

OFFICE OF THE INSPECTOR GENERAL

FEDERAL HOUSING FINANCE AGENCY



THE INSPECTOR GENERAL'S RESPONSIBILITIES

The 1978 IG Act, as amended, and the IG Reform Act of 2008 charge the Offices of Inspectors General to:

- Detect fraud, waste, and abuse related to their agency's programs and operations
- Examine the efficiency and effectiveness related to agency programs and operations

INSPECTOR GENERAL COMMUNITY'S VISION STATEMENT

We are agents of positive change striving for improvement in our agencies' management and program operations and in our own offices.

WHO BENEFITS FROM IG ACTIVITIES?

- Agency head - receives objective and independent information about the agency's performance, and on fraud, waste, and abuse related to agency programs and operations
- Agency programs - IG activities can generate
 - Management improvements
 - Recoveries of overpaid funds
 - Future operating economies
- Congress – independent IG reports assist in oversight and accountability
- Taxpayers - receive more effective federal programs and services at a lower cost

IMPACT OF IG ACTIVITIES

- Recovering funds paid incorrectly or fraudulently
- Savings through more efficient and effective operations
- Prosecuting crimes against federal programs
- Sanctioning persons or entities that have violated program requirements
- Reports provide factual basis on which agency may discipline employees

APPOINTMENT OF THE INSPECTORS GENERAL

- In over 30 agencies - including FHFA and every Cabinet department and the larger independent agencies - the Inspector General is appointed by the President, with advice and consent of the Senate
- In over 30 other agencies, the Inspector General is appointed by the agency head
- No fundamental difference in the powers or authorities between the two categories of IGs to investigate/audit
- If IG is removed from position, Congress must be informed 30 days in advance of the reasons for removal/transfer

IG OPERATIONAL INDEPENDENCE

The IG Act contains provisions to assure the OIG's ability to carry out its activities

- OIG conducts, coordinates, or oversees all audits and criminal investigations related to agency's programs and operations
- Separate Counsel who reports directly to the IG
- IG has direct access to and works under the “general supervision” of the agency head/deputy agency head, but is not subject to supervision from any other agency official
- OIG has full operational independence to select, plan, and conduct its work
- IGs defined as separate agencies for certain personnel matters

IG OPERATIONAL INDEPENDENCE (CONTINUED)

- IG may not manage any operational program of the agency or supervise non-OIG employees
- IG may not make policy for non-OIG programs
- IG has multiple reporting responsibilities
 - Agency Head
 - Congress
 - Public

IG OPERATIONAL INDEPENDENCE (CONTINUED)

- “Seven day letter”
 - Special IG report to agency head
 - Particularly serious or flagrant program abuses, or deficiencies
 - Agency head must forward to Congress within 7 days, with comments

IG ACCESS TO INFORMATION

- Statutory right of access
 - All agency records
 - Information needed for audits and investigations
- Subpoena authority under the IG Act
 - Non-agency documents, electronically stored information and “any tangible thing”
 - Enforceable in federal court

IG ACT - IG INFRASTRUCTURE

- Assures the IG's objectivity and independence
- Independent management authority in several areas
 - Contract for goods and services
 - Exclusive personnel management authority for IG employees (other than SES)

OIG OPERATIONS - AUDITS

- Auditing agency related financial records and IT systems
- Identifying fraud, waste, and abuse in agency programs and operations
- Determining whether agency funds have been paid properly, and identifying payments that should be recovered
- Identifying ways that agency funds can be put to better use

OIG OPERATIONS - AUDITS

(CONTINUED)

- Identifying ways the economy and efficiency of programs and operations can be improved
- Determining whether contractors and grantees have met their responsibilities to the government
- Determining whether agency programs and operations are being administered in accordance with law, regulation, and policy

OIG OPERATIONS - AUDIT STANDARDS

- Government Accountability Office's Government Auditing Standards ("Yellow Book")
 - Professional standards for all government auditing
 - Requirements for training IG auditors

OIG OPERATIONS - INVESTIGATIONS

- Criminal and civil investigations
- Fraud and abuse related to agency programs and operations
- Investigations of alleged misconduct by agency personnel/contractors/grantees

OIG OPERATIONS - INVESTIGATIVE STANDARDS AND TRAINING

- Quality Standards for Investigations
 - Developed by the IG Community
- Federal Law Enforcement Training Center
 - Courses for investigators in 70 agencies and the IG community
 - IG agents receive basic investigator training
- Inspector General Criminal Investigator Academy
 - Meets specialized training needs of IG agents

OIG OPERATIONS - INSPECTIONS AND EVALUATIONS

- Not required by the IG Act, but present in many IG offices
- Complements audits and investigations
- Studies focus on a stated issue, topic, or program
- Timely reports with specific recommendations for program officials
- Professional standards developed by IG Community

OIG REPORTS

- Principal work product of IG activities
- Draft audit, inspection, and evaluation reports are generally distributed for comment before final issuance
- Final audit, inspection, and evaluation reports are normally issued to the Agency Head and agency official responsible for the affected program area prior to posting on OIG website 3 calendar days after issuance
- Investigative reports may be sent to:
 - United States Attorney for prosecutorial consideration
 - Other federal law enforcement agencies for coordination
 - The Agency Head for administrative action

IG SEMIANNUAL REPORTS

- Reporting periods (each year)
 - October - March
 - April - September
- IG's dual reporting relationship to the Agency Head and Congress
 - Agency must forward the IG report to Congress, with agency response
- Both the IG report and agency response are in the public record

IG SEMIANNUAL REPORTS - REPORTING TOPICS

Reflect congressional interest in fostering public accountability for integrity and efficiency issues

- List of all audit, inspection, and evaluation reports issued
- Detailed reporting of the questioned costs identified from audit activities
- Narrative summaries of significant audits and investigations

IG SEMIANNUAL REPORTS - REPORTING TOPICS (CONTINUED)

- Significant problems, deficiencies, or abuses related to agency programs and operations
- Matters referred by the IG to the Department of Justice for prosecution
- Review of proposed regulations and legislation to assess the impact on economy, efficiency, and integrity of agency programs and operations

COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY (IG COUNCIL)

- Established by IG Reform Act of 2008
- Coordinating body for the Presidentially appointed IGs and the agency-appointed IGs
 - Recommends individuals for vacant IG positions
 - Addresses IG policy issues crossing agency lines
 - Develops professional standards for IG work
 - Performs studies on topics of government-wide concern
 - Sponsors training for OIG executives, managers, and staff
- OMB is the Executive Chair who presides over meetings
- Day to day operations performed by Chair elected from and by the IG community

INTEGRITY COMMITTEE OF THE IG COUNCIL

- Facilitates IG community's own accountability
- Established by statute
- Chaired by the FBI

INTEGRITY COMMITTEE OF IG COUNCIL (CONTINUED)

- Membership from within and outside the IG community
 - Director, Office of Government Ethics
 - Special Counsel, Office of Special Counsel
 - FBI
 - Four or more sitting IGs drawn from the IG community

INTEGRITY COMMITTEE OF IG COUNCIL (CONTINUED)

- Reviews allegations of wrongdoing on part of IGs and senior executives in IG offices
- Conducts or arranges for investigations
- Provides findings to Executive Chairperson and President, or Agency Head; summary report to Congress

PUBLICLY AVAILABLE SOURCES OF INFORMATION

- IGs individual websites (FHFA-OIG website under construction)
- IG Semiannual reports
- IG Council Report to the President
 - Compiled annually
 - Community-wide statistical and narrative information
- IGSNet, the IG Council website www.ignnet.gov
 - Links and references to each IG's own website, and related sites

OIG HOTLINE

Allegations of fraud, waste, and abuse can anonymously be reported to the Office of Inspector General by calling (800) 793-7724 or by calling our main telephone number (202) 408-2544.

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