

GAO

Fact Sheet for the Chairman,
Subcommittee on Government
Information, Justice, and Agriculture,
Committee on Government Operations,
House of Representatives

October 1989

INSPECTORS
GENERAL

Status of the
Department of
Justice's Office of
Inspector General



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United States
General Accounting Office
Washington, D.C. 20548

Accounting and Financial
Management Division

B-203900

October 17, 1989

The Honorable Robert E. Wise, Jr.
Chairman, Subcommittee on Government Information,
Justice, and Agriculture
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

In response to your request of July 21, 1989, we gathered information regarding the Department of Justice's actions to establish an Office of Inspector General (OIG). Specifically, we gathered information on actions that Justice has taken to comply with the 1988 amendments to the Inspector General Act requiring the establishment of an OIG and on the staff resources devoted to the OIG. In addition, we gathered information on whether Justice addressed concerns we identified in a 1986 assessment.¹ Further, we interviewed Justice officials to determine what efforts have been made to nominate an inspector general.

RESULTS IN BRIEF

In 1988, the Congress amended the Inspector General Act of 1978 to require the establishment of an OIG at Justice. Justice established its OIG on April 14, 1989, by order of the Attorney General. The Attorney General transferred internal audit, investigation, and inspection units designated by the Inspector General Act Amendments of 1988 to the OIG, along with 261 personnel from these units. These actions are also important steps in addressing our 1986 recommendation for establishing an OIG in order to ensure independent, objective assessments of Justice's operations and the reporting of problems to the Attorney General and the Congress. We were informed that the Department of Justice is conducting interviews for the inspector general position. A provision in Justice's 1989 Supplemental Appropriations Act has prohibited the OIG from consolidating its staff, including moving its Washington, D.C., staff to one main office.

¹Justice Department: An Assessment of the Need for a Statutory Inspector General (GAO/AFMD-86-8, February 24, 1986).

BACKGROUND

The Inspector General Act of 1978 required the establishment of OIGs at various agencies but did not include the Department of Justice. In 1986, we reported that unlike the statutory OIGs, Justice's audit and internal investigation units lacked organizational independence and that this might inhibit independent, objective assessments and reporting to the Attorney General and the Congress on departmental activities. We recommended that the Inspector General Act be amended to include the establishment of a Justice OIG. The Inspector General Act Amendments of 1988 became law on October 18, 1988, and required the establishment of a Justice OIG no later than April 17, 1989.

The amendments required that the Justice OIG be established in a manner similar to OIGs in 23 other departments and agencies. For example, the act requires that the President appoint the Justice Inspector General, subject to Senate confirmation. The act further requires that the Justice Inspector General be independent, not have program operating responsibilities, and keep the Attorney General and the Congress fully and currently informed of agency problems and actions needed to correct them.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our study were to gather information on (1) the Department of Justice's actions to comply with requirements in the 1988 amendments to the Inspector General Act to establish an OIG, (2) the staff resources devoted to the OIG, and (3) efforts made to nominate an inspector general. We also gathered information on whether Justice's actions taken to establish an OIG addressed the recommendation and concerns discussed in our 1986 report.

To fulfill these objectives, we met with the Acting Inspector General and other OIG officials. We obtained documents pertaining to the establishment of the OIG including orders, memorandums of agreements, mission statements, and budgets for fiscal years 1989 and 1990. We also interviewed officials from the Office of Professional Responsibility about their coordination of certain investigations with the OIG and an official from the Office of the Deputy Attorney General about efforts to nominate an inspector general. We did not review the quality of any OIG audits, investigations, or inspections.

We discussed the contents of this fact sheet with the Acting Inspector General and the Department of Justice

audit liaison. Our review was performed at the Department of Justice in Washington, D.C., between August and October 1989.

OIG ESTABLISHED AT JUSTICE

On April 14, 1989, the Attorney General ordered the transfer of nine audit, investigation, and inspection units designated by the 1988 amendments to the new OIG. In addition, 261 auditors, investigators, and inspectors who worked in the nine units were transferred to the office. An additional 66 funded, but unfilled, positions were transferred. According to the Acting Inspector General, Justice approved a budget for fiscal year 1990 that would fund 356 positions. These actions are important steps in addressing our 1986 recommendation for establishing an OIG in order to ensure independent, objective assessments of Justice's operations and the reporting of problems to the Attorney General and the Congress.

An official from the Office of the Deputy Attorney General told us that a selection process is under way to choose a nominee for the inspector general position. Several candidates have been interviewed and the official said that there were plans to interview others. The official said the Department was looking for someone who understands the responsibility of the position and who will be able to manage a staff the size of the OIG. He did not provide an estimate of the date by which a selection would be made. Although Justice is interviewing candidates for the inspector general position, the President will appoint the Justice Inspector General, subject to Senate confirmation.

Since April 14, 1989, the OIG has been headed by an Acting Inspector General, who is on detail from the position of Deputy Assistant Attorney General for Administration. The Acting Inspector General has appointed a deputy inspector general and assistant inspectors general who are responsible for audits, investigations, inspections, and administration.

The OIG continued many audits, inspections, and investigations that were begun by its predecessor organizations. During the period of about 6 months since the OIG was established, a number of audits, inspections, and investigations have been completed. (See appendix I for statistics regarding completed work.)

The Acting Inspector General told us that he has written a draft order detailing the law enforcement authorities and powers of the OIG. The Department of Justice is reviewing

the draft order. The Acting Inspector General said that the draft order is consistent with the 1988 Inspector General Act amendments. It must be signed by the Attorney General before it is effective. Because the order was in a draft stage, the Acting Inspector General did not want to provide us with a copy.

The Acting Inspector General signed a memorandum of agreement, dated April 14, 1989, with the Counsel of the Office of Professional Responsibility (OPR), which is a Justice component that will continue to have jurisdiction over investigations of certain Justice employees. The agreement states:

"While the Inspector General is given a broad grant of jurisdiction for investigations of misconduct across the Department, he or she is also directed to refer allegations pertaining to attorneys, criminal investigators, and law enforcement personnel to the Counsel, Office of Professional Responsibility, for timely investigation in accordance with the Attorney General's expressed intent."

This agreement generally is consistent with section 8D(b)(3) of the Inspector General Act as added by section 102 of the 1988 amendments.² The amendments also authorize the transfer of 20 full-time investigation positions from the OIG to the OPR to conduct these investigations. The agreement provides that in lieu of a formal transfer, the OIG will provide appropriate personnel and resources to perform investigations under the OPR's jurisdiction and that such investigations will be conducted under the OPR's direction and control. The agreement contains a provision stating that it is subject to ratification, renegotiation, or cancellation by either party at any time.

SUPPLEMENTAL APPROPRIATIONS ACT
PROHIBITS OIG CONSOLIDATION

Section 105 of the 1989 Supplemental Appropriations Act (Public Law 101-45, June 30, 1989) prohibits the use of funds provided in this or a prior act for relocating, reorganizing, and consolidating offices, functions, and activities of the Department of Justice. Thus, the Acting

²The agreement does not address the provision in the 1988 amendments which states that the OIG shall not refer to the OPR any matter involving an OPR employee.


Inspector General has been unable to consolidate OIG staff from different locations in Washington, D.C., and other cities to a single office in each of those cities. The Acting Inspector General also has been unable to complete a planned restructuring of the OIG organization which would consolidate all investigators under one assistant inspector general. Inspectors and auditors were consolidated under assistant inspectors general before the 1989 Supplemental Appropriations Act was enacted.

The House of Representatives and the Senate have each passed a 1990 appropriations bill for Justice. Neither version contains language similar to section 105 of Public Law 101-45. Thus, further restructuring of the Justice OIG could proceed under these bills if they are enacted in their present form.

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Unless you publicly announce the contents of this fact sheet earlier, we will not distribute it further until 10 days from its date. At that time, we will send copies to the Director, Office of Management and Budget; the Attorney General; the Acting Inspector General; interested congressional committees; and other interested parties. Please contact me at (202) 275-9359 if you or your staff have any questions concerning the fact sheet. Other major contributors to this fact sheet are listed in appendix II.

Sincerely yours,



John J. Adair
Director, Audit Oversight and Policy

OIG AUDITS, INVESTIGATIONS, AND INSPECTIONS

OIG staff told us that from April 14, 1989, through September 30, 1989, 455 investigations were closed, 13 internal audits were completed, and 8 inspections were completed. We did not verify this information.

The OIG conducts investigations under the authority of the Inspector General Act and a memorandum of agreement with the OPR. The total of investigations closed includes 181 cases conducted with Inspector General Act authority and 274 under the agreement with the OPR.

In addition to conducting internal audits of Department of Justice operations, the OIG audit staff spends about 50 percent of its effort on external audits. This effort includes (1) coordinating the performance of audits at state and local units of government and not-for-profit organizations receiving federal financial assistance for which the Department has audit cognizance under provisions of the Single Audit Act and Office of Management and Budget circulars and (2) providing audit services to the Executive Office for U.S. Trustees pursuant to a reimbursement agreement, such as audits of financial reports and cash management by individual trustees who oversee assets in federally supervised bankruptcy cases.

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