

Issues & Overview

Meaner Than Junkyard Dogs – What Will Obama Do With His Inspectors General?

It was Inauguration Day, January 20, 1981, and President Ronald Reagan's first day in office. Surprisingly, one of his first official acts was to notify Congress of his intention to fire all of his inspectors general (IGs), stating that it was essential for him to have the "fullest confidence" in the ability and integrity of each inspector general. James S. Brady, the White House press secretary, said at the time that President Reagan was looking for people who were "meaner than a junkyard dog" when it came to ferreting out waste and mismanagement in the federal government.

Two months later, after some criticism from the Democratic-controlled Congress, Reagan rehired six of the 15 originally fired IGs. Yet despite this criticism, few would deny that Reagan's actions succeeded in sending a clear message to the entrenched federal bureaucracy that there was a new administration in town with a different and more aggressive approach to fraud, waste and abuse.

Today, President Obama has called for an even more dramatic attack on fraud, waste and abuse. In words as well as deeds, his first few months are replete with evidence of the arrival of a "new sheriff in town" set on changing the fundamental way Washington does business. His repeated initiatives to cut waste, abolish failed programs, and expose fraud in federal contracting send a strong signal that more dramatic changes are coming for the little-known but extremely powerful IG community – changes that will have equally dramatic consequences for the thousands of corporations contracting with the federal government.

Obama started his reform campaign almost as early as Reagan did with his first Cabinet meeting, where he publicly tasked his agency heads to cut unnecessary programs. Since then, among other initiatives, Obama has signed an Executive Order reforming government contracting, ordered a line-by-line review of the budget to find wasteful programs, appointed a highly acclaimed IG to coordinate and oversee the new Recovery Act, launched a web site to track spending from the Recovery Act, announced a cut of \$17 billion from his budget, and even called on rank-and-file federal employees as well as private citizens to submit suggestions on how to make federal operations more efficient and less costly.

Historically the IGs have been one of the strongest tools for any administration in exposing problems with programs and processes. Not surprisingly, Obama reached out to one of the most aggressive and well-respected members of the IG community, former Interior Department IG Earl Devaney, to head the Recovery Accountability and Transparency Board (RAT Board). The Inspector General Act of 1978 first created independent units within a few federal agencies to conduct audits and investigations of agency activities to ensure that the agencies are effective, efficient and accountable. The law required the IGs to report not only to their respective agency heads but also to the appropriate committees of Congress. From only 15 agencies in 1978, the IG community now encompasses more than 67 agencies, placing the IGs in a uniquely powerful position – straddling both the executive and congressional branches – to carry out Obama's plan to reform the way government works and enforce fiscal discipline.

Clearly, Obama knows who the IGs are and how important a role they can serve in enforcing fiscal discipline. Could he be planning to take a page from the Gipper's playbook and dramatically replace most if not all of the remaining IGs? There is nothing legally to prevent him from doing so. He merely needs to give Congress 30 days' notice before removing an IG. It is worth noting that one of the main sticking points over the passage of the recent 2008 IG Reform Act was this very issue, with the Senate balking until a provision eliminating the president's prerogative was removed from the House version of the bill.

However, few people are suggesting the wholesale firing of the IGs as Reagan did. Even though the IG community, with the exception of Devaney and a few others, has not been held recently in great esteem either on the Hill or off due to a number of public scandals, Obama will not have to be as dramatic as Reagan to accomplish his objectives. Due to attrition, both natural and otherwise, Obama has the greatest number of IG vacancies of any president to fill. There are currently ten such vacancies, including some of the largest and most important government departments, including Defense, CIA, Education, NASA, State and Interior, to name a few.

Obama's choice of Devaney provides an indication of the quality of the nominees the president will be seeking in filling these important slots. In light of the recent tepid reaction to Obama's first attempt to cut the budget, one can only expect that Obama will have further incentive to pick not ten lap dogs but rather mean junkyard dogs who will follow his directions to change the way business is carried out in Washington.

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