



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

March 5, 2010

The Honorable Joseph Lieberman
Chairman
Committee on Homeland Security
and Government Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Immediately upon learning of allegations made by the Office of Personnel Management (OPM) Inspector General concerning comments by a program examiner at the Office of Management and Budget (OMB), I requested my General Counsel to conduct an internal investigation of this serious matter. That internal review is now complete.

The internal review concluded that there was a communication between an OMB program examiner and OPM concerning the OPM Inspector General's budget that, regardless of its underlying motive or rationale, could reasonably have been perceived as intending to inhibit the OPM Inspector General from invoking his statutory authority under the Inspector General Reform Act of 2008. Such communication is unacceptable at OMB.

Since the personnel involved in this incident are career civil service employees, I have asked the Deputy Directors of OMB to work with counsel and human resources staff to determine appropriate personnel actions consistent with civil service laws.

This incident appears to be isolated. Ms. Phyllis Fong, Chair of the Council on Integrity and Efficiency for Inspectors General (CIGIE), surveyed all 69 Federal Inspectors General in response to your inquiry about their dealings with OMB during the FY 2011 budget process. As she wrote to you on January 22, 2010 (enclosed), none reported experience with OMB similar to that reported by the OPM Inspector General. There accordingly is no basis to believe that a systemic problem exists.

Nonetheless, and although the internal review suggests that OMB has undertaken significant efforts to implement the Inspector General Reform Act of 2008 since its enactment on October 14, 2008, I have asked OMB's Deputy Director for Management to work with our General Counsel, and to seek the assistance of CIGIE, in ensuring adequate training of OMB program examiners about the requirements of the Inspector General Reform Act of 2008 and related statutes.

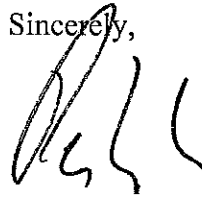
OMB is committed to supporting the vital roles of Federal Inspectors General. Through their efforts to identify and eliminate waste, fraud and abuse in Federal programs, Inspectors General further OMB's mission of maximizing value for American taxpayers and appropriate use of Federal budgetary resources. For decades, OMB has been at the forefront of efforts to support

the work of Inspectors General. The Deputy Director for Management at OMB serves as Executive Chair of CIGIE, and many components in OMB focus on strengthening the efforts of Inspectors General. I am committed to continuing that strong partnership between OMB and Federal Inspectors General.

It is also important to underscore the otherwise outstanding work of OMB's career staff, who labor alongside Federal agency personnel to protect taxpayer dollars and provide valuable services to the American people. Their work is especially important—and especially challenging—in our current fiscal environment as they work diligently to protect taxpayer dollars while supporting important governmental functions.

My General Counsel will be contacting your staff to discuss the particulars of the internal review. Please do not hesitate to contact me if you have questions concerning this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Orszag', written over the word 'Sincerely,'.

Peter Orszag
Director

Enclosure

Identical Letter Sent to The Honorable Susan Collins, The Honorable Daniel Akaka,
The Honorable George Voinovich, and The Honorable Claire McCaskill



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

JAN 22 2010

The Honorable Edolphus Towns
Chair, Committee on Oversight and
Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515-6143

Dear Chairman Towns:

This is in response to the letter dated January 12, 2010, from you and Chairman Stephen Lynch, Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, regarding Office of Management and Budget (OMB) communications with Inspectors General (IGs) on budget matters. You indicated that you received correspondence concerning OMB communications with the IG of the Office of Personnel Management, and you asked that the Council of the Inspectors General on Integrity and Efficiency (CIGIE) survey its members to determine “whether any similar threats have been communicated to them.”

We conducted a survey of CIGIE’s 69 IG members and received 66 responses. Sixty of the responders indicated that there was no similar threat communicated to them, and six of the responders indicated that due to the nature of their organization, they do not have any contact with OMB.

We appreciate your interest of the IG community and CIGIE and trust that this information responds to your concerns.

A similar letter is being sent to Chairman Lynch. Should you have any questions regarding this information, please contact me at (202) 720-8001, or have a member of your staff contact Mr. Mark D. Jones, Acting Executive Director, at (202) 720-3389.

Sincerely,

Phyllis K. Fong
Chair, Council of the Inspectors General
on Integrity and Efficiency

The Honorable Edolphus Towns
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cc:
The Honorable Darrell Issa
Ranking Member
Committee on Oversight and Government Reform

The Honorable Peter Orszag
Director, Office of Management and Budget



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

JAN 22 2010

The Honorable Stephen Lynch
Chair, Subcommittee on Federal Workforce,
Postal Service, and the District of Columbia
Committee on Oversight and Government Reform
U.S. House of Representatives
B-349A Rayburn House Office Building
Washington, D.C. 20515-6143

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Sincerely,

Phyllis K. Fong
Chair, Council of the Inspectors General
on Integrity and Efficiency

The Honorable Stephen Lynch
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cc:

The Honorable Jason Chaffetz
Ranking Member
Subcommittee on Federal Workforce,
Postal Service and the District of Columbia

The Honorable Peter Orzag
Director, Office of Management and Budget