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Political appointees as barriers to government efficiency and effectiveness: A case study of inspectors general

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INTRODUCTION

Many people remember 2012 as an embarrassing year for the Secret Service. Allegations of a prostitute-laden trip to Cartagena, Colombia, emerged that embroiled the Service in scandal and embarrassment. It was certainly not a great time to be the head of that agency.

It was also not a great time to be head of the Office of Inspector General (OIG) for the Department of Homeland Security (DHS), the department in which the Secret Service resides. Allegations arose that Acting Inspector General (IG) Charles Edwards had improperly tampered with IG reports, all while seeking nomination as the permanent DHS IG. Whistleblowers revealed that Edwards ordered them to remove potentially damaging information about the Service and evidence that implicated White House staff; others alleged he edited or delayed reports.

As an April 2014 Senate subcommittee report indicated, Mr. Edwards jeopardized the independence of the OIG in numerous ways; by editing or delaying reports to accommodate DHS officials, frequent communications and personal friendships with said DHS officials, soliciting legal advice from the DHS's rather than the OIG's general counsel, and by failing to recuse himself in matters involving his wife's employment. The report concluded that Mr. Edwards' conduct "jeopardized the independence of the Office of Inspector General … and contributed to an office environment characterized by low morale, fear, and general dissatisfaction with Mr. Edwards' leadership."[1]

1 United States Senate Subcommittee on Financial and Contracting Oversight Committee on Homeland Security and Governmental Affairs. "Investigation into Allegations of Misconduct by the Former Acting and Deputy Inspector General of the Department of Homeland Security." Accessed at: https://assets.documentcloud.org/documents/1146994/edwards-senate-investigation.pdf (2)

As the front line against waste, fraud, and abuse in government, Offices of Inspectors General are tasked with providing independent and thorough analysis of agency operations. Despite this exemplary mandate, political pressure sometimes gets in the way. Mr. Edwards' tenure as acting head of the DHS OIG is just one example—albeit an extreme one—of how political pressure can influence the valuable work that IGs do. Unfortunately, it is not an isolated one. In August of 2014, 47 of the 72 federal IGs signed a letter penned to Representative Darrell Issa, and the other ranking members of the House Committee on Oversight and Government Reform, charging that IG's independence and effectiveness was routinely threatened by agencies (specifically, the Peace Corps, Department of Justice, and Environmental Protection Agency) which refused, delayed, or restricted IG's access to important documents during the course of their investigations. [2]

Political pressure comes to OIGs in many forms—sometimes overtly, from specific officials within the agency or from the IG himself, other times in the form of a subtle yet pervasive obstructionist agency culture. In this paper, we aim to use a measurement of IG effectiveness to test the impact of politicization on outcomes, as well as hypothesize some avenues by which politicization has such influence.

INSPECTORS GENERAL: THE WATCHDOGS OF GOOD GOVERNMENT

In many ways, IGs have a simple charge: they need to make sure government is working well and in the way it is intended. According to the Inspector General Act of 1978 that formally established them, IGs are to conduct audits and investigations, and:

> "Provide leadership and coordination and recommend policies for activities designed a) to promote economy efficiency, and effectiveness in the administration of, and b) to prevent and detect fraud and abuse in, such programs and operations; and to provide a means for keeping the (administration and Congress) fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action."

Despite the seeming simplicity of a charge like improving government, the actual execution of that charge is complex and challenging. IGs conduct formal personnel investigations, audit accounting practices, analyze organizational structures and activities, examine fraud (at times with law enforcement power), query inappropriate activity, adjudicate claims from some whistleblowers, and deal with a whole host of other agency-, program-, and situation-specific issues that arise.

In the best light, they are the first line of defense that citizens and taxpayers have against bad actors inside and outside government. In reality, IGs are rarely painted in a positive light, nor given the credit they deserve. Within agencies, they are seen more as an administrative rat squad than as guardians of good government.

Despite the bad rap, IGs perform an essential function in a democratic government, particularly one too large for the citizenry to monitor themselves. They make sure taxpayer dollars are put to better use. They ensure agencies abide by their missions. They help agencies monitor themselves, particularly as agencies have grown dramatically and the management of any given agency is relatively small. Any large organization faces challenges with shirking

2 https://www.grassley.senate.gov/sites/default/files/issues/upload/IG%20Access%20Letter%20to%20Congress%2008-05-2014.pdf

responsibility, monitoring limitations, oversight, and compliance. IGs assist agencies and other government entities in dealing with those challenges more effectively.

MEASURING A GOOD INSPECTOR GENERAL

Trying to identify or categorize what makes an IG effective is quite controversial. This is true for a variety of reasons. First, IGs have active and passive impacts on agency operations. They can rein in bad behavior through active audits, investigations, arrests, and recommendations. They also have an indirect effect, as their activity—even their very existence—likely deters bad behaviors inside and outside of agencies. Compared to a world of governance in which IGs do not exist, their presence surely changes the manner in which government operates. It is hard enough to measure what IGs *do*. It is even harder to quantify what IGs don't do.

In addition, every IG is different. While the IG Act gives these offices a common charge, the agencies over which they have oversight vary in their operations dramatically. As a result, the effort and approach differs from IG to IG. For example, the inspector general of the Appalachian Regional Commission oversees a relatively small agency that is focused squarely on grant making. Much of that IG's work will ensure that grant administration is effective and that grantees are using federal funds in the manner intended.

The inspector general for the Department of Health and Human Services is quite different. It oversees an agency with a budget of over $1.1 billion and a staff of nearly 80,000 (in 2016). The IG must conduct nearly every type of inspection and audit activity because the jurisdiction of the department is so varied.

Comparing the two IGs is quite difficult for a variety of reasons, and these are just two examples among the 72 IGs across the federal government.

Despite the diverse nature of IG activities, there is one effort that tends to unite all IGs: fund recovery. In some way, every IG makes sure that funds are spent properly, whether those are internal funds (staffing, travel, infrastructure, etc.) or external funds (grants, contracts, cooperative agreements, or the receipt of funds). Because of that common theme, we have previously developed a measure of return on investment (ROI) for IGs that provides a comparable and rigorous measure of the effectiveness of each office.[3]

Simply, ROI measures how much funding an IG recovers in a given fiscal year compared to that IG's budget. More specifically, our return measure is calculated by tallying the IG's total receivables in a given year (both from audits and investigations) and dividing that total by the IG's annual budget.[4] That ratio offers us an annual, office-level measure of the return on an agency's investment into its own OIG. An ROI greater than one indicates a positive return on investment—that is, an OIG brings in more money than it costs to operate.

3 For a thorough introduction and discussion of this metric, please see our previous paper: http://www.brookings.edu/research/papers/2015/04/30-inspectors-general-roi-hudak-wallack

4 Data for OIG receivables was sourced from each OIG's semi-annual reports to Congress, which is available on the OIG's website. We included either the "funds recovered from audits" when available, or the amount of an audit agreed to by management, for each six-month period reported. We also recorded the total amount of investigative receivables in each period, and then summed them to create a total figure for receivables in a given year. We sourced the OIG's annual budget figure from either the agency's annual budget, congressional budget request, or the President's budget as reported to OMB.

In their semi-annual reports to Congress, OIGs are required to report their audit and investigative activities. The audit section includes number of recommendations, types of audits, and a value for the audit. Investigation section reports civil and criminal convictions, as well as fines, settlements, restitutions, and monetary recoveries.

These receivables can take many forms, but all are actual funds that are returned to an agency through an audit or investigation, or funds that an OIG prevented an agency from spending unnecessarily. Investigations often produce funds through fines or settlements.

Wherever available, we recorded the value of actualized savings—the money an audit actually brought into the agency. The return data collection has some limitations due to reporting inconsistencies within and among IGs.[5] Many IGs report the value of an audit at multiple stages of the audit process: when the recommendation is made, when management agrees to the audit, and when the money is actually recovered.[6] For legitimate reasons, sometimes the initial value of the audit is not recovered—settlements come in at less than expected, or management produces documents for funds that were previously unsupported, etc.—and because of this, we chose to record the audit value *at its most final stage reported.*

Because of reporting differences, the realized savings from an audit were not always available, and in those cases, we recorded the value of the audit agreed to by management. In the rare case that neither was available, we recorded the total initial value of the audit recommendations. Except in cases of extreme reporting change, we took the value that was present in all years for a particular IG, in order to maintain consistency within the office and reduce the risk of double-counting from period to period. Investigative recoveries were usually reported at just the final stage, and thus did not give rise to these data challenges.

ROI is just one measure of IG effectiveness, and it is critical to discuss some of the benefits and limitations of the measure. First, it is easily comparable across agencies because it is measured in dollars. Second, it reflects an essential and highly visible activity performed in every IG office in the U.S. government annually. Third, ROI is an easily digestible metric inside and outside of government, facilitating our understanding of what is often a complex administrative activity.[7]

It is also worth noting what this measure does *not* capture. It reflects only the monetary benefits brought into the agency via OIG work in any given year. In multiple conversations with IGs and IG staff, they pressed upon us the importance of the non-monetary work they do. Performance management, program and operations review, as well as non-monetary civil and criminal penalties are all vital to IG operations and to improving government overall. These activities are, however, notoriously variable between IGs and nearly impossible to quantify, especially in a manner that would be comparable between offices. For this reason, we did not even attempt to include non-monetary ROI, but it is nonetheless important.

5 Although IG reporting requirements are mandated by the 1978 IG act, many IGs report more information than what is required in different formats, summations, and intervals than others. Our previous paper addresses reporting inconsistencies and makes recommendations to harmonize the process.

6 Some semi-annual reports include data on reported savings that would not be considered “returns” in the most literal sense. For example, one OIG may report significant “legislative savings,” each year, which are proposed legislative changes that would save X dollars *if implemented.* Another OIG reported “or “estimated savings” or separate from their audit returns, which made it unclear if those savings were ever realized. Each of these was hard to justify as true, realized savings to an agency, and so we excluded them from the metric.

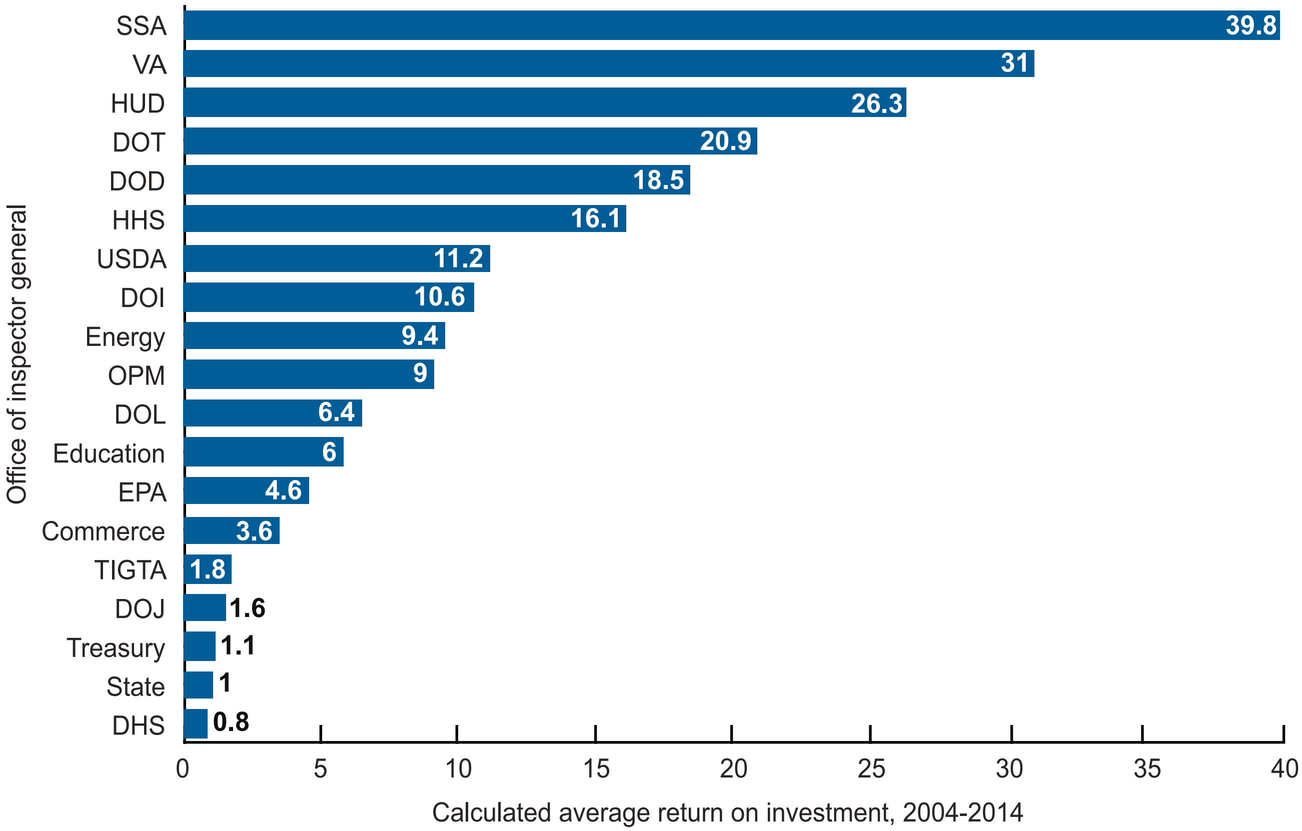
7 We note, however, that ROI does not encapsulate all of the non-monetary benefits IG’s bring to government in the form of deterrence, efficiency, improved process, or legislative oversight. These activities are no less important than audits which return money to the agency, but are ultimately too difficult to measure accurately, and in a way that would be consistent across IGs.

Additionally, the data have inherent limitations due to their measurement.[8] Because OIG's reporting varies (as described above) among offices, the data collected are by no means perfect. Investigations often start in one year and are completed two, three, or more years later, making the year-to-year ratio an imperfect measurement of cost-to-benefit. It is also possible that return numbers could be revised by IGs in later years, either when a legal settlement actually came through, or when an agency actually implements a recommendation, or receives a contract repayment—these are revisions we were not able to account for. But by limiting the data to the most concrete returns, we argue that we created the most accurate and conservative measure available.

Despite those limitations, we are confident that measuring performance through ROI well reflects the underlying concepts we seek to capture. It is a sound metric, reflecting a critical OIG operation, it is easy to interpret, and it is versatile in the analytical setting.

Figure 1 shows the average ROI for each OIG over the ten year period 2004-2014. The ROI was calculated each year, and then an average was taken.

Figure 1: Average return on investment for select offices of inspector general, 2004-2014



8 See our earlier paper for a discussion of the political and budgetary impact of the irregular IG reporting system. Available here: http://www.brookings.edu/research/papers/2015/04/30-inspectors-general-roi-hudak-wallack

The data show something quite interesting: IGs are smart investments in good government. Almost every IG has an ROI greater than one. Often, criticism of government, and bureaucracy more generally, focuses on wasteful spending. However, spending on IGs is the opposite; it provides a net fiscal benefit to government.

INFLUENCING INSPECTORS GENERAL FOR BETTER OR WORSE

Understanding what types of forces influence the effectiveness of inspectors general is the first step toward improving these vitally important institutions. It is no secret that IGs face serious challenges. Some of these challenges are internal. Like any organization, internal dynamics can help or hinder operational effectiveness. There is no question that some IGs face difficult missions—too broad, too vague, or both. The ability to carry out such a mission can depend on an office's interpretation of that mission. And for IGs, multiple key players influence how that mission is conceived: the IG herself, the agency head, the president, and Congress. Such instability and confusion can be very frustrating to career civil servants seeking to perform their work in a straightforward, consistent way.

IGs face a variety of problems including personnel turnover and experience, extended staff vacancies, budget limitations, communication and coordination challenges (particularly in larger offices), leadership vacancies, and leadership capacity issues. Each of these internal challenges hinders IGs from meeting their obligations under the IG Act. Moreover, these challenges don't happen in isolation, but are often compounding problems. They are frequently difficult to solve even when they are easy to observe and their causes are obvious.

There exists another, more complicated force that affects every IG in some fashion, at some time. That challenge is political influence. IGs were created to be explicitly apolitical in an effort to have an honest evaluation of wrongdoing, malfeasance, inefficiency, or mismanagement in government, but those problems concurrently create politically salient environments. IGs are responsible for rooting out such behaviors and political actors are motivated to avoid any indication of impropriety. This creates a gulf between agencies and their watchdogs. Any IG will tell you a large part of their struggle is dealing with the silence, delay and even explicit obstruction that agencies engage in.

Political influence, or more aptly, obstructionism, is the focus of this paper. One concern among offices tasked with upholding the values of good government in the administration of public policy is the impact of political actors. For OIGs this can exist externally and internally. Internally, politically motivated IGs—often political appointees answering to the president[9]—can affect the manner in which investigations are conducted in ways that advance specific political interests or ends. Externally, political actors outside of the IG, but inside the office over which an IG has jurisdiction, can create challenges.

Internal politicization certainly happens, but there are clear avenues to observe political pressures coming from outside actors. In our conversations with IGs, much of their concern was targeted towards agency actors obstructing IG investigations, audits, and inquiries. While there was an acknowledgement of the challenges presented to good actors by rogue IGs, external political influence was clearly a larger day-to-day concern.

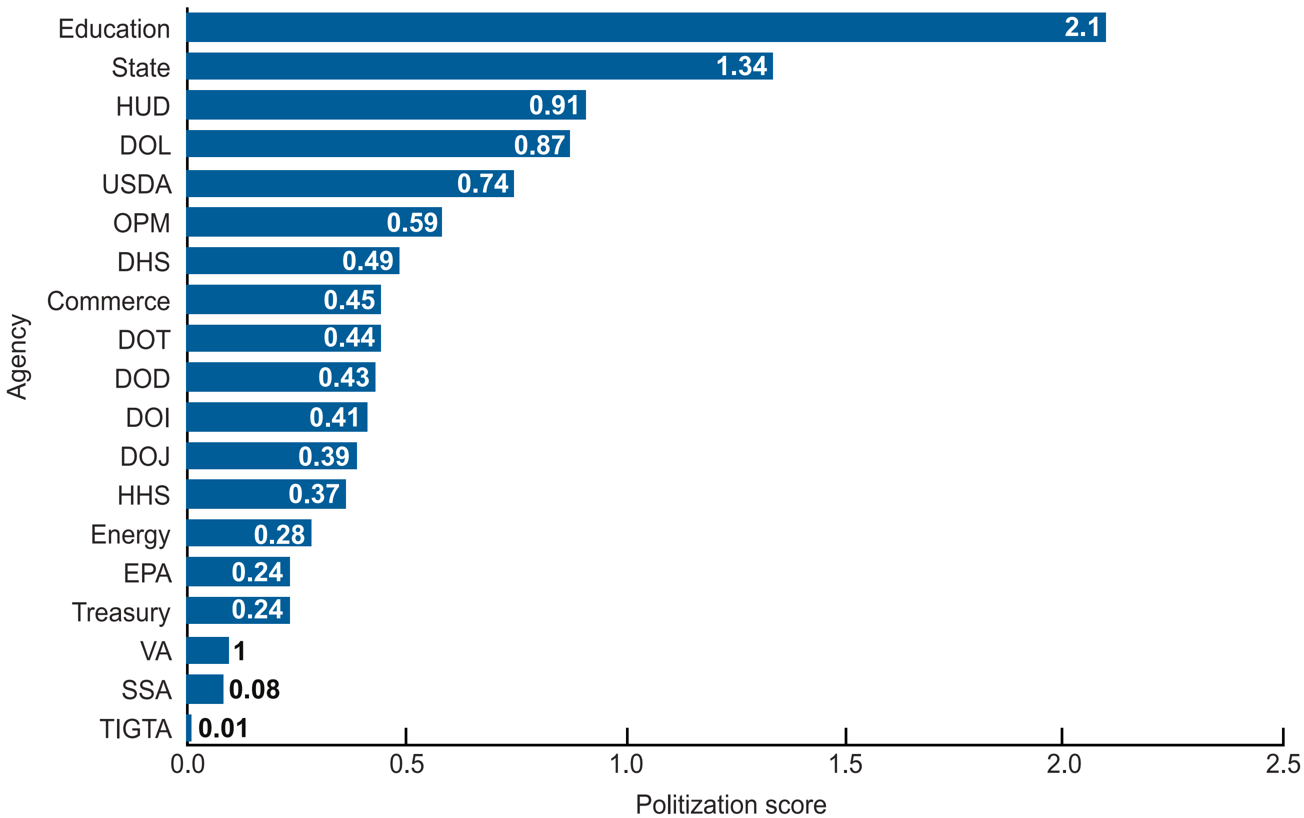
9 Many IGs, especially those overseeing larger agencies, are appointed by the president and confirmed by the U.S. Senate. However, many smaller entities have IGs who are selected by the agency head and can be removed by that individual. They do not require Senate confirmation.

ANALYSIS AND RESULTS

We set out to understand how agency appointees affect the ability of offices of inspectors general to fulfill their mission. We measure their success at carrying out that "mission" by return on investment—one metric of effectiveness. Understanding how outside forces influence that measure is critical to this analysis.

In our previous research, we found evidence that the presence of political actors dampened IG's ROI. In the current analysis, we consider a variety of measures of politicization and how they affect IGs. The first measure is a standard in political science research, a metric of politicization devised by David Lewis in his 2008 book on political appointees: a ratio of agency appointees to career-level managers (civil servants in leadership positions).[10] This measure shows the saturation of political appointees in the leadership of an agency. Figure 2 shows the variation in politicization by agency.

Figure 2: Average politization score of select agencies



In addition to the Lewis politicization measure, we examine the number of political appointees in an agency, hypothesizing that more political appointees will have greater capacity to influence decisions throughout their agency, including responsiveness to IG inquiries. A higher number of appointees create increased opportunity to strategize, coordinate, and act in ways that hinder IGs in the name of protecting an administration.

10 Lewis, David E. 2008. *The Politics of Presidential Appointments: Political Control and Bureaucratic Performance*. Princeton: Princeton University Press.

Figure 3

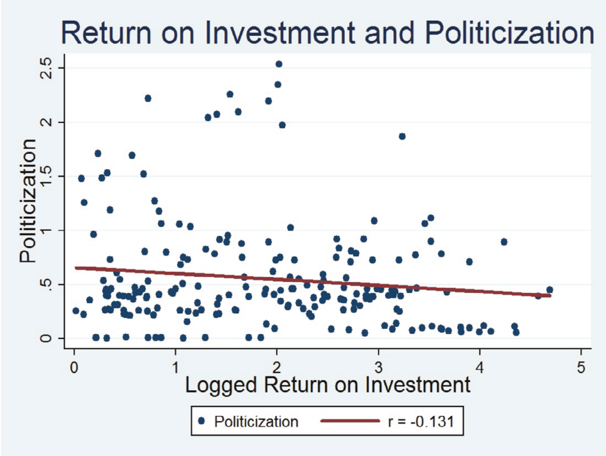


Figure 4

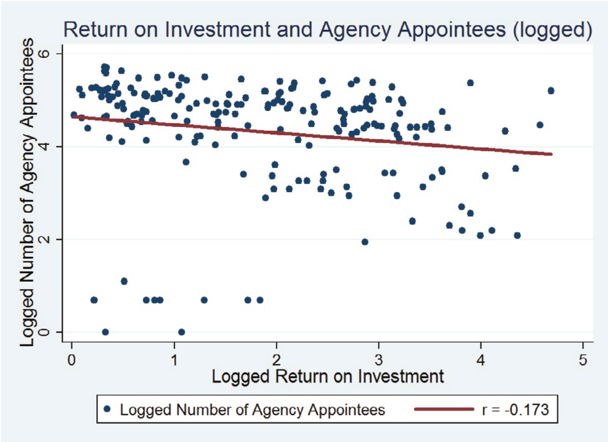
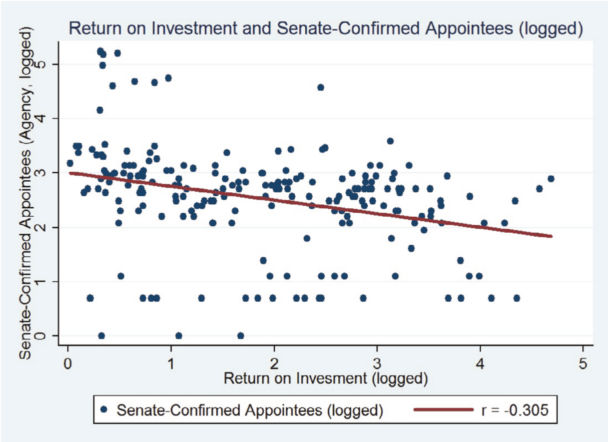


Figure 5



The final measure of political influence counts the number of Senate-confirmed appointees in an agency. Often overlooked in the study of the presidency is that most political appointees do not require Senate confirmation. Senate confirmation, however, is often reserved for the most important positions. Those positions tend to be the most political and are occupied by individuals who have the greatest capacity to engage in politically-motivated behavior and loyalty to the president.

In this analysis we examine how the presence of politically-motivated actors influences an IG's ROI. In our analysis, a negative relationship (a line running from top left to bottom right) indicates that as political influence in an agency increases, the effectiveness of an IG decreases. That is, when political appointees play a more dominant role in an agency, ROI decreases.

Figures 3-5 show that regardless of the measure of politicization that we use, it negatively impacts IG effectiveness. The Lewis measure, the number of appointees, and the number of Senate-confirmed appointees in an agency all drive down the effectiveness of the IGs that oversee them.

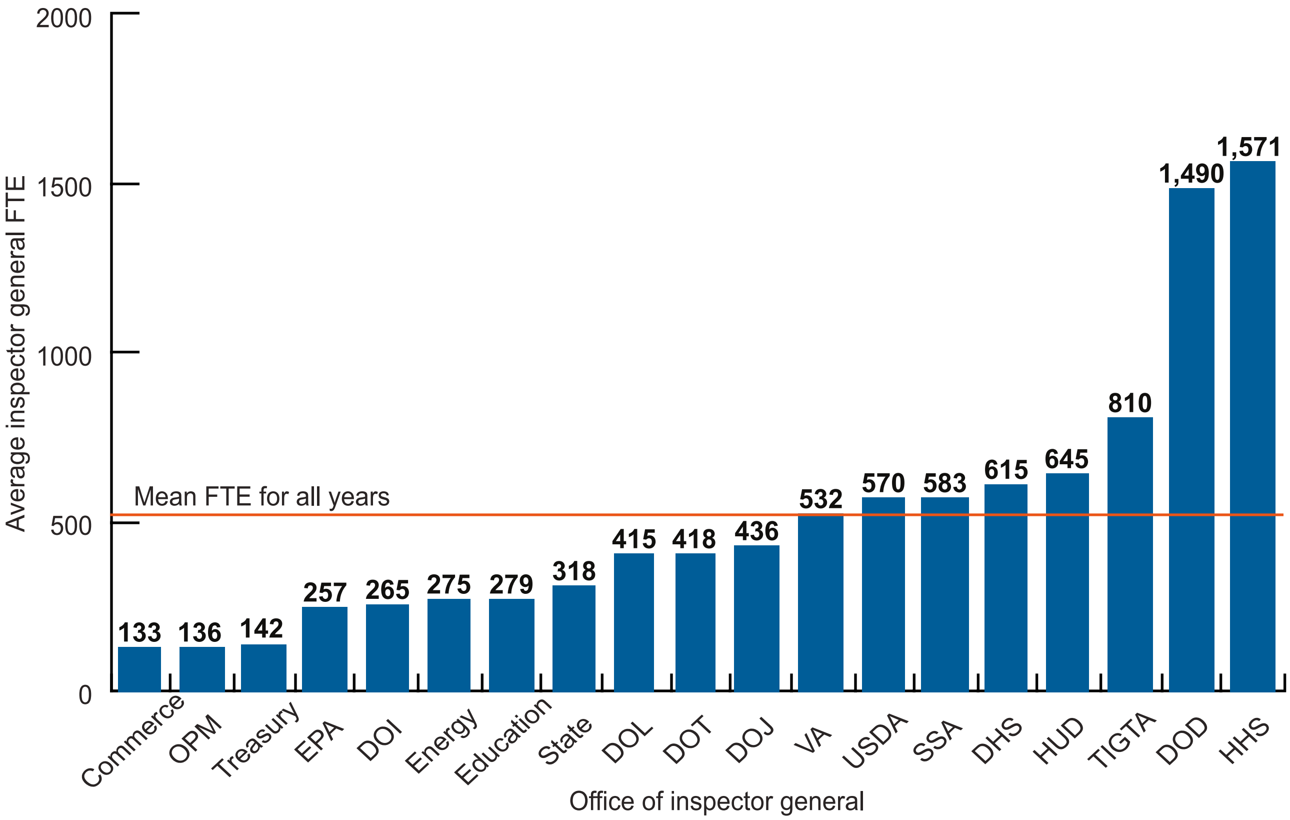
The results suggest that the presence of political appointees in the leadership of an agency has serious effects on the ability of IGs to do their job. Conversations with IGs and media reports about political influence often indicate that political forces are at odds with internal watchdogs seeking to improve governance and reveal wrongdoing. These results offer additional evidence of such political effects.

The results show that the strongest effect comes from the presence of Senate-confirmed appointees. Agencies with a higher number of those officials see the most drastic decrease in IG effectiveness. This result makes intuitive sense given that Senate-confirmed appointees tend to be those closest with the president and among the most political. In that sense, they may protect the president who appointed them, and such protection can include hindering the work of inspectors general seeking to reveal wrongdoing, mismanagement, and other bad practices.

Beyond this straightforward analysis, we take a deeper dive into the results in an effort to better understand how different types or differently structured agencies enhance or restrict the ability of IGs to resist political influence.

We look at how the size of an IG tempers political influence. We divide IGs between large and small. We measure IG size based on the average number of full time employees (FTEs) across all IGs in our analysis. Those with fewer FTEs than average are designated "Small IGs" and those with more than average FTEs are labeled "Large IGs."

Figure 6: Size of select offices of inspectors general, based on FTE (average, 2004-2014)



We expect understaffed IGs will be more subject to the power of political appointees; one needs to influence fewer people within a small IG in order to change outcomes. Thus, in understaffed IGs, political appointees should have a greater negative impact on ROI than they do in well-staffed IGs. The analysis bears out these expectations.

Once again, the presence of political actors decreases IG effectiveness across the board. This finding is true in well- and understaffed IGs. The finding is contrary to our hypothesis that the size of an IG affects the impact of political actors. However, we recognize that this measure

Table 1: Politicization and performance by agency size

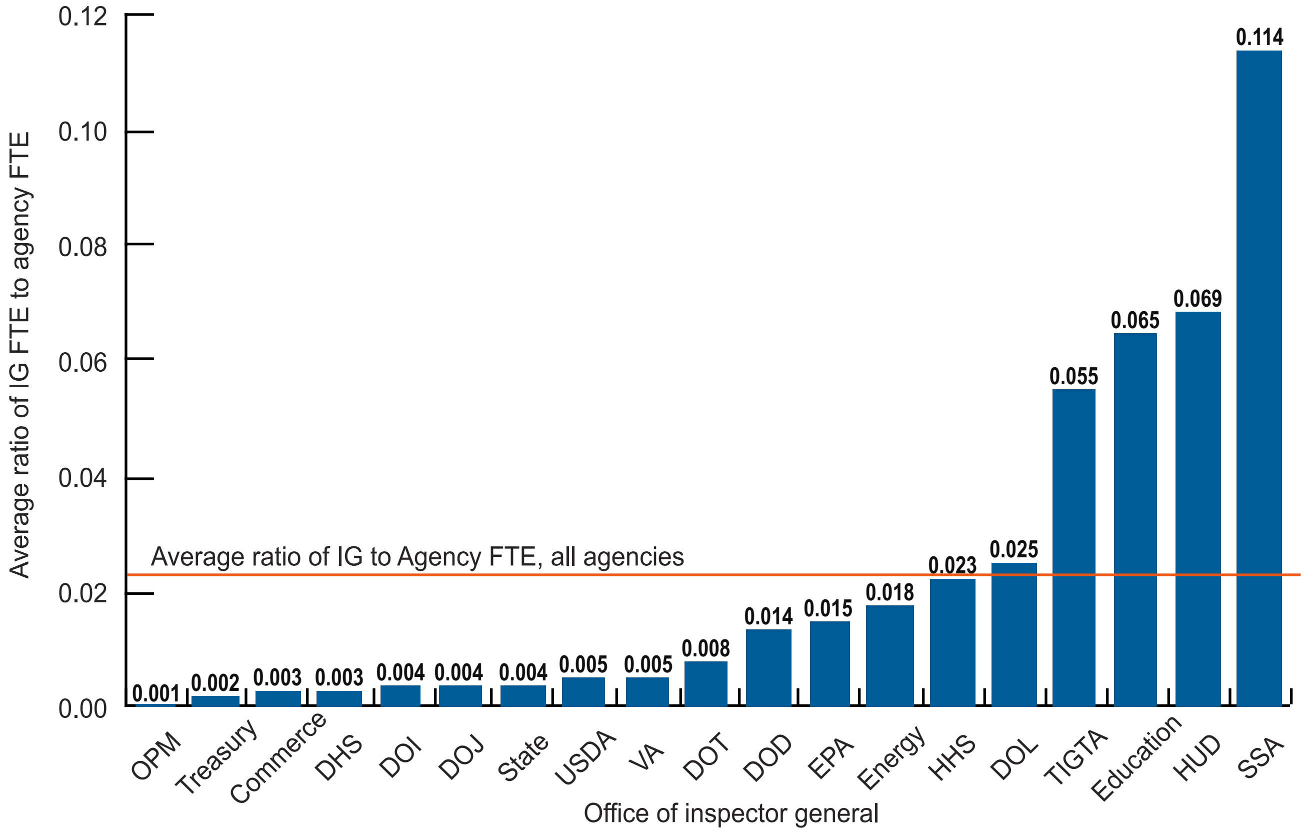
	Small IGs[1]	Large IGs[2]
Politicization & ROI	-0.038	-0.066
Appointees[3] & ROI	-0.065	-0.351
Senate-Conf. Appointees[3] & ROI	-0.217	-0.404

Note: Values are the correlation of the two variables listed in the left-hand column.
[1] An IG with fewer than average FTEs
[2] An IG with more than average FTEs
[3] Value is logged

of the presence of political actors is blunt and a better measure may help highlight the type of internal dynamics that can increase or decrease the impact of political influence.

To address this challenge, we use a more refined measure of agency size in a manner that reflects considerations about political leverage and administrative power that we seek to investigate. For this, we use a ratio of the number FTEs in an IG to FTEs in an agency. This metric offers a better assessment of the relative capacity of IG investigators to monitor the agency which they oversee.

Figure 7: Ratio of office of inspector general FTEs to agency FTEs (Average, 2004-2014)



This ratio is critical when we consider IG ability. For example, in an agency of 15,000 employees, the difference between having an IG with 10 staffers and 900 staffers is substantial. One would expect political influence to have dramatically more impact in the former rather than the latter for a variety reasons including staff specialization, layering, and organizational complexity.

Similar to the previous analysis we use the mean of the measure of relative IG size as the means of demarcating “small” versus “large” IGs or well- versus understaffed IGs and we compare that metric to IGs’ ROI. In this analysis, the relative size of an IG has a substantial impact on effectiveness. Among understaffed IGs, the presence of political actors is associated with a marked decrease in effectiveness. However, as the charts indicate, the same does not hold with better staffed IGs. The impact of political appointees on effectiveness in well-staffed IGs is mixed.

Yet, for this analysis, the absolute impact of political appointees on effectiveness is less interesting than the comparisons across differently sized IGs. What the results indicate is that in relatively understaffed IGs, the influence of political appointees is enhanced, compared with well-staffed IGs.

For example, the impact of the presence of political appointees using the Lewis measure of politicization is more than twice as large among understaffed IGs than well-staffed ones. The impact of Senate-confirmed appointees is even stronger. Their negative impact on IG effectiveness is more than four times greater in understaffed IGs than in well-staffed ones.

These results show that when an IG has a small staff relative to the organization that they oversee, the ability of political actors to influence their effectiveness is quite powerful. The findings reveal a real weakness: when funding streams halt the staffing of those offices to the sufficient capacity to do their job, IG performance suffers. In many ways, this is not a surprising result—understaffed offices do more poorly than well-staffed offices. A small staff, in and of itself, is not necessarily a problem for performance, but staff size in the face of political influence can generate challenges for performance. And, the real world effects of this outcome have serious implications. Choices over the size of an IG, decisions about staff levels and/or reductions, and changes in rates of growth in staff size between IGs and agencies impact how well government operates. Given that IGs are in the business of assisting agencies in functioning efficiently and ensuring that taxpayer money is spent effectively, staff size has broader consequences that matter to average Americans.

Figure 8

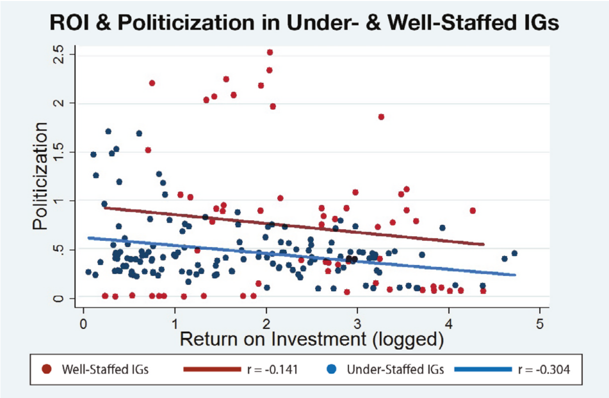


Figure 9

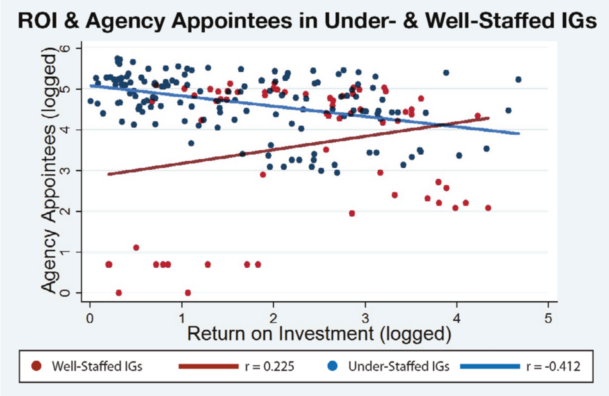
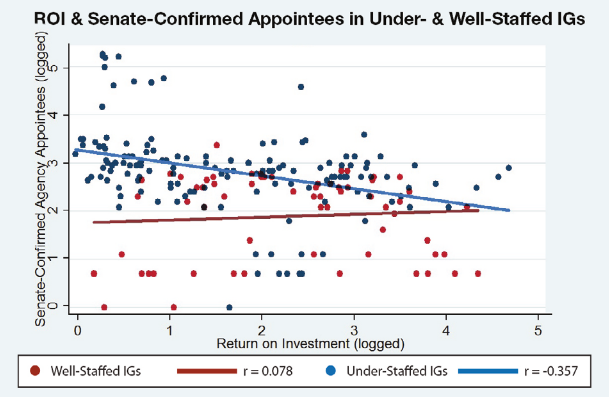


Figure 10



POLITICAL INFLUENCE IN THE BROADER CONTEXT

This paper examines one type of political influence that affects IGs. IGs, though often underappreciated, serve a critical function in government that benefits every American taxpayer. IGs guard against the bad practices in bureaucracy that media, elected officials, presidential candidates, and the public vilify on a daily basis. What's more, these offices are economically efficient entities. Almost every IG returns to the government more money than they cost to operate.

In the quest to fulfill their mission, however, IGs face serious challenges. Funding cuts, hiring freezes, and leadership vacancies all introduce challenges for the operation of any organization and IGs are no different. In addition, because IGs serve as agency-level government watchdogs, there is a natural generation of resistance among those entities and individuals whom they oversee. One response to that resistance is political influence. Whether it is stalling an investigation, making certain staff unavailable, providing slow or incomplete responses to requests, or creating a general cultural that is uncooperative, agencies can seek to protect themselves against IGs inquiries. All of those actions, or inactions, can result in reduced IG effectiveness—raising costs and lowering recoveries.

This paper shows that in agencies with a heavier saturation of political appointees, IG effectiveness is compromised. Those effects are often stronger in places where appointees are more political, that is, agencies with more Senate-confirmed appointees. The ability of those political actors to stifle IG effectiveness is enhanced in IGs that are understaffed relative to the agency they oversee.

These political effects pose real threats to good government and are ultimately costly to the average taxpayer. Each individual agency action that hinders an IG investigation may not be scandalous or seem major, but taken together those behaviors undermine efforts to stop waste, fraud, abuse, mismanagement, and other bad practices in government.

It is also important to note, however, that the political influence that we describe here is not the only type that can impact IGs' performance. Politics has myriad ways to hinder good government. Under the IG Act, IGs answer to both the executive branch and to Congress. Congress can certainly meddle in the affairs of an IG, either indirectly via communication with an IG, or through formal channels like hearings, or by requiring specific actions, investigations, and inquiries from IGs. Requests that direct specific actions soak up IG resources, while not always being related to the IGs' most pressing needs in the short- or long-term.

In addition to Congress, it is important to note that political appointees exist within offices of inspectors general. The inspector general is typically a political appointee who influences the direction and operation of an office. The IG herself can inject political influence in ways that can hinder the effectiveness of her own office. IGs range in terms of their background and relationship to the president and other appointees. Some are truly independent, good government-minded professionals who bring to the job an experience and skill set unique to the IG community. In fact, it is not uncommon for an individual to serve in multiple IGs throughout her career. Other IGs are more political, traditional appointees selected by a president or recommended by an agency head because of a previous relationship. In some situations, IGs can feel a loyalty to a president or an agency head that could foster an intra-office political influence with consequences similar to external influence.

CONCLUSION

Offices of inspector general face numerous challenges in carrying out the mission of advancing good government. Despite those challenges, they do a remarkable job in protecting the integrity of federal agencies and saving taxpayer dollars. These offices are among the rare entities in the federal government that are revenue-positive institutions—they frequently bring back to the Treasury more money than they cost to operate. Even though many Americans are unaware of IGs and what they do, taxpayers depend on them to keep a watchful eye over their government.

If Congress is serious about protecting the integrity of IGs, saving taxpayer money, and preventing waste, fraud and abuse in the executive branch, they must do their best to guard against political influence. One way to do that is to communicate more regularly with IGs to understand where stonewalling, obstruction and other barriers to inquiries exist. In those situations, Congress has a duty through its own oversight powers to hold hearings or communicate displeasure to agencies that are actively undermining investigations. Oversight activity can send a powerful signal—if Congress begins to address such agency behaviors in an aggressive way, it can act as a deterrent to other agencies considering such behaviors.

Congress' continued failure to take its own oversight role seriously has various consequences. For IGs, those consequences present unique challenges, but undeniable opportunities. IGs position serving two masters—the president and Congress—can be challenging, but it can also allow for avenues to resolve politically-motivated logjams. However, that only occurs if and when Congress does its job and recognizes the important role IGs play in government.

In addition, the analysis presented above demonstrates the importance of providing IGs with sufficient funding. Better funded IGs are more capable of carrying out their mission. Ultimately, IGs pay for themselves—that is, they have a positive return on investment. Providing additional funding to IGs, particularly to those offices that have seen budget freezes or cuts of late, will help return additional dollars to the Treasury. Those additional dollars are important from the perspective of effective governance. At the same time, in a period of budget challenges, every additional dollar returned to the Treasury lessens fiscal strain within the broader government.

However, better funding for IGs has another purpose and value. Better funded—and thus, better staffed—IGs are better equipped to resist political influence. The analysis presented above shows that when IGs are better staffed relative to the agency they oversee, the presence of political actors has little effect on IG effectiveness. In short, Congress should ensure that larger agencies have large IGs. This effort can be achieved through additional funding, exempting IGs from hiring freezes and budget cuts, and providing IGs and the Office of Personnel Management the tools needed to recruit, hire, and retain staff in these key offices.

Ultimately, IGs provide an underappreciated benefit to the federal government and to every citizen. Their efforts to make government work more effectively and efficiently is the cornerstone of good governance and offers a democratic value. Despite such admirable goals, politics can hinder those efforts. Thus, it becomes a real obligation of all those committed to government effectiveness to enable those watchdogs of good government and buffer them from the insipid effects of political influence.

GOVERNANCE STUDIES

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