

**Post-Hearing Questions for the Record
Submitted to the Honorable Osvaldo L. Gratacós
From Senator Claire McCaskill**

**“Oversight of Small Agencies”
April 10, 2014**

The Export-Import Inspector General (IG) position was created in 2002, but the office did not get off the ground until 2007.

Q. What were the causes for that delay?

The position of Inspector General was established in legislation as a Presidentially-appointed, Senate-confirmed position. The President did not make a nomination to the position until 2007, and therefore the office could not be established.

Q. What, if anything, could Congress have done in the statute that created your office to make the process smoother?

In creating new Inspector General positions to be filled by Presidential appointment and Senate confirmation, Congress could provide a mechanism for the appointment of an interim Inspector General, recommended by the Council of Inspectors General on Integrity and Efficiency (CIGIE), by the agency head or other official so that the Office of Inspector General can be established prior to completion of the often lengthy nomination and confirmation process.

In your testimony you mentioned some concerns related to the resources needed to start up and effectively manage the office, including IT procurement and office space.

Q. What, if anything, could Congress have done to alleviate these concerns?

Congress could emphasize to the parent agency the importance of providing administrative support to a new Office of Inspector General. The Inspector General Act states that agency heads “shall provide the [Office of Inspector General] within such establishment with appropriate and adequate office space at central and field office locations of such establishment, together with such equipment, office supplies, and communications facilities and services as may be necessary for operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.” In authorizing or appropriations legislation and committee reports related to new IG

offices, Congress could reiterate the expectation that agencies comply promptly with these provisions.

Some have argued that an IG needs to have some physical presence at the agency in order to ensure effective oversight.

Q. How does the Export-Import Bank's international mission affect the ability for your office to have a physical presence?

It is important for an Office of Inspector General to be co-located with the agency it oversees to facilitate regular contact between the OIG and agency officials and to develop informal relationships through which the OIG stays informed about agency activities. Most of the Export-Import Bank staff are located in the Washington, DC headquarters, as are all of the OIG staff. The Export-Import Bank does not have staff assigned to overseas posts, but agency officials accomplish their international mission through regular travel. Similarly, the Export-Import Bank OIG does not maintain overseas posts, but travel internationally as necessary, sometimes with agency officials.

Currently, Ex-Im Bank as well as OIG staff have outgrown assigned space in the main Ex-Im Bank building. This building is currently under renovation and the proposed OIG space, as designed and designated by Ex-Im Bank management, does not allow for full accommodation of the anticipated growth of the OIG. This would force the OIG to find a location outside the building despite our preference to stay in the main building.

Legislation has been proposed that would consolidate some smaller IG offices and ensure that all federal agencies have a statutory IG.

Q. Do you have any suggestions on how the legislation could be improved?

I support the goals of the legislation to ensure that all federal agencies are covered by an Inspector General with full statutory authority. I also support the provision assigning the Export-Import Bank OIG the responsibility to act as the IG for the Overseas Private Investment Corporation (OPIC). As I noted in my testimony, Ex-Im Bank and OPIC engage in similar types of transactions involving loans and loan guarantees in international trade, so the same specialized knowledge within the OIG could be applied to both agencies. Adding the responsibilities to serve as IG for OPIC would require additional resources. Accordingly, I would request that the legislation

clearly authorize two main things: (1) appropriation of such sums as may be necessary to accomplish this mission, so that the necessary level of resources can be evaluated and provided through the budget and appropriations process; and (2) that full, unequivocal, authority under the IG Act is extended to the IG to have full access to records/information as well as to make absolutely clear that the new agency shall support the IG in all aspects.

As to consolidation of smaller IG offices, many of the challenges that smaller OIGs face occur in the startup phase, but have been successfully mitigated or addressed in long-established offices. Therefore, Congress should carefully consider whether consolidation of established small IGs would unnecessarily disrupt offices that are currently performing their mission, without providing significant benefit.

In legislation to improve oversight and the Inspector General system, Congress should also consider legislative proposals endorsed by CIGIE to improve access to information and information sharing. Congress could consider additional measures to mandate that government contractors and grantees provide information to the IG when requested, and to clarify that other statutes or regulations governing privacy or confidentiality do not supersede the rights of the IG to access all records within their respective agencies.