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# The Truth About Cats and Dogs: The Auditors and the Investigators

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See if you can pick out the audit report title from the investigative report title, keeping in mind that the inquiries looked into the same event.

*"Budget Officer Nabbed In Massive Embezzlement."*

*"Department Fiscal Controls Are Substantial, But Must Be Improved."*

Very good! Do you know how you did it? Why do program managers brood passively at the news of being audited, and yet throw up a coin they swallowed when they were 2 years old, upon being advised that they are under investigation?

To new Inspectors General (IGs), the mission of the auditors and the investigators may appear deceptively similar and inexplicably different. Both conduct inquiries into Government problems and failures. Their field work can appear very similar — collecting documents, conducting interviews, analyzing findings and delivering their findings in summary reports. The manner in which these vital, but different resources are deployed will in many ways define the character of the office an IG develops and the manner in which the IG relates to the Department.

Why are these fact-finders so different? Let's do word contrasting associations next. See if you agree with these word contrast associations with auditors and investigators.

- Congressional requesters like investigations; program managers prefer audits.
- Auditors report on the donut; investigators report on the hole.
- Auditors are bomber pilots; investigators are fighter pilots.

- Auditors deliver artillery barrages; investigators engage in hand-to-hand combat.

The beginning of the differences between auditors and investigators might be in what they are expecting to find in their inquiries. The professions seem to embrace widely divergent world views. In antiquity there were two views of sin. The Greeks, like auditors, viewed sin as evidence of incompleteness. The Romans, like investigators, viewed sin as evil. The auditors are looking for processes to make whole. The investigators are looking for evidence of intentional wrongdoing to assure proper handling by criminal courts.

Audits are broad comprehensive reviews that leave behind neatly plowed plots of land. Investigations are often narrow little trails that furrow through any number of programs or processes. The risk for auditors in their approach is that they sometimes find it irresistible to ignore leads that run off their defined game boards. The risk for the investigators is that in the narrowness of their pursuit, they can miss the context in which their evidence is discovered. Contract provisions are a notorious area in which investigators believe they have clear evidence of theft only to discover that the money was taken in compliance with a provision of the contract that the investigator failed to study and understand.

Audits are inquiries concerning programs and processes. Investigations are examinations about people and events. Audits focus on system failures and regulatory oversights that defeat controls. Investigations concern willful acts that are directed at defeating controls.

Investigators just love surprises. It is sometimes their only chance of gathering evidence of actions that are cloaked in falsehoods. To disclose the direction of their questioning is to compromise their effort to penetrate the cloak. Auditors hate surprise. For them it mostly means delay, because their interviewees have come unprepared

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to cover an unannounced topic. They are looking for the fully prepared witness. Department officials being questioned resent surprise and trickery too. When the interview technique is used inappropriately, hard feelings result and may last forever.

Auditors have a bias toward using documents as evidence. Investigators have a bias for witnesses. Auditors' final products are reports to which documents can be easily appended. Investigators are preparing for trial with live witnesses. Any documents gathered by investigators have to be introduced and interpreted by a witness that must be determined and readied. Documents are an extra inconvenience. Investigators are often skeptical of documents. They are very common instruments for constructing false alibis and nonexistent authorities for actions otherwise illegal. Auditors have a different view of documents. Auditors favor documents over witnesses. Documents are often well thought out and logically structured. Documents speak for themselves. Witness statements are illogical streams of consciousness and wholly at the mercy of the witness' memory at that moment. Witnesses recant and documents are nearly indisputable stubborn little things.

Audits make recommendations that flow from conclusions. The recommendations are intended to make incomplete sinners whole. Investigations avoid even reaching judgments and do not make recommendations. That job is for the courts and for jurors. Their task is to present clean evidence upon which conclusions can be drawn by others.

Audit reports are exactly the sum of their parts, and as a result, are rather easy to review for standard compliance and can be easily indexed and referenced. Investigative reports often conclude that the matter under investigation is greater than the sum of its visible parts. These conclusions often cannot be scientifically determined and are matters for judges and juries to conclude, not with absolute certainty, but only beyond a reasonable doubt. Inspections of investigations and the use of indexing and referencing while sometimes helpful is ultimately limited for investigations.

## **Big Finish!**

Audit reports can be disappointing to customers outraged by the activity under investigation. These customers often include Congress, victims and public interest groups. Alternatively, investigations can be frustrating for a

customer seeking the root cause of a failure or charged with using the report to fix broken programs. Obviously program managers and the Department heads often find audits more useful and less volatile.

The biases associated with audits ultimately result in risks and blind spots. Investigative biases have exactly the same result. There is a fairly sharp contrast between poor investigators and poor auditors. Excellent investigators and excellent auditors are much more like one another. They have overcome their biases and mastered skills that are unfamiliar and engaged the new skills to strengthen their effectiveness. They have reduced the risks that come from tunnel vision and borrowed the best skills from one another's professions. Like any other diverse group, Offices of Inspector General can be very powerful resources if you can keep the auditors and investigators focused on the dynamics of interchange instead of confrontation and petty jealousy.

Decisions by IGs on how to staff sensitive work will ultimately define the results the IGs achieve and define their relationships to their agencies. Responding to congressional requests and charges of agency scandal with audits will generally please the Department and disappoint the congressional requester. A criminal investigation of agency scandal will predictably respond well to congressional customers, while terrifying agency officials and limiting their choices as to how to fix the problem. For an entity with dual reporting responsibilities, this choice is daunting. In searching for an objective beacon for making such decisions, IGs should probably focus on what solution is needed to resolve the question. It is also helpful to remember the limits of the two disciplines — audits do not catch bad guys, investigations do not fix broken systems.

I am pleased to have both auditors and investigators in our Offices of Inspector General. It would be very awkward to have only one of the two disciplines in conducting our mission. Although decisions for staffing sensitive work require thought, the answer usually becomes apparent upon reflection. Although I do not believe the disciplines should ever be merged, I believe that auditors and investigators have much to learn from one another. Auditors should strengthen their interview skills and be comfortable with confrontation. Investigators should strengthen their ability to analyze documents and study the missions for the program areas of their departments. The best of the professionals will do just that and make the Offices of Inspector General uniquely strong entities.□