



Highlights of [GAO-03-685](#), a report to the Chairman and Ranking Minority Member, Senate Committee on Finance and the Ranking Minority Member, Senate Special Committee on Aging

Why GAO Did This Study

Janet Rehnquist became the Inspector General of the Department of Health and Human Services (HHS) in August 2001. GAO was asked to conduct a review of the Inspector General's organization and assess her leadership, independence, and judgment in carrying out the mission of the Office of Inspector General (OIG). GAO examined indicators of the OIG's productivity and compared them to the organization's past performance. GAO also determined whether employee morale has been sustained by surveying all OIG employees and comparing the results to those obtained through an identical survey administered in 2002.

On March 4, 2003, the Inspector General resigned her office effective June 1, 2003. However, in this report we refer to Ms. Rehnquist as the Inspector General.

www.gao.gov/cgi-bin/getrpt?GAO-03-685.

To view the full product, including the scope and methodology, click on the link above. For more information, contact William J. Scanlon (202) 512-7114.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Review of the Management of Inspector General Operations

What GAO Found

The credibility of inspectors general is largely premised on their ability to act objectively and impartially—both in substance and in perception. Some of the HHS Inspector General's actions—including her decision to delay a politically sensitive audit—created the perception that she lacked appropriate independence in certain situations. The Inspector General exhibited serious lapses in judgment that further troubled many OIG staff. For example, she inappropriately obtained a firearm that she briefly possessed at her workplace and OIG credentials that identified her as a law enforcement officer. The Inspector General also initiated a variety of personnel changes in a manner that resulted in the resignation or retirement of a significant portion of senior management, disillusioned a number of higher level OIG officials and other employees, and fostered an atmosphere of anxiety and distrust. Ultimately, the collective effect of these actions compromised her ability to serve as an effective leader of HHS's Office of Inspector General.

Examining productivity trends is difficult because the work of the OIG often involves multiyear efforts and the results recorded for a single year are heavily dependent on work initiated in prior years. Similarly, savings achieved in any one year can be attributable to the culmination of efforts made over several years. Given these constraints, GAO noted that productivity at the OIG over the last 3 years increased in some areas and declined in others. Overall savings attributable to the OIG's efforts—as reported in its semiannual reports to the Congress—increased from \$15.6 billion in fiscal year 2000 to \$21.8 billion in fiscal year 2002. The number of individuals convicted for violating HHS program statutes and regulations—another key indicator of the OIG's performance—also increased. On the other hand, declines were noted in the number of settlements with providers who submitted false claims to the government and the OIG's education and outreach activities.

GAO's survey results showed that employees' overall views of the organization, management, and their personal job satisfaction generally remained positive and relatively unchanged between 2002 and 2003. However, field office staff and those in lower level positions were considerably more positive in their views of the organization than their counterparts in headquarters and at the highest levels of management. Two units in particular—the OIG's Office of Counsel and the Office of Evaluation and Inspections—also had marked declines in morale. Both reported significantly lower levels of trust and confidence in the organization and less job satisfaction, compared to 1 year earlier.

The Inspector General generally disagreed with some of our findings. In our response, we address why these findings raise concerns about the management of the OIG. We also provided our draft report to the Office of the HHS Secretary, but did not receive comments.