THE INSPECTOR GENERAL ACT OF 1978 WAS ENACTED AS PART OF A WAVE OF good government and civil service reforms. It established statutorily independent Inspectors General within 12 federal agencies. Their purpose was to conduct audits and investigations of agency programs to promote economy, efficiency, and effectiveness and to detect fraud and abuse in programs and operations. The Inspectors General served under the general supervision of the agency head. Yet, by statute, IGs had a dual and independent reporting relationship to the agency head and to the Congress.

Upon signing the bill into law on October 12, 1978, President Jimmy Carter described the Inspectors General as “perhaps the most important new tools in the fight against fraud.” President Carter changed the Inspectors General to always remember that their ultimate responsibility is not to any individual but to the public interest.