

Public Law 100-504
100th Congress

An Act

To amend the Inspector General Act of 1978 to establish offices of inspector general in certain departments, and for other purposes.

Oct. 18, 1988

[S. 908]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**TITLE I—INSPECTOR GENERAL ACT
AMENDMENTS**

Inspector
General Act
Amendments of
1988.
Government
organization and
employees.
5 USC app.

SEC. 101. SHORT TITLE.

This title may be cited as the "Inspector General Act Amendments of 1988".

SEC. 102. ESTABLISHMENT OF OFFICES OF INSPECTOR GENERAL.

5 USC app.

(a) **PURPOSE.**—Section 2(1) of the Inspector General Act of 1978 (Public Law 95-452; 5 U.S.C. App. 3) is amended to read as follows:

"(1) to conduct and supervise audits and investigations relating to the programs and operations of the establishments listed in section 11(2);"

(b) **TECHNICAL AMENDMENT.**—The last clause of section 2 is amended by striking out "thereby" and inserting in lieu thereof "there".

(c) **ADDITION OF DEPARTMENTS OF ENERGY, HEALTH AND HUMAN SERVICES, JUSTICE AND TREASURY, FEDERAL EMERGENCY MANAGEMENT AGENCY, NUCLEAR REGULATORY COMMISSION, OFFICE OF PERSONNEL MANAGEMENT, AND RAILROAD RETIREMENT BOARD TO LIST OF COVERED ESTABLISHMENTS.**—Section 11 of such Act is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

5 USC app.

"(1) the term 'head of the establishment' means the Secretary of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, State, Transportation, or the Treasury; the Attorney General; the Administrator of the Agency for International Development, Environmental Protection, General Services, National Aeronautics and Space, Small Business, or Veterans' Affairs; the Director of the Federal Emergency Management Agency, the Office of Personnel Management or the United States Information Agency; the Chairman of the Nuclear Regulatory Commission or the Railroad Retirement Board; as the case may be;

"(2) the term 'establishment' means the Department of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, or the Treasury; the Agency for International Development, the Environmental Protection Agency, the Federal Emergency Management

Agency, the General Services Administration, the National Aeronautics and Space Administration, the Nuclear Regulatory Commission, the Office of Personnel Management, the Railroad Retirement Board, the Small Business Administration, the United States Information Agency, or the Veterans' Administration; as the case may be;"

5 USC app.

(d) TRANSFERS OF EXISTING AUDIT AND INVESTIGATION UNITS.—Section 9(a)(1) of such Act is amended—

(1) by striking out subparagraph (I), relating to the Community Services Administration;

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (G) and (H), respectively;

(3) by redesignating subparagraphs (G) and (H) as subparagraphs (J) and (K), respectively;

(4) by redesignating subparagraph (J) as subparagraph (M);

(5) by redesignating subparagraphs (K) and (L) as subparagraphs (O) and (P), respectively;

(6) by redesignating subparagraphs (M) and (N) as subparagraphs (T) and (U), respectively;

(7) by inserting after subparagraph (D) the following new subparagraphs:

"(E) of the Department of Energy, the Office of Inspector General (as established by section 208 of the Department of Energy Organization Act);

"(F) of the Department of Health and Human Services, the Office of Inspector General (as established by title II of Public Law 94-505);";

(8) by inserting after subparagraph (H) (as redesignated by paragraph (2) of this subsection) the following new subparagraph:

"(I) of the Department of Justice, the offices of that Department referred to as (i) the 'Audit Staff, Justice Management Division', (ii) the 'Policy and Procedures Branch, Office of the Comptroller, Immigration and Naturalization Service', the 'Office of Professional Responsibility, Immigration and Naturalization Service', and the 'Office of Program Inspections, Immigration and Naturalization Service', (iii) the 'Office of Internal Inspection, United States Marshals Service', (iv) the 'Financial Audit Section, Office of Financial Management, Bureau of Prisons' and the 'Office of Inspections, Bureau of Prisons', and (v) from the Drug Enforcement Administration, that portion of the 'Office of Inspections' which is engaged in internal audit activities, and that portion of the 'Office of Planning and Evaluation' which is engaged in program review activities;";

(9) by inserting after subparagraph (K) (as redesignated by paragraph (3) of this subsection) the following new subparagraph:

"(L) of the Department of the Treasury, the office of that department referred to as the 'Office of Inspector General', and, notwithstanding any other provision of law, that portion of each of the offices of that department referred to as the 'Office of Internal Affairs, Bureau of Alcohol, Tobacco, and Firearms', the 'Office of Internal Affairs, United States Customs Service', and the 'Office of Inspections, United

States Secret Service' which is engaged in internal audit activities;";

(10) by inserting after subparagraph (M) (as redesignated by paragraph (4) of this subsection) the following new subparagraph:

"(N) of the Federal Emergency Management Agency, the office of that agency referred to as the 'Office of Inspector General';"; and

(11) by inserting after subparagraph (P) (as redesignated by paragraph (5) of this subsection) the following new subparagraphs:

"(Q) of the Nuclear Regulatory Commission, the office of that commission referred to as the 'Office of Inspector and Auditor';

"(R) of the Office of Personnel Management, the offices of that agency referred to as the 'Office of Inspector General', the 'Insurance Audits Division, Retirement and Insurance Group', and the 'Analysis and Evaluation Division, Administration Group';

"(S) of the Railroad Retirement Board, the Office of Inspector General (as established by section 23 of the Railroad Retirement Act of 1974);".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1)(A) Section 208 of the Department of Energy Organization Act is repealed.

42 USC 7138.

(B) The table of contents in the first section of such Act is amended by striking out the item relating to section 208.

(2) Title II of Public Law 94-505 is repealed.

42 USC

3521-3527.

45 USC 231v.

(3) Section 23 of the Railroad Retirement Act of 1974 is repealed.

5 USC app.

(4) Any individual who, on the date of enactment of this Act, is serving as the Inspector General of the Department of Energy, the Department of Health and Human Services, or the Railroad Retirement Board, shall continue to serve in such position until such individual dies, resigns, or is removed from office in accordance with section 3(b) of the Inspector General Act of 1978.

(f) SPECIAL PROVISIONS WITH RESPECT TO THE INSPECTORS GENERAL OF THE NUCLEAR REGULATORY COMMISSION, THE DEPARTMENT OF THE TREASURY, AND THE DEPARTMENT OF JUSTICE.—The Inspector General Act of 1978 is amended by inserting after section 8A the following new sections:

"SPECIAL PROVISIONS CONCERNING THE NUCLEAR REGULATORY COMMISSION

"SEC. 8B. (a) The Chairman of the Commission may delegate the authority specified in the second sentence of section 3(a) to another member of the Nuclear Regulatory Commission, but shall not delegate such authority to any other officer or employee of the Commission.

5 USC app.

"(b) Notwithstanding sections 6(a) (7) and (8), the Inspector General of the Nuclear Regulatory Commission is authorized to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers and duties of the Office of Inspector General and to obtain the temporary or intermittent services of experts or consultants or an organization thereof, subject

to the applicable laws and regulations that govern such selections, appointments and employment, and the obtaining of such services, within the Nuclear Regulatory Commission.

“SPECIAL PROVISIONS CONCERNING THE DEPARTMENT OF THE TREASURY

Classified
information.
5 USC app.

“SEC. 8C. (a)(1) Notwithstanding the last two sentences of section 3(a), the Inspector General shall be under the authority, direction, and control of the Secretary of the Treasury with respect to audits or investigations, or the issuance of subpoenas, which require access to sensitive information concerning—

“(A) ongoing criminal investigations or proceedings;

“(B) undercover operations;

“(C) the identity of confidential sources, including protected witnesses;

“(D) deliberations and decisions on policy matters, including documented information used as a basis for making policy decisions, the disclosure of which could reasonably be expected to have a significant influence on the economy or market behavior;

“(E) intelligence or counterintelligence matters; or

“(F) other matters the disclosure of which would constitute a serious threat to national security or to the protection of any person or property authorized protection by section 3056 of title 18, United States Code, section 202 of title 3, United States Code, or any provision of the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056 note; Public Law 94-524).

“(2) With respect to the information described under paragraph (1), the Secretary of the Treasury may prohibit the Inspector General from carrying out or completing any audit or investigation, or from issuing any subpoena, after such Inspector General has decided to initiate, carry out, or complete such audit or investigation or to issue such subpoena, if the Secretary determines that such prohibition is necessary to prevent the disclosure of any information described under paragraph (1) or to prevent significant impairment to the national interests of the United States.

“(3) If the Secretary of the Treasury exercises any power under paragraph (1) or (2), the Secretary of the Treasury shall notify the Inspector General in writing stating the reasons for such exercise. Within 30 days after receipt of any such notice, the Inspector General shall transmit a copy of such notice to the Committees on Governmental Affairs and Finance of the Senate and the Committees on Government Operations and Ways and Means of the House of Representatives, and to other appropriate committees or subcommittees of the Congress.

“(b) In carrying out the duties and responsibilities specified in this Act, the Inspector General of the Department of the Treasury shall have oversight responsibility for the internal investigations performed by the Office of Internal Affairs of the Bureau of Alcohol, Tobacco and Firearms, the Office of Internal Affairs of the United States Customs Service, and the Office of Inspections of the United States Secret Service, and the internal audits and internal investigations performed by the Office of Assistant Commissioner (Inspection) of the Internal Revenue Service. The head of each such office shall promptly report to the Inspector General the significant activities being carried out by such office.

Reports.

“(c) Notwithstanding subsection (b), the Inspector General may initiate, conduct and supervise such audits and investigations in the Department of the Treasury (including the bureaus and services referred to in subsection (b)) as the Inspector General considers appropriate.

“(d) If the Inspector General initiates an audit or investigation under subsection (c) concerning a bureau or service referred to in subsection (b), the Inspector General may provide the head of the office of such bureau or service referred to in subsection (b) with written notice that the Inspector General has initiated such an audit or investigation. If the Inspector General issues a notice under the preceding sentence, no other audit or investigation shall be initiated into the matter under audit or investigation by the Inspector General and any other audit or investigation of such matter shall cease.

“(e)(1) The Inspector General shall have access to returns and return information, as defined in section 6103(b) of the Internal Revenue Code of 1986, only in accordance with the provisions of section 6103 of such Code and this Act.

“(2) Access by the Inspector General to returns and return information under section 6103(h)(1) of such Code shall be subject to the following additional requirements:

“(A) In order to maintain internal controls over access to returns and return information, the Inspector General, or in the absence of the Inspector General, the Acting Inspector General, the Deputy Inspector General, the Assistant Inspector General for Audits, or the Assistant Inspector General for Investigations, shall provide to the Assistant Commissioner (Inspection) of the Internal Revenue Service written notice of the Inspector General’s intent to access returns and return information. If the Inspector General determines that the Inspection Service of the Internal Revenue Service should not be made aware of a notice of access to returns and return information, such notice shall be provided to the Senior Deputy Commissioner of Internal Revenue.

“(B) Such notice shall clearly indicate the specific returns or return information being accessed, contain a certification by the Inspector General, or in the absence of the Inspector General, the Acting Inspector General, the Deputy Inspector General, the Assistant Inspector General for Audits, or the Assistant Inspector General for Investigations, that the returns or return information being accessed are needed for a purpose described under section 6103(h)(1) of the Internal Revenue Code of 1986, and identify those employees of the Office of Inspector General of the Department of the Treasury who may receive such returns or return information.

“(C) The Internal Revenue Service shall maintain the same system of standardized records or accountings of all requests from the Inspector General for inspection or disclosure of returns and return information (including the reasons for and dates of such requests), and of returns and return information inspected or disclosed pursuant to such requests, as described under section 6103(p)(3)(A) of the Internal Revenue Code of 1986. Such system of standardized records or accountings shall also be available for examination in the same manner as provided under section 6103(p)(3) of the Internal Revenue Code of 1986.

“(D) The Inspector General shall be subject to the same safeguards and conditions for receiving returns and return information as are described under section 6103(p)(4) of the Internal Revenue Code of 1986.

“(f) An audit or investigation conducted by the Inspector General shall not affect a final decision of the Secretary of the Treasury or his delegate under section 6406 of the Internal Revenue Code of 1986.

Reports.

“(g) Notwithstanding section 4(d), in matters involving chapter 75 of the Internal Revenue Code of 1986, the Inspector General shall report expeditiously to the Attorney General only offenses under section 7214 of such Code, unless the Inspector General obtains the consent of the Commissioner of Internal Revenue to exercise additional reporting authority with respect to such chapter.

Reports.

“(h) Any report required to be transmitted by the Secretary of the Treasury to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified under such section, to the Committees on Governmental Affairs and Finance of the Senate and the Committees on Government Operations and Ways and Means of the House of Representatives.

“SPECIAL PROVISIONS CONCERNING THE DEPARTMENT OF JUSTICE

Classified
information.
5 USC app.

“SEC. 8D. (a)(1) Notwithstanding the last two sentences of section 3(a), the Inspector General shall be under the authority, direction, and control of the Attorney General with respect to audits or investigations, or the issuance of subpoenas, which require access to sensitive information concerning—

“(A) ongoing civil or criminal investigations or proceedings;

“(B) undercover operations;

“(C) the identity of confidential sources, including protected witnesses;

“(D) intelligence or counterintelligence matters; or

“(E) other matters the disclosure of which would constitute a serious threat to national security.

“(2) With respect to the information described under paragraph (1), the Attorney General may prohibit the Inspector General from carrying out or completing any audit or investigation, or from issuing any subpoena, after such Inspector General has decided to initiate, carry out, or complete such audit or investigation or to issue such subpoena, if the Attorney General determines that such prohibition is necessary to prevent the disclosure of any information described under paragraph (1) or to prevent the significant impairment to the national interests of the United States.

“(3) If the Attorney General exercises any power under paragraph (1) or (2), the Attorney General shall notify the Inspector General in writing stating the reasons for such exercise. Within 30 days after receipt of any such notice, the Inspector General shall transmit a copy of such notice to the Committees on Governmental Affairs and Judiciary of the Senate and the Committees on Government Operations and Judiciary of the House of Representatives, and to other appropriate committees or subcommittees of the Congress.

“(b) In carrying out the duties and responsibilities specified in this Act, the Inspector General of the Department of Justice—

“(1) may initiate, conduct and supervise such audits and investigations in the Department of Justice as the Inspector General considers appropriate;

“(2) shall give particular regard to the activities of the Counsel, Office of Professional Responsibility of the Department and the audit, internal investigative, and inspection units outside the Office of Inspector General with a view toward avoiding duplication and insuring effective coordination and cooperation; and

“(3) shall refer to the Counsel, Office of Professional Responsibility of the Department for investigation, information or allegations relating to the conduct of an officer or employee of the Department of Justice employed in an attorney, criminal investigative, or law enforcement position that is or may be a violation of law, regulation, or order of the Department or any other applicable standard of conduct, except that no such referral shall be made if the officer or employee is employed in the Office of Professional Responsibility of the Department.

“(c) Any report required to be transmitted by the Attorney General to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified under such section, to the Committees on the Judiciary and Governmental Affairs of the Senate and the Committees on the Judiciary and Government Operations of the House of Representatives.”

Reports.

(g) DISCLOSURE OF TAX RETURNS AND RETURN INFORMATION.—Section 5(e)(3) of the Inspector General Act of 1978 is amended by striking out “Nothing” in the first sentence and inserting in lieu thereof “Except to the extent and in the manner provided under section 6103(f) of the Internal Revenue Code of 1986, nothing”.

5 USC app.

(h) TRANSFER OF 20 INVESTIGATION POSITIONS WITHIN THE DEPARTMENT OF JUSTICE.—No later than 90 days after the date of appointment of the Inspector General of the Department of Justice, the Inspector General shall designate 20 full-time investigation positions which the Attorney General may transfer from the Office of Inspector General of the Department of Justice to the Office of Professional Responsibility of the Department of Justice for the performance of functions described under section 8D(b)(3) of the Inspector General Act of 1978. Any personnel who are transferred pursuant to this subsection, and who, at the time of being so transferred, are protected from reduction in classification or compensation under section 9(c) of such Act, shall continue to be so protected for 1 year after the date of transfer pursuant to this subsection.

5 USC app.

SEC. 103. UNIFORM SALARIES FOR INSPECTORS GENERAL.

(a) UNIFORM SALARIES.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

“Inspector General, Department of Commerce.

“Inspector General, Department of the Interior.

“Inspector General, Department of Justice.

“Inspector General, Department of the Treasury.

“Inspector General, Agency for International Development.

“Inspector General, Environmental Protection Agency.

“Inspector General, Federal Emergency Management Agency.

“Inspector General, General Services Administration.

“Inspector General, National Aeronautics and Space Administration.

“Inspector General, Nuclear Regulatory Commission.

“Inspector General, Office of Personnel Management.

“Inspector General, Railroad Retirement Board.

“Inspector General, Small Business Administration.”.

(b) **CONFORMING AMENDMENTS.**—Section 5316 of such title is amended by striking out the paragraphs relating to—

(1) the Inspector General of the Department of Commerce;

(2) the Inspector General of the Department of the Interior;

(3) the Inspector General of the Agency for International Development;

(4) the Inspector General of the Community Services Administration;

(5) the Inspector General of the Environmental Protection Agency;

(6) the Inspector General of the General Services Administration;

(7) the Inspector General of the National Aeronautics and Space Administration;

(8) the Inspector General of the Small Business Administration;

(9) the Deputy Inspector General of the Department of Energy; and

(10) the Deputy Inspector General of the Department of Health and Human Services.

SEC. 104. EXTENSION OF INSPECTOR GENERAL ACT PROTECTIONS AND REQUIREMENTS TO CERTAIN DESIGNATED FEDERAL ENTITIES.

(a) **REQUIREMENTS FOR FEDERAL ENTITIES AND DESIGNATED FEDERAL ENTITIES.**—The Inspector General Act of 1978 (as amended by section 102(f) of this title) is further amended by inserting after section 8D the following new section:

“REQUIREMENTS FOR FEDERAL ENTITIES AND DESIGNATED FEDERAL ENTITIES

5 USC app.

“SEC. 8E. (a) Notwithstanding section 11 of this Act, as used in this section—

“(1) the term ‘Federal entity’ means any Government corporation (within the meaning of section 103(1) of title 5, United States Code), any Government controlled corporation (within the meaning of section 103(2) of such title), or any other entity in the Executive branch of the Government, or any independent regulatory agency, but does not include—

“(A) an establishment (as defined under section 11(2) of this Act) or part of an establishment;

“(B) a designated Federal entity (as defined under paragraph (2) of this subsection) or part of a designated Federal entity;

“(C) the Executive Office of the President;

“(D) the Central Intelligence Agency;

“(E) the General Accounting Office; or

“(F) any entity in the judicial or legislative branches of the Government, including the Administrative Office of the

United States Courts and the Architect of the Capitol and any activities under the direction of the Architect of the Capitol;

“(2) the term ‘designated Federal entity’ means ACTION, Amtrak, the Appalachian Regional Commission, the Board of Governors of the Federal Reserve System, the Board for International Broadcasting, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Corporation for Public Broadcasting, the Equal Employment Opportunity Commission, the Farm Credit Administration, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Federal Home Loan Bank Board, the Federal Labor Relations Authority, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Legal Services Corporation, the National Archives and Records Administration, the National Credit Union Administration, the National Endowment for the Arts, the National Endowment for the Humanities, the National Labor Relations Board, the National Science Foundation, the Panama Canal Commission, the Peace Corps, the Pension Benefit Guaranty Corporation, the Securities and Exchange Commission, the Smithsonian Institution, the Tennessee Valley Authority, the United States International Trade Commission, and the United States Postal Service;

“(3) the term ‘head of the Federal entity’ means any person or persons designated by statute as the head of a Federal entity, and if no such designation exists, the chief policymaking officer or board of a Federal entity as identified in the list published pursuant to subsection (h)(1) of this section;

“(4) the term ‘head of the designated Federal entity’ means any person or persons designated by statute as the head of a designated Federal entity and if no such designation exists, the chief policymaking officer or board of a designated Federal entity as identified in the list published pursuant to subsection (h)(1) of this section, except that with respect to the National Science Foundation, such term means the National Science Board;

“(5) the term ‘Office of Inspector General’ means an Office of Inspector General of a designated Federal entity; and

“(6) the term ‘Inspector General’ means an Inspector General of a designated Federal entity.

“(b) No later than 180 days after the date of the enactment of this section, there shall be established and maintained in each designated Federal entity an Office of Inspector General. The head of the designated Federal entity shall transfer to such office the offices, units, or other components, and the functions, powers, or duties thereof, that such head determines are properly related to the functions of the Office of Inspector General and would, if so transferred, further the purposes of this section. There shall not be transferred to such office any program operating responsibilities.

Establishment.

“(c) Except as provided under subsection (f) of this section, the Inspector General shall be appointed by the head of the designated Federal entity in accordance with the applicable laws and regulations governing appointments within the designated Federal entity.

“(d) Each Inspector General shall report to and be under the general supervision of the head of the designated Federal entity, but

shall not report to, or be subject to supervision by, any other officer or employee of such designated Federal entity. The head of the designated Federal entity shall not prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

“(e) If an Inspector General is removed from office or is transferred to another position or location within a designated Federal entity, the head of the designated Federal entity shall promptly communicate in writing the reasons for any such removal or transfer to both Houses of the Congress.

“(f)(1) The Chief Postal Inspector of the United States Postal Service shall also hold the position of Inspector General of the United States Postal Service, and for purposes of this section, shall report to, and be under the general supervision of, the Postmaster General of the United States Postal Service. The Postmaster General, in consultation with the Governors of the United States Postal Service, shall appoint the Chief Postal Inspector. The Postmaster General, with the concurrence of the Governors of the United States Postal Service, shall have power to remove the Chief Postal Inspector or transfer the Chief Postal Inspector to another position or location within the United States Postal Service. If the Chief Postal Inspector is removed or transferred in accordance with this subsection, the Postmaster General shall promptly notify both Houses of the Congress in writing of the reasons for such removal or transfer.

“(2) For purposes of paragraph (1), the term ‘Governors’ has the same meaning as such term is defined under section 102(3) of title 39, United States Code.

“(g)(1) Sections 4, 5, 6 (other than subsections (a)(7) and (a)(8) thereof), and 7 of this Act shall apply to each Inspector General and Office of Inspector General of a designated Federal entity and such sections shall be applied to each designated Federal entity and head of the designated Federal entity (as defined under subsection (a)) by substituting—

“(A) ‘designated Federal entity’ for ‘establishment’; and

“(B) ‘head of the designated Federal entity’ for ‘head of the establishment’.

“(2) In addition to the other authorities specified in this Act, an Inspector General is authorized to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office of Inspector General and to obtain the temporary or intermittent services of experts or consultants or an organization thereof, subject to the applicable laws and regulations that govern such selections, appointments, and employment, and the obtaining of such services, within the designated Federal entity.

“(3) Notwithstanding the last sentence of subsection (d) of this section, the provisions of subsection (a) of section 8C (other than the provisions of subparagraphs (A), (B), (C), and (E) of subsection (a)(1)) shall apply to the Inspector General of the Board of Governors of the Federal Reserve System and the Chairman of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply to the Inspector General of the Department of the Treasury and the Secretary of the Treasury, respectively.

“(h)(1) No later than April 30, 1989, and annually thereafter, the Director of the Office of Management and Budget, after consultation with the Comptroller General of the United States, shall publish in

the Federal Register a list of the Federal entities and designated Federal entities and the head of each such entity (as defined under subsection (a) of this section).

“(2) Beginning on October 31, 1989, and on October 31 of each succeeding calendar year, the head of each Federal entity (as defined under subsection (a) of this section) shall prepare and transmit to the Director of the Office of Management and Budget and to each House of the Congress a report which—

“(A) states whether there has been established in the Federal entity an office that meets the requirements of this section;

“(B) specifies the actions taken by the Federal entity otherwise to ensure that audits are conducted of its programs and operations in accordance with the standards for audit of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States, and includes a list of each audit report completed by a Federal or non-Federal auditor during the reporting period and a summary of any particularly significant findings; and

“(C) summarizes any matters relating to the personnel, programs, and operations of the Federal entity referred to prosecutive authorities, including a summary description of any preliminary investigation conducted by or at the request of the Federal entity concerning these matters, and the prosecutions and convictions which have resulted.”

(b) CONFORMING AMENDMENT.—Section 410(b) of title 39, United States Code, is amended—

(1) by striking out “and” at the end of paragraph (6);

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon;

(3) by striking out “The” in paragraph (8) and inserting in lieu thereof “the”;

(4) by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon and “and”; and

(5) by adding at the end thereof the following new paragraph:

“(9) the provisions of section 8E of the Inspector General Act of 1978.”

SEC. 105. RULE OF CONSTRUCTION OF SPECIAL PROVISIONS.

The Inspector General Act of 1978 (as amended by sections 102(f) and 104 of this title) is further amended by inserting after section 8E the following new section:

“RULE OF CONSTRUCTION OF SPECIAL PROVISIONS

“SEC. 8F. The special provisions under section 8, 8A, 8B, 8C, or 8D of this Act relate only to the establishment named in such section and no inference shall be drawn from the presence or absence of a provision in any such section with respect to an establishment not named in such section or with respect to a designated Federal entity as defined under section 8E(a).”

SEC. 106. PROVISIONS TO ENSURE UNIFORMITY AND RELIABILITY OF REPORTS.

(a) REPORT INFORMATION REQUIRED ON AUDITS.—Section 5(a) of the Inspector General Act of 1978 is amended by striking out “and” at the end of paragraph (5) and by striking out paragraph (6) and inserting in lieu thereof:

Reports.

5 USC app.

5 USC app.

“(6) a listing, subdivided according to subject matter, of each audit report issued by the Office during the reporting period and for each audit report, where applicable, the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use;

“(7) a summary of each particularly significant report;

“(8) statistical tables showing the total number of audit reports and the total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs), for audit reports—

“(A) for which no management decision had been made by the commencement of the reporting period;

“(B) which were issued during the reporting period;

“(C) for which a management decision was made during the reporting period, including—

“(i) the dollar value of disallowed costs; and

“(ii) the dollar value of costs not disallowed; and

“(D) for which no management decision has been made by the end of the reporting period;

“(9) statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management, for audit reports—

“(A) for which no management decision had been made by the commencement of the reporting period;

“(B) which were issued during the reporting period;

“(C) for which a management decision was made during the reporting period, including—

“(i) the dollar value of recommendations that were agreed to by management; and

“(ii) the dollar value of recommendations that were not agreed to by management; and

“(D) for which no management decision has been made by the end of the reporting period;

“(10) a summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;

“(11) a description and explanation of the reasons for any significant revised management decision made during the reporting period; and

“(12) information concerning any significant management decision with which the Inspector General is in disagreement.”.

5 USC app.

(b) **REPORT ON FINAL ACTION.**—Section 5(b) of such Act is amended by striking out “head of the establishment containing any comments such head deems appropriate.” and inserting in lieu thereof the following: “head of the establishment containing—

“(1) any comments such head determines appropriate;

“(2) statistical tables showing the total number of audit reports and the dollar value of disallowed costs, for audit reports—

“(A) for which final action had not been taken by the commencement of the reporting period;

“(B) on which management decisions were made during the reporting period;

“(C) for which final action was taken during the reporting period, including—

“(i) the dollar value of disallowed costs that were recovered by management through collection, offset, property in lieu of cash, or otherwise; and

“(ii) the dollar value of disallowed costs that were written off by management; and

“(D) for which no final action has been taken by the end of the reporting period;

“(3) statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for audit reports—

“(A) for which final action had not been taken by the commencement of the reporting period;

“(B) on which management decisions were made during the reporting period;

“(C) for which final action was taken during the reporting period, including—

“(i) the dollar value of recommendations that were actually completed; and

“(ii) the dollar value of recommendations that management has subsequently concluded should not or could not be implemented or completed; and

“(D) for which no final action has been taken by the end of the reporting period; and

“(4) a statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year, containing—

“(A) a list of such audit reports and the date each such report was issued;

“(B) the dollar value of disallowed costs for each report;

“(C) the dollar value of recommendations that funds be put to better use agreed to by management for each report; and

“(D) an explanation of the reasons final action has not been taken with respect to each such audit report,

except that such statement may exclude such audit reports that are under formal administrative or judicial appeal or upon which management of an establishment has agreed to pursue a legislative solution, but shall identify the number of reports in each category so excluded.”

(c) **ISSUANCE OF REPORT ON FINAL ACTION.**—Section 5(c) of such Act is amended by adding at the end thereof the following new sentence: “Within 60 days after the transmission of the semiannual reports of each establishment head to the Congress, the head of each establishment shall make copies of such report available to the public upon request and at a reasonable cost.”

(d) **CONFORMING AMENDMENT; DEFINITIONS.**—Section 5 of such Act is further amended by adding at the end thereof the following new subsection:

“(f) As used in this section—

“(1) the term ‘questioned cost’ means a cost that is questioned by the Office because of—

Public
information.
5 USC app.

“(A) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;

“(B) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or

“(C) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable;

“(2) the term ‘unsupported cost’ means a cost that is questioned by the Office because the Office found that, at the time of the audit, such cost is not supported by adequate documentation;

“(3) the term ‘disallowed cost’ means a questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government;

“(4) the term ‘recommendation that funds be put to better use’ means a recommendation by the Office that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including—

“(A) reductions in outlays;

“(B) deobligation of funds from programs or operations;

“(C) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;

“(D) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee;

“(E) avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or

“(F) any other savings which are specifically identified;

“(5) the term ‘management decision’ means the evaluation by the management of an establishment of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary; and

“(6) the term ‘final action’ means—

“(A) the completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit report; and

“(B) in the event that the management of an establishment concludes no action is necessary, final action occurs when a management decision has been made.”.

SEC. 107. OATH ADMINISTRATION AUTHORITY.

5 USC app.

Section 6(a) of the Inspector General Act of 1978 is amended—

(1) by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively, and

(2) by inserting after paragraph (4) the following new paragraph:

“(5) to administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the functions assigned by this Act, which oath, affirmation, or affidavit when administered or taken by or before an employee of an Office of Inspector General designated by the Inspector General shall have the same force and effect as if administered or taken by or before an officer having a seal;”.

SEC. 108. APPROPRIATION ACCOUNTS.

Section 1105(a)(25) of title 31, United States Code, is amended to read as follows:

“(25) a separate appropriation account for appropriations for each Office of Inspector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.”.

SEC. 109. EXTERNAL REVIEWS.

Section 4(b) of the Inspector General Act of 1978 is amended—

5 USC app.

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by inserting “(1)” after “(b)”; and

(3) by adding at the end thereof the following:

“(2) For purposes of determining compliance with paragraph (1)(A) with respect to whether internal quality controls are in place and operating and whether established audit standards, policies, and procedures are being followed by Offices of Inspector General of establishments defined under section 11(2), Offices of Inspector General of designated Federal entities defined under section 8E(a)(2), and any audit office established within a Federal entity defined under section 8E(a)(1), reviews shall be performed exclusively by an audit entity in the Federal Government, including the General Accounting Office or the Office of Inspector General of each establishment defined under section 11(2), or the Office of Inspector General of each designated Federal entity defined under section 8E(a)(2).”.

SEC. 110. TECHNICAL AMENDMENTS.

(a) **SENIOR EXECUTIVE SERVICE POSITIONS.**—Section 6 of the Inspector General Act of 1978 is amended by adding at the end thereof the following:

5 USC app.

“(d) For purposes of the provisions of title 5, United States Code, governing the Senior Executive Service, any reference in such provisions to the ‘appointing authority’ for a member of the Senior Executive Service or for a Senior Executive Service position shall, if such member or position is or would be within the Office of an Inspector General, be deemed to be a reference to such Inspector General.”.

(b) **COAST GUARD OPERATION AS PART OF DEPARTMENT OR AGENCY.**—Section 8(e) of the Inspector General Act of 1978 is amended by inserting before the period at the end thereof the following: “, except that, when the Coast Guard operates as a service of another department or agency of the Federal Government, a member of the Coast Guard shall be deemed to be an employee of such department or agency”.

5 USC app.

SEC. 111. REPORT ON IMPLEMENTATION.

5 USC app.

On October 31, 1989, the head of each designated Federal entity (as defined under section 8E(a)(2) of the Inspector General Act of 1978) shall submit to the Director of the Office of Management and Budget and to each House of the Congress a report on the status of the implementation by that designated Federal entity of the requirements of section 8E of such Act. Such report shall identify any area in which implementation is not complete and state the reasons for that failure.

5 USC app.

SEC. 112. PAYMENT AUTHORITY SUBJECT TO APPROPRIATIONS.

Any authority to make payments under this title shall be effective only to such extent as provided in appropriations Acts.

5 USC app.

SEC. 113. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 180 days after the date of the enactment of this title, except that section 5(a) (6) through (12) of the Inspector General Act of 1978 (as amended by section 106(a) of this title) and section 5(b) (1) through (4) of the Inspector General Act of 1978 (as amended by section 106(b) of this title) shall take effect 1 year after the date of the enactment of this title.

Government
Printing Office
Inspector
General Act of
1988.
44 USC 101 note.

TITLE II—GOVERNMENT PRINTING OFFICE INSPECTOR GENERAL

SEC. 201. SHORT TITLE.

This title may be cited as the "Government Printing Office Inspector General Act of 1988".

SEC. 202. OFFICE OF INSPECTOR GENERAL.

Title 44 of the United States Code is amended by adding at the end thereof the following new chapter:

"CHAPTER 39—GOVERNMENT PRINTING OFFICE: OFFICE OF INSPECTOR GENERAL

"Sec.

"3901. Purpose and establishment of the Office of Inspector General.

"3902. Appointment of Inspector General; supervision; removal.

"3903. Duties, responsibilities, authority, and reports.

"§ 3901. Purpose and establishment of the Office of Inspector General

"In order to create an independent and objective office—

"(1) to conduct and supervise audits and investigations relating to the Government Printing Office;

"(2) to provide leadership and coordination and recommend policies to promote economy, efficiency, and effectiveness; and

"(3) to provide a means of keeping the Public Printer and the Congress fully and currently informed about problems and deficiencies relating to the administration and operations of the Government Printing Office;

there is hereby established an Office of Inspector General in the Government Printing Office.

"§ 3902. Appointment of Inspector General; supervision; removal

"(a) There shall be at the head of the Office of Inspector General, an Inspector General who shall be appointed by the Public Printer without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The Inspector General shall report to, and be under the general supervision of, the Public Printer. The Public Printer shall have no authority to prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or

from issuing any subpoena during the course of any audit or investigation.

“(b) The Inspector General may be removed from office by the Public Printer. The Public Printer shall, promptly upon such removal, communicate in writing the reasons for any such removal to each House of the Congress.

“§ 3903. Duties, responsibilities, authority, and reports

“(a) Sections 4, 5, 6 (other than subsection (a) (7) and (8) thereof), and 7 of the Inspector General Act of 1978 (Public Law 95-452; 5 U.S.C. App. 3) shall apply to the Inspector General of the Government Printing Office and the Office of such Inspector General and such sections shall be applied to the Government Printing Office and the Public Printer by substituting—

“(1) ‘Government Printing Office’ for ‘establishment’; and

“(2) ‘Public Printer’ for ‘head of the establishment’.

“(b) The Inspector General, in carrying out the provisions of this chapter, is authorized to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office of Inspector General subject to the provisions of this title governing selections, appointments, and employment in the Government Printing Office (and any regulations thereunder).”.

SEC. 203. TRANSFER OF OFFICE.

(a) **IN GENERAL.**—There is transferred to the Office of Inspector General established pursuant to this title, the office of the Government Printing Office referred to as the “Office of Inspector General”.

(b) **RELATED PROVISIONS.**—With respect to such transferred office—

(1) sections 9 (b) and (c) of the Inspector General Act of 1978 shall apply; and

(2) all the functions, powers, and duties of the office transferred by subsection (a) shall lapse.

(c) **PERSONNEL.**—Any person who, on the effective date of this title, held a position compensated in accordance with the applicable laws and regulations that govern selections, appointments, and employment within the Government Printing Office, and who, without a break in service, is appointed in the Office of Inspector General established by this title to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

SEC. 204. AMENDMENT TO TABLE OF CHAPTERS.

The table of chapters for title 44, United States Code, is amended by adding at the end thereof the following new item:

“39. Government Printing Office: Office of Inspector General..... 3901”.

SEC. 205. PAYMENT AUTHORITY SUBJECT TO APPROPRIATIONS.

Any authority to make payments under this title shall be effective only to such extent as provided in appropriations Acts.

44 USC 3901
note.

44 USC 3901
note.

44 USC 3901
note.

SEC. 206. EFFECTIVE DATE.

The provisions of this title and the amendments made by this title shall take effect 180 days after the date of the enactment of this title.

Approved October 18, 1988.

LEGISLATIVE HISTORY—S. 908 (H.R. 4054):

HOUSE REPORTS: No. 100-771 accompanying H.R. 4054 (Comm. on Government Operations) and No. 100-1020 (Comm. of Conference).

SENATE REPORTS: No. 100-150 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD, Vol. 134 (1988):

Feb. 2, considered and passed Senate.

July 26, H.R. 4054 considered and passed House; proceedings vacated and S. 908, amended, passed in lieu.

Oct. 4, Senate agreed to conference report.

Oct. 5, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 24 (1988):

Oct. 18, Presidential statement.