



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

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before the

U.S. House of Representatives
Committee on Oversight and Government Reform

concerning

“Empowering the Inspectors General”

February 1, 2017

Mr. Chairman, Ranking Member Cummings, and Members of the Committee:

Thank you for inviting me today to discuss the critical role that Offices of the Inspector General (OIG) play in ensuring that taxpayer money is used effectively and efficiently, and that federal government agencies and employees are held accountable for their actions. We sincerely appreciate the steadfast support this Committee has shown to the IG community. In particular, I want to thank the Committee for its efforts in passing the Inspector General Empowerment Act (IG Empowerment Act), which was sponsored by the Chairman, and co-sponsored by the Ranking Member and Congressman Meadows. The bipartisan passage of this critical bill clearly communicates Congress's support for the important oversight work of Inspectors General and its commitment to providing Inspectors General with the tools we need to perform that work on behalf of the American people.

Inspectors General are uniquely positioned in the federal government to identify waste, fraud, and abuse because of our statutory ability to independently conduct audits, inspections, and investigations. This independence is the foundation for OIGs' capacity for non-partisan, objective oversight of federal agencies. We have conducted this crucial oversight work without regard to political parties or ideologies since OIGs were established over 30 years ago.

As Chair of the Council of the Inspectors General on Integrity and Efficiency (Council of IGs) and Inspector General of the Department of Justice (DOJ), I have observed the positive impact of the IG community's audits, inspections, and reviews of federal programs. In FY 2015, the IG community made recommendations with which agency management agreed resulting in approximately \$26 billion in potential savings. Of that total, OIGs identified approximately \$17.7 billion where we found there could be more effective or efficient uses of agency funds, and \$8.5 billion in questionable agency expenditures that violated a law, regulation, contract, or grant; were not adequately documented; or were unnecessary or unreasonable. Additionally, as a result of OIG criminal and civil cases, Federal agencies received or recovered nearly \$10.3 billion in FY 2015. Compared to the IG community's aggregate FY 2015 budget of about \$2.7 billion, these recoveries and potential savings represent about a \$14 return on every dollar of taxpayer money invested by the Congress in OIGs.

Inspectors General also investigate allegations of administrative or criminal misconduct by federal employees, grantees, and contractors. In FY 2015, the OIGs' investigative work resulted in 5,553 successful criminal prosecutions, 1,861 successful civil actions, 7,244 suspensions and debarments, and 4,501 personnel actions.

In addition to identifying wasteful spending, criminal activity, and employee misconduct, OIGs issue recommendations that address fundamental issues of agency management that we have identified in our audits and reviews. We very much appreciate the Committee's interest in these open recommendations through your request to us each year for information about them. As you are aware, there are thousands of open OIG recommendations that address the effective and

efficient operations of the agencies we oversee, and we will continue to press for their prompt implementation.

A particularly valuable document for new agency leadership is the Top Management and Performance Challenges Report that most IGs are required by law to prepare annually for inclusion in their agencies' reports to Congress. This IG document typically provides a description of what the OIG has determined based on its work, experience, and expertise are the main challenges facing the agency and the agency's progress in addressing each challenge, along with a summary of ongoing and completed OIG work that relates to the challenge. For example, the DOJ OIG report, which we released in November, identifies this year's challenges for the Department of Justice as: Safeguarding National Security and Ensuring Privacy and Civil Liberties Protections; Enhancing Cybersecurity in an Era of Increasing Threats; Managing an Overcrowded Federal Prison System in an Era of Limited Budgets and Continuing Security Concerns; Strengthening the Relationships Between Law Enforcement and Local Communities Through Partnership and Oversight; Helping to Address Violent Crime Through Effective Management of Department Anti-Violence Programs; Ensuring Effective Management and Oversight of Law Enforcement Programs and Promoting Public Trust; Monitoring Department Contracts and Grants; Managing Human Capital and Promoting Diversity With a Workforce Increasingly Eligible to Retire; and Using Performance-Based Management To Improve DOJ Programs. Such a list can provide an effective roadmap for the path forward for our federal agencies.

Having highlighted some of the past work of the Inspector General community, let me briefly discuss some of the issues we are facing going forward. The IG Empowerment Act gives the IG community several new and important tools that will enable us to build on our past accomplishments, and we are working on using them in an appropriate and judicious manner. We believe that some additional authorities, such as testimonial subpoena authority, are also necessary for us to be able to fully carry out our mission. My colleague, IG Kathy Buller, addresses those requests in her testimony. I want to mention several other issues on which we are focused in the IG community that impact our work. First, it is critical that vacant IG positions be filled promptly. There are currently 12 IG positions that are vacant – 9 for Presidentially-appointed, Senate-confirmed IG positions; 2 for agency appointed IG positions; and one for the Architect of the Capitol, who is appointed by Congress. During the period of an IG vacancy, acting Inspectors General and career staff carry on the work of their offices, and they do it with the utmost of professionalism. However, a sustained absence of permanent leadership is not healthy for any office, particularly one entrusted with the important and challenging mission of an IG.

By law, Inspectors General must be selected without regard to political affiliation and based solely on the basis of their integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. And, since passage of the Inspector General Reform Act of 2008, the Council of IGs has been responsible for recommending candidates with exemplary qualifications for vacant IG positions to the President for

Presidentially-nominated IGs and to agencies for agency-appointed IGs. We look forward to continuing to fulfill this role with the new Administration. Nominees for IGs at the Office of Personnel Management, Department of Defense, National Security Agency, and Social Security Administration are pending before the Senate, and we hope they will be considered expeditiously.

An area of potential concern to the Inspector General community is the impact of the hiring freeze. As careful stewards of taxpayer money, we fully appreciate and respect the importance of carefully and appropriately allocating federal resources. However, given our track record of returning to the federal treasury far more money than we are budgeted, the increasing responsibilities being placed on us through legislation, and our important role in public safety and national security matters, we believe careful consideration should be given before impacting our main resource – namely our personnel – that enables us to root out waste, fraud, and abuse. OIGs are at the front lines of that effort, and we look forward to working with the incoming Director of the Office of Management and Budget and our agency heads to ensure that the hiring freeze does not inappropriately or counterproductively impact our Offices.

Finally, I want to discuss the importance of whistleblowers to our work, and my particular concern about the potential impact of the hiring freeze on our work related to whistleblower issues. Whistleblowers perform an invaluable service to the public when they come forward with evidence of waste, fraud, abuse, or mismanagement, and they never should suffer reprisal for doing so. Whistleblowers are direct witnesses to potential wrongdoing, and they play a critical role in bringing forward information to the OIG or other appropriate recipients so that it can be looked into and appropriate action taken. Ensuring that whistleblowers are comfortable, informed, and protected in coming forward is entirely consistent with the OIG's core mission of detecting and deterring waste, fraud, abuse, and corruption. The Whistleblower Protection Enhancement Act of 2012 created additional whistleblower responsibilities for IGs, which we welcome, and we anticipate that last year's FBI whistleblower legislation will create substantial additional work for my office specifically, which we also welcome. At the Council of IGs, we have created a Whistleblower Ombudsmen working group to consider best practices that will help us better address the wide range of issues related to whistleblowers and their protections. In my Office, we are dedicating ever increasing resources to handle our substantially increasing docket of whistleblower retaliation cases. However, our ability to fulfill these additional responsibilities and our growing docket of cases in a timely fashion requires sufficient staffing. Many of us were already struggling, even before the hiring freeze, with finding the staffing needed to handle these matters given the growth in the number of complaints we are receiving. Absent the ability to hire staff, and without being provided the budget by Congress to do so, it will be difficult to maintain our other oversight work if we are to carry out these additional whistleblower responsibilities. We look forward to working with this Committee, and the bipartisan House and Senate Whistleblower Caucuses, to address these critical issues impacting critical whistleblower protections.

Thank you again for your strong support for our work, and we look forward to working with the Congress and the Administration as the IG community continues its crucial oversight mission. This concludes my prepared statement, and I would be pleased to answer any questions that you may have.