

IMPROVING GOVERNMENT ACCOUNTABILITY ACT

SEPTEMBER 27, 2007.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WAXMAN, from the Committee on Oversight and Government Reform, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 928]

[Including cost estimate of the Congressional Budget Office]

The Committee on Oversight and Government Reform, to whom was referred the bill (H.R. 928) to amend the Inspector General Act of 1978 to enhance the independence of the Inspectors General, to create a Council of the Inspectors General on Integrity and Efficiency, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Improving Government Accountability Act”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Enhancing independence of Inspectors General.
- Sec. 3. Direct submission of budget requests to Congress.
- Sec. 4. Establishment of Council of the Inspectors General on Integrity and Efficiency.
- Sec. 5. Pay and bonuses of Inspectors General.
- Sec. 6. Miscellaneous enhancements.
- Sec. 7. Program Fraud Civil Remedies Act.
- Sec. 8. Application of semiannual reporting requirements with respect to inspection reports and evaluation reports.

SEC. 2. ENHANCING INDEPENDENCE OF INSPECTORS GENERAL.

(a) **REMOVAL FOR CAUSE.**—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 3(b) by adding at the end the following: “An Inspector General may be removed from office prior to the expiration of his or her term only on any of the following grounds:

“(1) Permanent incapacity.

“(2) Inefficiency.

“(3) Neglect of duty.

“(4) Malfeasance.

“(5) Conviction of a felony or conduct involving moral turpitude.”; and

(2) in section 8G(e) by striking “an Inspector General” and all that follows through the period at the end and inserting the following: “the head of a designated Federal entity intends to remove an Inspector General from office or transfer an Inspector General to another position or location within such designated Federal entity, the head of such entity shall communicate in writing the reasons for any such removal or transfer to both Houses of Congress at least 30 days before such removal or transfer.”.

(b) **ESTABLISHMENT OF TERMS OF OFFICE.**—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 3 by adding at the end the following:

“(e)(1) The term of office of each Inspector General shall be seven years. An individual may serve for more than one term in such office. Any individual appointed and confirmed to fill a vacancy in such position, occurring before the expiration of the term for which his or her predecessor was appointed, shall be appointed and confirmed for a full seven-year term.

“(2) An individual may continue to serve as Inspector General beyond the expiration of the term for which the individual is appointed until a successor is appointed and confirmed, except that such individual may not continue to serve for more than 1 year after the date on which the term would otherwise expire under paragraph (1).”; and

(2) in section 8G(c) by inserting “(1)” after “(c)”, and by adding at the end the following:

“(2) The term of office of each Inspector General shall be seven years. An individual may serve for more than one term in such office. Any individual appointed to fill a vacancy in such position, occurring before the expiration of the term for which his or her predecessor was appointed, shall be appointed for a full 7-year term.”.

(c) **APPLICATION.**—The amendments made by this section shall apply to any Inspector General appointed on or after the date of the enactment of this Act.

SEC. 3. DIRECT SUBMISSION OF BUDGET REQUESTS TO CONGRESS.

Section 6 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by adding at the end the following:

“(f)(1) For each fiscal year, an Inspector General may transmit an appropriation estimate and request to the Director of the Office of Management and Budget and to the appropriate committees or subcommittees of the Congress, in addition to any appropriation estimate and request submitted to the head of the establishment concerned.

“(2) The President shall include in each budget of the United States Government submitted to the Congress—

“(A) a separate statement of the amount of appropriations requested by each Inspector General who has submitted an appropriation estimate under paragraph (1); and

“(B) a statement comparing each such appropriation estimate and request submitted by an Inspector General and the funds requested by the head of the establishment concerned.”.

SEC. 4. ESTABLISHMENT OF COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY.

(a) ESTABLISHMENT.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating sections 11 and 12 in order as sections 12 and 13, and by inserting after section 10 the following new section:

“ESTABLISHMENT OF THE COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

“SEC. 11. (a) ESTABLISHMENT.—There is established as an independent entity within the executive branch the Inspectors General Council (in this section referred to as the ‘Council’). The Council’s mission shall be to increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General.

“(b) MEMBERSHIP.—

“(1) IN GENERAL.—The Council shall consist of the following members:

“(A) All Inspectors General whose offices are established under—

“(i) section 2; or

“(ii) section 8G.

“(B) The Inspectors General of the Central Intelligence Agency and the Government Printing Office.

“(C) The Controller of the Office of Federal Financial Management.

“(D) A senior level official of the Federal Bureau of Investigation designated by the Director of the Federal Bureau of Investigation.

“(E) The Director of the Office of Government Ethics.

“(F) The Special Counsel of the Office of Special Counsel.

“(G) The Deputy Director of the Office of Personnel Management.

“(H) The Deputy Director for Management of the Office of Management and Budget.

“(2) CHAIRPERSON AND EXECUTIVE CHAIRPERSON.—

“(A) EXECUTIVE CHAIRPERSON.—The Deputy Director for Management of the Office of Management and Budget shall be the Executive Chairperson of the Council.

“(B) CHAIRPERSON.—The Council shall elect one of the Inspectors General referred to in paragraph (1)(A) or (B) to act as Chairperson of the Council. The term of office of the Chairperson shall be two years.

“(3) FUNCTIONS OF CHAIRPERSON AND EXECUTIVE CHAIRPERSON.—

“(A) EXECUTIVE CHAIRPERSON.—The Executive Chairperson shall—

“(i) preside over meetings of the Council;

“(ii) provide to the heads of agencies and entities represented on the Council with summary reports of the activities of the Council; and

“(iii) provide to the Council such information relating to the agencies and entities represented on the Council as will assist the Council in performing its functions.

“(B) CHAIRPERSON.—The Chairperson shall—

“(i) convene meetings of the Council—

“(I) at least six times each year;

“(II) monthly to the extent possible; and

“(III) more frequently at his or her discretion;

“(ii) exercise the functions and duties of the Council under subsection

(c);

“(iii) appoint a Vice Chairperson to assist in carrying out the functions of the Council and act in the absence of the Chairperson, from a category of Inspectors General described in subparagraph (A)(i), (A)(ii), or (B) of subsection (b)(1), other than the category from which the Chairperson was elected;

“(iv) make such payments from funds otherwise available to the Council as may be necessary to carry out the functions of the Council;

“(v) select, appoint, and employ personnel as needed to carry out the functions of the Council subject to the availability of appropriations and the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and sub-

chapter III of chapter 53 of such title, relating to classification and General Schedule pay rates;

“(vi) to the extent and in such amounts as may be provided in advance by appropriations Acts, enter into contracts and other arrangements with public agencies and private persons to carry out the functions and duties of the Council;

“(vii) establish, in consultation with the members of the Council, such committees as determined by the Chairperson to be necessary and appropriate for the efficient conduct of Council functions; and

“(viii) prepare and transmit a report annually on behalf of the Council to the President on the activities of the Council.

“(c) FUNCTIONS AND DUTIES OF COUNCIL.—

“(1) IN GENERAL.—The Council shall—

“(A) continually identify, review, and discuss areas of weakness and vulnerability in Federal programs and operations with respect to fraud, waste, and abuse;

“(B) develop plans for coordinated, Government-wide activities that address these problems and promote economy and efficiency in Federal programs and operations, including interagency and inter-entity audit, investigation, inspection, and evaluation programs and projects to deal efficiently and effectively with those problems concerning fraud and waste that exceed the capability or jurisdiction of an individual agency or entity;

“(C) develop policies that will aid in the maintenance of a corps of well-trained and highly skilled Office of Inspector General personnel;

“(D) maintain an Internet Web site and other electronic systems for the benefit of all Inspectors General, as the Council determines are necessary or desirable;

“(E) maintain one or more academies as the Council considers desirable for the professional training of auditors, investigators, inspectors, evaluators, and other personnel of the various offices of Inspector General; and

“(F) make such reports to the Congress as the Chairperson determines are necessary or appropriate.

“(2) ADHERENCE AND PARTICIPATION BY MEMBERS.—Each member of the Council should, to the extent permitted under law, and to the extent not inconsistent with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions, adhere to professional standards developed by the Council and participate in the plans, programs, and projects of the Council.

“(3) EXISTING AUTHORITIES AND RESPONSIBILITIES.—The creation and operation of the Council—

“(A) shall not affect the preeminent policy-setting role of the Department of Justice in law enforcement and litigation;

“(B) shall not affect the authority or responsibilities of any Government agency or entity; and

“(C) shall not affect the authority or responsibilities of individual members of the Council.

“(d) INTEGRITY COMMITTEE.—

“(1) ESTABLISHMENT.—The Council shall have an Integrity Committee, which shall receive, review, and refer for investigation allegations of wrongdoing that are made against Inspectors General and certain staff members of the various Offices of Inspector General.

“(2) MEMBERSHIP.—The Integrity Committee shall consist of the following members:

“(A) The official of the Federal Bureau of Investigation serving on the Council, who shall serve as Chairperson of the Integrity Committee.

“(B) 3 or more Inspectors General described in subparagraph (A) or (B) of subsection (b)(1) appointed by the Chairperson of the Council, representing both establishments and designated Federal entities (as that term is defined in section 8G(a)).

“(C) The Special Counsel of the Office of Special Counsel.

“(D) The Director of the Office of Government Ethics.

“(3) LEGAL ADVISOR.—The Chief of the Public Integrity Section of the Criminal Division of the Department of Justice, or his designee, shall serve as a legal advisor to the Integrity Committee.

“(4) REFERRAL OF ALLEGATIONS.—

“(A) REQUIREMENT.—An Inspector General shall refer to the Integrity Committee any allegation of wrongdoing against a staff member of his or her office, if—

- “(i) review of the substance of the allegation cannot be assigned to an agency of the executive branch with appropriate jurisdiction over the matter; and
- “(ii) the Inspector General determines that—
- “(I) an objective internal investigation of the allegation is not feasible; or
- “(II) an internal investigation of the allegation may appear not to be objective.
- “(B) STAFF MEMBER DEFINED.—In this subsection the term ‘staff member’ means—
- “(i) any employee of an Office of Inspector General who reports directly to an Inspector General; or
- “(ii) who is designated by an Inspector General under subparagraph (C).
- “(C) DESIGNATION OF STAFF MEMBERS.—Each Inspector General shall annually submit to the Chairperson of the Integrity Committee a designation of positions whose holders are staff members for purposes of subparagraph (B).
- “(5) REVIEW OF ALLEGATIONS.—The Integrity Committee shall—
- “(A) review all allegations of wrongdoing it receives against an Inspector General, or against a staff member of an Office of Inspector General; and
- “(B) refer to the Chairperson of the Integrity Committee any allegation of wrongdoing determined by the Integrity Committee to be meritorious that cannot be referred to an agency of the executive branch with appropriate jurisdiction over the matter.
- “(6) AUTHORITY TO INVESTIGATE ALLEGATIONS.—
- “(A) REQUIREMENT.—The Chairperson of the Integrity Committee shall cause a thorough and timely investigation of each allegation referred under paragraph (5)(B) to be conducted in accordance with this paragraph.
- “(B) RESOURCES.—At the request of the Chairperson of the Integrity Committee, the head of each agency or entity represented on the Council—
- “(i) may provide resources necessary to the Integrity Committee; and
- “(ii) may detail employees from that agency or entity to the Integrity Committee, subject to the control and direction of the Chairperson, to conduct an investigation pursuant to this subsection.
- “(7) PROCEDURES FOR INVESTIGATIONS.—
- “(A) STANDARDS APPLICABLE.—Investigations initiated under this subsection shall be conducted in accordance with the most current Quality Standards for Investigations issued by the Council or by its predecessors (the President’s Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency).
- “(B) ADDITIONAL POLICIES AND PROCEDURES.—The Integrity Committee, in conjunction with the Chairperson of the Council, shall establish additional policies and procedures necessary to ensure fairness and consistency in—
- “(i) determining whether to initiate an investigation;
- “(ii) conducting investigations;
- “(iii) reporting the results of an investigation; and
- “(iv) providing the person who is the subject of an investigation with an opportunity to respond to any Integrity Committee report.
- “(C) REPORT.—With respect to any investigation that substantiates any allegation referred to the Chairperson of the Integrity Committee under paragraph (5)(B), the Chairperson of the Integrity Committee shall—
- “(i) submit to the Executive Chairperson of the Council a report on the results of such investigation, within 180 days (to the maximum extent practicable) after the completion of the investigation; and
- “(ii) submit to Congress a copy of such report within 30 days after the submission of such report to the Executive Chairperson under clause (i).
- “(8) NO RIGHT OR BENEFIT.—This subsection is not intended to create any right or benefit, substantive or procedural, enforceable at law by a person against the United States, its agencies, its officers, or any person.
- “(e) APPLICATION.—The provisions of this section apply only to the Inspectors General (and their offices) listed in subsection (b)(1)(A) and (B).”.
- (b) EXISTING EXECUTIVE ORDERS.—Executive Order 12805, dated May 11, 1992, and Executive Order 12993, dated March 21, 1996, shall have no force or effect.
- (c) CONFORMING AMENDMENTS.—
- (1) INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in sections 2(1), 4(b)(2), and 8G(a)(1)(A) by striking “section 11(2)” each place it appears and inserting “section 12(2)”; and

(B) in section 8G(a), in the matter preceding paragraph (1), by striking “section 11” and inserting “section 12”.

(2) TITLE 31, U.S.C.—Section 1105(a) of title 31, United States Code, is amended by striking the first paragraph (33) and inserting the following:

“(33) a separate appropriation account for appropriations for the Inspectors General Council, and, included in that account, a separate statement of the aggregate amount of appropriations requested for each academy maintained by the Inspectors General Council.”

SEC. 5. PAY AND BONUSES OF INSPECTORS GENERAL.

(a) PROHIBITION OF CASH BONUS OR AWARDS.—Section 3 of the Inspector General Act of 1978 (5 U.S.C. App.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

“(f) An Inspector General (as defined under section 8G(a)(6) or 11(3)) may not receive any cash award or cash bonus, including any cash award under chapter 45 of title 5, United States Code.”

(b) INSPECTORS GENERAL AT LEVEL III OF EXECUTIVE SCHEDULE.—

(1) IN GENERAL.—Section 3 of the Inspector General Act of 1978 (5 U.S.C. App.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

“(g) The annual rate of basic pay for an Inspector General (as defined under section 11(3)) shall be the rate payable for level III of the Executive Schedule under section 5314 of title 5, United States Code, plus 3 percent.”

(2) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by striking the item relating to each of the following positions:

- (A) Inspector General, Department of Education.
- (B) Inspector General, Department of Energy.
- (C) Inspector General, Department of Health and Human Services.
- (D) Inspector General, Department of Agriculture.
- (E) Inspector General, Department of Housing and Urban Development.
- (F) Inspector General, Department of Labor.
- (G) Inspector General, Department of Transportation.
- (H) Inspector General, Department of Veterans Affairs.
- (I) Inspector General, Department of Homeland Security.
- (J) Inspector General, Department of Defense.
- (K) Inspector General, Department of State.
- (L) Inspector General, Department of Commerce.
- (M) Inspector General, Department of the Interior.
- (N) Inspector General, Department of Justice.
- (O) Inspector General, Department of the Treasury.
- (P) Inspector General, Agency for International Development.
- (Q) Inspector General, Environmental Protection Agency.
- (R) Inspector General, Export-Import Bank.
- (S) Inspector General, Federal Emergency Management Agency.
- (T) Inspector General, General Services Administration.
- (U) Inspector General, National Aeronautics and Space Administration.
- (V) Inspector General, Nuclear Regulatory Commission.
- (W) Inspector General, Office of Personnel Management.
- (X) Inspector General, Railroad Retirement Board.
- (Y) Inspector General, Small Business Administration.
- (Z) Inspector General, Tennessee Valley Authority.
- (AA) Inspector General, Federal Deposit Insurance Corporation.
- (BB) Inspector General, Resolution Trust Corporation.
- (CC) Inspector General, Central Intelligence Agency.
- (DD) Inspector General, Social Security Administration.
- (EE) Inspector General, United States Postal Service.

(3) SAVINGS PROVISION.—Nothing in this subsection shall have the effect of reducing the rate of pay of any individual serving as an Inspector General on the effective date of this subsection.

(c) INSPECTORS GENERAL OF DESIGNATED FEDERAL ENTITIES.—Notwithstanding any other provision of law, the Inspector General of each designated Federal entity (as those terms are defined under section 8G of the Inspector General Act of 1978) shall, for pay and all other purposes, be classified at a grade, level, or rank designation, as the case may be, comparable to those of a majority of the senior staff members of such designated Federal entity (such as, but not limited to, a General Counsel, Deputy Director, or Chief of Staff) that report directly to the head of such designated Federal entity. The head of a designated Federal entity shall set the annual

rate of basic pay for an Inspector General (as defined under such section 8G) 3 percent above the annual rate of basic pay for senior staff members classified at a comparable grade, level, or rank designation (or, if those senior staff members receive different rates, the annual rate of basic pay for a majority of those senior staff members, as determined by the head of the designated Federal entity concerned).

SEC. 6. MISCELLANEOUS ENHANCEMENTS.

(a) OFFICES AS DISCRETE AGENCIES.—Section 6(d) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended to read as follows:

“(d)(1)(A) For purposes of applying the provisions of law identified in subparagraph (B)—

“(i) each Office of Inspector General shall be considered to be a separate agency; and

“(ii) the Inspector General who is the head of an office referred to in clause (i) shall, with respect to such office, have the functions, powers, and duties of an agency head or appointing authority under such provisions.

“(B) This paragraph applies with respect to the following provisions of title 5, United States Code:

“(i) Subchapter II of chapter 35.

“(ii) Sections 8335(b), 8336, 8414, and 8425(b).

“(iii) All provisions relating to the Senior Executive Service (as determined by the Office of Personnel Management), subject to paragraph (2).

“(2) For purposes of applying section 4507(b) of title 5, United States Code, paragraph (1)(A)(ii) shall be applied by substituting ‘the Council of the Inspectors General on Integrity and Efficiency (established by section 11 of the Inspector General Act) shall’ for ‘the Inspector General who is the head of an office referred to in clause (i) shall, with respect to such office,’.”

(b) SUBPOENA POWER.—Section 6(a)(4) of the Inspector General Act of 1978 (5 U.S.C. App.), is amended—

(1) by inserting “in any medium (including electronically stored information, as well as any tangible thing)” after “other data”; and

(2) by striking “subpena” and inserting “subpoena”.

(c) LAW ENFORCEMENT AUTHORITY FOR DESIGNATED FEDERAL ENTITIES.—Section 6(e) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1) by striking “appointed under section 3”; and

(2) by adding at the end the following:

“(9) In this subsection the term ‘Inspector General’ means an Inspector General appointed under section 3 or an Inspector General appointed under section 8G.”

(d) AUTHORITY OF TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION TO PROTECT INTERNAL REVENUE SERVICE EMPLOYEES.—Section 8D(k)(1)(C) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking “and the providing of physical security”.

(e) AMENDMENT RELATING TO AUTHORITY OF COMPTROLLER GENERAL TO ADMINISTER OATHS.—Section 711 of title 31, United States Code, is amended in paragraph (4) by striking “when auditing and settling accounts” and inserting “upon the specific approval only of the Comptroller General or the Deputy Comptroller General”.

(f) AMENDMENTS RELATING TO COMPTROLLER GENERAL REPORTS.—

(1) Section 719(b)(1) of title 31, United States Code, is amended—

(A) by striking “and” at the end of subparagraph (B);

(B) by striking the period and inserting “; and” at the end of subparagraph (C); and

(C) by adding at the end the following new subparagraph:

“(D) for Federal agencies subject to sections 901 to 903 of this title and other agencies designated by the Comptroller General, an assessment of their overall degree of cooperation in making personnel available for interview, providing written answers to questions, submitting to an oath authorized by the Comptroller General under section 711 of this title, granting access to records, providing timely comments to draft reports, adopting recommendations in reports, and responding to such other matters as the Comptroller General considers appropriate.”

(2) Section 719(c) of such title is amended—

(A) by striking “and” at the end of paragraph (2);

(B) by striking the period and inserting “; and” at the end of paragraph (3); and

(C) by adding at the end the following new paragraph:

“(4) as soon as practicable when an agency or other entity does not, within a reasonable period of time after a request by the Comptroller General, make personnel available for interview, provide written answers to questions, or sub-

mit to an oath authorized by the Comptroller General under section 711 of this title.”.

SEC. 7. PROGRAM FRAUD CIVIL REMEDIES ACT.

Section 3801(a)(1) of title 31, United States Code, is amended by striking “and” after the semicolon at the end of subparagraph (C), by adding “and” after the semicolon at the end of subparagraph (D), and by adding at the end the following:

“(E) a designated Federal entity (as such term is defined under section 8G(a)(2) of the Inspector General Act of 1978).”.

SEC. 8. APPLICATION OF SEMIANNUAL REPORTING REQUIREMENTS WITH RESPECT TO INSPECTION REPORTS AND EVALUATION REPORTS.

Section 5 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

- (1) in subsection (a)(6)—
 - (A) by inserting “, inspection report, and evaluation report” after “audit report”; and
 - (B) by striking “audit” the second place it appears;
- (2) in each of subsections (a)(8), (a)(9), (b)(2), and (b)(3)—
 - (A) by inserting “, inspection reports, and evaluation reports” after “audit reports” the first place it appears; and
 - (B) by striking “audit” the second place it appears; and
- (3) in subsection (a)(10) by inserting “, inspection report, and evaluation report” after “audit report”.

PURPOSE AND SUMMARY

H.R. 928, the Improving Government Accountability Act, was introduced by Rep. Cooper on February 8, 2007. H.R. 928 updates the Inspector General Act of 1978 to promote independence and accountability for Inspectors General in executive branch departments and agencies.

The bill includes provisions for (1) a defined term of office for the Inspectors General and conditions for removal, (2) Inspectors General to submit their budgets directly to the Office of Management and Budget (OMB) and Congress, (3) the statutory establishment of a combined President’s Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency, (4) pay reform for Inspectors General, (5) changes in Inspector General investigative and law enforcement authorities, (6) the application of semiannual reporting requirements with respect to inspection reports and evaluation reports, and (7) enhanced authority for the Government Accountability Office (GAO).

BACKGROUND AND NEED FOR LEGISLATION

The Inspector General Act of 1978 (IG Act) created independent offices in executive departments and agencies headed by Inspectors General. Inspectors General serve as the principal watchdogs of the nation’s major federal agencies and are responsible for conducting and supervising audits and investigations in an effort to prevent and detect fraud and abuse in their agencies’ programs and operations.

Investigations by Inspectors General have resulted in the recovery of billions of dollars from companies and individuals who defrauded the federal government. These investigations have led to thousands of criminal prosecutions, debarments, exclusions, and suspensions. In 2006 alone, audits by Inspector General offices resulted in \$9.9 billion in potential savings from audit recommendations and \$6.8 billion in investigative recoveries.

The Inspectors General established by the IG Act are either appointed by the President with Senate confirmation (presidential IGs) or appointed by their agency heads in designated federal enti-

ties (DFE IGs). There are currently 58 Inspector General offices established under the IG Act with 29 presidential IGs and 29 DFE IGs. The presidential IGs are members of the President's Council on Integrity and Efficiency (PCIE) and the DFE IGs are part of the Executive Council on Integrity and Efficiency (ECIE). Both councils are chaired by the Deputy Director for Management in the Office of Management and Budget, and were established by Executive Order to coordinate IG activities across government.

By investigating and reporting waste, fraud, and abuse to both agency leaders and to the Congress, Inspectors General play a critical role in maintaining checks and balances in the federal government. To effectively carry out their mission, Inspectors General must be independent and objective, which requires that they be insulated from improper management and political pressure. To preserve the credibility of the office, Inspectors General must also perform their duties with integrity and apply the same standards of conduct and accountability to themselves as they apply to the agencies that they audit and investigate.

Interference by agency management, the absence of input or control by Inspectors General into their office budgets, and campaigns by management to remove Inspectors General who are aggressive in their investigations all may jeopardize the independence of the Inspector General. At the same time, a lack of consistent and credible mechanisms for investigating and resolving allegations of misconduct by Inspectors General may threaten accountability and credibility.

Recent incidents demonstrating issues with independence and accountability include the following:

- Department of State Inspector General Howard Krongard allegedly interfered with numerous ongoing investigations to protect the State Department and White House from political embarrassment. According to current and former employees of the Office of Inspector General, Mr. Krongard's strong affinity with State Department leadership, support for the current administration, and partisan political ties have led him to halt investigations, censor reports, and refuse to cooperate with law enforcement agencies.

- NASA Inspector General Robert Cobb allegedly suppressed investigations and penalized his own investigators for pursuing allegations of theft, safety violations, and other wrongdoing. After a six-month investigation, the Integrity Committee the President's Council on Integrity and Efficiency determined that Mr. Cobb had abused his authority and created a hostile work environment, and had not maintained an appearance of independence from NASA officials. All members of the committee believed that disciplinary action, up to and including removal, could be appropriate. Mr. Cobb rejected the findings of the Integrity Committee and calls for his resignation from leaders of NASA's congressional oversight committees. He remains in office.

- Department of Commerce Inspector General Johnnie Frazier was under investigation for taking trips with no apparent official purpose at government expense, retaliating against employees who objected and refused to sign the travel vouchers, and destroying emails after he was informed of an investigation into his travel. A report from the Office of Special Counsel recently concluded that

he illegally retaliated against employees who challenged his conduct by demoting them. Mr Frazier retired effective June 29, 2007.

- Former Smithsonian Institution Inspector General Debra Ritt stated that former Smithsonian Secretary Lawrence M. Small tried to pressure her to drop an audit of high-ranking officials and their business expenses. Ms. Ritt moved ahead with the audit, which found excessive spending on travel and other expenses by top Smithsonian officials and led to Small's resignation. However, Ms. Ritt resigned as Smithsonian Inspector General shortly afterward, in response to cuts in the Inspector General office budget.

- Legal Services Corporation (LSC) Inspector General Kirt West was considered for dismissal by the LSC board after he issued audit reports questioning spending on travel and expenses for LSC board meetings. The LSC board did not proceed with removal after intervention from the House Judiciary Committee.

Other examples of challenges to independence and accountability have occurred at the General Services Administration, Special Inspector General for Iraq Reconstruction, Environmental Protection Agency, Department of Defense, and Department of Homeland Security, U.S. Postal Service, and Department of Health and Human Services.

LEGISLATIVE HISTORY

H.R. 928, legislation to enhance independence and accountability for Inspectors General, was introduced on February 8, 2007, and referred to the Committee on Oversight and Government Reform.

The Subcommittee on Government Management, Organization, and Procurement held a hearing on H.R. 928 on June 20, 2007. The witnesses were Clay Johnson, Deputy Director for Management, Office of Management and Budget, Executive Office of the President and Chair, President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency; Phyllis K. Fong, Inspector General, U.S. Department of Agriculture and Chair, Legislation Committee, President's Council on Integrity and Efficiency; Christine C. Boesz, Inspector General, National Science Foundation and Vice-Chair, Executive Council on Integrity and Efficiency; Eleanor J. Hill, former Inspector General, U.S. Department of Defense; Kenneth M. Mead, former Inspector General, U.S. Department of Transportation; Nikki L. Tinsley, former Inspector General, Environmental Protection Agency; Jeffrey C. Steinhoff, Managing Director, Financial Management and Assurance, Government Accountability Office; Vanessa Burrows, Legislative Attorney, Congressional Research Service; and Fred M. Kaiser, Specialist in American National Government, Congressional Research Service.

The Committee held a markup to consider H.R. 928 on August 2, 2007, and ordered the bill to be reported, as amended, by voice vote.

SECTION-BY-SECTION

Section 1: Short title

The short title of the bill is the Improving Government Accountability Act

Section 2: Enhancing independence of Inspectors General

This section enhances independence of Inspectors General by providing that presidentially appointed Inspectors General may be removed only for cause, specifically permanent incapacity, inefficiency, neglect of duty, malfeasance, conviction of a felony, or conduct involving moral turpitude. Inspectors General of Designated Federal Entities, i.e. those that are appointed by agency heads, may not be removed or transferred unless both Houses of Congress are provided 30 days advance notice of the reasons for removal or transfer.

The section sets fixed terms of seven years for Inspectors General, and permits reappointment. Individuals appointed and confirmed to fill vacancies will serve full 7 year terms.

The section applies to Inspectors General appointed on or after the date of enactment of this bill.

Section 3: Direct submission of budget requests to Congress

This section gives Inspectors General authority to submit budget requests to OMB and to Congress, in addition to requests submitted to the head of their related agency. The President's budget shall note these separate requests, as well as the difference between budget requests submitted by Inspectors General and federal agencies.

Section 4: Establishment of Inspectors General Council

This section establishes in statute an Inspectors General Council similar to the President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency established by Executive Orders 12805 and 12993 and supersedes those Executive Orders.

The Deputy Director of the Office of Management and Budget shall be the Executive Chairperson of the Council.

A Chairperson shall be elected to a two year term from among the Inspectors General who comprise the Council. The Chairperson will convene meetings, manage Council personnel and other business, establish Committees within the Council, and write an annual report to the President. The Chairperson shall appoint a Vice Chairman.

The Council's duties shall be to identify, review, and formulate plans to promote efficiency and address waste, fraud, and abuse; to maintain academies for the purpose of training personnel of the offices of Inspectors General; to maintain a website; to prepare reports for Congress at the Chairman's discretion; and to develop professional standards that are consistent with the Comptroller General's audit standards by which Council members shall adhere.

The Council shall establish an Integrity Committee, chaired by the Council's FBI representative. This Integrity Committee (which already exists within the present PCIE/ECIE structure) shall investigate any allegations of wrongdoing made against Inspectors General or their senior staff members and report substantiated allegations to the executive branch. Reports of Integrity Committee investigations must be submitted to both the Executive Chairperson of the Council and to Congress.

Section 5: Pay and bonuses of Inspectors General

This section prohibits Inspectors General from receiving cash awards or cash bonuses. The section reclassifies Inspectors General at Executive Schedule Level IV to a level equivalent to Executive Schedule Level III plus 3% and requires that Inspectors General of Designated Federal Entities be paid at a level comparable to other senior staff members of the agency plus 3%. This section will enhance independence and stature of Inspector General by increasing their fixed compensation and eliminating discretionary compensation that could create a conflict of interest.

Section 6: Miscellaneous enhancements

Section 6(a) provides that Inspectors General, rather than their associated agency heads, will be considered the “agency head” with regard to Senior Executive Service, Voluntary Separation Authority, and law enforcement officer retirement exemptions. The Inspectors General Council, rather than individual agencies, will be the nominating body for Presidential Rank Awards for Inspector General personnel.

Section 6(b) extends Inspector General subpoena power to include documents in any medium (including electronically stored information, as well as any tangible thing). This provision brings the subpoena power already enjoyed by Inspectors General up to date with electronic communications. The “tangible things” power enables Inspector General investigators to subpoena hard drives and computers.

Section 6(c) authorizes all Inspectors General to apply to the Justice Department to fully deputize agents to make arrests, obtain and execute search warrants, and carry firearms. Presidentially appointed Inspectors General have such authority under existing law, and this section expands the authority to Inspectors General of Designated Federal Entities.

Section 6(d) authorizes the Treasury Inspector General for Tax Administration to protect Internal Revenue Service employees. This provision will permit TIGTA agents to provide armed escorts to IRS employees during taxpayer contacts that are perceived to be high risk, and to engage in other essential activities to protect the IRS against external attempts to corrupt or threaten its employees. This section incorporates the language of H.R. 2527, the Enhanced Protection of the Internal Revenue Service and Its Employees Act of 2007, a bill introduced by Rep. Maloney.

Section 6(e) expands the authority of the Comptroller General to take sworn testimony, and requires the Comptroller General to assess the cooperation of federal agencies with Government Accountability Office (GAO) investigations and promptly report to Congress if agencies refuse to provide information to GAO.

Section 7: Program Fraud Civil Remedies Act

This section would authorize Inspectors General of Designated Federal Entities to pursue false claims and recoup losses resulting from fraud. Under existing law, presidentially appointed Inspectors General, executive departments, military departments, and government “establishments” which are not executive departments have the authority to address and prosecute false claims under \$150,000 under authority of the Program Fraud Civil Remedies Act. This

section extends that authority to Inspectors General of Designated Federal Entities.

Section 8: Application of semiannual reporting requirements with respect to inspection reports and evaluation reports

This section requires that Inspectors General include not only audit reports, but other inspection reports and evaluation reports in their semiannual reports to Congress.

EXPLANATION OF AMENDMENTS

The following amendments were adopted in Committee:

Mr. Cooper offered an amendment in the nature of a substitute. The amendment changed the bill as introduced to (1) specify that the term limits for Inspectors General apply prospectively, (2) require that reports of investigation from the Integrity Committee be submitted to Congress within 30 days of their submission to the Executive Chairperson of the Inspectors General Council, (3) prohibit Inspectors General from receiving cash awards or cash bonuses, and (4) reclassify Inspectors General at Executive Schedule Level IV to Executive Schedule Level III and require that Inspectors General of designated federal entities be classified for pay purposes at a level comparable to other senior staff members of the agency. The Cooper amendment incorporated H.R. 2527, the Enhanced Protection of the Internal Revenue Service and Its Employees Act of 2007, a bill introduced by Rep. Maloney to streamline authorities of the Treasury Inspector General for Tax Administration. The Cooper amendment also expanded the authority of the Comptroller General to take sworn testimony, and required the Comptroller General to assess the cooperation of federal agencies with Government Accountability Office (GAO) investigations and promptly report to Congress if agencies refuse to provide information to GAO.

Rep. Tom Davis offered an amendment to the Cooper amendment, passed by voice vote, striking a provision that Inspectors General of Designated Federal Entities may be removed only for specified cause, and replacing it with a provision that an Inspector General of a Designated Federal Entity may be removed or transferred only after the head of the federal agency transmits in writing the reasons for such removal and transfer to both Houses of Congress 30 days prior to such removal or transfer.

The Cooper amendment in the nature of a substitute, as amended by the Davis amendment, passed by voice vote.

COMMITTEE CONSIDERATION

On Thursday, August 2, 2007, the Committee met in open session and favorably ordered H.R. 928 to be reported to the House by a voice vote.

ROLL CALL VOTES

No rollcall votes were held.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to terms and conditions of employment or access to public services and accommodations. The bill does not relate to employment or access to public services and accommodations.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report, including examples of Inspector General independence and accountability being compromised that have been documented through investigations and hearings of this Committee and other Committees of Congress.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report, including identifying waste and fraud in federal programs by maintaining independent and credible Inspectors General in federal departments and agencies.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress to enact the law proposed by H.R. 928. Article I, Section 8, Clause 18 of the Constitution of the United States grants the Congress the power to enact this law.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement on whether the provisions of the report include unfunded mandates. In compliance with this requirement the Committee has received a letter from the Congressional Budget Office included herein.

EARMARK IDENTIFICATION

H.R. 928 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 928. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 928 from the Director of the Congressional Budget Office:

SEPTEMBER 27, 2007.

Hon. HENRY A. WAXMAN,
Chairman, Committee on Oversight and Government Reform, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 928, the Improving Government Accountability Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

PETER R. ORSZAG.

Enclosure.

H.R. 928—Improving Government Accountability Act

Summary: H.R. 928 would amend the Inspector General Act of 1978. The legislation would define the term of office and conditions for removal of Inspectors General (IGs); require IGs to submit their budgets directly to the Office of Management and Budget (OMB) and the Congress; establish an IG Council; provide IGs with some additional investigative, law enforcement, and personnel authorities; and require IGs to prepare additional reports.

CBO estimates that implementing H.R. 928 would cost about \$9 million in 2008 and \$73 million over the 2008–2012 period, assuming the availability of the appropriated funds. The legislation could affect direct spending and revenues, but CBO estimates that any such effects would be negligible.

H.R. 928 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budget of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 928 is shown in the following table. The costs of this legislation fall within budget function 800 (general govern-

ment) and all other budget functions where federal agencies employ Inspectors General.

	By fiscal year, in millions of dollars—				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Inspector General Authorities:					
Estimated Authorization Level	5	10	10	10	10
Estimated Outlays	5	9	10	10	10
Council of Inspectors General on Integrity and Efficiency:					
Estimated Authorization Level	5	5	5	5	5
Estimated Outlays	4	5	5	5	5
Pay Provisions:					
Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	*	1	1	1	1
Total Changes:					
Estimated Authorization Level	11	16	16	16	16
Estimated Outlays	9	16	16	16	16

Note: * = less than \$500,000.

Basis of estimate: For this estimate, CBO assumes that the bill will be enacted early in fiscal year 2008, that the necessary funds will be provided for each year, and that spending will follow historical patterns for similar activities.

The Inspector General Act of 1978 created independent offices headed by Inspectors General responsible for conducting and supervising audits and investigations; promoting economy, efficiency, and effectiveness; and preventing and detecting fraud and abuse in government programs and operations. There are two types of IGs. There are 30 IGs who are appointed by the President with Senate confirmation, (known as Presidential IGs) half of whom serve the 15 cabinet departments. Another 34 IGs serve as designated federal entity (DFE) IGs at smaller agencies and are appointed (and may be removed) by the head of the agency. The Government Accountability Office (GAO) reported that IGs had appropriated budgets of almost \$2 billion in 2006 and employ over 12,000 employees.

Spending subject to appropriation

Inspector General Authorities. Under current law, many IG activities come under the purview of the agency they oversee. The budgets for IG activities are included as part of the agency’s overall budget request to the Congress, with funding determined by the Congress through the appropriations process. Personnel matters, including hiring and retirement issues, are handled by each IG’s agency. IGs at some of the larger agencies have independent law enforcement authorities, such as carrying firearms and executing warrants for arrests; those at smaller agencies are usually deputized by the U.S. Marshall Service to perform such functions. In addition, IGs issue semi-annual reports on their activities and operations.

H.R. 928 would amend existing law to make all IG offices separate agencies with the same powers and duties as the agency the agency monitor and investigate. IGs would be authorized to directly submit their budget requests to OMB and the Congress. In addition, IGs would be given additional personnel authorities, including more flexible hiring authorities. H.R. 928 would provide additional law enforcement authorities to IGs appointed by agency heads, including the ability to carry firearms and execute warrants. The leg-

isolation also would require program evaluations and inspections to be added to their reports to Congress.

Based on information from IG offices and the cost of similar authorities, CBO estimates that these provisions would cost \$5 million in 2008 and about \$45 million over the 2008–2012 period, mostly for additional personnel costs. CBO expects that few IG offices would become wholly independent of the administrative support of their agencies, but most would require additional personnel, especially the smaller IG offices. This estimate includes the cost of additional staff and training for budget and human resources functions, as well as additional law enforcement training.

Council of Inspectors General on Integrity and Efficiency.

Currently, there are two advisory councils for IG functions: Inspectors General appointed by the President are members of the President's Council on Integrity and Efficiency (PCIE) while DFE IGs are members of the Executive Council on Integrity and Efficiency (ECIE). The two councils were created by Presidential Executive Orders and usually meet separately. They receive no specific appropriation, but are funded by the various IGs on an ad hoc basis.

H.R. 928 would establish a single council with duties and functions similar to the PCIE and ECIE. It would change the new council with identifying, reviewing, and discussing areas of weakness and fraud in federal operations and programs; developing plans for coordinated governmentwide activities that address these problems; developing policies and professional programs for IG personnel; and investigating allegations against IGs. Based on information from PCIE and ECIE regarding their current operations, CBO estimates that implementing this provision would cost an additional \$5 million in 2008 and \$25 million over the 2008–2012 period, primarily for the cost of professional training for IGs.

Pay Provisions. Section 5 would amend the Inspector General Act of 1978 to raise the annual salary level of 31 IGs specified in the legislation from Level IV to Level III of the executive schedule plus an additional 3 percent. The bill would set the level of pay for the other IGs equal to the rate of basic pay for senior staff members classified at a comparable rank plus 3 percent. In addition, the legislation would prohibit payment of cash awards and bonuses to IGs.

Based on data and information provided by the Office of Personnel Management, CBO estimates that increasing the pay for IGs would cost about \$500,000 annually and \$4 million over the 2008–2012 period, subject to the availability of appropriated funds. Most of that cost would result from increasing compensation of the 31 IGs specified in the bill who will have their rate of basic pay set at Level III of the executive schedule plus 3 percent. CBO expects the cost of increasing basic pay for the other IGs would be small because the increase in basic pay would largely be offset by the loss of bonus payments.

Direct spending and revenues

A few IGs are employed by offices that have direct spending authority to pay salaries and expenses. Amendments made by H.R. 928 would have an insignificant impact on spending by those offices. Enacting H.R. 928 could affect federal revenues from civil penalties as a result of allowing IGs appointed by their agency

heads to investigate and report false claims and recoup losses resulting from fraud under \$150,000. Collections of civil penalties are recorded in the budget as revenues and deposited in the general fund of the Treasury. Based on information from Presidential IGs, CBO estimates that any change in revenues that would result from enacting the bill would not be significant.

Intergovernmental and private-sector impact: H.R. 928 contains no intergovernmental or private-sector mandates as defined in the UMRA and would not affect the budget of state, local, or tribal governments.

Estimate prepared by: Federal Costs: Inspectors General: Matthew Pickford; Pay and Benefits: Barry Blom; Impact on state, local, and tribal governments: Elizabeth Cove; Impact on the private-sector: Justin Hall.

Estimate approved by: Peter H. Fontaine, Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

INSPECTOR GENERAL ACT OF 1978

* * * * *

PURPOSE; ESTABLISHMENT

SEC. 2. In order to create independent and objective units—

(1) to conduct and supervise audits and investigations relating to the programs and operations of the establishments listed in **[section 11(2)]** *section 12(2)*;

* * * * *

APPOINTMENT AND REMOVAL OF OFFICERS

SEC. 3. (a) * * *

(b) An Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress. *An Inspector General may be removed from office prior to the expiration of his or her term only on any of the following grounds:*

- (1) *Permanent incapacity.*
- (2) *Inefficiency.*
- (3) *Neglect of duty.*
- (4) *Malfeasance.*
- (5) *Conviction of a felony or conduct involving moral turpitude.*

* * * * *

(e)(1) *The term of office of each Inspector General shall be seven years. An individual may serve for more than one term in such office. Any individual appointed and confirmed to fill a vacancy in*

such position, occurring before the expiration of the term for which his or her predecessor was appointed, shall be appointed and confirmed for a full seven-year term.

(2) An individual may continue to serve as Inspector General beyond the expiration of the term for which the individual is appointed until a successor is appointed and confirmed, except that such individual may not continue to serve for more than 1 year after the date on which the term would otherwise expire under paragraph (1).

(f) An Inspector General (as defined under section 8G(a)(6) or 11(3)) may not receive any cash award or cash bonus, including any cash award under chapter 45 of title 5, United States Code.

(g) The annual rate of basic pay for an Inspector General (as defined under section 11(3)) shall be the rate payable for level III of the Executive Schedule under section 5314 of title 5, United States Code, plus 3 percent.

DUTIES AND RESPONSIBILITIES

SEC. 4. (a) * * *

(b)(1) * * *

(2) For purposes of determining compliance with paragraph (1)(A) with respect to whether internal quality controls are in place and operating and whether established audit standards, policies, and procedures are being followed by Offices of Inspector General of establishments defined under [section 11(2)] *section 12(2)*, Offices of Inspector General of designated Federal entities defined under section 8F(a)(2), and any audit office established within a Federal entity defined under section 8F(a)(1), reviews shall be performed exclusively by an audit entity in the Federal Government, including the General Accounting Office or the Office of Inspector General of each establishment defined under [section 11(2)] *section 12(2)*, or the Office of Inspector General of each designated Federal entity defined under section 8F(a)(2).

* * * * *

REPORTS

SEC. 5. (a) Each Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to—

(1) * * *

* * * * *

(6) a listing, subdivided according to subject matter, of each audit report, *inspection report*, and *evaluation report* issued by the Office during the reporting period and for each [audit] 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;

* * * * *

(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 [audit] reports—

(A) * * *

* * * * *

(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 [audit] reports—

(A) * * *

* * * * *

(10) a summary of each audit report, *inspection report*, and *evaluation report* issued before the commencement of the reporting period 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) Semiannual reports of each Inspector General shall be furnished to the head of the establishment involved not later than April 30 and October 31 of each year and shall be transmitted by such head to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the head of the establishment 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 [audit] reports—

(A) * * *

* * * * *

(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 [audit] reports—

(A) * * *

* * * * *

AUTHORITY; ADMINISTRATION PROVISIONS

SEC. 6. (a) In addition to the authority otherwise provided by this Act, each Inspector General, in carrying out the provisions of this Act, is authorized—

(1) * * *

* * * * *

(4) to require by [subpena] *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 Act, which subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That proce-

dures other than subpoenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

* * * * *

[(d) For purposes of the provisions of title 5, United States Code, governing the Senior Executive Service, any reference in such provisions to the “appointing authority” for a member of the Senior Executive Service or for a Senior Executive Service position shall, if such member or position is or would be within the Office of an Inspector General, be deemed to be a reference to such Inspector General.]

(d)(1)(A) *For purposes of applying the provisions of law identified in subparagraph (B)*

(i) *each Office of Inspector General shall be considered to be a separate agency; and*

(ii) *the Inspector General who is the head of an office referred to in clause (i) shall, with respect to such office, have the functions, powers, and duties of an agency head or appointing authority under such provisions.*

(B) *This paragraph applies with respect to the following provisions of title 5, United States Code:*

(i) *Subchapter II of chapter 35.*

(ii) *Sections 8335(b), 8336, 8414, and 8425(b).*

(iii) *All provisions relating to the Senior Executive Service (as determined by the Office of Personnel Management), subject to paragraph (2).*

(2) *For purposes of applying section 4507(b) of title 5, United States Code, paragraph (1)(A)(ii) shall be applied by substituting “the Council of the Inspectors General on Integrity and Efficiency (established by section 11 of the Inspector General Act) shall” for “the Inspector General who is the head of an office referred to in clause (i) shall, with respect to such office.”*

(e)(1) In addition to the authority otherwise provided by this Act, each Inspector General [appointed under section 3], 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—

(A) * * *

* * * * *

(9) *In this subsection the term “Inspector General” means an Inspector General appointed under section 3 or an Inspector General appointed under section 8G.*

(f)(1) *For each fiscal year, an Inspector General may transmit an appropriation estimate and request to the Director of the Office of Management and Budget and to the appropriate committees or subcommittees of the Congress, in addition to any appropriation estimate and request submitted to the head of the establishment concerned.*

(2) *The President shall include in each budget of the United States Government submitted to the Congress—*

(A) *a separate statement of the amount of appropriations requested by each Inspector General who has submitted an appropriation estimate under paragraph (1); and*

(B) a statement comparing each such appropriation estimate and request submitted by an Inspector General and the funds requested by the head of the establishment concerned.

* * * * *

SPECIAL PROVISIONS CONCERNING THE DEPARTMENT OF THE
TREASURY

SEC. 8D. (a) * * *

* * * * *

(k)(1) In addition to the duties and responsibilities exercised by an Inspector General of an establishment, the Treasury Inspector General for Tax Administration—

(A) * * *

* * * * *

(C) shall be responsible for protecting the Internal Revenue Service against external attempts to corrupt or threaten employees of the Internal Revenue Service, but shall not be responsible for the conducting of background checks [and the providing of physical security]; and

* * * * *

REQUIREMENTS FOR FEDERAL ENTITIES AND DESIGNATED FEDERAL
ENTITIES

SEC. 8G. (a) Notwithstanding [section 11] *section 12* of this Act, as used in this section—

(1) the term “Federal entity” means any Government corporation (within the meaning of section 103(1) of title 5, United States Code), any Government controlled corporation (within the meaning of section 103(2) of such title), or any other entity in the Executive branch of the Government, or any independent regulatory agency, but does not include—

(A) an establishment (as defined under [section 11(2)] *section 12(2)* of this Act) or part of an establishment;

* * * * *

(c)(1) 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.

(2) *The term of office of each Inspector General shall be seven years. An individual may serve for more than one term in such office. Any individual appointed to fill a vacancy in such position, occurring before the expiration of the term for which his or her predecessor was appointed, shall be appointed for a full 7-year term.*

* * * * *

(e) If [an Inspector General is removed from office or is transferred to another position or location within a designated Federal entity, the head of the designated Federal entity shall promptly communicate in writing the reasons for any such removal or transfer to both Houses of the Congress.] *the head of a designated Federal entity intends to remove an Inspector General from office or transfer an Inspector General to another position or location within*

such designated Federal entity, the head of such entity shall communicate in writing the reasons for any such removal or transfer to both Houses of Congress at least 30 days before such removal or transfer.

* * * * *

ESTABLISHMENT OF THE COUNCIL OF THE INSPECTORS GENERAL ON
INTEGRITY AND EFFICIENCY

SEC. 11. (a) ESTABLISHMENT.—There is established as an independent entity within the executive branch the Inspectors General Council (in this section referred to as the “Council”). The Council’s mission shall be to increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall consist of the following members:

(A) All Inspectors General whose offices are established under—

- (i) section 2; or*
- (ii) section 8G.*

(B) The Inspectors General of the Central Intelligence Agency and the Government Printing Office.

(C) The Controller of the Office of Federal Financial Management.

(D) A senior level official of the Federal Bureau of Investigation designated by the Director of the Federal Bureau of Investigation.

(E) The Director of the Office of Government Ethics.

(F) The Special Counsel of the Office of Special Counsel.

(G) The Deputy Director of the Office of Personnel Management.

(H) The Deputy Director for Management of the Office of Management and Budget.

(2) CHAIRPERSON AND EXECUTIVE CHAIRPERSON.—

(A) EXECUTIVE CHAIRPERSON.—The Deputy Director for Management of the Office of Management and Budget shall be the Executive Chairperson of the Council.

(B) CHAIRPERSON.—The Council shall elect one of the Inspectors General referred to in paragraph (1)(A) or (B) to act as Chairperson of the Council. The term of office of the Chairperson shall be two years.

(3) FUNCTIONS OF CHAIRPERSON AND EXECUTIVE CHAIRPERSON.—

(A) EXECUTIVE CHAIRPERSON.—The Executive Chairperson shall—

- (i) preside over meetings of the Council;*
- (ii) provide to the heads of agencies and entities represented on the Council with summary reports of the activities of the Council; and*
- (iii) provide to the Council such information relating to the agencies and entities represented on the Council as will assist the Council in performing its functions.*

(B) CHAIRPERSON.—*The Chairperson shall—**(i) convene meetings of the Council—**(I) at least six times each year;**(II) monthly to the extent possible; and**(III) more frequently at his or her discretion;**(ii) exercise the functions and duties of the Council under subsection (c);**(iii) appoint a Vice Chairperson to assist in carrying out the functions of the Council and act in the absence of the Chairperson, from a category of Inspectors General described in subparagraph (A)(i), (A)(ii), or (B) of subsection (b)(1), other than the category from which the Chairperson was elected;**(iv) make such payments from funds otherwise available to the Council as may be necessary to carry out the functions of the Council;**(v) select, appoint, and employ personnel as needed to carry out the functions of the Council subject to the availability of appropriations and the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates;**(vi) to the extent and in such amounts as may be provided in advance by appropriations Acts, enter into contracts and other arrangements with public agencies and private persons to carry out the functions and duties of the Council;**(vii) establish, in consultation with the members of the Council, such committees as determined by the Chairperson to be necessary and appropriate for the efficient conduct of Council functions; and**(viii) prepare and transmit a report annually on behalf of the Council to the President on the activities of the Council.***(c) FUNCTIONS AND DUTIES OF COUNCIL.—****(1) IN GENERAL.—***The Council shall—**(A) continually identify, review, and discuss areas of weakness and vulnerability in Federal programs and operations with respect to fraud, waste, and abuse;**(B) develop plans for coordinated, Government-wide activities that address these problems and promote economy and efficiency in Federal programs and operations, including interagency and inter-entity audit, investigation, inspection, and evaluation programs and projects to deal efficiently and effectively with those problems concerning fraud and waste that exceed the capability or jurisdiction of an individual agency or entity;**(C) develop policies that will aid in the maintenance of a corps of well-trained and highly skilled Office of Inspector General personnel;**(D) maintain an Internet Web site and other electronic systems for the benefit of all Inspectors General, as the Council determines are necessary or desirable;*

(E) maintain one or more academies as the Council considers desirable for the professional training of auditors, investigators, inspectors, evaluators, and other personnel of the various offices of Inspector General; and

(F) make such reports to the Congress as the Chairperson determines are necessary or appropriate.

(2) *ADHERENCE AND PARTICIPATION BY MEMBERS.*—Each member of the Council should, to the extent permitted under law, and to the extent not inconsistent with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions, adhere to professional standards developed by the Council and participate in the plans, programs, and projects of the Council.

(3) *EXISTING AUTHORITIES AND RESPONSIBILITIES.*—The creation and operation of the Council—

(A) shall not affect the preeminent policy-setting role of the Department of Justice in law enforcement and litigation;

(B) shall not affect the authority or responsibilities of any Government agency or entity; and

(C) shall not affect the authority or responsibilities of individual members of the Council.

(d) *INTEGRITY COMMITTEE.*—

(1) *ESTABLISHMENT.*—The Council shall have an Integrity Committee, which shall receive, review, and refer for investigation allegations of wrongdoing that are made against Inspectors General and certain staff members of the various Offices of Inspector General.

(2) *MEMBERSHIP.*—The Integrity Committee shall consist of the following members:

(A) The official of the Federal Bureau of Investigation serving on the Council, who shall serve as Chairperson of the Integrity Committee.

(B) 3 or more Inspectors General described in subparagraph (A) or (B) of subsection (b)(1) appointed by the Chairperson of the Council, representing both establishments and designated Federal entities (as that term is defined in section 8G(a)).

(C) The Special Counsel of the Office of Special Counsel.

(D) The Director of the Office of Government Ethics.

(3) *LEGAL ADVISOR.*—The Chief of the Public Integrity Section of the Criminal Division of the Department of Justice, or his designee, shall serve as a legal advisor to the Integrity Committee.

(4) *REFERRAL OF ALLEGATIONS.*—

(A) *REQUIREMENT.*—An Inspector General shall refer to the Integrity Committee any allegation of wrongdoing against a staff member of his or her office, if—

(i) review of the substance of the allegation cannot be assigned to an agency of the executive branch with appropriate jurisdiction over the matter; and

(ii) the Inspector General determines that—

(I) an objective internal investigation of the allegation is not feasible; or

(II) an internal investigation of the allegation may appear not to be objective.

(B) *STAFF MEMBER DEFINED.*—In this subsection the term “staff member” means—

- (i) any employee of an Office of Inspector General who reports directly to an Inspector General; or
- (ii) who is designated by an Inspector General under subparagraph (C).

(C) *DESIGNATION OF STAFF MEMBERS.*—Each Inspector General shall annually submit to the Chairperson of the Integrity Committee a designation of positions whose holders are staff members for purposes of subparagraph (B).

(5) *REVIEW OF ALLEGATIONS.*—The Integrity Committee shall—

(A) review all allegations of wrongdoing it receives against an Inspector General, or against a staff member of an Office of Inspector General; and

(B) refer to the Chairperson of the Integrity Committee any allegation of wrongdoing determined by the Integrity Committee to be meritorious that cannot be referred to an agency of the executive branch with appropriate jurisdiction over the matter.

(6) *AUTHORITY TO INVESTIGATE ALLEGATIONS.*—

(A) *REQUIREMENT.*—The Chairperson of the Integrity Committee shall cause a thorough and timely investigation of each allegation referred under paragraph (5)(B) to be conducted in accordance with this paragraph.

(B) *RESOURCES.*—At the request of the Chairperson of the Integrity Committee, the head of each agency or entity represented on the Council—

(i) may provide resources necessary to the Integrity Committee; and

(ii) may detail employees from that agency or entity to the Integrity Committee, subject to the control and direction of the Chairperson, to conduct an investigation pursuant to this subsection.

(7) *PROCEDURES FOR INVESTIGATIONS.*—

(A) *STANDARDS APPLICABLE.*—Investigations initiated under this subsection shall be conducted in accordance with the most current Quality Standards for Investigations issued by the Council or by its predecessors (the President’s Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency).

(B) *ADDITIONAL POLICIES AND PROCEDURES.*—The Integrity Committee, in conjunction with the Chairperson of the Council, shall establish additional policies and procedures necessary to ensure fairness and consistency in—

(i) determining whether to initiate an investigation;

(ii) conducting investigations;

(iii) reporting the results of an investigation; and

(iv) providing the person who is the subject of an investigation with an opportunity to respond to any Integrity Committee report.

(C) *REPORT.*—With respect to any investigation that substantiates any allegation referred to the Chairperson of the

Integrity Committee under paragraph (5)(B), the Chairperson of the Integrity Committee shall—

(i) submit to the Executive Chairperson of the Council a report on the results of such investigation, within 180 days (to the maximum extent practicable) after the completion of the investigation; and

(ii) submit to Congress a copy of such report within 30 days after the submission of such report to the Executive Chairperson under clause (i).

(8) NO RIGHT OR BENEFIT.—This subsection is not intended to create any right or benefit, substantive or procedural, enforceable at law by a person against the United States, its agencies, its officers, or any person.

(e) APPLICATION.—The provisions of this section apply only to the Inspectors General (and their offices) listed in subsection (b)(1)(A) and (B).

DEFINITIONS

SEC. [11.] 12. As used in this Act—

(1) * * *

* * * * *

EFFECTIVE DATE

SEC. [12.] 13. The provisions of this Act and the amendments made by this Act shall take effect October 1, 1978.

* * * * *

TITLE 31, UNITED STATES CODE

SUBTITLE I—GENERAL

* * * * *

CHAPTER 7—GOVERNMENT ACCOUNTABILITY OFFICE

* * * * *

SUBCHAPTER II—GENERAL DUTIES AND POWERS

§ 711. General authority

The Comptroller General may—

(1) * * *

* * * * *

(4) administer oaths to witnesses [when auditing and settling accounts] upon the specific approval only of the Comptroller General or the Deputy Comptroller General.

* * * * *

§ 719. Comptroller General reports

(a) * * *

(b)(1) The Comptroller General shall include in the report to Congress under subsection (a) of this section—

(A) * * *

(B) information on carrying out duties and powers of the Comptroller General under clauses (A) and (C) of this paragraph, subsections (g) and (h) of this section, and sections 717, 731(e)(2), 734, 1112, and 1113 of this title; **[and]**

(C) the name of each officer and employee of the Government Accountability Office assigned or detailed to a committee of Congress, the committee to which the officer or employee is assigned or detailed, the length of the period of assignment or detail, a statement on whether the assignment or detail is finished or continuing, and compensation paid out of appropriations available to the Comptroller General for the period of the assignment or detail that has been completed**[.]**; and

(D) for Federal agencies subject to sections 901 to 903 of this title and other agencies designated by the Comptroller General, an assessment of their overall degree of cooperation in making personnel available for interview, providing written answers to questions, submitting to an oath authorized by the Comptroller General under section 711 of this title, granting access to records, providing timely comments to draft reports, adopting recommendations in reports, and responding to such other matters as the Comptroller General considers appropriate.

* * * * *

(c) The Comptroller General shall report to Congress—

(1) * * *

(2) on the adequacy and effectiveness of—

(A) administrative audits of accounts and claims in an agency; and

(B) inspections by an agency of offices and accounts of fiscal officials; **[and]**

(3) as frequently as practicable on audits carried out under sections 713 and 714 of this title**[.]**; and

(4) as soon as practicable when an agency or other entity does not, within a reasonable period of time after a request by the Comptroller General, make personnel available for interview, provide written answers to questions, or submit to an oath authorized by the Comptroller General under section 711 of this title.

* * * * *

SUBTITLE II—THE BUDGET PROCESS

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CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION

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§ 1105. Budget contents and submission to Congress

(a) On or after the first Monday in January but not later than the first Monday in February of each year, the President shall sub-

mit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information. The President shall include in each budget the following:

(1) * * *

* * * * *

[(33) a separate appropriation account for appropriations for the Inspectors General Criminal Investigator Academy and the Inspectors General Forensic Laboratory of the Department of the Treasury.]

(33) a separate appropriation account for appropriations for the Inspectors General Council, and, included in that account, a separate statement of the aggregate amount of appropriations requested for each academy maintained by the Inspectors General Council.

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SUBTITLE III—FINANCIAL MANAGEMENT

* * * * *

CHAPTER 38—ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS AND STATEMENTS

§ 3801. Definitions

(a) For purposes of this chapter—

(1) “authority” means—

(A) * * *

* * * * *

(C) an establishment (as such term is defined in section 11(2) of the Inspector General Act of 1978) which is not an executive department; [and]

(D) the United States Postal Service; and

(E) a designated Federal entity (as such term is defined under section 8G(a)(2) of the Inspector General Act of 1978).

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TITLE 5, UNITED STATES CODE

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PART III—EMPLOYEES

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SUBPART D—PAY AND ALLOWANCES

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CHAPTER 53—PAY RATES AND SYSTEMS

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SUBCHAPTER II—EXECUTIVE SCHEDULE PAY RATES

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§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Deputy Administrator of General Services.

* * * * *

【Inspector General, Department of Education.】

* * * * *

【Inspector General, Department of Energy.】

* * * * *

【Inspector General, Department of Health and Human Services.】

【Inspector General, Department of Agriculture.】

Special Counsel of the Merit Systems Protection Board.

【Inspector General, Department of Housing and Urban Development.】

Chairman, Federal Labor Relations Authority.

【Inspector General, Department of Labor.】

【Inspector General, Department of Transportation.】

【Inspector General, Department of Veterans Affairs.】

* * * * *

【Inspector General, Department of Homeland Security.】

* * * * *

【Inspector General, Department of Defense.】

* * * * *

【Inspector General, Department of State.】

* * * * *

【Inspector General, Department of Commerce.】

【Inspector General, Department of the Interior.】

【Inspector General, Department of Justice.】

【Inspector General, Department of the Treasury.】

【Inspector General, Agency for International Development.】

【Inspector General, Environmental Protection Agency.】

【Inspector General, Export-Import Bank.】

【Inspector General, Federal Emergency Management Agency.】

【Inspector General, General Services Administration.】

【Inspector General, National Aeronautics and Space Administration.】

【Inspector General, Nuclear Regulatory Commission.】

【Inspector General, Office of Personnel Management.】

【Inspector General, Railroad Retirement Board.】

【Inspector General, Small Business Administration.】

【Inspector General, Tennessee Valley Authority.】

【Inspector General, Federal Deposit Insurance Corporation.】

* * * * *

【Inspector General, Resolution Trust Corporation.】

* * * * *

【Inspector General, Central Intelligence Agency】

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【Inspector General, Social Security Administration.】

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【Inspector General, United States Postal Service.】

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ADDITIONAL VIEWS

ADDITIONAL VIEWS OF RANKING MEMBER TOM DAVIS

Since the enactment of the Inspector General Act of 1978, inspectors general (IGs) throughout government have played an integral role in identifying waste and mismanagement in government. IGs have also been instrumental in aiding Congress and the executive branch to find ways to make government more efficient and effective.

We all agree IGs should operate independently, free from political interference. After all, both agency heads and Congress often rely on IG reports to provide frank and open assessments of the effectiveness of federal programs.

However, inspectors general should also be part of an agency's management structure—albeit with some independence—rather than a “fourth branch” of the federal government. If we divorce the IGs from the day-to-day operations of the agencies they oversee, IGs will cease to perform a constructive role and could instead play more of a “Monday morning quarterback” role where their function is solely to second-guess decisions made by agencies.

Many of the provisions in H.R. 928 would help to enhance the effectiveness of the IGs in overseeing federal agencies and programs. But other provisions in the legislation go too far.

As an example, during Committee consideration of the legislation, I offered an amendment to exempt the smaller agency inspectors general from the “for cause” removal provision in the bill, thereby reserving the “for cause” removal threshold only for Cabinet-level agency inspectors general. The purpose of the amendment, which was adopted, was to strike a balance between the need to ensure independence of our inspectors general while at the same time preserving the President's authority over employers and officers of the Executive Branch.

While I believe this change improves the legislation, other changes may be necessary to ensure IGs are capable of effectively and efficiently carrying out their responsibilities. I understand the Administration has a number of suggested improvements to the legislation, improvements I trust the majority will work to accommodate before moving H.R. 928 to the floor.

TOM DAVIS.

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