§ 2. Purpose and establishment of Offices of Inspector General; departments and agencies involved

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 12(2);
(2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations; and
(3) to provide a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action;

there is established—
(A) in each of such establishments an office of Inspector General, subject to subparagraph (B); and
(B) in the establishment of the Department of the Treasury—
(i) an Office of Inspector General of the Department of the Treasury; and
(ii) an Office of Treasury Inspector General for Tax Administration.


CODIFICATION
Amendment by Pub. L. 100–527 amended section as it existed prior to amendment by Pub. L. 100–504, see Effective Date of 1988 Amendments note below.

AMENDMENTS
1988—Pub. L. 100–504 substituted “there is established—” for “thereby” in concluding provisions, substituted “there is established—” and subpars. (A) and (B) for “there is hereby established in each of such establishments an office of Inspector General.”

82 Stat. 694; Pub. L. 97–252, in concluding provisions, substituted “there is established—” and subpars. (A) and (B) for “there is hereby established in each of such establishments an office of Inspector General.”

2008—Par. (1). Pub. L. 110–409 substituted “there is established—” and subpars. (A) and (B) for “there is hereby established in each of such establishments an office of Inspector General.”
policies to be pursued by the United States in the nationwide administration of Federal laws.

(d) Each Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

(1) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the establishment, and

(2) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

(e) The annual rate of basic pay for an Inspector General (as defined under section 12(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.

(f) An Inspector General (as defined under section 8G(a)(6) or 12(3)) may not receive any cash award or cash bonus, including any cash award or cash bonus to General or another Inspector General.

(g) Each Inspector General shall, in accordance with applicable laws and regulations governing the civil service, obtain legal advice from counsel under chapter 45 of title 5, United States Code.

Pub. L. 110–409, §§ 3(a), 4(a)(1), 5, 6(a), Oct. 14, 2008, 122 Stat. 4304, provided that:

"(d) INSPECTORS GENERAL OF DESIGNATED FEDERAL ENTITIES.—"

"(1) IN GENERAL.—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 (5 U.S.C. App.)) shall, for pay and all other purposes, be classified at a grade, level, or rank designation, as the case may be, at or above those of a majority of the senior level executives of that designated Federal entity (such as a General Counsel, Chief Information Officer, Chief Financial Officer, Chief Human Capital Officer, or Chief Acquisition Officer). The pay of an Inspector General of a designated Federal entity (as those terms are defined under section 8G of the Inspector General Act of 1978 (5 U.S.C. App.)) shall be not less than the average total compensation (including bonuses) of the senior level executives of that designated Federal entity calculated on an annual basis.

"(2) LIMITATION ON ADJUSTMENT.—"(A) In general.—In the case of an Inspector General of a designated Federal entity whose pay is adjusted under paragraph (1), the total increase in pay in any fiscal year results from that adjustment may not exceed 25 percent of the average total compensation (including bonuses) of the Inspector General of that entity for the preceding 3 fiscal years.

"(B) SUNSET OF LIMITATION.—The limitation under subparagraph (A) shall not apply to any adjustment made in fiscal year 2013 or each fiscal year thereafter.

"(c) SAVINGS PROVISION FOR NEWLY APPOINTED INSPECTORS GENERAL.—"

"(1) In general.—The provisions of section 3392 of title 5, United States Code, other than the terms 'performance awards' and 'awarding of ranks' in subsection (c)(1) of such section, shall apply to career appointees of the Senior Executive Service who are appointed to the position of Inspector General.

"(2) NONREDUCTION IN PAY.—Notwithstanding any other provision of law, career Federal employees serving on an appointment made pursuant to statutory authority found other than in sections 3392 of title 5, United States Code, shall not suffer a reduction in pay, not including any bonus or performance award, as a result of being appointed to the position of Inspector General.

"(d) SAVINGS PROVISION.—Nothing in this section [amending this section, section 5315 of Title 5, Government Organization and Employees, and section 12651e of Title 42, The Public Health and Welfare, and enacting provisions set out as a note under this section] shall have the effect of reducing the rate of pay of any individual serving on the date of enactment of this section [Oct. 14, 2008] as an Inspector General of—"

"(1) an establishment as defined under section 12(2) of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by this section).

"(2) a designated Federal entity as defined under section 8G(2) of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by this section).

"(3) a legislative agency for which the position of Inspector General is established by statute; or

"(4) any other entity of the Government for which the position of Inspector General is established by statute.

ACTING TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

"(a) IN GENERAL.—Notwithstanding any other provision of law, the President may appoint an acting Treasury Inspector General for Tax Administration to serve during the period—

"(1) beginning on the date of the enactment of this section [Oct. 21, 1998] (or, if later, the date of the appointment), and

"(2) ending on the earlier of—

"(A) April 30, 1999, or

"(B) the date on which the first Treasury Inspector General for Tax Administration appointed under subsection (a) shall, before January 18, 1999, take only such actions as are necessary to begin operation of the Office of Treasury Inspector General for Tax Administration, including—

"(1) making interim arrangements for administrative support for the Office.

"(2) establishing interim positions in the Office into which personnel will be transferred upon the transfer of functions and duties to the Office on January 18, 1999.

"(3) appointing such acting personnel on an interim basis as may be necessary upon the transfer of functions and duties to the Office on January 18, 1999, and

"(4) providing guidance and input for the fiscal year 2000 budget process for the Office.

"(c) ACTIONS NOT TO LIMIT AUTHORITY OF IG.—None of the actions taken by an individual appointed under subsection (a) shall affect the future authority of any Treasury Inspector General for Tax Administration not appointed under subsection (a).

"(d) LIMITATIONS.—

"(1) NOMINATION.—No individual appointed under subsection (a) may serve on or after January 19, 1999, unless on or before such date the President has submitted to the Senate his nomination of an individual to serve as the first Treasury Inspector General for Tax Administration.

"(2) TREASURY INSPECTOR GENERAL MAY NOT SERVE.—No individual appointed under subsection (a) may serve during any period such individual is serving as the Inspector General of the Treasury of the United States or the acting Inspector General of the Treasury of the United States.

"(3) EMPLOYMENT RESTRICTIONS.—The provisions of section 6(d)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) shall not apply to any individual appointed under subsection (a)."


TRANSITIONAL PROVISIONS RELATING TO APPOINTMENT OF INSPECTOR GENERAL OF FEDERAL DEPOSIT INSURANCE CORPORATION

Pub. L. 103–204, §23(c), Dec. 17, 1993, 107 Stat. 2408, provided that—

"(1) CURRENT SERVICE.—Except as otherwise provided by law, the individual serving as the Inspector General of the Federal Deposit Insurance Corporation before the date of enactment of this Act [Dec. 17, 1993] may continue to serve in such position until the earlier of—

"(A) the date on which the President appoints a successor under section 3(a) of the Inspector General Act of 1978 [subsec. (a) of this section]; or

"(B) the date which is 6 months after the date of enactment of this Act.

"(2) DEFINITION.—For purposes of paragraph (1), the term 'successor' may include the individual holding the position of Inspector General of the Federal Deposit Insurance Corporation on or after the date of enactment of this Act."

EXECUTIVE ORDER NO. 12993

Ex. Ord. No. 12993, Mar. 21, 1996, 61 F.R. 13043, which related to administrative allegations against Inspectors General, was omitted from the Code pursuant to Pub. L. 110–409, §47(a)(2), Oct. 14, 2008, 122 Stat. 4313, which provided that Ex. Ord. No. 12993 (probably meaning Ex. Ord. No. 12993), as in effect before Oct. 14, 2008, was to have no force or effect on and after the earlier of either the date on which the Council of the Inspectors General on Integrity and Efficiency becomes effective and operational or the last day of the 180-day period beginning on Oct. 14, 2008. See section 7(c)(2) of Pub. L. 110–409, set out as an Effective Date. Existing Executive Orders note under section 11 of this Appendix.

§4. Duties and responsibilities; report of criminal violations to Attorney General

(a) It shall be the duty and responsibility of each Inspector General, with respect to the establishment within which his Office is established—

(1) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of such establishment;

(2) to review existing and proposed legislation and regulations relating to programs and operations of such establishment and to make recommendations in the semiannual reports required by section 5(a) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by such establishment or the prevention and detection of fraud and abuse in such programs and operations;

(3) to recommend policies 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;

(4) to recommend policies for, and to conduct, supervise, or coordinate relationships between such establishment and other Federal agencies, State and local governmental entities, and nongovernmental entities with respect to (A) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by such establishment, or (B) the identification and prosecution of participants in such fraud or abuse; and

(5) to keep the head of such establishment and the Congress fully and currently informed, by means of the reports required by section 5 and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by such establishment, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

(b)(1) In carrying out the responsibilities specified in subsection (a)(1), each Inspector General shall—