



# The Inspector General Act of 1978

## *Fact Sheet*

February 2008

### **General Authority**

The Inspector General Act of 1978, known as "the Act" was passed by the 95th Congress on October 12, 1978, [Public Law 95-452, 5 U.S.C. App., with implementing regulations at 24 CFR Sections 2000.2 and 2000.3].

The Act sets out certain authorities that permit the Inspector General to initiate, carry out, and complete audits and investigations of Departmental programs and operations. In addition to the authorities otherwise provided in this Act, the Inspector General is authorized:

### **To Conduct Audits**

The Act authorizes the Inspector General to conduct and supervise all financial, performance, and external audits relating to the programs and operations of the Department. [Section 2(1)].

### **To Conduct Investigations**

The Act authorizes the Inspector General to make such investigations and reports relating to the administration of the programs and operations of the applicable establishment as are, in the judgment of the Inspector General, necessary or desirable. [Section 6(a)(2)].

### **To Review Records**

The Act authorizes the Inspector General to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the applicable establishments, which relate to programs and operations with respect to which that Inspector General has responsibilities under the Act. [Section 6(a)(1)].

### **To Issue Subpoenas**

The Act authorizes the Inspector General to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other data 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 procedures other than subpoenas shall be used by the Inspector General to obtain documents and information from Federal agencies. [Section 6(a)(4)].

## **To Review Independent Accountant Working Papers**

The Act authorizes the Inspector General to recommend polices for, and to conduct, supervise, or coordinate other activities carried out or financed by such establishment for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations. [Section 4(a)(3)].

The Act provides that in carrying out its responsibilities, each Inspector General shall take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General. [Section 4(b)(1)(C)].

## **Retention of Audit Working Papers**

The Office of Management and Budget Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), which implements the Single Audit Act of 1984, requires that audit working papers and reports shall be retained for a minimum of three years after the date of issuance of the auditor's report(s) [and] . . . access to working papers shall be made available upon request to the cognizant or oversight agency for audit or its designee, a Federal agency providing direct or indirect funding, or GAO at the completion of the audit.

## **Obstruction of a Federal Audit**

Title 18 U.S.C., section 1516, "Obstruction of a Federal Audit," provides that whoever, with intent to deceive or defraud the United States, endeavors to influence, obstruct, or impede a Federal auditor in the performance of official duties relating to a person, entity, or program receiving in excess of \$100,000, directly or indirectly, from the United States in any 1 year period under a contract or subcontract, grant, or cooperative agreement, or relating to any property that is security for a mortgage note that is insured, guaranteed, acquired, or held by the Secretary of Housing and Urban Development pursuant to any Act administered by the Secretary, or relating to any property that is security for a loan that is made or guaranteed under title V of the Housing Act of 1949, shall be fined under this title, or imprisoned not more than 5 years, or both.

## **Cooperation of All Employees During OIG Audits and Investigations**

The Act authorizes the Inspector General to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department. Accordingly, HUD managers and supervisors must ensure that employees at all levels cooperate with the OIG during audits and investigations.

HUD Handbook 2000.3 REV 4 requires all employees to cooperate fully with the OIG during audits and investigations, such employees may invoke the protection of the Fifth Amendment to the Constitution of the United States with respect to self-incrimination when matters of a criminal nature are involved. However, furnishing false or misleading information, or refusing to answer questions in any administrative matter, may result in action against the employee concerned.

