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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

KEITH B. ASHDOWN, STAFF DIRECTOR  
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February 27, 2015

Mr. Carl Hoecker  
Inspector General  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Mr. Hoecker:

As we begin the 114th Congress, the Committee on Homeland Security and Governmental Affairs and the Committee on the Judiciary seek to ensure that we are fully supporting the community of inspectors general (IGs) and empowering their work. The Committees recognize the significant role that IGs perform in rooting out waste, fraud, and mismanagement within the federal government and we understand that the independence of IGs is vital to protecting taxpayer dollars.

In 2010, Senators Coburn and Grassley wrote each Inspector General (IG) requesting semiannual reporting of "all closed investigations, evaluations, and audits conducted by the IG offices that were not disclosed to the public."<sup>1</sup> These reports are extremely helpful and it is critical that IGs continue to provide semiannual reports to the Committees. Due to the success of this request, we are enhancing it to facilitate additional collaboration between Congress and the IG community. To that end, by March 27, 2015, and on a semi-annual basis going forward until otherwise notified,<sup>2</sup> please provide responses to the following questions, numbering your answers in accordance with these questions:

1. An accounting of all outstanding unimplemented recommendations, as well as the aggregate potential cost savings of these open recommendations, including:
  - a. The current number of open and unimplemented recommendations;
  - b. The dates on which the open and unimplemented recommendations were initially made;
  - c. Whether agency management has agreed or disagreed with the recommendations; and
  - d. The total potential cost savings to the agency of the current open and unimplemented recommendations.

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<sup>1</sup> Letter from Charles E. Grassley, Ranking Member, S. Comm. on the Judiciary & Tom Coburn, Ranking Member, S. Comm. on Homeland Security & Governmental Affairs (Apr. 8, 2010).

<sup>2</sup> Please provide responses to the questions contained in this letter for the activities of your office during the six-month periods ending March 31 and September 30 to coincide with the issuance of your office's semiannual reports.

2. A narrative description of all audits, evaluations, and investigations provided to the agency for comment but not responded to within 60 days.
3. A report on each investigation involving GS-15 level or above employees, or other Federal pay scale equivalent employees, at a Federal agency or department where misconduct was found, but no prosecution resulted, including:
  - a. A detailed description of the facts and circumstances of the investigation; and
  - b. A detailed description of the status and disposition of the matter, including whether there was a referral to the Department of Justice, the date of any such referral, whether there was a declination from the Department, the date of any such declination, and an explanation of the reasons for any such declination.
4. Detailed descriptions of any instances of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any consequences, the agency imposed to hold that official accountable. However, please seek whistleblower consent before revealing any whistleblower's personally identifiable information to Congress.
5. Detailed descriptions of any attempts to interfere with IG independence, including:
  - a. Restricting communications between the IG office and Congress; and
  - b. Budgetary constraints designed to limit the capabilities of the IG office.
6. A detailed description of any incident where the Federal agency or department, as applicable, has resisted or objected to oversight activities of the IG office or restricted or significantly delayed access to information, including the justification of the Federal agency or department for such action.
7. A detailed description of any investigation, evaluation, audit, or report that is closed and was not disclosed to the public.

Finally, Congress depends on the IG community to bring instances of severe waste, fraud, and abuse at Executive Branch departments and agencies to its attention. The Committees, therefore, would like to remind you that you must ensure that serious or flagrant issues of waste, fraud, and abuse are promptly communicated to Congress as prescribed by the IG Act.<sup>3</sup> The Act requires the head of the agency to report particularly serious or flagrant problems, abuses, or deficiencies to Congress within seven days—a reporting requirement often referred to as the “seven-day letter.”<sup>4</sup> Congress included this requirement in the IG Act to encourage prompt

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<sup>3</sup> 5 U.S.C. App. § 5(d).

<sup>4</sup> *Id.*

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reporting by IGs—a vital tool to ensure Congress is made aware promptly of particularly serious deficiencies within Executive Branch departments and agencies.

If you have any questions about this request, please contact Caroline Ingram of Chairman Johnson's staff at (202) 224-4751 or Jay Lim of Chairman Grassley's staff at (202) 224-5225. Thank you for your attention to this matter.

Sincerely,



Ron Johnson  
Chairman  
Committee on Homeland Security  
and Governmental Affairs



Charles E. Grassley  
Chairman  
Committee on the Judiciary

cc: The Honorable Thomas R. Carper  
Ranking Minority Member  
Committee on Homeland Security and Governmental Affairs

The Honorable Patrick J. Leahy  
Ranking Minority Member  
Committee on the Judiciary