Federal Communications Commission
Washington

Office of the
Inspector General

June 14, 2001

Jacob J. Lew, Director
Office of Management and Budget
Executive Office Building
725 17th Street, N.W.
Washington, D.C. 20503

Dear Mr. Lew:

This letter is being issued in accordance with the requirements of the Federal Activities Inventory Reform Act of 1998 (FAIR Act), Office of Management and Budget (OMB) Circular A-76 Transmittal Memorandum No. 20 and supplemental guidance issued by OMB. In light of the overall objective and independent purpose and mission of this office as defined under the Inspector General Act, I am of the opinion that all of the employees of the Office of the Inspector General (OIG) occupy inherently governmental positions and thus are not subject to outsourcing.

OMB Circular A-76 provides that the criminal investigative function and certain other functions such as management and budgeting are inherently governmental. Further, as stated in the circular, an inherently governmental function is a function, which is so intimately related to the public interest as to mandate performance by Government employees. In my estimation, the language from the circular coupled with the overarching purpose of the OIG to prohibit and prevent fraud, waste and abuse within a governmental entity clearly reflects the inherently governmental nature of this office.

The specific activities of this office include the following:

- Administrative investigations (investigation of senior personnel, requests for inquiries by members of Congress, Hotline operations etc.);
- Audit policy, planning quality assurance, management resolution and oversight; and
- Inspection/program evaluation, policy, quality assurance, management resolution and oversight.

Notwithstanding the foregoing inherently governmental activities, this office has outsourced over $ 1,000,000 for contract activities in support of its functions. Since its establishment, this office has utilized contractor and consultant services to achieve its legislative mandate. As to the day to day functional support areas of supply and logistics, personnel security and personnel support, this office relies on agency management and

thus follows agency practices for these activities. It is anticipated that this approach will continue in the future.

Because of the nature of the work of this office and its small size, any ability to expand the nature of its outsourcing will be limited. Finally, in accordance with the Circular A-76 Supplement, please be advised that this office did not receive any FAIR Act administrative challenges in 2000.

Sincerely,

H. Walker Feaster, III
Inspector General

cc: David Childs