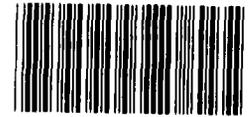


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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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STATEMENT OF
WILBUR D. CAMPBELL, ACTING DIRECTOR
ACCOUNTING AND FINANCIAL MANAGEMENT DIVISION
UNITED STATES GENERAL ACCOUNTING OFFICE
BEFORE THE
SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY
COMMITTEE ON GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES
CONCERNING H.R. 3625, A BILL TO AMEND THE INSPECTOR
GENERAL ACT OF 1978 TO ESTABLISH OFFICES OF INSPECTOR
GENERAL IN CERTAIN DEPARTMENTS, AND FOR OTHER PURPOSES

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Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before this Subcommittee to present the views of the General Accounting Office on H.R. 3625 which would amend the Inspector General Act of 1978 to include the Departments of Energy, Health and Human Services, Justice, and the Treasury. With me today are Mr. George L. Egan, Associate Director, and Mr. David Zylks, Group Director, from our Fraud Prevention and Audit Oversight Group which is responsible for conducting and monitoring all GAO work involving statutory inspectors general and other Federal internal audit organizations.

As you know Mr. Chairman, the General Accounting Office strongly supported passage of the 1978 Inspector General Act and other legislation designed to centralize and strengthen internal audit and investigative activities under inspectors general in major departments and agencies. We supported such legislation because we believed that it would help:

- Insure that high-level agency attention is given to promoting economy, efficiency and effectiveness, and in combating fraud, waste and abuse in Federal programs and agency operations.
- Provide better assurance that the work of audit and investigative units in those agencies and throughout the Government is coordinated.
- Insure that both the Congress and agency heads receive information on problems in the Federal programs and agency operations for which they are accountable or otherwise have oversight responsibility.

Thanks in large part to your efforts and the leadership of this Subcommittee, independent statutory IG offices now exist in most major departments and agencies. Moreover, if the semi-annual reports now being published by the IGs and the President's Council on Integrity and Efficiency are any indication, the IG concept has been a resounding success. This observation would seem to be further substantiated by the extensive coverage of IG accomplishments which appears almost daily in the news media. Based on our own reviews over the past several years, we believe the establishment of statutory IG offices in major departments and agencies has been a key factor in strengthening Federal internal audit and investigative activities throughout the Government.

Accordingly, we continue to strongly support the IG concept, and we fully support the provisions of H.R. 3625 which would:

- Transfer the existing statutory IGs at the Department of Energy and the Department of Health and Human Services--currently under separate authorizing legislation--to the Inspector General Act of 1978.
- Establish new statutory IG offices in the Department of Justice and the Department of the Treasury.
- Give IG personnel the authority to administer to or take from any person an oath, affirmation, or affidavit whenever necessary in carrying out functions authorized by the IG Act of 1978.

We support the transfer of the existing statutory IGs at Energy and Health and Human Services. This would place 17 of the

present 18 statutory IGs at major departments and agencies under the Inspector General Act of 1978. We believe that all 18 statutory IGs should operate under the same basic authorizing legislation, with uniform principles and standards. In this connection, we would like to see H.R. 3625 amended to also include the Department of State as recommended in our recent report to you on State's statutory Office of Inspector General (GAO/AFMD-83-56). The State IG was established by section 209 of the Foreign Service Act of 1980 which includes several significant deviations from the basic IG concept embodied in the 1978 IG act. We believe including the State IG office under the 1978 act would enhance the IG's independence and effectiveness.

We also continue to support the establishment of statutory IGs at Justice and the Treasury. Over the past several years, we have testified on several occasions before this Subcommittee as well as other House and Senate committees in support of similar legislative proposals. Our position on this matter has not changed. Justice and the Treasury remain the only department-level agencies without statutory IGs. The reasons for establishing statutory IGs in the other major departments and agencies are just as relevant to Justice and Treasury, given the nature and importance of their missions and responsibilities.

We believe such action is even more important today with the enactment of the Federal Managers' Financial Integrity Act of 1982. This act requires the heads of all Federal agencies to

report annually on the adequacy of the internal accounting and administrative control systems in their respective agencies. A strong independent statutory IG is an important tool which management can use in carrying out its responsibilities under the act-- particularly in assessing the adequacy of the agencies' internal accounting and administrative controls.

Finally, we support the amendment giving IG personnel the authority to administer oaths. The Government cannot charge an individual with perjury for providing false statements unless the person administering the oath has clear authority to do so. The threat of a perjury charge can provide greater assurance than an individual makes a true statement. This is particularly important for IG investigators conducting criminal investigations.

This completes my statement Mr. Chairman. We will be pleased to answer any questions you may have.