



History and Overview of the Inspector General Function

Learning Objectives

- Describe the historical context of the IG function
- Describe the basic concepts and mandates of an OIG
- Identify significant similarities and differences among federal, state, and local OIGs

Inspectors General: Why?

“A dominant feature of the American political culture is a distrust of government. A corollary is an unquenchable thirst for accountability that cuts across the political spectrum.... The OIGs symbolize a public value that has widespread public appeal....”

Mark H. Moore and Margaret Jane Gates
Inspectors-General: Junkyard Dogs or Man’s Best Friend?

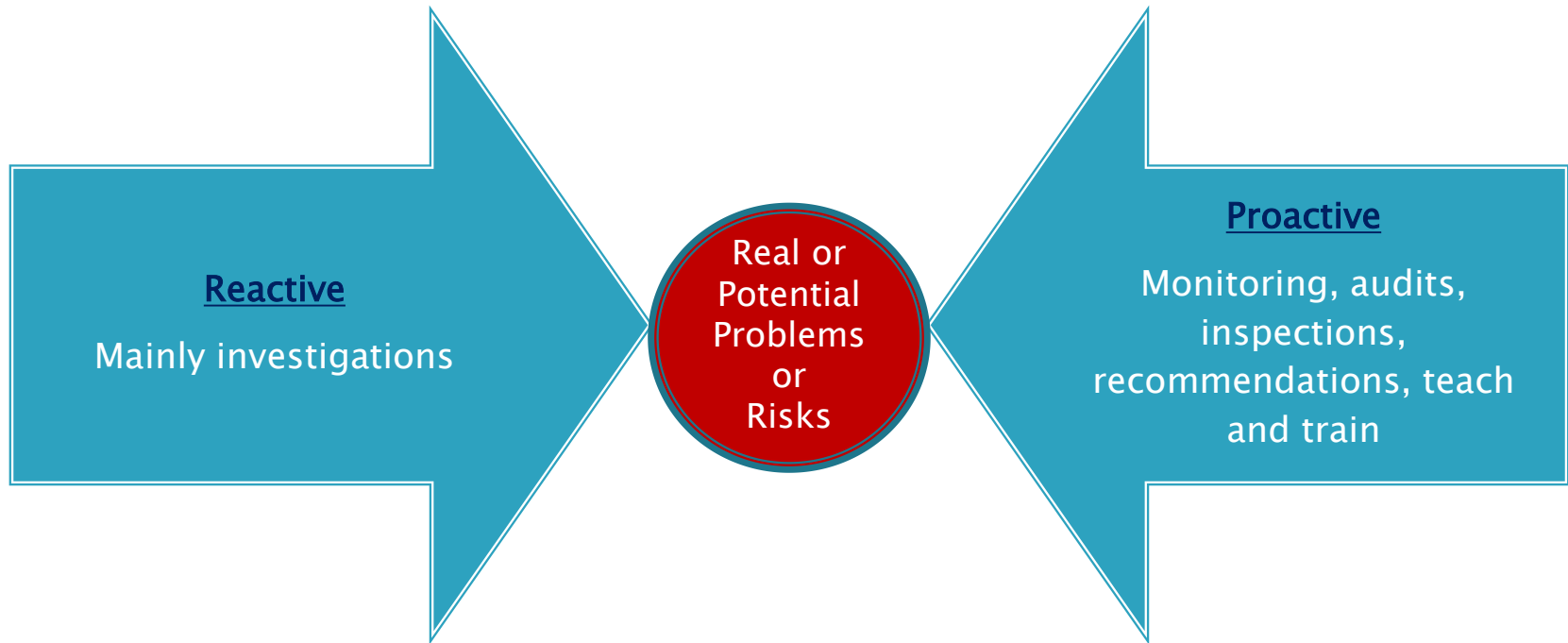
The American Inspector General concept is our contribution to democracy in creating a unique government entity as a check and balance over other government entities.

How would you describe what an Inspector General does?

In a few sentences – an elevator speech.



One way to look at OIG work.



What makes OIGs different from:

- ▶ Internal Auditors?
- ▶ Internal Affairs?
- ▶ Compliance Offices?
- ▶ Commissions on Ethics?
- ▶ Prosecutor Public Corruption Units?
- ▶ Non-OIG Inspection/Investigation Units?

IG Origins – Military History



- ▶ 1668 French Infantry & Cavalry
- ▶ Widespread application in Europe

“By the mid–eighteenth century, military inspection had become essential to modern armies.” Historian David Clary

IG Origins

- ▶ Inspectors General (or similar models) existed in European federal governments



IG Origins – U.S. Military History 1777

- ▶ General George Washington
 - Concern with army & militia training & readiness
- ▶ Continental Congress
 - Concern with accountability for military investment of resources
 - Reporting concerns
- ▶ Result: The first U.S. IG appointed by Congress



Pop Quiz

- ▶ Who was the first U. S. Inspector General?
- ▶ Who was the first effective U.S. Inspector General?
- ▶ Similarities to issues facing today's Inspectors General?

IG Origins – Major issues for the IG movement

- ▶ Accountability (economy, efficiency, effectiveness)
- ▶ Independence
- ▶ Reporting

Sound familiar?

IG in the Federal Government

- ▶ IG concept moves from the military into “civilian” federal agencies
- ▶ Evolution of the IG concept
- ▶ Inspector General Act of 1978

Federal IGs – CIA

- ▶ 1952 –Director of Central Intelligence (DCI) appointed (non-statutory) an Inspector General
 - Charged with conducting
 - Investigations
 - Inspections



The first “Civilian” OIG in the federal government



Federal IGs – State



- ▶ 1959 – **Statutory** Inspector General and Comptroller for Foreign Assistance
 - Appointed by Secretary of State
 - Required to provide information to Congress
 - Granted access to other agencies' documents
- ▶ 1961 – Amendments
 - Presidential appointee with Senate confirmation
 - Increased scope
 - Permanent budget authorization
 - Stricter provisions requiring provision of information to Congress
 - Charge included effectiveness, efficiency, and economy

Federal IGs – Agriculture

- ▶ 1962 House Intergovernmental Relations subcommittee investigation of Billy Sol Estes
 - Agriculture personnel “displayed a conspicuous lack of alertness”
 - Numerous investigations but no communication and coordination
- ▶ 1962 Non-Statutory Agriculture Inspector General
 - Created and appointed by Agriculture Secretary
 - Reported to Secretary only
 - Brought together audits and investigations
- ▶ 1974 Eliminated by Secretary

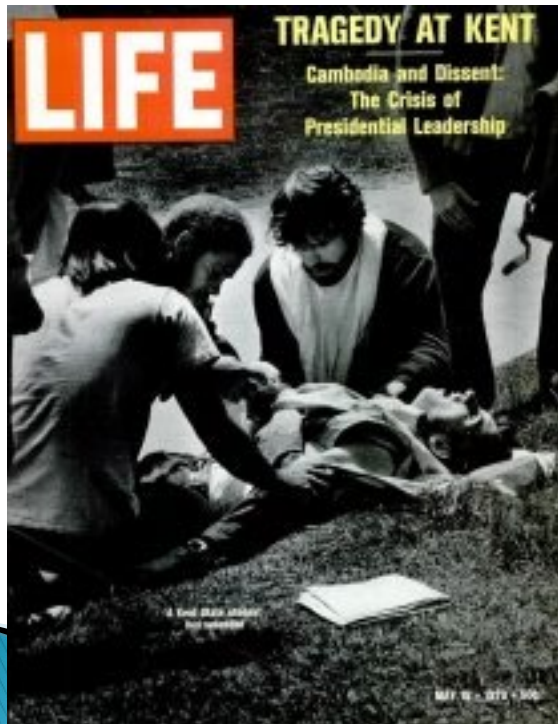
Federal IGs - Health, Education, and Welfare

- ▶ Investigations in Senate and House
- ▶ 1976 HEW Inspector General Act – the IG
 - Chartered to investigate/review each program administered by HEW that involved the application or disbursement of federal funds.
 - Recommend correction of deficiencies in or improvements.
 - Transmit an annual report to Congress and the Secretary of HEW.
 - Access to information, issue subpoenas, interviews.
 - 10 year term, removal only by “impeachment.”

Add the 1970's political/ social climate

The New York Times

Fraud in Federal Aid Exceed
\$12 Billion Annually, Experts Say



Federal IGs Landmark Legislation

Inspector General Act of 1978

- ▶ **Mandate:**
 - Audits and investigations
 - Promote economy, efficiency, and effectiveness
 - Prevent and detect fraud and abuse
- ▶ **Dual Reporting – Agency Head & Congress**
- ▶ **Establishment IGs**
 - **Appointed by President** with advice and consent of Senate
 - **Removal by President;** reasons given to House and Senate

Federal IGs - 1978 IG Act 1988 Amendments



- ▶ Designated Federal Entity IGs
 - Appointed by agency head
 - Removal by agency head; reasons given to House and Senate
- ▶ Powers and duties substantially the same as Establishment IGs

Inspector General Reform Act of 2008

- ▶ Established the Council of the Inspectors General on Integrity and Efficiency (CIGIE)
- ▶ Codified Integrity Committee established by Executive Order in 1996 to review allegations of wrongdoing by the IG or senior IG staff
- ▶ Required 30-day prior notice of proposed removal of an IG
- ▶ Provided for independent counsel for OIGs

Inspector General Empowerment Act of 2016

- ▶ Confirms that IGs are entitled to full and prompt access to agency records, thereby eliminating any doubt about whether agencies are legally authorized to disclose potentially sensitive information to IGs.

Originally 12 federal IGs

Today, 75 federal IGs



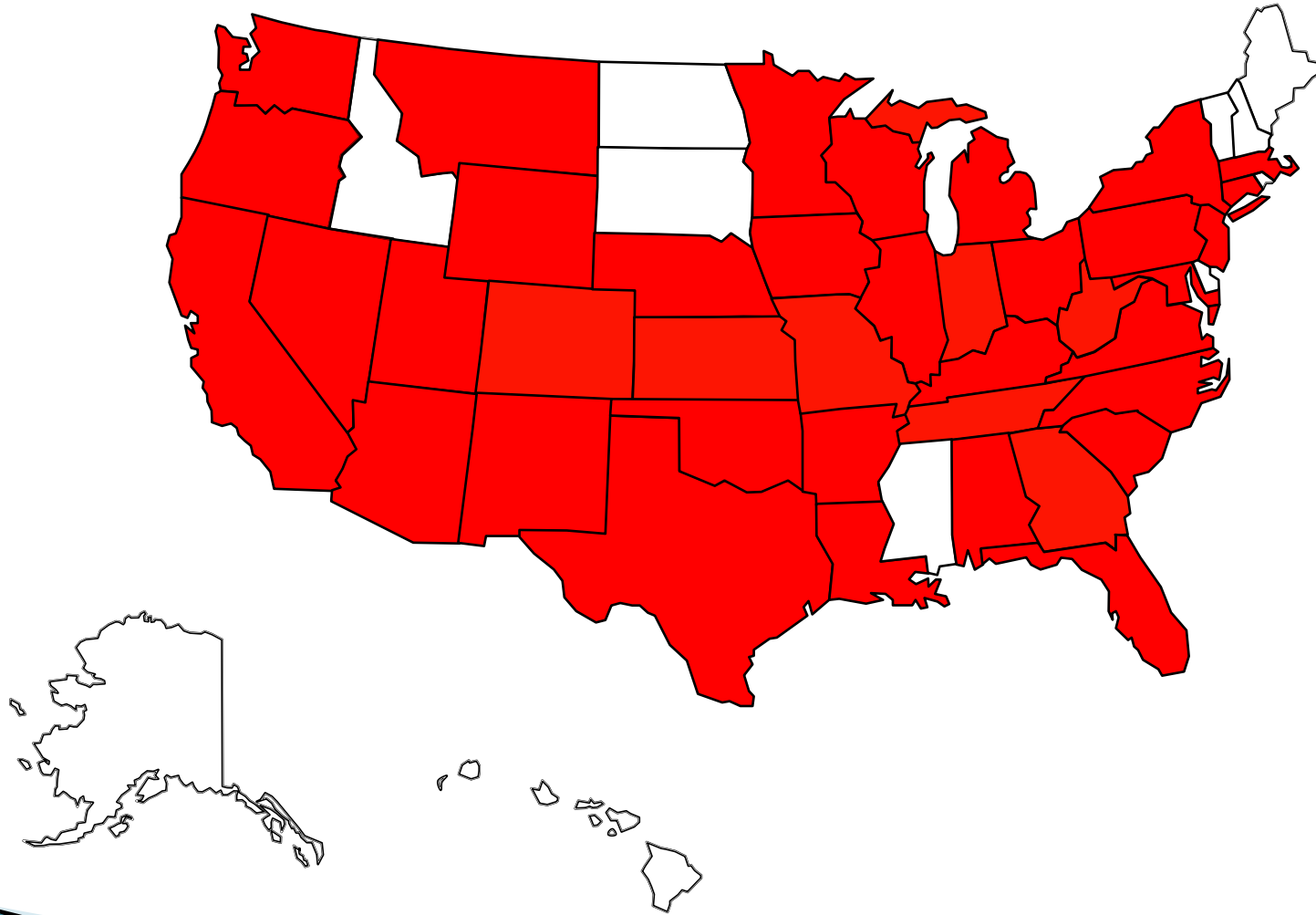
Other Federal IGs

- ▶ Federal Non-Statutory Agency IGs
- ▶ Legislative IGs
 - Architect of the Capitol
 - Capitol Police
 - Government Accountability Office
- ▶ Defense/Military IGs

IG concept moves to the State and Local IGs –1970s

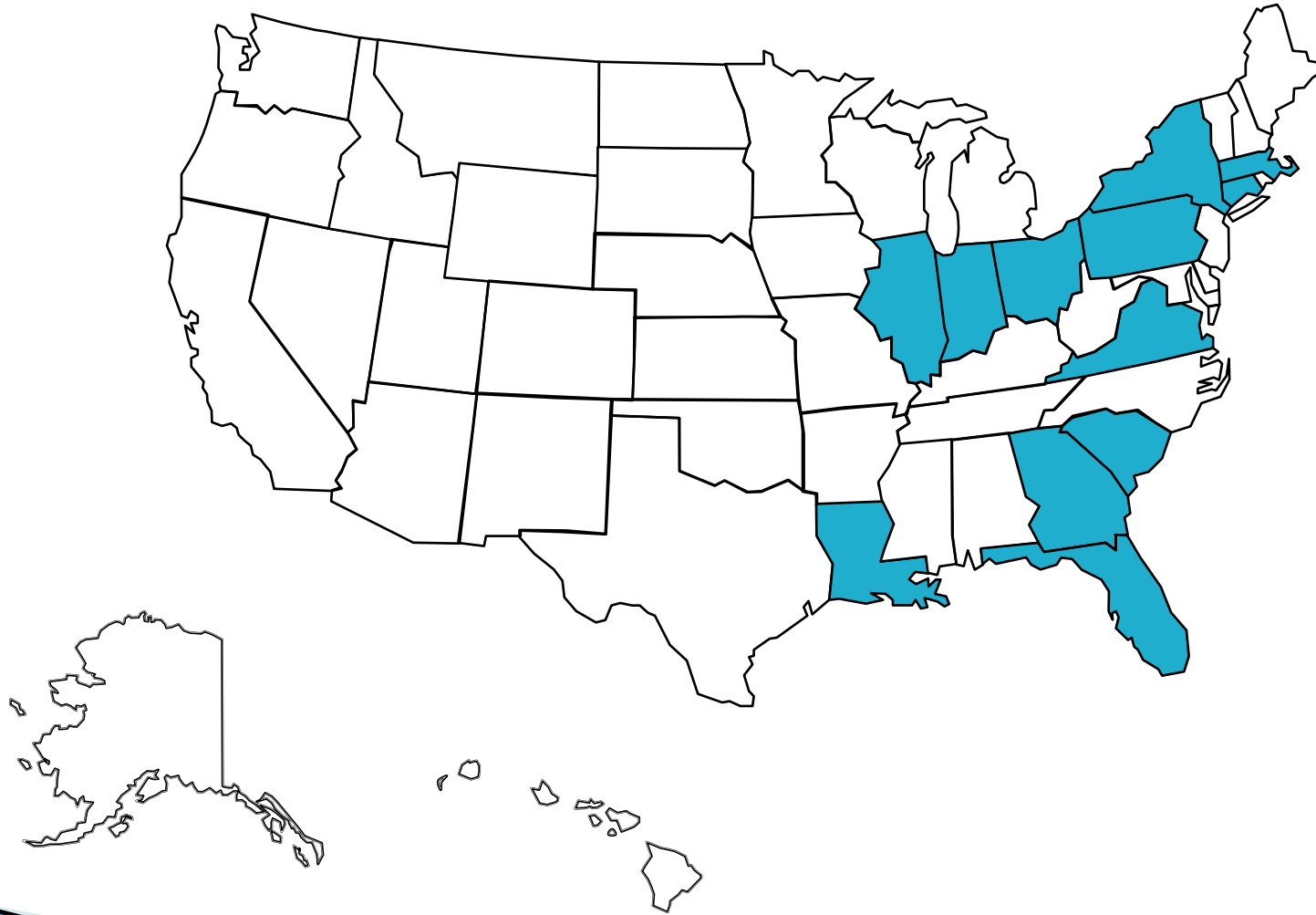
- ▶ 1970 – New York City
- ▶ 1972 – Michigan Social Services
- ▶ 1973 – TX Human Services
- ▶ 1977 – KY Human Services
- ▶ 1977 – KS Human Services
- ▶ 1978 – OK Human Services

States Where OIGs Exist



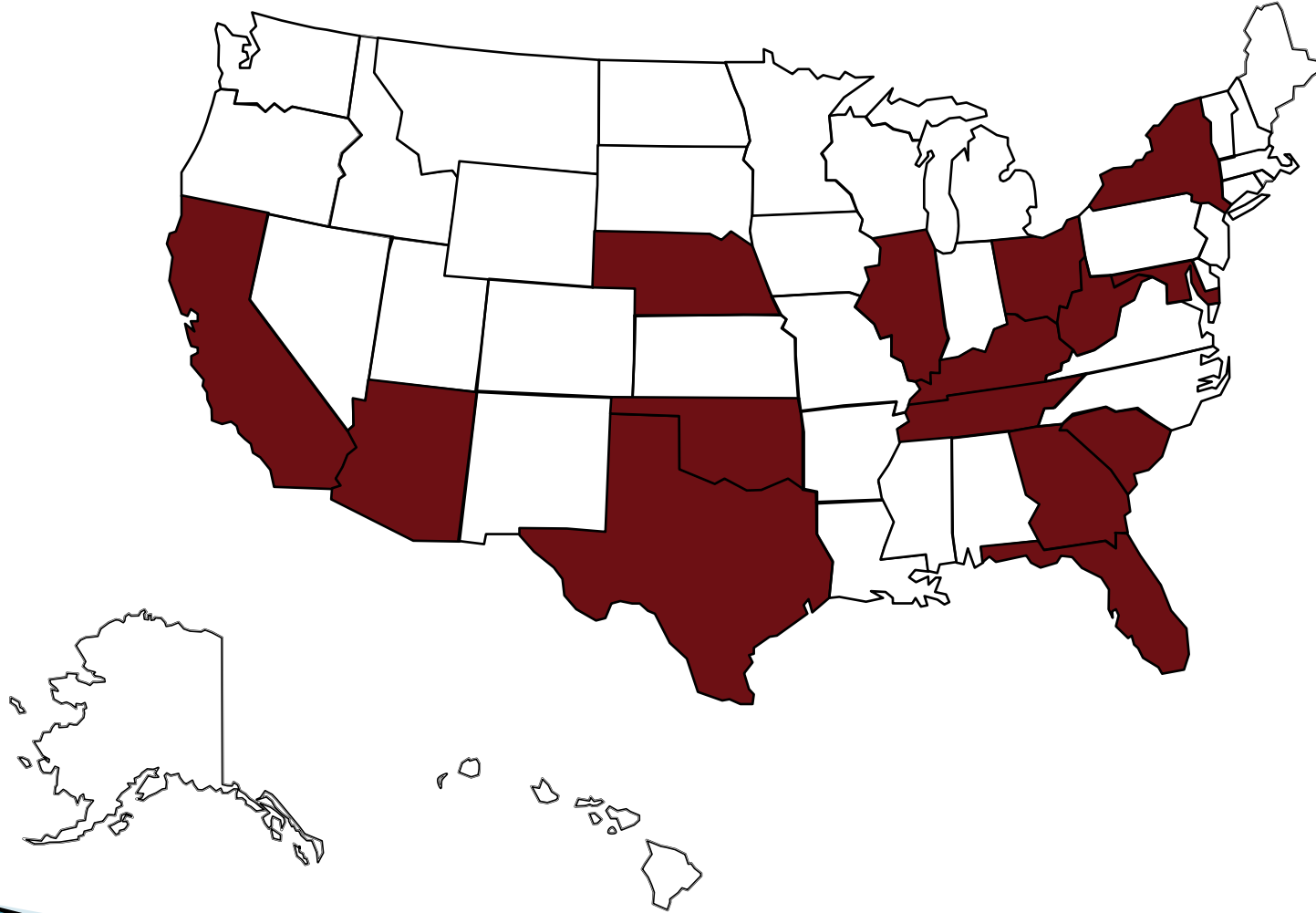
States Where OIGs Exist

OIGs with statewide jurisdiction



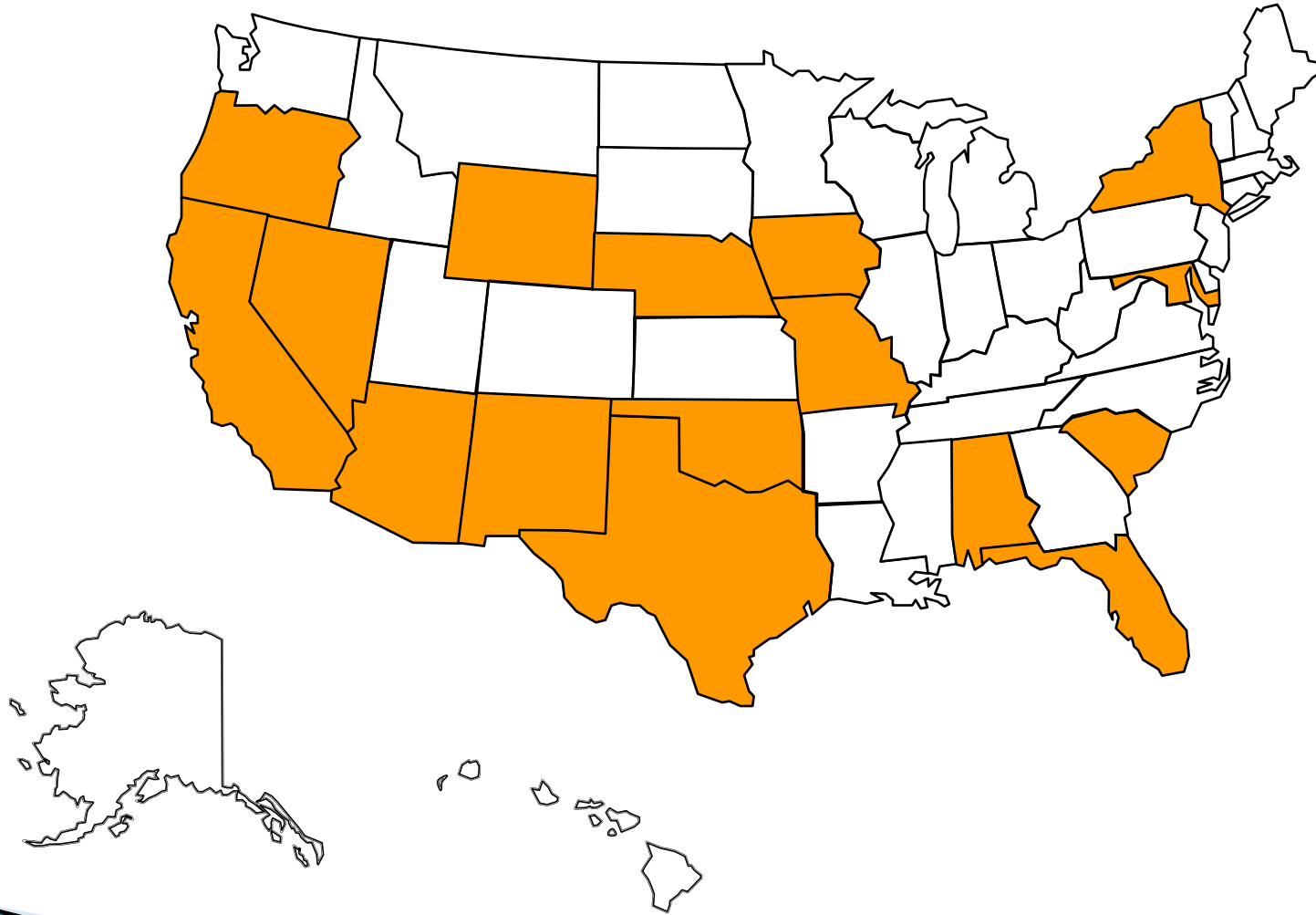
States Where OIGs Exist

States with multiple state level agency OIGs

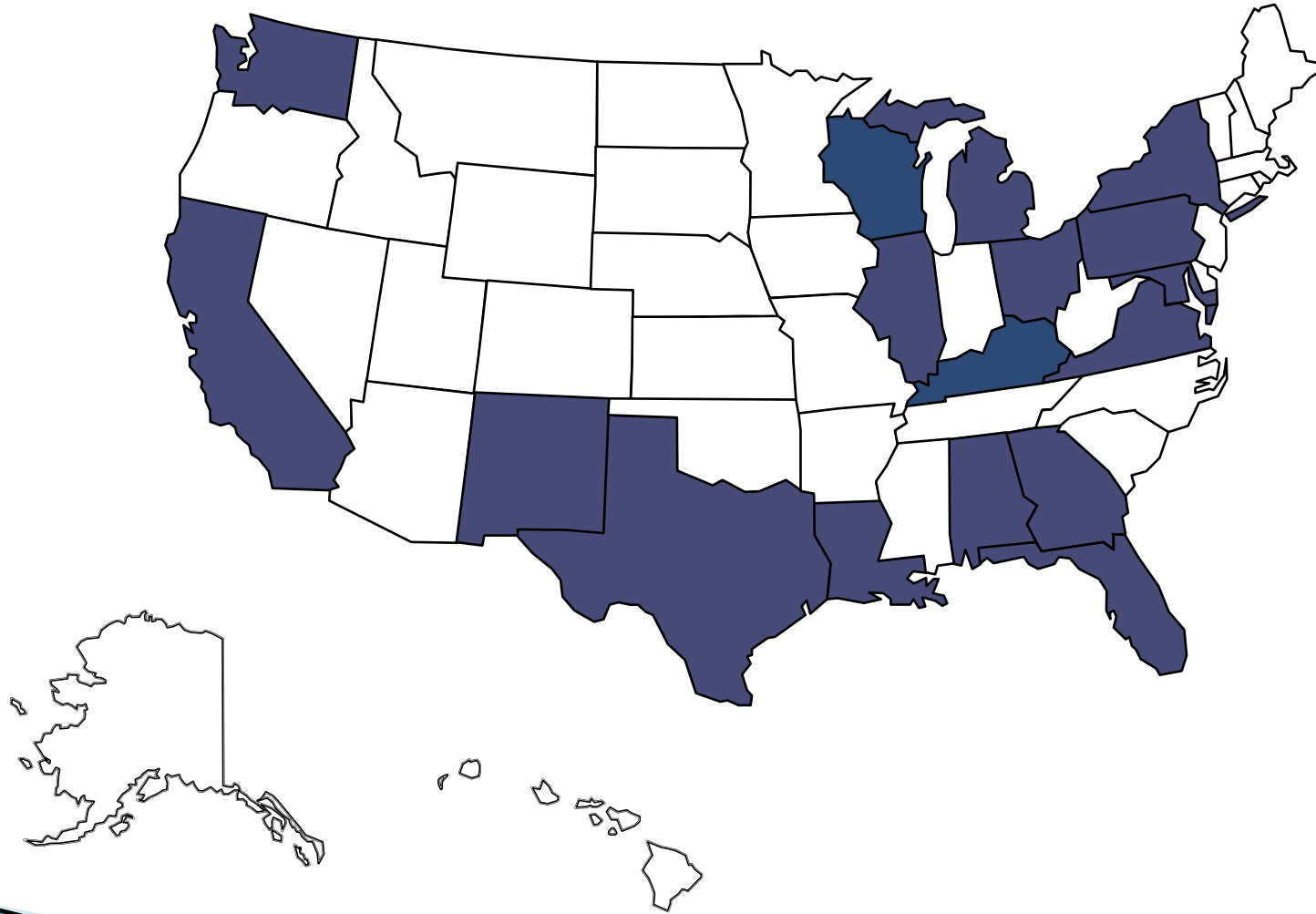


States Where OIGs Exist

Corrections



States with local OIGs



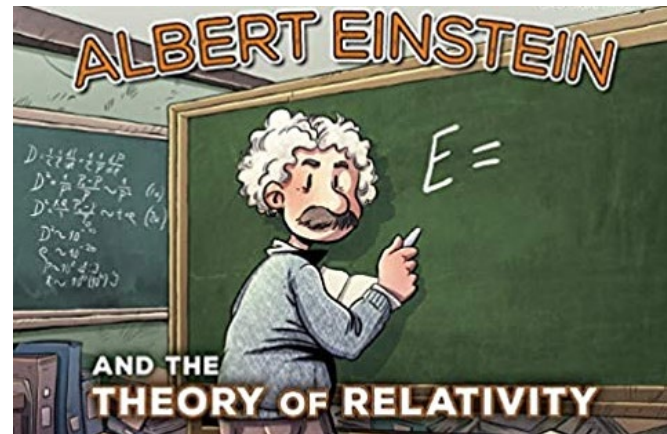
Major Elements of the IG Model

- ▶ Conducts audits and investigations along with other activities related to the mandate
- ▶ Charged with:
 - promoting economy, efficiency, and effectiveness
 - Preventing and detecting fraud, waste, and abuse
- ▶ Broad authority extending to the actions of officials, personnel, contractors, and program beneficiaries
- ▶ IG is independent, nonpartisan, appointed on basis of integrity and qualifications

What is Inspector General “Independence?”

- ▶ Must an IG be independent?
- ▶ Just what is independence?
- ▶ Absolute or a spectrum?

?????????



- ▶ Federal IG independence guidelines includes the responsibility to maintain independence “*both in fact and appearance.*” COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY, QUALITY STANDARDS FOR FEDERAL OFFICES OF INSPECTORS GENERAL 10 (2012)

What is Inspector General “Independence?”



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

- ▶ Federal IG independence guidelines includes the responsibility to maintain independence *“both in fact and appearance.”*

COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND
EFFICIENCY, *QUALITY STANDARDS FOR FEDERAL OFFICES OF
INSPECTORS GENERAL*

What is Inspector General “Independence?”

- ▶ AIG independence guideline includes the responsibility to be *“free from personal and external impairments”* and *“maintain an independence attitude and appearance.”*
AIG Green Book
- ▶ *The independence spectrum:*
(Aspects of independence)



| AIG Green Book Standards | Are these “yes” or “no”; or weighted? |
|--|---------------------------------------|
| IG Selection/Dismissal? | |
| Who does the IG report to? | |
| Who decides what the IG will review/audit/investigation? | |
| Outside influences on operations/reports? | |
| Access to records? | |
| Budget? | |
| Personnel selection/control? | |
| Who is the IG’s GC? | |

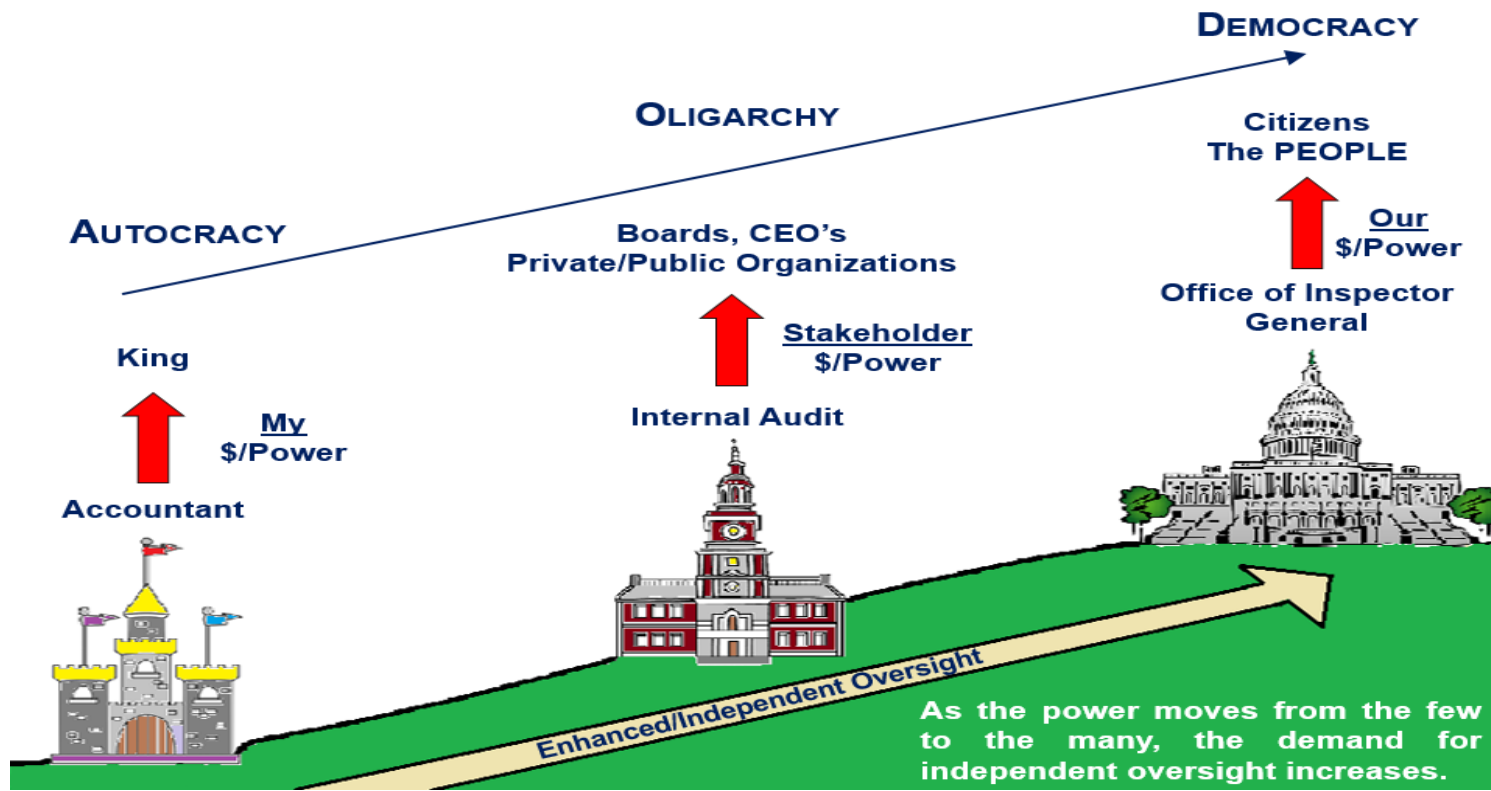
Variation Among OIGs

- ▶ Federal civilian OIGs generally have similar missions and authority, but vary considerably in scope and resources
- ▶ Military OIGs
- ▶ Greater variation among state and local OIGs
 - Scope of responsibility
 - Specifics of mandate and authority
 - Extent of independence
 - Areas of emphasis

Adoption of the IG Model

- ▶ Growth over time at the federal level
- ▶ Significant and continuing adoption at the state, regional, and local level
- ▶ Adoption by various nations and international organizations

Another Way to look and the Evolution that Begat the Inspector General Concept?



Or How Did This U.S. Inspector General Thing Come About?



How Did This Inspector General Thing Come About? (cont.)

Investigations



Audits / Reviews

So just what does the Inspector General do?

Provide *independent* and *objective* oversight in government to:

Prevent, detect and investigate fraud, waste and abuse.



Promote economy, efficiency, effectiveness, and integrity.

The Spectrum of Inspector General work

Monitor

Limited Review

Inspection

Audit

Teach/Train

“Quick Look”

Review

Investigation

Evaluation

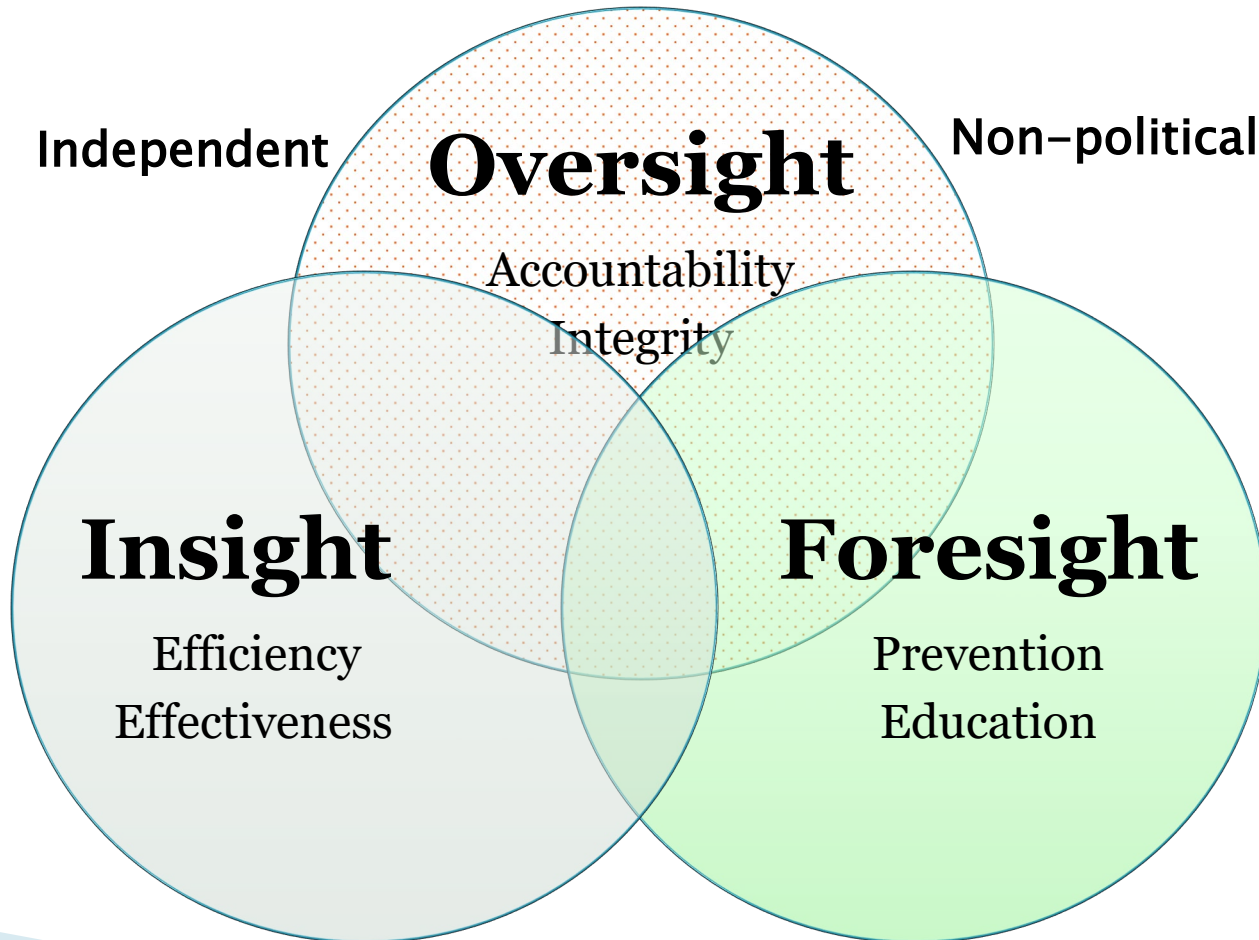
Attestation

General



Specific

The Inspector General Concept



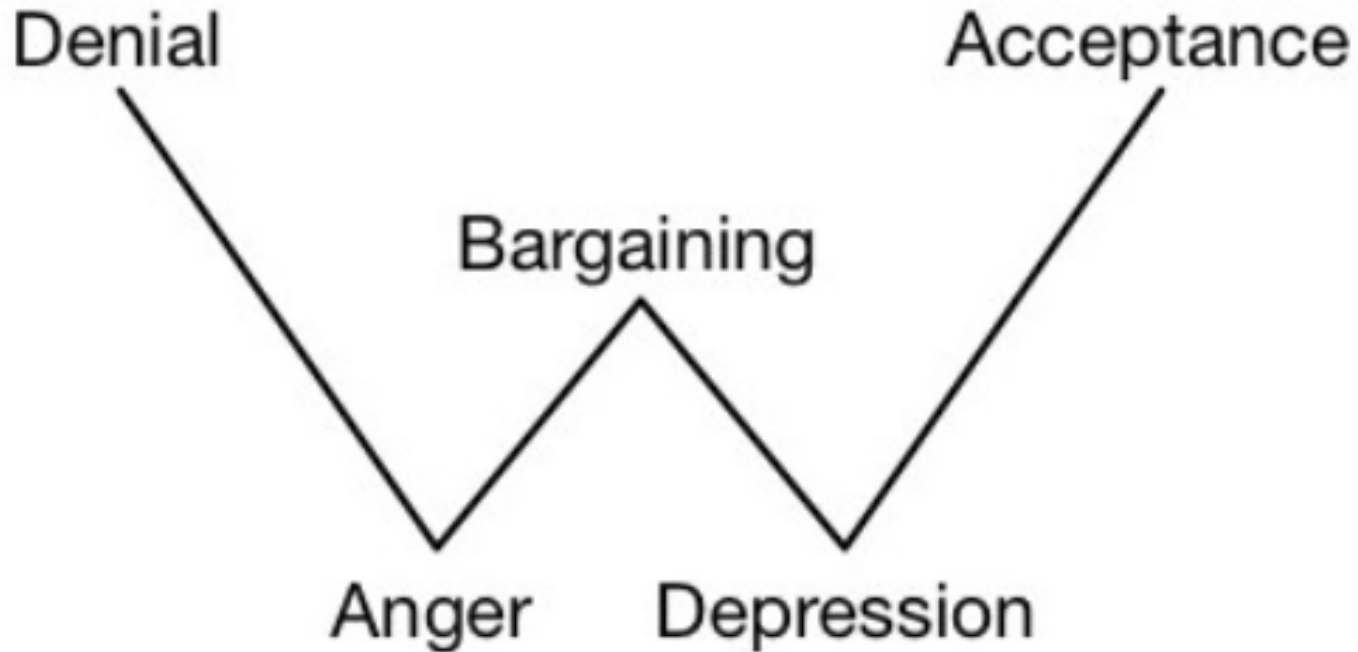
But not everyone loves the IG idea.

- ▶ “A typical IG is a man past middle age, spare, wrinkled, cold, passive, non-committal, with eyes of a codfish, polite in contact, but at the same time unresponsive, calm, and damnably composed as a concrete post or a plaster of paris cast, a human petrification with a heart of feldspar and without charm or friendly germ, minus bowels, passion, or a sense of humor. Happily, they never reproduce and all of them finally go to hell.”

Gen George S. Patton, Jr.

- ▶ Elected official's opining on the Inspector General ([link](#)) 

The Five Stages of Management Accepting the Inspector General



Final Questions about Inspectors General

- ▶ Do you have to be titled “Office of Inspector General” to be one?
- ▶ Just because you are titled as “Office of Inspector General,” does that really mean you are one?
- ▶ Who should decide whether an organization is an “Office of Inspector General” or not?
- ▶ If so, what would the basic criteria be?

Final IG thoughts to Ponder

- ▶ *“The world is full of obvious things which nobody by chance ever observes.”*
Sir Arthur Conan Doyle
- ▶ *“Experience is not the best teacher. Evaluated experience is.”*
Howard G. Hendricks
- ▶ *“Accountability helps achieve what you say you will do.”*
Todd Mullins
- ▶ *“Inspectors Generals exist to improve agencies and get the most bang for every tax dollar.”*
Sen. Charles Grassley

Final IG thoughts to Ponder

- ▶ *“Ultimately, an IG is a truth seeker, a finder of facts who measures those facts against standards. We’re here to make government better.”*
John Carey
- ▶ *“You (IGs) can afford to be controversial, but you cannot afford to be wrong.”*
Stephen Street

Books on Inspector General Work

- ▶ *The Inspector General* (1836) Nicolay V. Gogol
- ▶ *Monitoring Government, Inspectors General and the Search for Accountability* (1993) Paul C. Light
- ▶ *Inspectors-General: Junkyard Dogs or Man's Best Friend?* (1986) Mark H. Moore and Margaret Jane Gates
- ▶ *The Inspector General Handbook: Fraud, Waste, Abuse and Other Constitutional "Enemies, Foreign and Domestic"* (2013) Joseph E. Schmitz
- ▶ *The Art of the Watchdog: Fighting Fraud, Waste, Abuse, and Corruption in Government* (2014) Daniel L. Feldman and David R. Eichenenthal
- ▶ *U.S. Inspectors General: Truth Tellers in Turbulent Times* (2019) Charles A. Johnson and Kathryn E. Newcomer
- ▶ *The Power of Accountability: Offices of Inspector General at the State and Local Levels* (2020) Robin J. Kempf



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Questions / Comments

“IGs are considered the last line of defense.”

Joanna Derman, POGO