

Office of the Secretary of Defense

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(c) Provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

§ 373.4 Organization and management.

(a) The IG, a civilian appointed by the President, with the advice and consent of the Senate, shall serve as head of the OIG.

(b) The IG, in accordance with applicable laws and regulations governing the civil service, shall:

(1) Appoint a Deputy Inspector General, who shall serve as IG in his or her absence.

(2) Appoint an Assistant Inspector General for Auditing who shall supervise the performance of auditing activities relating to programs and operations of the Department of Defense.

(3) Appoint an Assistant Inspector General for Investigations who shall supervise the performance of investigative activities relating to programs and operations of the Department of Defense.

(4) Select, appoint, and employ such other officers and employees as may be necessary to carry out the mission, functions, responsibilities, and authorities assigned herein.

(c) The OIG shall consist of organizational elements established by the IG within the resources assigned by the Secretary of Defense or by statute.

(d) The Secretaries of the Military Departments or their designees shall assign military personnel to the OIG in accordance with approved authorizations and established procedures for assignments to joint duty.

(e) The Secretary of Defense shall provide the OIG with appropriate and adequate office space at central and field office locations together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of the OIG, and shall provide necessary maintenance services for offices and equipment and facilities located therein.

§ 373.5 Responsibilities and functions.

(a) The *Inspector General, Department of Defense*, shall:

(1) Be the principal adviser to the Secretary of Defense on all audit and criminal investigative matters covered under Pub. L. 95-452 and for matters relating to the prevention and detection of fraud, waste, and abuse in the programs and operations of the Department of Defense.

(2) Initiate, conduct, and supervise such audits and investigations in the Department of Defense, including the Military Departments, as the IG considers appropriate.

(3) Provide policy direction for audits and investigations relating to fraud, waste, and abuse and program effectiveness.

(4) Evaluate and review the work of all DoD activities relating to contract audit, internal audit, internal review, military exchange audit, and independent public accountant audit service programs.

(5) Investigate fraud, waste, and abuse uncovered as a result of contract and internal audits, as the IG considers appropriate.

(6) Develop policy, monitor and evaluate program performance, and provide guidance with respect to all DoD activities relating to criminal investigation programs.

(7) Monitor and evaluate the adherence of DoD auditors to internal audit, contract audit, and internal review principles, policies, and procedures.

(8) Develop policy, evaluate program performance, and monitor actions taken by all DoD Components in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States.

(9) Monitor and give particular regard to the activities of the internal audit, inspection, and investigative units of DoD Components (including those of the Military Departments) with a view toward avoiding duplication and insuring effective coverage, coordination, and cooperation.

(10) Provide policy direction for and conduct, supervise, and coordinate audits and investigations relating to DoD programs and operations.

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(11) Review existing and proposed legislation and regulations relating to DoD programs and operations and make recommendations thereon in accordance with section 4(a)(2) of Pub. L. 95-452 concerning their impact on economy and efficiency or on the prevention and detection of fraud and abuse in DoD programs and operations.

(12) Recommend policies for and conduct, supervise, or coordinate other activities carried out or financed by the Department of Defense for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.

(13) Recommend policies for and conduct, supervise, or coordinate relationships between the Department of Defense and other Federal agencies, State and local governmental agencies, and nongovernmental entities with respect to:

(i) 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 the Department of Defense; or

(ii) The identification and prosecution of participants in such fraud or abuse.

(14) Keep the Secretary of Defense and Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department of Defense, recommend corrective action concerning such problems, abuses, and deficiencies, and report on the progress made in implementing such corrective action.

(15) Receive and investigate, consistent with Section 7 of Pub. L. 95-452 and DoD Directive 7050.1 complaints or information concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, or abuse of authority, or a substantial and specific danger to the public health and safety involving the Department of Defense.

(16) Organize, direct, and manage the OIG and all resources assigned thereto.

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(17) Perform other duties as assigned by the Secretary of Defense.

(b) The *Secretaries of the Military Departments* shall maintain authority, direction, and operational control over their audit, inspection, and investigative organizations, including responsibility for their effectiveness and the scope of their activities.

(c) The *Assistant Secretary of Defense (Comptroller)* shall maintain authority, direction, and operational control over the Defense Contract Audit Agency including responsibility for the effectiveness and scope of the Agency's activities.

§ 373.6 Relationships.

(a) The IG shall carry out the above responsibilities and functions under the general supervision of the Secretary of Defense and shall not be prevented or prohibited from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation; except that the IG shall be subject to the authority, direction, and control of the Secretary with respect to audits, investigations, or the issuances of subpoenas that require access to information concerning:

(1) Sensitive operational plans.

(2) Intelligence matters.

(3) Counterintelligence matters.

(4) Ongoing criminal investigations by other administrative units of the Department of Defense related to national security.

(5) Other matters the disclosure of which would constitute a serious threat to national security.

(b) If the Secretary of Defense exercises the authority to restrict IG access under paragraph (a) of this section, the IG shall submit a statement concerning such exercise within 30 days to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives and to other appropriate committees or subcommittees.

(c) In the performance of assigned responsibilities and functions, the IG shall:

(1) Coordinate actions, as he or she deems appropriate, with other DoD