

THE NATIONAL SCIENCE FOUNDATION

OFFICE OF INSPECTOR GENERAL

STATEMENT OF

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Before the

SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
ORGANIZATION, AND PROCUREMENT

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

U.S. HOUSE of REPRESENTATIVES

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Mr. Chairman, Ranking Member Bilbray and Members of the Subcommittee on Government Management, Organization, and Procurement. Thank you for the opportunity to testify today about improving the independence and accountability of the Federal Offices of Inspectors General.

As you know, the Inspectors General (IGs) coordinate their professional efforts through two Councils: the President's Council on Integrity and Efficiency (PCIE), and the Executive Council on Integrity and Efficiency (ECIE). The primary difference between the two is that PCIE IGs are presidentially appointed with Senate confirmation, while ECIE IGs are appointed by their agency heads. Since 2000, I have served as the Inspector General of the National Science Foundation, and in May of this year, was honored to be appointed Vice-Chair of the ECIE.

The ECIE is a group of IGs from 33 agencies with diverse missions and operations. Some have high public profiles such as the US Postal Service, the Federal Reserve Board, and Amtrak, while others are smaller but still important, such as the Election Assistance Commission and the National Endowment for the Arts. The majority of these agencies are headed by boards or commissions. Three are legislative branch organizations serving the Congress. A full list of the ECIE agencies is attached. While I believe that my views are shared by many ECIE members, and indicate where I believe this is the case, I speak today for just myself, as there has not been sufficient time to consult all the members in preparation for this hearing.

Consistent with the request of Chairman Towns, my testimony today will focus on some of the more significant provisions contained in H.R. 928, the Improving Government Accountability Act, which would amend the IG Act of 1978. While the IG Act has been successful in establishing an effective means for promoting good government, and represents the front line in the effort to prevent and defeat fraud, waste and abuse, anything that would enhance the independence and accountability of the Federal IGs warrants broad support, and we thank the committee for the consideration it is giving to this subject.

After discussing these issues with my colleagues over the past months, and reflecting on my own experience as Inspector General of NSF for 7 years, and when appropriate as ECIE Vice-Chair, I would like to offer the following observations about the legislation.

Removal for cause and term appointments:

H.R. 928 proposes to establish 7-year terms for all Inspectors General and lists specific causes that would lead to removal of an IG. It is unclear to me whether this proposal would enhance IG independence or, instead, produce unintended consequences. Unlike the PCIE, most ECIE members are career federal employees who serve in positions with civil service status and the corresponding protections. The unintended consequence may be that strong candidates for IG positions would be dissuaded from exchanging a secure permanent position for a term appointment. Since ECIE IGs are already subject to removal for cause, little or no additional accountability is required. In fact, as a recent panel of IGs observed, accountability could be diminished since there are many legitimate reasons for removal that are not included in the bill.¹ The tenure and removal of an IG are, therefore, a delicate matter, and any changes to the law need to be carefully crafted to avoid impairing the IG role or making it undesirable for the kind of people who should serve as IGs.

Direct Budget Submission:

I believe that the proposal to authorize IGs to submit budgets directly to OMB would significantly enhance the independence and accountability of the ECIE IGs. It would remove the risk of an agency inappropriately influencing an IG by threatening to withhold a funding request, and it would provide more transparency to the budget process. I strongly support this provision.

¹ GAO-06-931SP, Federal Oversight and the IGs

Establishment of an IG Council:

H.R. 928 contains a provision to replace the PCIE and ECIE with a unified IG council that has its own appropriation. An Integrity Committee would be established within the Council to review and refer allegations against IGs and certain OIG staff for investigation. While there are concerns among my colleagues about the difficulty of managing the business of so large a council, the majority of ECIE members support this initiative.

Offices as Discrete Agencies:

The bill would make each IG office a separate federal agency for purposes of applying certain personnel provisions, such as buyout authority, and provisions relating to the SES. I am strongly in favor of this initiative and believe it would be an effective measure for increasing the independence of our members.

ECIE IG Pay:

H.R. 928 requires ECIE IGs to be classified for pay and other purposes at the same level as the majority of other senior staff who report directly to the agency head. The ECIE recently surveyed its IG members about their compensation and how it compares to their agency peers. We found that our IGs generally had a lower grade level than other executives that report directly to their agency heads, and on average are paid 12 percent less. Not surprisingly, the ECIE IGs strongly support this provision.

Subpoena Power:

This proposal amends the IG Act to clarify subpoena power as including electronically stored information as well as “any tangible thing.” The ECIE members view this as an important clarification and fully support this provision.

Law Enforcement Authority for ECIE IGs:

This proposal would allow ECIE IGs to apply to the Department of Justice for law enforcement authority. It would end the inefficient and disruptive process of having to keep renewing their authority, whether on a case-by-case basis or through periodic blanket authority. It is strongly supported by our ECIE members.

Program Fraud Civil Remedy Act (PFCRA) for ECIE IGs:

H.R. 928 would amend PFCRA to include ECIE IGs, thereby providing an effective tool to address false claims with dollar amounts of less than \$150,000. The ability to use the enforcement provisions of PFCRA would certainly enhance the recovery efforts of those agencies, and has been a high priority for ECIE members for years.

Semiannual Reporting Requirements:

There is proposed language in the bill to ensure that inspection and evaluation reports are included in the semiannual reporting requirements. As most OIGs already include these reports, there is no opposition in the ECIE community to this proposal.

Consideration for Legislative Branch IGs:

The ECIE includes three legislative branch IGs, which are the Government Printing Office, Library of Congress, and Capitol Police. Since their offices were not established by the original IG Act, neither the Act nor its amendments apply to these offices unless referenced in the statutes that established them. While the legislative branch IGs do not need or favor blanket inclusion in H.R. 928, they should be considered for inclusion, as appropriate, in some of the bill's provisions. For example, all of the legislative branch IGs would benefit from being able to use the enforcement provisions of PFCRA in

performing their work. They look forward to discussing these matters with the committee.

Mr. Chairman, this concludes my testimony. I again thank you and the Members of your Subcommittee for conducting this hearing, and giving your time and attention to this important subject. I would be happy to respond to any questions that you may have.

Attachment:

Attachment:**ECIE Agencies:**

Amtrak
Appalachian Regional Commission
Commodity Futures Trading Commission
Consumer Product Safety Commission
Corporation for Public Broadcasting
Denali Commission
Election Assistance Commission
Equal Employment Opportunity Commission
Farm Credit Administration
Federal Communications Commission
Federal Election Commission
Federal Housing Finance Board
Federal Labor Relations Authority
Federal Maritime Commission
Federal Reserve Board
Federal Trade Commission
Government Printing Office
Legal Services Corporation
Library of Congress
National Archives
National Credit Union Administration
National Endowment for the Arts
National Endowment for the Humanities
National Labor Relations Board
National Science Foundation
Peace Corps
Pension Benefit Guaranty Corporation
Securities and Exchange Commission
Smithsonian Institution
Special Inspector General for Iraq Reconstruction
U.S. Capitol Police
U.S. International Trade Commission
U.S. Postal Service