (an additional 39 are named by agencies, boards, or commissions without Senate vetting and approval).

Unfortunately, too many IG positions remain unfilled and lack permanent leadership. As of this writing, 13 of the 73 positions remain unfilled, some of which have been vacant for years. Of these 13 vacancies, 4 have no nominee and 6 have a nomination awaiting Senate consideration. The remaining 3 only need appointment by the head of an agency. These numbers are not an aberration, but represent a fairly consistent pattern over the past decade.

IG offices are most effective when led by a permanent IG, rather than an acting official. Permanent IGs undergo significant review—especially the IGs that require Senate confirmation—before taking their position. That vetting process helps instill confidence among Congress, agency officials, whistleblowers, and the public that the office of the IG is truly independent, and that its investigations and audits are accurate and credible.

In addition, a permanent IG has the ability to set a long-term strategic plan for the office, including establishing investigative and audit priorities. An acting official, on the other hand, known by all IG office staff to be temporary, may tend to lack direction or vigor.

Inspector general offices are most effective when led by a permanent inspector general, rather than an acting official.

Congress should give ample attention to the IG nomination process through thorough vetting and careful consideration of nominees.
Senator Chuck Grassley (R-IA) acknowledged that “even the best acting inspector general lacks the standing to make lasting changes needed to improve his or her office.” Other Members of the Senate have concurred.

In 2015, the entire Homeland Security and Governmental Affairs Committee sent a letter to the White House stating that “[p]ermanent leadership in IG offices is vital for guaranteeing IG independence, promoting transparency and accountability in government operations, and ensuring that Federal taxpayer dollars are well spent.”

Effective leadership could also suffer should a Senate-confirmed inspector general be designated by the president to move from one Department to another as the acting chief, serving in the top position of two Departments simultaneously.

The Federal Vacancies Reform Act permits the president to appoint an individual currently in a different Senate-confirmed office to serve in an acting capacity when there is a vacancy. At the Department of Defense, for example, Gordon Heddell (one of the former IGs in our review group) served as acting IG while at the same time serving as the permanent IG for the Department of Labor. He was eventually confirmed as DoD IG. Heddell readily admits the challenges inherent in such a situation.

Congress should consider amending the Federal Vacancies Reform Act to create an
alternative method for appointing temporary, or “acting,” IGs while awaiting permanent appointment. This change will have no effect on the president’s authority to nominate, and the Senate’s authority to confirm, a permanent IG to the position. Rather, it is meant to incentivize the president to make nominations to fill vacancies, and provide a more empowered individual to make timely decisions in the interim.

Congress should help to ensure that inspectors general are able to work independently by insulating the office from political pressure.

Any approach to temporarily filling an IG vacancy also would need to remain solidly within constitutional requirements of separation of powers and the presidential authority to appoint executive branch officials. Equally important, any such approach must maintain the authority and independence of IGs.

There are existing examples of appointment processes that have applicability to establishing a new method for temporary appointments of inspectors general, and which are allowed under the Constitution. There are two examples Congress could consider.

1. Designate certain federal judges to appoint acting IGs from a list of candidates maintained by CIGIE

Temporary U.S. Attorneys currently follow a similar model. Under section 546 of Title 28 of the U.S. Code, when a U.S. attorney position is vacant, the district court of jurisdiction may appoint a U.S. Attorney to fill the role until the vacancy is filled permanently by the president.

If Congress chooses to pursue this option, they should specify that this temporary nomination would come from the list of qualified individuals that CIGIE is already required to provide to “appointing authorities” under the Inspector General Act. This is just one example of Congress exercising its constitutional right to vest with the courts the appointment of certain types of officers.

This right is continuously cited and upheld by the U.S. Supreme Court. The Court noted in Morrison v. Olson, for example, that the clause gives Congress “significant discretion to determine whether it is ‘proper’ to vest the appointment of, for example, executive officials in the ‘courts of Law.’”

2. Designate an executive body to appoint IGs to serve temporarily in the absence of a presidential appointment
Congress could vest temporary appointment power in a federal entity, such as CIGIE or a new entity comprised of IGs. Vesting appointment power in a federal entity to make acting appointments where an IG vacancy exists is a natural extension of appointment power already afforded to designated federal entities under the Inspector General Act, and in no way infringes on the president’s authority to nominate a permanent IG to that vacant position.

Congress should explore these examples as ways to fill IG vacancies with temporary appointments while nominations of a permanent IG are pending.

In addition, in order to assist and encourage more timely presidential appointments of vacant inspector general positions, Congress should modify the Federal Vacancies Reform Act so that when an IG position remains open beyond 210 days, the White House must communicate to Congress the reasons the president has not nominated a candidate for the position, and provide a target date for the nomination.

Maintaining insulation between an executive agency and its IG is critical to ensuring that the IG’s independence is safe from political pressure.

However, the process for removing IGs can become problematic.

In 2009, a political controversy arose over President Obama’s decision to remove the Corporation for National and Community Service’s Inspector General, Gerald Walpin. The Obama Administration stated that it had lost confidence in Walpin’s work but did not provide clear evidence of misconduct. Unsurprisingly, the IG’s removal was met with concern by Members of Congress and civil society groups who felt that the president gave insufficient cause along with the notification of removal.

Congress considered including a “for cause” provision to the Inspector General Reform Act of 2008 for both presidentially appointed and agency head chosen IGs. While the statute does require the president to give a 30-day notice to Congress of intent to remove or transfer an Inspector General, the “for cause” provision was stripped from the legislation before passage.

Officials in some “advice and consent” positions have “for cause” removal protection, such as the head of the Office of Special Counsel, the Members and Chairman of the Special Panel of the Merit Systems Protection Board, and the Inspector General of the U.S. Postal Service. Although critics take issue with adding conditions to removability, case law supports the constitutionality of such a limitation.
Congress should help to ensure that IGs are able to work independently by insulating the office from political pressure with an amendment to the law specifying that an Inspector General can only be removed for cause. Further, the “for cause” justification should be communicated to Congress.

The CIGIE Integrity Committee has the important mission to “receive, review, and refer for investigation allegations of wrongdoing made against an Inspectors General (IG)” and other individuals such as senior IG staff. However, there is no current requirement that the Integrity Committee report to Congress when a sitting IG is fired or transferred to non-duty or unpaid status by the president, or in the case of agency-chosen IGs, by the head of the agency.

Although the president must communicate the reasons for removal in writing to both chambers of Congress no later than 30 days before the removal takes effect, the CIGIE Integrity Committee could also present its findings of fact to Congress. This would be a report detailing evidence and analysis pertaining to the case, though not determining judgment. The president or agency head would still retain the power to remove the IG, but Congress would be informed of the facts of the situation, and would therefore be better equipped to perform its oversight role.

**RECOMMENDATIONS**

a. Congress should amend the Federal Vacancies Reform Act to allow temporary or acting IG appointments for those positions awaiting presidential appointment, under certain conditions and in a manner consistent with constitutionally mandated separation of powers.

b. Congress should amend the Federal Vacancies Reform Act so that when a presidentially appointed IG position remains open for more than 210 days, the White House must communicate to Congress the reasons the president has not nominated a candidate for the position, and provide a target date for the nomination.

c. Congress should mandate that removal of an inspector general must be made only for cause.

d. Congress should require Congressional notification any time an agency or Administration decides to place an IG on paid or unpaid non-duty status.
Congress should consider improving the reporting requirements of the Inspector General Act of 1978 so that Semiannual Reports (SARs) are more meaningful and contain the information Congress and the agencies actually need and use.

By law, each IG must “prepare SARs summarizing the activities of the Office during the immediately preceding six-month periods.” Yet so many SARs go unread by their intended readers. One possible reason is the sheer volume of what the IGs are required to report. There are 22 reporting requirements for IGs and 4 for agencies. Many provisions should be removed primarily because they prioritize the wrong work within IG offices and do not provide important information about challenges faced by agencies in fulfilling their missions. For example, the current requirements include a summary of every significant report completed during the previous six months, summaries of recommendations, and numbers of reports completed. As a result, SARs tend to be voluminous and not very user-friendly. For instance, each of the Department of Defense IG’s SARs for 2017 were more than 150 pages, with the majority of the text a summary of each individual audit and examination.

Congress should update the SARs requirements, greatly reducing the quantity of reporting. The reporting should focus on major or “big picture” issues. Reporting should include more qualitative data, such as impacts on public health and safety, civil rights, crime, and security, as well as emerging trends. Too often, quantitative data is unhelpful, such as the number of reports completed during a specific time period. For example, arbitrarily dividing a large report into two or more smaller reports would inflate the number of reports, but it would not indicate greater value.

As POGO has pointed out in earlier reports, even if the law doesn’t change, IGs should focus their SARs on the most significant audits, investigations, inspections, and evaluations, and briefly summarize the others. The narrative should be readable and comprehensible to the average person, and much of the quantitative information should be placed at the end of the report in appendices. Some IGs have already begun to do this.

Much of the quantitative information currently included as part of the SARs is now already part of the individual websites of each IG, and is also available through CIGIE’s federal-wide IG website, Oversight.
gov. For example, every IG website is required by statute to post every report within three days of completion. Therefore, a summary of every report is already available online. Most of the other current reporting requirements are also easily found online, such as recommendations, and responses by agencies to recommendations, and can easily be searched for and identified (such as through a search of reports released during the previous six months). In fact, unlike with SARs, researchers can find the information not just on a semiannual basis, but more frequently depending on how often an IG website is updated.

Congress should strengthen the Inspector General Act by requiring improvements to IG websites, such as posting report recommendations in a searchable, easily updatable format. Some IGs have already greatly improved their websites. The Government Accountability Office’s (GAO) website, which has searchable recommendations, is also a useful model.

The Inspector General Act requires IGs to report in the SAR the return-on-investment (ROI) of its work. This includes the “dollar value of disallowed costs that were recovered by management through collection, offset, property in lieu of cash, or otherwise,” as well as, “the dollar value of recommendations,” whether implemented or not by the agency. However, there is no consistency across the IG community as to how these values are determined. Each IG has its own methodology for the ROI calculation. Further, ROIs often lack context and may be misleading. For example, some IG recommendations may actually result in increased costs in the short term, such as measures that better protect public health and safety.

RECOMMENDATIONS

a. Congress should revise the semiannual reporting statute (Inspector General Act Section 5) with the goal of substantially reducing the number of reporting requirements and highlighting the more important work. Further, Congress should increase the emphasis on qualitative reporting on issues concerning public health and safety and individuals’ constitutional rights.

b. The Inspector General Act should be amended to require improvements to IG websites, including searchable recommendations.

c. CIGIE should establish a government-wide, standardized definition of and method for calculating return-on-investment. Congress should consider a new definition of “financial impacts” that incorporates the different types of savings currently in the statutes.
What we spend on inspectors generally results in substantial financial savings, with a reported return-on-investment of almost seventeen dollars for every dollar spent on IG activities.
Federal agencies should give IG recommendations a high level of consideration. However, IG recommendations are often ignored.

A House Oversight and Government Reform Committee report released in 2013 showed that nearly 17,000 IG recommendations had not been fully implemented (the Committee also found that “agencies without permanent IGs have a disproportionately high number of open and unimplemented recommendations”).\(^41\)

The report pointed out that, if the agencies implemented all IG recommendations, the government could save an estimated $67 billion. According to recent reporting by CIGIE, the more than ten thousand recommendations made by IGs across the federal government in fiscal year 2016 could potentially result in $45.1 billion in savings.\(^42\)

IGs should improve their tracking—via IG websites and Oversight.gov in a searchable format—of agency actions taken in response to IG audits. Some IGs and the GAO already do this, and it has worked well.\(^43\)

There is a problem of varying terminology relating to the status of recommendations. For example, some IGs use the terms “open” and “closed,” while others use “unimplemented” and “implemented.” CIGIE should help IGs develop consistent terminology.

**RECOMMENDATIONS**

a. IGs and agencies should adopt practices for improved tracking and reporting of an agency’s response to IG recommendations.

b. Congress should enact legislation requiring improved reporting on the status of IG recommendations, such as whether the recommendation remains unimplemented or partially implemented, and agency disagreements with recommendations. This information should be posted and regularly updated on the IGs’ websites and on Oversight.gov.
The IG community plays a critical role for federal whistleblowers. Strong and consistent policies and procedures will ensure that valuable disclosures continue and are appropriately handled. IG staff, from auditors and examiners to criminal investigators and lawyers, should therefore be trained on best practices for communicating and working with individuals who are exposing waste, fraud, abuse, or illegality; reporting retaliation for blowing the whistle; or acting as a confidential witness during an investigation. This is particularly important during the whistleblower intake and initial evaluation process, which often involves direct communication between whistleblowers and federal contractors who handle the intake.

The intake process established by each IG should follow best practices for communicating and working with individuals blowing the whistle or reporting agency retaliation. While it is always best for IGs to staff whistleblower hotlines in-house, it may be necessary for certain IGs to contract out initial call intake due to staffing constraints. However, IGs should never outsource the function of prioritizing whistleblower hotline complaints. This function should always be carried out by federal employees who are trained to discuss sensitive information with whistleblowers.

IG staff should also receive comprehensive training in fielding complaints of sexual harassment, and in preventing harassment within the IG office itself. Also, IG investigators should have specialized training in such issue areas as employment law and investigative procedures and standards.

All IGs should refer investigative findings substantiating reprisal involving federal civilian employees to the Office of Special Counsel. Unlike IGs, the OSC is empowered to take action on those findings, and negotiate with agency management for corrective and disciplinary actions. OSC can also file petitions with the Merit Systems Protection Board to compel an agency to take action.

Sometimes whistleblowers come forward with disclosures regarding the IGs, themselves. The IG offices should therefore establish clear, consistent rules on whistleblower issues and complaints concerning the IGs and IG operations, including when to refer the case to the CIGIE Integrity Committee. Further, Congress should amend the Inspector General Act and the statutes governing the Office of Special Counsel to establish improved procedures for referral of complaints about an IG to the head of the parent agency.
It can take years to resolve whistleblower reprisal claims, and, in the meantime, the whistleblower is often forced to wait with their life on hold. To increase efficiency, CIGIE should assess the DoD IG’s recent alternative dispute resolution initiative as a potential model for larger OIGs.

According to February 2018 testimony by Acting Inspector General Glenn Fine, the program is meant to “help improve timeliness in reprisal investigations” and is “an alternative dispute resolution program, similar to the program used by the Office of Special Counsel.”

Alternative dispute resolution, or ADR, is a voluntary process in which parties use mediation or facilitated settlement negotiation to seek resolution of a complaint prior to an otherwise lengthy investigative process. Voluntary resolutions through ADR can help reduce the time for resolving cases, and it can also allow limited investigative resources to be allocated to completing other investigations in a timely manner.”

Even if an IG does find that reprisal occurred, the path ahead is not clear cut for the whistleblower. When an IG finds retaliation against a complainant, the IG does not have authority to force the agency to take any corrective action. Further, the employee does not have a right of action based on the IG’s finding. The American Recovery and Reinvestment Act of 2009 (Recovery Act) created such a mechanism for corrective action when a contractor or a state or local government retaliates against an employee. Congress should consider amending the IG Act to include the Recovery Act mechanisms.

Not all IGs have the same resources at their disposal. Small IGs often lack access to services that are necessary to help their offices run efficiently and to ensure effective communication with whistleblowers. Given the limited resources of some of the smaller IGs, a shared services model could benefit the offices and the whistleblowers they work with in providing more timely and accessible services out of a single shop. CIGIE should examine the feasibility and benefits of smaller IGs sharing whistleblower services.

**RECOMMENDATIONS**

a. Each IG should establish a written process outlining required procedures for working with whistleblowers. Those procedures should cover intake and evaluation, investigations, ongoing communication with whistleblowers, and training for staff on whistleblower retaliation and anonymity.

b. IGs should develop strong and clear procedures to handle whistleblower claims against their own offices.

c. CIGIE should conduct a formal assessment of the Department of Defense IG’s experiment with Alternative Dispute Resolution (ADR) as a model for larger IGs.

d. Congress should consider adopting whistleblower practices that were part of the Recovery Act but are not part of current requirements for IGs.

e. CIGIE should conduct a study into the feasibility and benefits of sharing a particular whistleblower staff and associated services among smaller IG offices.
If IG reports are made more accessible, it could greatly increase the influence of their work. The Inspector General Empowerment Act requires that all IG reports be available online within three days of being sent to the agency.

However, the Act also states that reports should not be posted if this would contradict other statutes that prohibit disclosure such as those considered classified under national security statutes. The individual IGs do not have consistent rules for reporting on, and providing access to, classified or unclassified but sensitive reports.

Some IGs, such as those of the Department of Defense and Department of Justice, now include basic information (such as title, topic and report identifier) about its classified, and unclassified but sensitive, reports on its website; therefore, other IGs should be able to do the same. This would allow Congress, the media, and the public to know of the report’s existence, which allows them to then request a copy of the report (possibly redacted). The GAO follows the same policy.

Unfortunately, most IGs either do not follow this practice or have no internal policy addressing the issue.

Even Congress could remain unaware of a non-public report, as there is no consistent method among IGs regarding how a non-public report is made known to Congress.

Further, once IG documents are released through the Freedom of Information Act, the IG should place the documents on its website. Oversight.gov should also maintain such documents.

There is no consistent practice among IGs for responding to many types of requests from Congress or the public. For example, Members of Congress may at times request an early copy or a briefing regarding an unreleased report. Some IGs only provide this to the staff of a committee of jurisdiction, or just through a request from a chair. Others provide early copies to any Member of Congress. Some IGs provide copies one week in advance, others just one day.

There is no consistent practice among IGs for responding to many types of requests from Congress or the public.
IGs should improve their methods of interacting with Congress and the public. Most importantly, not all IGs have written rules describing how the individual IG responds to Congress and the public regarding information or briefing requests, providing early access to reports or other documents, and detailing IG staff to Congressional committees. And even fewer IGs make these rules publically available. This could lead to an appearance of bias by the IGs, especially to Minority and Majority staff of Congressional committees when requests are turned down.

RECOMMENDATIONS

a. The IGs should adopt best practices for ensuring awareness and access to all IG reports by Congress, the media, and the public, including classified or sensitive reports. Each IG should, at a minimum, publicize basic information (title of report, subject, date, and report number) for reports not made fully available to the public.

b. IGs should post reports online after they have been made available through the Freedom of Information Act.

c. Each IG should establish written rules regarding how it responds to requests from Congress and the public, including early releases of reports and access to working notes.
CIGIE has proposed changing the Inspector General Act to grant full testimonial subpoena authority to all inspectors general, ensure IG investigations proceed effectively, and improve access to data. Congress should give strong consideration to these changes, which aim to improve IG effectiveness and independence.

Allowing IGs access to agency documents and information is a cornerstone of the Inspector General Act. Recent legislation and amendments to the Act strengthened IG access to agency documents and added important clarifications.

However, the original statute of 1978 was written at a time when “documents” represented the information needs of inspectors general.

In the statute, the types of information are described as, “records, reports, audits, reviews, documents, papers, recommendations, or other material.”

Since 1978, electronic data has come into common usage, and has proven to be a much more critical type of information. IGs are constantly seeking data, such as program payment information, program eligibility data, and contract data.

IGs have begun to request systems that give them continuous access to electronic data. Rather than having to request a one-time snapshot of information (such as a disk of data or set of existing documents for an IG examination), the IG would have ongoing access to the data system. The Department of Health and Human Services Inspector General, for example, currently has access to the system of Medicare billing data. This greatly speeds up analysis and the ability to examine federal programs.

IGs and agencies should work together to establish ongoing access to systems of data, when appropriate. This should be accompanied with adequate measures to provide data security and protect privacy.
There is also a need for expanded IG ability for data analytics. Currently, a few IGs (such as the United States Postal Service, Health and Human Services, and the Department of Defense) have robust capabilities for handling large amounts of data and can perform sophisticated data analysis with trained, dedicated staff.

Unfortunately, most IGs do not. Smaller IGs, which typically lack this ability, would be hard-pressed to dedicate the necessary resources and staff expertise to establish and maintain the capability.

POGO recommends that the IG community establish data analysis resources that can be shared by multiple IGs. There are several potential models, including an independent IG data analytics capability, or through either CIGIE or a group of IGs developing and hosting a data analytics capability. Congress should work with the IG community to determine a workable method.

RECOMMENDATIONS

a. Congress should consider the CIGIE proposals to improve IG effectiveness and independence.

b. The IGs and their agencies should establish expanded access to systems of data, not just individual records, when appropriate.

c. Congress and CIGIE should choose an approach to allow shared data analytics capabilities for use by the inspector general community, especially smaller IGs.
Resource constraints can directly affect the ability of inspectors general to conduct effective and consistent oversight.
Resource constraints can hamper IGs’ ability to conduct effective and consistent oversight. POGO has often advocated for adequate funding of government watchdogs.

The budgetary challenges faced by IGs are most apparent when an agency receives a large surge in funding such as “emergency” funding for the Department of Defense during wartime or for the Federal Emergency Management Agency (FEMA) during a natural disaster. That sudden influx of a large amount of money often results in increased waste, fraud, abuse, or mismanagement. There is no existing statute or guidance requiring additional funds for the IGs proportional to the emergency funding. For example, in response to the 2017 hurricane disasters, FEMA, the Department of Housing and Urban Development, the Small Business Administration, the Department of Defense, and other agencies received combined increases in funding in the tens of billions of dollars, but the IGs did not receive proportional increases.54

Further, the IG community should maintain and publish budgeting information including historical data showing changes to the budget over the years and comparisons to the agency’s budget.

RECOMMENDATIONS

a. Congress should provide surge funding for relevant IGs when there is a large agency budget increase (such as for the Department of Defense Inspector General for wartime emergency funding or Department of Homeland Security Inspector General for Federal Emergency Management Agency disaster emergency spending).

b. Publicly accessible information about the IGs’ budgets should be maintained by the IG community. CIGIE should collect this information from all IGs for a centralized Oversight.gov webpage.
Appendices

Appendix A:
LIST OF CURRENT INSPECTOR GENERAL OFFICES

<table>
<thead>
<tr>
<th>INSPECTORS GENERAL IN “ESTABLISHMENT” AGENCIES UNDER THE INSPECTOR GENERAL ACT, AS AMENDED:</th>
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<tbody>
<tr>
<td>1. Agency for International Development</td>
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<tr>
<td>2. Corporation for National and Community Service</td>
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<tr>
<td>3. Department of Agriculture</td>
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<td>4. Department of Commerce</td>
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<td>5. Department of Defense</td>
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<td>6. Department of Education</td>
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<td>7. Department of Energy</td>
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<td>8. Department of Health and Human Services</td>
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<td>9. Department of Homeland Security</td>
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<td>10. Department of Housing and Urban Development</td>
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<td>11. Department of the Interior</td>
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<td>12. Department of Justice</td>
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<td>13. Department of Labor</td>
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<td>14. Department of State and the Broadcasting Board of Governors</td>
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<td>15. Department of Transportation</td>
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<td>16. Department of the Treasury</td>
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<td>17. Department of Veterans Affairs</td>
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<td>18. Environmental Protection Agency</td>
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<tr>
<td>and the Chemical Safety and Hazard Investigation Board</td>
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<td>19. Export-Import Bank of the United States</td>
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<td>20. Federal Communications Commission</td>
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<td>21. Federal Deposit Insurance Corporation</td>
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<td>22. Federal Housing Finance Agency</td>
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<tr>
<td>23. General Services Administration</td>
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<tr>
<td>24. National Aeronautics and Space Administration</td>
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<td>25. National Reconnaissance Office</td>
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<td>27. Office of Personnel Management</td>
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<td>28. Small Business Administration</td>
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<td>29. Social Security Administration</td>
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<td>30. Tennessee Valley Authority</td>
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<td>31. Treasury Inspector General for Tax Administration</td>
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<tr>
<td>32. U.S. Nuclear Regulatory Commission</td>
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<tr>
<td>33. U.S. Railroad Retirement Board</td>
</tr>
</tbody>
</table>
**INSPECTORS GENERAL IN DESIGNATED FEDERAL ENTITIES UNDER THE INSPECTOR GENERAL ACT, AS AMENDED:**

34. Amtrak  
35. Appalachian Regional Commission  
36. Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau  
37. Committee for Purchase From People Who Are Blind or Severely Disabled  
38. Commodity Futures Trading Commission  
40. Corporation for Public Broadcasting  
41. Defense Intelligence Agency  
42. Denali Commission  
43. Election Assistance Commission  
44. Equal Employment Opportunity Commission  
45. Farm Credit Administration  
46. Federal Election Commission  
47. Federal Labor Relations Authority  
48. Federal Maritime Commission  
49. Federal Trade Commission  
50. Legal Services Corporation  
51. National Archives and Records Administration  
52. National Credit Union Administration  
53. National Endowment for the Arts  
54. National Endowment for the Humanities  
55. National Geospatial-Intelligence Agency  
56. National Labor Relations Board  
57. National Science Foundation  
58. Peace Corps  
59. Pension Benefit Guaranty Corporation  
60. Postal Regulatory Commission  
61. Smithsonian Institution  
63. U.S. Postal Service  
64. U.S. Securities and Exchange Commission  

**OTHER INSPECTORS GENERAL ESTABLISHED PURSUANT TO STATUTES OTHER THAN THE INSPECTOR GENERAL ACT:**

65. Architect of the Capitol  
66. Central Intelligence Agency (Appointed by president)  
67. Government Printing Office  
68. Library of Congress  
69. Office of the Inspector General of the Intelligence Community (Appointed by president)  
70. Special Inspector General for Afghanistan Reconstruction (Appointed by president, no Senate confirmation)  
71. Special Inspector General for the Troubled Asset Relief Program (Appointed by president)  
72. U.S. Capitol Police  
73. U.S. Government Accountability Office
Appendix B:
CURRENT SEMIANNUAL REPORTING REQUIREMENTS IN THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED

SEMIANNUAL REPORTING REQUIREMENTS

5(a): IGs must prepare SARs and submit them to the head of their Agency by 4/30 and 10/31 each year. The SARs must include:

1. A description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of such establishment disclosed by such activities during the reporting period.

2. A description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to paragraph (1).

3. An identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed.

4. A summary of matters referred to prosecutor authorities and the prosecutions and convictions which have resulted.

5. A summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period.

6. A listing, subdivided according to subject matter, of each audit report, inspection reports, and evaluation reports issued by the Office during the reporting period and for each report, where applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use.

7. A summary of each particularly significant report.

8. Statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), for reports—
   A. for which no management decision had been made by the commencement of the reporting period;
   B. which were issued during the reporting period;
   C. for which a management decision was made during the reporting period, including—(i) the dollar value of disallowed costs; and (ii) the dollar value of costs not disallowed; and
   D. for which no management decision has been made by the end of the reporting period.

9. Statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management, for reports—
   A. for which no management decision had been made by the commencement of the reporting period;
B. which were issued during the reporting period;
C. for which a management decision was made during the reporting period, including—
   I. the dollar value of recommendations that were agreed to by management; and
   II. the dollar value of recommendations that were not agreed to by management
D. for which no management decision has been made by the end of the reporting period.

10. A summary of each audit report, inspection reports, and evaluation reports issued before the commencement of the reporting period—
   A. for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;
   B. for which no establishment comment was returned within 60 days of providing the report to the establishment; and
   C. for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.

11. A description and explanation of the reasons for any significant revised management decision made during the reporting period.

12. Information concerning any significant management decision with which the Inspector General is in disagreement.

13. The information described under section 804(b) of the Federal Financial Management Improvement Act of 1996.

14. An appendix containing—
   A. the results of any peer review conducted by another Office of Inspector General during the reporting period; or
   B. if no peer review was conducted within that reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General.

15. A list of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing the status of the implementation and why implementation is not complete.

16. A list of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented.

17. Statistical Tables Showing—
   A. the total number of investigative reports issued during the reporting period
   B. the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;
C. the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and

D. the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities.

18. A description of the metrics used for developing the data for the statistical tables under paragraph (17).

19. A report on each investigation conducted by the Office involving a senior Government employee where allegations of misconduct were substantiated, including a detailed description of—

A. the facts and circumstances of the investigation; and

B. the status and disposition of the matter, including—

   I. if the matter was referred to the Department of Justice, the date of the referral; and

   II. if the Department of Justice declined the referral, the date of the declination

20. A detailed description of—

A. any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation and;

B. what, if any, consequences the establishment imposed to hold that official accountable.

21. A detailed description of any attempt by the establishment to interfere with the independence of the Office, including—

A. with budget constraints designed to limit the capabilities of the Office; and

B. incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action.

22. Detailed descriptions of the particular circumstances of each—

A. inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and

B. investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public.

5(b): The head of the Agency must forward the IG’s SAR to congress within 30 days of receipt along with the Agency’s own report containing...

1. Any comments such head determines appropriate.

2. Statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of disallowed costs, for reports—

   A. for which final action had not been taken by the commencement of the reporting period;

   B. on which management decisions were made during the reporting period;
C. for which final action was taken during the reporting period, including—
   I. the dollar value of disallowed costs that were recovered by management through collection, offset, property in lieu of cash, or otherwise; and
   II. the dollar value of disallowed costs that were written off by management; and
D. for which no final action has been taken by the end of the reporting period.

3. Statistical tables showing the total number of audit reports, inspection reports, and evaluation reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for reports—
   A. for which final action had not been taken by the commencement of the reporting period;
   B. on which management decisions were made during the reporting period;
   C. for which final action was taken during the reporting period, including—
      I. the dollar value of recommendations that were actually completed; and
      II. the dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed; and
D. for which no final action has been taken by the end of the reporting period.

4. Whether the establishment entered into a settlement agreement with the official described in subsection (a)(20)(A), which shall be reported regardless of any confidentiality agreement relating to the settlement agreement.

5. A statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year, containing—
   A. a list of such audit reports and the date each such report was issued;
   B. the dollar value of disallowed costs for each report;
   C. the dollar value of recommendations that funds be put to better use agreed to by management for each report; and
   D. an explanation of the reasons final action has not been taken with respect to each such audit report, except that such statement may exclude such audit reports that are under formal administrative or judicial appeal or upon which management of an establishment has agreed to pursue a legislative solution, but shall identify the number of reports in each category so excluded.
Appendix C:

QUALIFICATIONS FOR INSPECTORS GENERAL PURSUANT TO THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED

5 U.S.C. APP. § 3(A)
There shall be at the head of each Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, 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.

5 U.S.C. APP. § 8G(C)
Except as provided under subsection (f) of this section, the Inspector General shall be appointed by the head of the designated Federal entity in accordance with the applicable laws and regulations governing appointments within the designated Federal entity. Each Inspector General shall 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.
Appendix D:
FURTHER READING

INSPECTOR GENERAL ACT OF 1978, AS AMENDED

PAST POGO REPORTS ON IG REFORM

inspectors general: accountability is a balancing act; march 2009

inspectors general: many lack essential tools for independence; february 2008
http://www.pogo.org/our-work/reports/2008/go-ig-20080226.html

LIST OF VACANT IG POSITIONS

poGO maintains on its website a list of all vacant ig positions

CURRENT CIGIE LEGISLATIVE PROPOSALS

testimony before the house oversight and government reform committee by legislative chair buller november 15, 2017. the testimony includes the list and explanation of the current cigie legislative proposals.

poGO article: inspectors general community launches oversight.gov

FEDERAL-WIDE IG WEBSITE

POGO maintains on its website a list of all vacant ig positions

LIST OF ADDITIONAL SOURCES/REPORTS DISCUSSING IG ISSUES AND PROPOSALS

national procurement fraud task force white paper; june 2008
http://pogoarchives.org/m/co/npftflc-white-paper-20080609.pdf

Annual CIGIE Report to the president and Congress – FY 2016
https://www.ignet.gov/sites/default/files/files/FY16_Annual_Report_to_the_President_and_Congress.pdf

Top Management and Performance Challenges Facing Multiple Agencies – CIGIE, April 18, 2018
https://www.ignet.gov/content/top-challenges

The Forward-Looking Inspector General – Partnership for Public Service and Grant Thornton, November 13, 2017
https://ourpublicservice.org/publications/viewcontentdetails.php?id=2104


9. IG Reform Act, § 11

10. IG Reform Act, § 3(a)

12 IG Empowerment Act § 5

13 IG Empowerment Act § 4(d)

14 U.S. Constitution, Art. II, Sec. 2, Cl. 2.


19 5 U.S.C. § 3345 (a)(2)

20 28 U.S.C. § 546(d)

21 5 U.S.C. App. §11 (c)(1)(F) requires CIGIE to “submit recommendations of individuals to the appropriate appointing authority for any appointment to an office of Inspector General…” for Establishment, Designated Federal Entity, CIA, and Intelligence Community IGs.

22 See, for example, United States v. Gantt, 194 F.3d 987, 999 n.5 (9th Cir. 1999)


IG Reform Act § 3(a)


5 U.S.C. § 1211(b)

5 U.S.C. § 1202(d)

5 U.S.C. § 7702(d)(6)(A)

39 U.S.C. Part 1 CH 2 Sec. 202(e)(3)

In Morrison v. Olson, 487 U.S. 654 (1988), the Supreme Court ruled on the constitutionality of Congress limiting the president’s removal power. The Court found, in part, that “...the...imposition of a ‘good cause’ standard for removal by itself does not unduly trammel on executive authority” (Morrison at 658). The Court explained that Congress’s requirement of a finding of cause before firing of an executive officer was not a violation of the separation of powers because Congress was not trying to gain a role in the removal of executive officers, more than it already had (Id. at 692). When applying this standard to IGs, should Congress impose a “for cause” requirement, the president would still retain complete authority to determine that the IG is executing their statutory obligations. If they are not, the IG would be subject to removal at the president’s discretion. Therefore, under Morrison, a Congressional requirement of removal for cause is not at odds with the president’s constitutional powers.

Council of the Inspectors General on Integrity and Efficiency, “Integrity.” https://www.ignet.gov/content/integrity-0 (Downloaded June 26, 2018)

Accountability is a Balancing Act

Oversight.gov is a “publicly accessible, searchable website containing the latest public reports from the Federal Inspectors General who are members of the Counsel of the Inspectors General on Integrity and Efficiency (CIGIE).” www.oversight.gov


Under 5 U.S.C. § 2302(d), agencies are required to certify that their employees are trained in their whistleblower rights. The Office of Special Counsel (OSC) provides a Certification Program that would greatly benefit from more resources. For example, OSC is only able to provide bi-annual certification, but with more resources it could provide annual training.

If a whistleblower alleges wrongdoing involving an Office of Inspector General, OSC must by law refer the matter to the agency head, mandating the agency investigate the IG (IG Act § 11(d)(5)(a). This creates a conflict with the independence requirements in the Inspector General Act of 1978. Ad hoc workarounds have been created—requiring the consent of multiple government offices and Congress such as having a third-party Office of Inspector General investigate the matter or sending the matter to the CIGIE Integrity Committee (which itself may task a third-party IG to investigate).


48 IG Act § 5


52 IG Act § 5

