

105TH CONGRESS  
2D SESSION

# S. 2167

To amend the Inspector General Act of 1978 (5 U.S.C. App.) to increase the efficiency and accountability of Offices of Inspector General within Federal departments, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 11, 1998

Ms. COLLINS (for herself and Mr. GRASSLEY) introduced the following bill;  
which was read twice and referred to the Committee on Governmental Affairs

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## A BILL

To amend the Inspector General Act of 1978 (5 U.S.C. App.) to increase the efficiency and accountability of Offices of Inspector General within Federal departments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Inspector General Act  
5 Amendments of 1998”.

6 **SEC. 2. APPOINTMENT AND REMOVAL OF OFFICERS.**

7 (a) IN GENERAL.—Section 3(a) of the Inspector Gen-  
8 eral Act of 1978 (5 U.S.C. App.) is amended—

1 (1) by inserting “(1)” after “(a)”; and

2 (2) by adding at the end the following new  
3 paragraph:

4 “(2) Each appointment under this subsection shall be  
5 for a term of 9 years. An individual may serve more than  
6 1 term.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 this section shall take effect on the date of enactment of  
9 this Act and shall apply only to an appointment made on  
10 or after such date.

11 **SEC. 3. EXTERNAL REVIEWS.**

12 (a) IN GENERAL.—Section 4 of the Inspector General  
13 Act of 1978 (5 U.S.C. App.) is amended by inserting at  
14 the end the following:

15 “(e)(1)(A) Not less than every 3 years an external  
16 review shall be conducted of each Office defined under sec-  
17 tions 11(4) and 8G(5).

18 “(B) The Inspector General of each Office defined  
19 under sections 11(4) and 8G(5) shall contract with an en-  
20 tity described under subparagraph (C) for the conduct of  
21 the review.

22 “(C) An entity referred to under subparagraph (B)  
23 is—

24 “(i) the General Accounting Office;

1           “(ii) a disinterested Inspector General of an-  
2           other establishment, or designated Federal entity; or

3           “(iii) an appropriate private entity.

4           “(D)(i) If an Inspector General contracts with a pri-  
5           vate entity under this subsection, the private entity shall  
6           be contracted in accordance with section 303 of the Fed-  
7           eral Property and Administrative Services Act of 1949 (41  
8           U.S.C. 253).

9           “(ii) An Inspector General who contracts with a dis-  
10          interested Inspector General for a review under this sub-  
11          section may not contract to conduct a review under this  
12          subsection of the establishment or entity of such disin-  
13          terested Inspector General at any time.

14          “(2) At a minimum, an external review under this  
15          subsection shall evaluate whether the Office of Inspector  
16          General properly manages and controls—

17                 “(A) contracts awarded by the Office of Inspec-  
18          tor General, including a determination of whether—

19                         “(i) procedures used to procure contracts  
20                         are in accordance with applicable laws and reg-  
21                         ulations; and

22                         “(ii) costs incurred are reasonable and al-  
23                         lowable under the terms of each contract;

24                 “(B) appropriated funds, including a deter-  
25          mination of whether training and travel funds are

1 expended in accordance with applicable laws and  
2 regulations; and

3 “(C) personnel actions, including a determina-  
4 tion of whether hiring and promotion practices used  
5 and performance awards issued are in accordance  
6 with applicable laws and regulations.

7 “(3) Not later than 30 days after the completion of  
8 an external review, a report of the results shall be submit-  
9 ted to the head of the establishment and simultaneously  
10 to the appropriate committees or subcommittees of Con-  
11 gress.”.

12 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
13 The section heading for section 4 of the Inspector General  
14 Act of 1978 (5 U.S.C. App.) is amended to read as follows:  
15 “DUTIES AND RESPONSIBILITIES; REPORT OF CRIMINAL  
16 VIOLATIONS TO ATTORNEY GENERAL; EXTERNAL RE-  
17 VIEWS”.

18 **SEC. 4. ANNUAL REPORTS.**

19 (a) IN GENERAL.—Section 5(a) of the Inspector Gen-  
20 eral Act of 1978 (5 U.S.C. App.) is amended—

21 (1) by striking the first sentence and inserting  
22 “Each Inspector General shall, not later than Octo-  
23 ber 31 of each year, prepare annual reports summa-  
24 rizing the activities and accomplishments of the Of-  
25 fice during the immediately preceding 12-month pe-  
26 riod ending September 30.”;

1           (2) by striking paragraphs (1) through (12)  
2           and inserting the following:

3           “(1) a summary of the program areas within  
4           the establishment identified by the Inspector General  
5           as high risk because of vulnerabilities to waste,  
6           fraud, abuse, and mismanagement;

7           “(2) a description of the most significant audits  
8           and investigations (administrative, civil, and criminal)  
9           completed during the reporting period;

10          “(3) a summary of each report made to the  
11          head of the establishment under section 6(b)(2) during  
12          the reporting period;

13          “(4) a table showing—

14               “(A)(i) the total number of audit reports  
15               issued by the Office of Inspector General; and

16               “(ii) the financial benefits associated with  
17               the reports segregated by category, such as  
18               budget reductions, costs avoided, questioned  
19               costs, and revenue enhancements; and

20               “(B) corrective actions taken and program  
21               improvements made during the reporting period  
22               in response to either an Office of Inspector  
23               General audit finding or recommendation (excluding  
24               any recommendation included under

1           subparagraph (A) with respect to such correc-  
2           tive actions);

3           “(5) a table showing—

4                 “(A) the judicial and administrative ac-  
5           tions associated with investigations conducted  
6           by the Office of Inspector General;

7                 “(B) the number of—

8                         “(i) cases referred for criminal pros-  
9                         ecution, civil remedies, or administrative  
10                        actions;

11                       “(ii) cases presented but declined for  
12                        prosecution, segregated by criminal and  
13                        civil;

14                       “(iii) cases accepted for prosecution,  
15                        segregated by criminal and civil;

16                       “(iv) defendants indicted;

17                       “(v) defendants convicted;

18                       “(vi) defendants acquitted or charges  
19                        dismissed after indictment;

20                       “(vii) defendants sentenced to terms  
21                        of imprisonment;

22                       “(viii) defendants sentenced to terms  
23                        of probation; and

1 “(ix) suspensions, disbarments, exclu-  
2 sions, sanctions, or some other similar ad-  
3 ministrative action; and

4 “(C) the total amount of fines, restitutions,  
5 and recoveries;

6 “(6) a description of the organization and man-  
7 agement structure of the Office of Inspector Gen-  
8 eral, including—

9 “(A) an organization chart showing the  
10 major components of the Office;

11 “(B) a statistical table showing the num-  
12 ber of authorized full-time equivalent positions  
13 segregated by component and by headquarters  
14 and field office; and

15 “(C) the amount of funding received in  
16 prior and current fiscal years;

17 “(7) a table showing—

18 “(A) the number of contracts, and associ-  
19 ated dollar value, awarded on a noncompetitive  
20 basis by the Office of Inspector General; and

21 “(B) with respect to any individual con-  
22 tract valued over \$100,000, awarded on a non-  
23 competitive basis—

24 “(i) the name of the contractor;

25 “(ii) all services provided;

1 “(iii) the time period of the contract;

2 and

3 “(iv) the dollar amount of the con-

4 tract;

5 “(8)(A) a summary of each audit report issued

6 in previous reporting periods for which no manage-

7 ment decision has been made by the end of the re-

8 porting period (including the date and title of each

9 such report);

10 “(B) an explanation of the reasons such man-

11 agement decision has not been made; and

12 “(C) a statement concerning the desired time-

13 table for achieving a management decision on each

14 such report;”;

15 (3) by redesignating paragraph (13) as para-

16 graph (9);

17 (4) in paragraph (9) (as redesignated by para-

18 graph (3) of this subsection) by striking the period

19 and inserting a semicolon and “and”; and

20 (5) by adding at the end the following new

21 paragraph:

22 “(10) any other information that the Inspector

23 General determines appropriate to include in the an-

24 nual report.”.

25 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

1           (1) Section 4(a)(2) of the Inspector General Act  
 2 of 1978 (5 U.S.C. App.) is amended by striking  
 3 “semiannual” and inserting “annual”.

4           (2) Section 5 of the Inspector General Act of  
 5 1978 (5 U.S.C. App.) is amended—

6                 (A) in subsection (b)—

7                         (i) by striking “Semiannual” and in-  
 8 serting “Annual”; and

9                         (ii) by striking “April 30 and”; and

10                (B) in subsection (c)—

11                       (i) in the first sentence by striking  
 12 “semiannual” and inserting “annual”; and

13                       (ii) in the second sentence by striking  
 14 “semiannual” and inserting “annual”.

15           (3) Section 8(f) of the Inspector General Act of  
 16 1978 (5 U.S.C. App.) is amended by striking “semi-  
 17 annual” and inserting “annual”.

18           (4) Section 8A(c) of the Inspector General Act  
 19 of 1978 (5 U.S.C. App.) is amended by striking  
 20 “semiannual” and inserting “annual”.

21 **SEC. 5. INSPECTORS GENERAL AT LEVEL III OF EXECUTIVE**  
 22 **SCHEDULE.**

23           (a) LEVEL IV POSITIONS.—Section 5315 of title 5,  
 24 United States Code, is amended by striking each item re-  
 25 lating to the following positions:

1           (1) Inspector General, Department of Edu-  
2 cation.

3           (2) Inspector General, Department of Energy.

4           (3) Inspector General, Department of Health  
5 and Human Services.

6           (4) Inspector General, Department of Agri-  
7 culture.

8           (5) Inspector General, Department of Housing  
9 and Urban Development.

10          (6) Inspector General, Department of Labor.

11          (7) Inspector General, Department of Trans-  
12 portation.

13          (8) Inspector General, Department of Veterans  
14 Affairs.

15          (9) Inspector General, Department of Defense.

16          (10) Inspector General, United States Informa-  
17 tion Agency.

18          (11) Inspector General, Department of State.

19          (12) Inspector General, Department of Com-  
20 merce.

21          (13) Inspector General, Department of the In-  
22 terior.

23          (14) Inspector General, Department of Justice.

24          (15) Inspector General, Department of the  
25 Treasury.

1           (16) Inspector General, Agency for Inter-  
2           national Development.

3           (17) Inspector General, Environmental Protec-  
4           tion Agency.

5           (18) Inspector General, Federal Emergency  
6           Management Agency.

7           (19) Inspector General, General Services Ad-  
8           ministration.

9           (20) Inspector General, National Aeronautics  
10          and Space Administration.

11          (21) Inspector General, Nuclear Regulatory  
12          Commission.

13          (22) Inspector General, Office of Personnel  
14          Management.

15          (23) Inspector General, Railroad Retirement  
16          Board.

17          (24) Inspector General, Small Business Admin-  
18          istration.

19          (25) Inspector General, Federal Deposit Insur-  
20          ance Corporation.

21          (26) Inspector General, Resolution Trust Cor-  
22          poration.

23          (27) Inspector General, Central Intelligence  
24          Agency.

1           (28) Inspector General, Social Security Admin-  
2           istration.

3           (29) Inspector General, United States Postal  
4           Service.

5           (b) LEVEL III POSITIONS.—Section 5314 of title 5,  
6           United States Code, is amended by adding at the end the  
7           following:

8           “Inspector General, Department of Education.

9           “Inspector General, Department of Energy.

10          “Inspector General, Department of Health and  
11          Human Services.

12          “Inspector General, Department of Agriculture.

13          “Inspector General, Department of Housing  
14          and Urban Development.

15          “Inspector General, Department of Labor.

16          “Inspector General, Department of Transpor-  
17          tation.

18          “Inspector General, Department of Veterans  
19          Affairs.

20          “Inspector General, Department of Defense.

21          “Inspector General, Department of State.

22          “Inspector General, Department of Commerce.

23          “Inspector General, Department of the Interior.

24          “Inspector General, Department of Justice.

1           “Inspector General, Department of the Treas-  
2       ury.

3           “Inspector General, Agency for International  
4       Development.

5           “Inspector General, Corporation for Community  
6       and National Service.

7           “Inspector General, Environmental Protection  
8       Agency.

9           “Inspector General, Federal Emergency Man-  
10      agement Agency.

11          “Inspector General, General Services Adminis-  
12      tration.

13          “Inspector General, National Aeronautics and  
14      Space Administration.

15          “Inspector General, Nuclear Regulatory Com-  
16      mission.

17          “Inspector General, Office of Personnel Man-  
18      agement.

19          “Inspector General, Railroad Retirement  
20      Board.

21          “Inspector General, Small Business Administra-  
22      tion.

23          “Inspector General, Federal Deposit Insurance  
24      Corporation.

1 “Inspector General, Central Intelligence Agen-  
2 cy.

3 “Inspector General, Social Security Administra-  
4 tion.

5 “Inspector General, United States Postal Serv-  
6 ice.”.

7 **SEC. 6. OFFICES OF INSPECTOR GENERAL IN CERTAIN DES-**  
8 **IGNATED FEDERAL ENTITIES.**

9 (a) TRANSFER OF FUNCTIONS.—Section 9(a)(1) of  
10 the Inspector General Act of 1978 is amended—

11 (1) in subparagraph (V) by striking “and” after  
12 the semicolon;

13 (2) in subparagraph (W) by striking “and”  
14 after the semicolon; and

15 (3) by adding after subparagraph (W) the fol-  
16 lowing:

17 “(X) of the Office of Inspector General of  
18 the Department of Education, the Offices of In-  
19 spector General of the Corporation for Public  
20 Broadcasting, National Endowment for the  
21 Arts, National Endowment for the Humanities,  
22 and the Smithsonian Institution, effective 30  
23 days after the date of enactment of the Inspec-  
24 tor General Act Amendments of 1998;

“(Y) of the Office of Inspector General of the Department of Commerce, the Office of Inspector General of the National Science Foundation, effective 30 days after the date of enactment of the Inspector General Act Amendments of 1998;

“(Z) of the Office of Inspector General of the General Services Administration, the Office of Inspector General of the National Archives and Records Administration, effective 30 days after the date of enactment of the Inspector General Act Amendments of 1998; and

“(AA) of the Office of Inspector General of the Department of State, the Office of Inspector General of the Peace Corps, effective 30 days after the date of enactment of the Inspector General Act Amendments of 1998; and”.

(b) ADMINISTRATIVE PROVISIONS.—

(1) TERMINATION OF OFFICES.—The Office of Inspector General of each designated Federal entity transferred under subsection (a) is terminated.

(2) INCUMBENTS.—The individual who is the Inspector General of a designated Federal entity transferred under subsection (a)—

1 (A) shall be transferred to the Office of In-  
 2 spector General of the applicable establishment;

3 (B) shall be an employee of such Office  
 4 under the direction of the Inspector General of  
 5 the applicable establishment; and

6 (C) shall continue to be compensated at  
 7 not less than the rate provided for before such  
 8 transfer, for at least 1 year after the date of  
 9 such transfer.

10 (3) PERSONNEL AND ASSETS.—Section 9 (b)  
 11 and (c) of the Inspector General Act of 1978 (5  
 12 U.S.C. App.) shall apply to the transfers made by  
 13 the amendments under subsection (a) of this section.

14 (c) FORMER DESIGNATED FEDERAL ENTITY.—

15 (1) IN GENERAL.—Section 8G(a)(2) of the In-  
 16 spector General Act of 1978 (5 U.S.C. App.) is  
 17 amended by striking “the Corporation for Public  
 18 Broadcasting, the Equal Employment Opportunity  
 19 Commission, the Farm Credit Administration, the  
 20 Federal Communications Commission, the Federal  
 21 Election Commission, the Federal Housing Finance  
 22 Board, the Federal Labor Relations Authority, the  
 23 Federal Maritime Commission, the Federal Trade  
 24 Commission, the Legal Services Corporation, the  
 25 National Archives and Records Administration, the

1 National Credit Union Administration, the National  
 2 Endowment for the Arts, the National Endowment  
 3 for the Humanities, the National Labor Relations  
 4 Board, the National Science Foundation, the Pan-  
 5 ama Canal Commission, the Peace Corps, the Pen-  
 6 sion Benefit Guaranty Corporation, the Securities  
 7 and Exchange Commission, the Smithsonian Institu-  
 8 tion,” and inserting “the Equal Employment Oppor-  
 9 tunity Commission, the Farm Credit Administration,  
 10 the Federal Communications Commission, the Fed-  
 11 eral Election Commission, the Federal Housing Fi-  
 12 nance Board, the Federal Labor Relations Author-  
 13 ity, the Federal Maritime Commission, the Federal  
 14 Trade Commission, the Legal Services Corporation,  
 15 the National Credit Union Administration, the Na-  
 16 tional Labor Relations Board, the Panama Canal  
 17 Commission, the Pension Benefit Guaranty Corpora-  
 18 tion, the Securities and Exchange Commission,”.

19 (2) NATIONAL SCIENCE FOUNDATION.—Section  
 20 8G(a)(4) of the Inspector General Act of 1978 (5  
 21 U.S.C. App.) is amended by striking “, except that  
 22 with respect to the National Science Foundation,  
 23 such term means the National Science Board”.

1 (d) AMENDMENTS RELATING TO SPECIAL PROVI-  
 2 SIONS CONCERNING FORMER DESIGNATED FEDERAL EN-  
 3 TITIES.—

4 (1) RULE OF CONSTRUCTION OF SPECIAL PRO-  
 5 VISIONS.—Section 8H of the Inspector General Act  
 6 of 1978 (5 U.S.C. App.) is amended—

7 (A) by striking “SEC. 8H” and inserting  
 8 “SEC. 8I”;

9 (B) by striking “or 8E” and inserting  
 10 “8E, 8F, or 8G”; and

11 (C) by striking “section 8F(a)” and insert-  
 12 ing “section 8H(a)”.

13 (2) REDESIGNATION OF SECTION 8G.—Section  
 14 8G of the Inspector General Act of 1978 (5 U.S.C.  
 15 App.) is amended by striking “SEC. 8G” and insert-  
 16 ing “SEC. 8H”.

17 (3) SPECIAL PROVISIONS CONCERNING FORMER  
 18 DESIGNATED FEDERAL ENTITIES.—The Inspector  
 19 General Act of 1978 (5 U.S.C. App.) is amended by  
 20 inserting after section 8F the following:

21 “SPECIAL PROVISIONS CONCERNING FORMER  
 22 DESIGNATED FEDERAL ENTITIES”

23 “SEC. 8G. (a) For purposes of this section, the  
 24 term—

1           “(1) ‘establishment’ means any establishment  
2           to which an office is transferred under section  
3           9(a)(1) (X) through (AA); and

4           “(2) ‘former designated Federal entity’ means a  
5           designated Federal entity from which any office is  
6           transferred under section 9(a)(1) (X) through (AA).

7           “(b) The Office of Inspector General of each estab-  
8           lishment shall perform all duties, responsibilities, and  
9           functions of an Office of Inspector General under this Act  
10          with respect to each applicable former designated Federal  
11          entity.

12          “(c) The Inspector General of an establishment shall  
13          prepare and submit an annual report under section 5 re-  
14          lating to each applicable former designated Federal entity  
15          to the head of such former designated Federal entity.

16          “(d) In the administration of section 5(d) with re-  
17          spect to a former designated Federal entity—

18                 “(1) the Inspector General shall make the re-  
19                 quired report to the head of such former designated  
20                 Federal entity instead of the head of the establish-  
21                 ment; and

22                 “(2) the head of such former designated Fed-  
23                 eral entity shall make the required transmittal to  
24                 Congress.

1       “(e) The head of each former designated Federal en-  
2   tity shall provide the Office of the Inspector General of  
3   the applicable establishment with such office space, equip-  
4   ment, supplies, facilities, and services as may be nec-  
5   essary, in the same manner as provided under section  
6   6(c).”.

7       (e) EFFECTIVE DATE.—The amendments made by  
8   this section shall take effect 30 days after the date of en-  
9   actment of this Act.

○