



BUDGET The United States
Department of the Interior

JUSTIFICATIONS

and Performance Information
Fiscal Year 2014

**OFFICE OF
INSPECTOR GENERAL**

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.

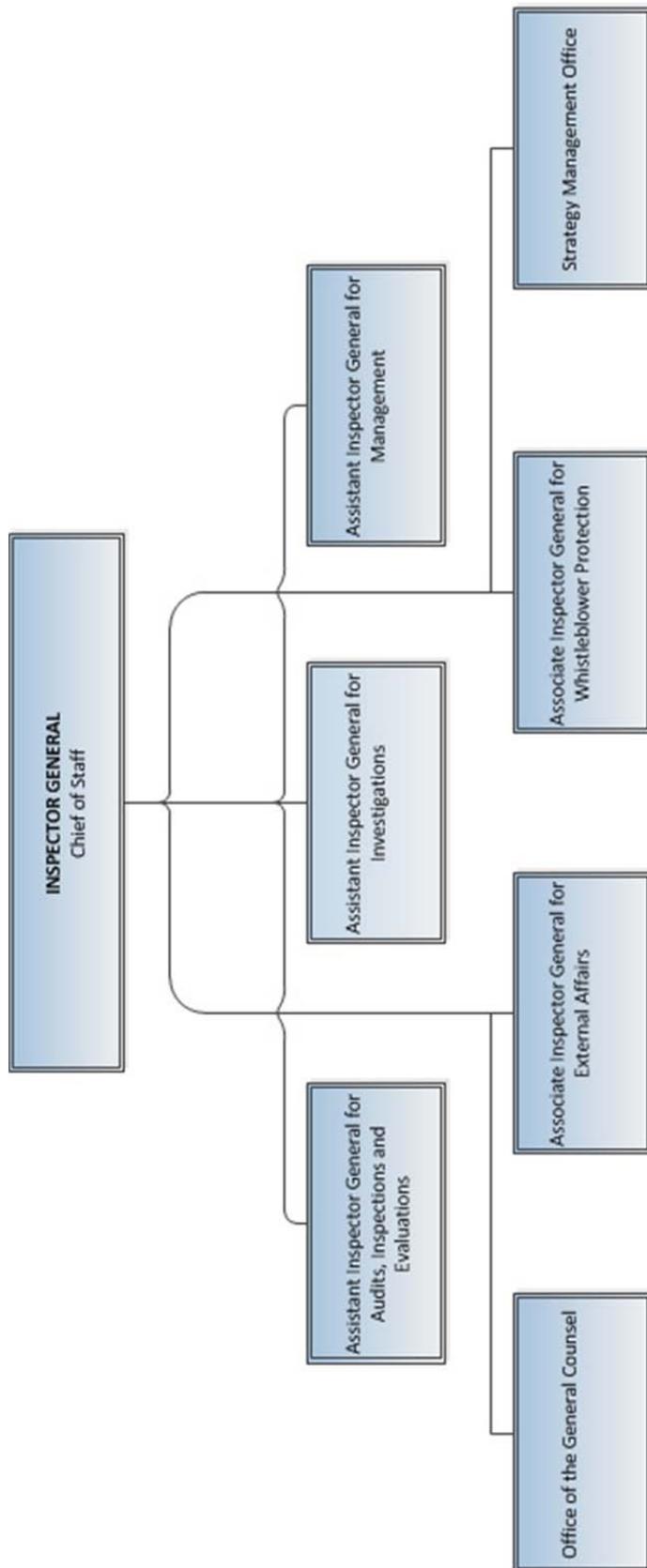
“References to the *2013 Full Yr. CR* signify annualized amounts appropriated in P.L. 112-175, the Continuing Appropriations Act. These amounts are the 2012 enacted numbers annualized through the end of FY 2013 with a 0.612 percent across-the-board increase for discretionary programs. Exceptions to this include Wildland Fire Management, which received an anomaly in the 2013 CR to fund annual operations at \$726.5 million. *The 2013 Full Yr. CR* does not incorporate reductions associated with the Presidential sequestration order issued in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. 109a. This column is provided for reference only.”

**DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL**

FISCAL YEAR 2014 PRESIDENT’S BUDGET REQUEST

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**DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL**

EXECUTIVE SUMMARY

Overview

The mission of the Office of Inspector General (OIG) is to provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of the Department of the Interior (DOI). A highly motivated organization with less than 280 employees, OIG responds to the significant challenges the Department faces in protecting the country's natural resources, environment, and cultural heritage.

The Department and its nine bureaus – Bureau of Indian Affairs, Bureau of Land Management, Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement, Bureau of Reclamation, National Park Service, Office of Surface Mining, U.S. Fish and Wildlife Service, and U.S. Geological Survey – serve to protect America's great outdoors, preserve cultural resources, and power our Nation's energy future. Overseeing about one-fifth of the land area of the United States, the Department regulates energy development; conserves land and water resources; protects wildlife; conducts scientific research; manages national parks, monuments, and heritage areas; and addresses trust and other obligations to American Indians and Alaskan natives.

Interior has more than 70,000 employees and more than 290,000 volunteers located at approximately 2,400 operating locations across the United States, Puerto Rico, U.S. territories and freely associated states. Interior's annual operating budget is approximately \$12 billion while generating \$13 billion in revenues benefitting the U.S. Treasury. DOI is the largest energy supplier providing access to public lands and the Outer Continental Shelf for renewable and conventional energy development; and the largest manager of water in the 17 western states and a supplier of hydropower energy to the nation.

OIG is required to keep the Secretary and Congress fully and currently informed about problems and deficiencies relating to Departmental programs and operations. We use a range of audit and investigative tools to prevent fraud, waste, and mismanagement. We target our resources by identifying vulnerabilities and developing solutions for the Department's most serious management and program challenges.

Effective implementation of our mandate addresses the public's demand for greater accountability and integrity so that Government programs and operations work better, cost less, and provide clear benefits for the American people.

The 2014 budget request for the Office of Inspector General is \$50,831,000, an increase of \$1,439,000 from the 2012 Enacted level. The request includes an increase of \$455,000 for fixed costs and \$984,000 for program changes.

Budget Highlights

Total 2014 Budget Request

(Dollars in Thousands)

Budget Authority	2013 Full Yr. CR (PL 112-175)	2012 Enacted	2014 Request
Appropriation	49,694	49,392	50,831
Total Appropriation	49,694	49,392	50,831
<i>FTEs</i>	267	275	273

The proposed 2014 budget request exemplifies the OIG reputation for being forward-thinking to serving our customers, demonstrating a commitment to continuous improvement, investing in our people and processes, and being good fiscal stewards.

The Office of Investigations requests \$735,000 and 6 FTEs to investigate allegations of fraud, waste, abuse, misconduct, or mismanagement against Department employees, contractors, grantees or other entities doing business with or receiving funds from DOI resulting in significant financial loss to the Department. Our customers require us to build a staff with skills in areas that add value to the Department and OIG's mission. OIG will focus on specialty areas in which we need to develop technical expertise to address Interior's challenges and maintain credibility.

Mission Support includes a \$2 million request to fund efforts to consolidate employees in the Washington DC metropolitan area. Leases in the Reston and Herndon offices are expiring in September 2014 which provides a chance to consolidate those staff members with some staff from the Main Interior Building into a single office. OIG would like to capitalize on this opportunity to collocate 111 employees in three area offices into one location to reduce the footprint in the area, improve the space utilization rate, and generate ongoing savings.

The Office of Audits, Inspections, and Evaluations along with Mission Support proposes budget reductions of \$1.75 million, enabling OIG to fund continuous improvement and target resources to the greatest impact areas.

SECRETARIAL INITIATIVES

Information Technology Transformation

The 2014 President's Budget Request includes \$26,000 in funding for Office of Inspector General to participate in the Department's IT Transformation efforts through the Working Capital Fund. These funds will support IT Transformation project-level planning and coordination and the implementation of enterprise IT services.

ADMINISTRATION'S MANAGEMENT AGENDA

Enterprise Reforms

The Department of the Interior supports the President's Management Agenda to cut waste and implement a government that is more responsive and open. The Office of Inspector General's budget supports the Department's plan to build upon the Accountable Government Initiative through a set of integrated enterprise reforms designed to support collaborative, evidence-based resource management decisions; efficient Information Technology (IT) Transformation; optimized programs, business processes, and facilities; and a network of innovative cost controlling measures that leverage strategic workforce alignment to realize an effective 21st Century Interior organization.

Campaign to Cut Waste

Over the last three years, the Administration has implemented a series of management reforms to curb uncontrolled growth in contract spending, terminate poorly performing information technology projects, deploy state of the art fraud detection tools, focus agency leaders on achieving ambitious improvements in high-priority areas, and open government up to the public to increase accountability and accelerate innovation.

In November 2011, President Obama issued an Executive Order reinforcing these performance and management reforms and the achievement of efficiencies and cost-cutting across the government. This Executive Order identifies specific savings as part of the Administration's Campaign to Cut Waste to achieve a 20 percent reduction in administrative spending from 2010 to 2013 and sustain these savings in 2014. Each agency is directed to establish a plan to reduce the combined costs associated with travel, employee information technology devices, printing, executive fleet services, and extraneous promotional items and other areas.

The Department of the Interior is on target to reduce administrative spending by \$217 million from 2010 levels by the end of 2013, and to sustain these savings in 2014. To meet this goal, the Department is leading efforts to reduce waste and create efficiencies by reviewing projected and actual administrative spending to allocate efficiency targets for Bureaus and Departmental Offices to achieve the 20 percent target. Additional details on the Campaign to Cut Waste can be found at <http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending>.

Real Property

In support of the Administration's real property cost savings efforts, the Department issued a policy restricting the maximum amount of Bureau/Office-leased and GSA-provided space to FY 2010 levels and reducing the target utilization rate (sq. ft. per person) for office space by 10%. Through actions such as consolidations, collocations, and disposals, Office of Inspector General plans to achieve a utilization rate of 180 usable sq. ft. per person by the end of FY 2014.

Data Center Consolidation

As part of the Administration's Management Priorities, the Department has initiated a plan for Information Technology (IT) Transformation designed to reduce spending by the consolidation of IT infrastructure and services under a single Chief Information Officer (CIO). The new IT shared services organization will transform the way that IT is delivered to over 70,000 DOI employees, using advances in technology to provide better services for less. Office of Inspector General supports the Department's initiative to reduce 95 data centers by FY 2015 without disruption to mission.

BUDGET AT A GLANCE**Office of Inspector General Budget At A Glance**

Dollars in Thousands (\$000)

	<i>2013 Full Yr. CR (PL 112-175)</i>	2012 Enacted	Fixed Costs	Internal Transfers	Program Changes	2014 Request
Appropriation: Salaries and Expenses						
Audits, Inspections, and Evaluations	<i>18,611</i>	21,398	+222	-2,900	-591	18,129
Investigations	<i>17,851</i>	17,742	+277	0	+735	18,754
Mission Support	<i>13,232</i>	10,252	-44	+2,900	+840	13,948
TOTAL, Salaries and Expenses	<i>49,694</i>	49,392	+455	0	+984	50,831

The OIG request includes net increases of \$1,439,000 for the following changes:

- Increase of \$455,000 for fixed costs
- Increase of \$984,000 for net program changes
 - Increase of \$2,000,000 to consolidate DC area offices
 - Increase of \$553,000 for Energy Investigations Unit
 - Increase of \$276,000 for Suspension and Debarment
 - Increase of \$276,000 for Complex Data Analysis
 - Increase of \$138,000 for Program Integrity Division
 - Decrease of \$1,174,000 for the reduction of FTEs
 - Decrease of \$591,000 for reducing annual operating costs
 - Decrease of \$250,000 for IT contractor support costs
 - Decrease of \$150,000 for fleet efficiency
 - Decrease of \$94,000 for telecommunications reduction

Summary of Requirements for Office of Inspector General
(Dollars in Thousands)

	2013 Full Yr. CR (PL 112-175)		2012 Enacted		Internal Transfers (+/-)		Program Changes (+/-)		2014 Request		Change from 2012 Enacted	
	FTE	Amount	Total FTE ¹	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses												
Audits, Inspections, and Evaluations	101	18,611	119	21,398	-18	-2,900	0	-591	101	18,129	-18	-3,269
Investigations	89	17,851	91	17,742	0	0	+6	+735	97	18,754	+6	+1,012
Mission Support	77	13,232	65	10,252	+18	+2,900	-8	+840	75	13,948	+10	+3,696
TOTAL, ACCOUNT	267	49,694	275	49,392	-	-	(2)	+984	273	50,831	(2)	+1,439

1. FTE amounts reflect actual usage.

FIXED COSTS AND RELATED CHANGES TABLE

Office of Inspector General
Justification of Fixed Costs and Internal Realignments
(Dollars In Thousands)

Other Fixed Cost Changes and Projections	2012 Enacted	2012 Enacted to 2014 Request
Change in Number of Paid Days	+0	+145
The combined fixed cost estimate includes an adjustment for one additional paid day between FY2012 and FY2013. The number of paid days do not change between FY2013 and FY2014.		
Pay Raise	+0	+392
The 2012 Enacted column reflects the total pay raise changes as reflected in the 2012 President's Budget. The 2014 Change column reflects the total pay raise changes between FY2012-FY2014.		
Employer Share of Federal Health Benefit Plans	+122	+151
The change reflects expected increases in employer's share of Federal Health Benefit Plans.		
Departmental Working Capital Fund	+110	+95
The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Office of the Secretary.		
Worker's Compensation Payments	-21	+19
The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the 2014 Request will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.		
Unemployment Compensation Payments	+0	-1
The adjustment is for projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.		
Rental Payments	+345	-346
The adjustment is for changes in the costs payable to General Services Administration (GSA) and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.		

Internal Realignments and Non-Policy/Program Changes (Net-Zero)	2014 (+/-)
Audits, Inspections, and Evaluations	-2,900
Mission Support	+2,900

APPROPRIATIONS LANGUAGE CITATION

Office of Inspector General

For necessary expenses of the Office of Inspector General, 5 U.S.C. Appendix 3.

5 U.S.C. Appendix 3 provides for the establishment of the Office of Inspector General as an independent and objective unit within the Department of the Interior to conduct and supervise audits and investigations related to Departmental programs and operations.

Proposed appropriations language changes

For necessary expenses of the Office of Inspector General, \$50,831,000.

Note. A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Office of Audits, Inspections, and Evaluations (OAIE)

	<i>2013 Full Yr. CR (PL 122-175)</i>	2012 Enacted	Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2014 Request	Change from 2012 Enacted (+/-)
Audits, Inspections, and Evaluations	<i>18,611</i>	21,398	+222	-2,900	-591	18,129	-3,269
<i>FTE</i>	<i>101</i>	<i>119</i>	<i>0</i>	<i>-18</i>	<i>0</i>	<i>101</i>	<i>-18</i>

Summary of 2014 Program Changes for OAIE

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Reduce OIG's Footprint	-591	0
TOTAL Program Changes	-591	0

Justification

The 2014 budget request for the Office of Audits, Inspections, and Evaluations is \$18,129,000 and 101 FTEs, a program decrease of -\$591,000 from the 2012 Enacted level.

The Office of Audits, Inspections, and Evaluations (AIE) conduct independent audits and evaluations, which measure Department of the Interior programs and operations against best practices and objective criteria to determine if the programs and operations are effective and efficient, achieve the desired results, and operate in accordance with laws and regulations. The Office of Audits, Inspections, and Evaluations expects its Energy Audits Unit (EAU) case work to see a significant increase in the near future. Recent successes in the unit along with Interior being the leading supplier of energy on public lands, has EAU focusing on this targeted area.

AIE achieved almost \$3.7 million in total monetary benefits for DOI in FY 2012 with auditors questioning costs in the amount of \$3,635,338. In one key audit, OIG found that BIA's Office of Justice Services (OJS) wasted almost \$1 million after failing to employ internal contracting resources prior to awarding a contract to help recruit and hire law enforcement officers to work in Indian Country.

In a multi-bureau review of Rights-of-Way (ROWs), AIE discovered that DOI and its bureaus could collect additional rents of almost \$100 million or more annually for the more than 125,000 ROWs that cross public and Indian lands. This potential revenue is not collected because rents are set below market value, rent discounts are not justified, and unauthorized uses of ROWs are not identified and corrected. Federal laws and regulations allow DOI to assess market value for ROW rents, but DOI has not established guidance to fully implement this authority. While the

amount of undervalued ROWs cannot be precisely determined, BLM and the National Park Service estimate that their collective, annual, uncollected rent is between \$94 million and \$132 million.

The 2014 program reduction for AIE of -\$591,000 reflects OIG's commitment to the President's directive to Federal Civilian agencies to achieve \$3 billion in savings by reducing annual operating costs. OIG continues to focus on telework, alternative schedules, and video conferencing to allow for more efficient workplace design in a smaller physical footprint.

The 2014 request includes an internal realignment of \$2.9 million for functions that have been centralized to Mission Support. OIG staff that prepare reports, respond to FOIA requests, or work on strategic objectives are better suited centrally in the organization using resources that will provide standardized approaches and enhanced quality control.

Office of Investigations (OI)

	<i>2013 Full Yr. CR (PL 122-175)</i>	2012 Enacted	Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2014 Request	Change from 2012 Enacted (+/-)
Investigations	17,851	17,742	+277	0	+735	18,754	+1,012
FTE	89	91	0	0	+6	97	+6

Summary of 2014 Program Changes for OI

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Energy Investigations Unit	+553	+4
Suspension and Debarment	+276	+2
Complex Data Analysis	+276	+2
Program Integrity Division	+138	+1
Fleet Efficiency	-150	0
Attrition Estimate	-358	-3
TOTAL Program Changes	+735	+6

Justification

The 2014 budget request for the Office of Investigations is \$18,754,000 and 97 FTEs, a net program increase of \$735,000 from the 2012 Enacted level.

The Office of Investigations (OI) conducts civil, criminal, and administrative investigations. At times these investigations result in recoveries and restitutions of millions of dollars to the government. OI's Energy Investigations Unit (EIU) is the only Federal investigative entity that routinely works on matters involving the entire energy cycle – environmental impact to production to royalty payment. Since its inception in 2009, \$16.7 million in lost royalties, interest, and penalties have been collected through settlements or other enforcement actions. The Office of Investigations requests \$553,000 and 4 FTEs for the Energy Investigations Unit to address the Department's royalty revenue programs.

Among the other significant investigations conducted in FY 2012, OIG uncovered almost \$800,000 in Government funds embezzled through misuse of Government-issued charge cards and third party drafts.

The Office of Investigations Administrative Remedies Division reviews concerns regarding the integrity or history of poor performance of contractors, participants, or financial assistance recipients and makes recommendations to the Department's Suspending and Debaring Official

for administrative actions. In 2009 the OIG teamed with the Department's Office of Acquisition and Property Management to create a suspension and debarment program that is now lauded in the Federal community as exemplifying best practices. As of this submission, 211 separate recommendations for suspension or debarment have been made to the Department. The Office of Investigations requests \$276,000 and 2 FTEs to enhance its suspension and debarment capabilities, allowing the Department to protect itself and the Federal Government.

The 2014 request for OI includes \$276,000 and 2 FTE to build up a significant need in its capabilities to collect, store, and analyze information related to DOI business transactions. One such goal of Complex Data Analysis is to identify those actions, processes, or recipients indicative of a potential higher risk of fraud or waste, or internal control weaknesses. The U.S. Postal Service OIG has developed an extensive set of indicators to assess their procurement activities for indications of fraud. Office of Investigations will apply many of these indicators, as well as develop internal indicators to identify anomalies requiring further investigation.

The OIG Program Integrity Division (PID) is the principal unit responsible for conducting sensitive investigations involving allegations of misconduct made against senior Department officials, managers, and employees involved in Department law enforcement programs. A program increase of \$138,000 and 1 FTE is requested in PID for conducting assessments of Department law enforcement and security programs to determine vulnerabilities and recommend actions to improve the efficiency and effectiveness of these programs which are vital to safeguarding Department critical infrastructure facilities and visitors to Interior resources.

The 2014 program reductions totaling -\$508,000 for OI include efficiencies and attrition of staff. Efficiencies totaling -\$150,000 will be accomplished by reducing OIG's fleet inventory by fifty percent. Per Administrative guidance for Federal agencies to reduce vehicle fleet petroleum use by 2020 and establishing an optimal fleet size by 2015, investigators will share vehicles in various locations through motor pools. Decreases of -\$358,000 and -3 FTEs are attributable to an attrition estimate and internally redirecting those resources to mission requirements seeking greater cost recovery.

Mission Support

	<i>2013 Full Yr. CR (PL 122-175)</i>	2012 Enacted	Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2014 Request	Change from 2012 Enacted (+/-)
Mission Support	<i>13,232</i>	10,252	-44	+2,900	+840	13,948	+3,696
<i>FTE</i>	<i>77</i>	<i>65</i>	<i>0</i>	<i>+18</i>	<i>-8</i>	<i>75</i>	<i>+10</i>

Summary of 2014 Program Changes for Mission Support

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Metropolitan DC area space consolidation	+2,000	0
Telecommunications reduction	-94	0
IT Contractor Support reduction	-250	0
Attrition Estimate	-816	-8
TOTAL Program Changes	+840	-8

Justification

The 2014 budget request for Mission Support is \$13,948,000 and 75 FTEs, a net program increase of \$840,000 from the 2012 Enacted level.

Mission Support makes it possible for the OIG to perform audits and investigations by providing mission essential services to the operational staff. Among its many responsibilities, the activity oversees human resources, procurement, facilities management, telecommunications, legal analysis, travel and credit card management, budget development and execution, information technology, information security, report writing and editing, and training.

OIG has been dedicated to achieving real property savings and aligning office locations in accordance with DOI program review and oversight needs. Over the past three years, OIG has reduced its footprint by 11 percent by closing small offices in Tulsa, New York, Minnesota, Guam, and Portland. Despite past achievements, OIG continues to strive to do more to generate future savings and create efficiencies.

The 2014 request for Mission Support includes a \$2 million program increase for consolidating three offices in the Washington DC metropolitan area. OIG sees an opportunity to collocate 111 employees in the region to improve space utilization rate through a thoughtful build-out, creating smaller but effective shared spaces for those components of the agency that travel and telework. The DC metropolitan area accounts for nearly fifty percent of OIG's workforce, and the highest rent costs out of all of our nationwide locations. Our funding request creates an opportunity to

reduce the footprint in the region by twenty percent or more compared to today's usage. In recent years OIG has consolidated or closed offices and nearly a quarter of our leased space will be reduced from 2010 levels with the Washington DC metropolitan area consolidation creating the greatest opportunity for OIG to fund continuous improvements in the organization.

The 2014 program reductions totaling -\$1,160,000 include decreases in telecommunications, support services, and attrition of staff. OIG will continue to promote efficient spending and reassess its usage and inventories of IT devices and telecommunications expenses. Any underutilized device will be deactivated. Reduced costs in telecommunications, including data circuits, is estimated at \$94,000. Costs avoidance is estimated along with the Department's IT Transformation initiative that will provide services to DOI bureaus and offices on an enterprise level, including Mission Support IT contractor costs at an estimated \$250,000. Lastly, in this cycle of budget scrutiny OIG understands the importance of evaluating personnel requirements and priority positions within an organization. By delayering management positions and having multi-talented staff members navigate the operations in Mission Support, -\$816,000 and -8 FTEs in savings is expected.

The 2014 request includes a \$2.9 million internal realignment for functions that have been centralized to Mission Support. OIG staff that prepare reports, respond to FOIA requests, or work on strategic objectives are better suited centrally in the organization using resources that will provide standardized approaches and enhanced quality control.

GOAL PERFORMANCE TABLE							
	2010 Actual	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate	Change from 2013 Estimate to 2014	Long- Term Estimate 2019
Percent of completed audits with recommendations resulting in a notice of finding	75%	81%	83%	70%	70%	0%	70%
Percent of investigations resulting in a management advisory	5%	4%	7%	5%	5%	0%	5%
Percent of cases resulting in criminal conviction, civil or administrative action, or other appropriate resolution	93%	91%	90%	90%	90%	0%	90%

MAX TABLES – BUDGET SCHEDULES

Treasury Account ID: 14-0104

(Dollars in Millions)

		2012 Actual	2013 Estimate	2014 Estimate
Program and Financing				
	Obligations by program activity			
0001	Direct Program	49	50	51
0002	Recovery Act Activities	4	-	-
0801	Reimbursable Programs	4	4	4
0900	Total New Obligations	57	54	55
	Budgetary resources available for obligation			
1000	Unobligated balance carried forward, start of year	5	-	-
1900	Budget authority (total)	53	54	55
1930	Total budget resources available for obligation	58	54	55
1940	Unobligated balance expiring, end of year	-1	-	-
	Change in obligated balances:			
3100	Obligated balance, start of year	6	8	6
3010	Total new obligations	57	54	55
3020	Total outlays (gross)	-55	-56	-55
3050	Obligated balance, end of year	8	6	6
	Outlays (gross), detail:			
4010	Outlays from new discretionary authority	46	49	50
4011	Outlays from discretionary balances	9	7	5
4020	Total outlays (gross)	55	56	55
	Offsets:			
4030	Offsetting collections from Federal sources	-4	-4	-4
	New budget authority and outlays:			
4070	Budget authority	49	50	51
4080	Outlays	51	52	51

Treasury Account ID: 14-0104**(Dollars in Millions)**

		2012 Actual	2013 Estimate	2014 Estimate
Object Classification				
	Direct Obligations:			
	Personnel Compensation			
1111	Personnel Compensation: Full-time permanent	31	30	31
1121	Civilian personnel benefits	10	9	9
1210	Travel and transportation of persons	2	2	2
1231	Rental payments to GSA	3	3	3
1232	Rental payments to others	1	1	1
1252	Other services from non-Federal sources	2	2	2
1253	Other goods and services from Federal sources	4	3	3
1990	Subtotal, obligations, Direct obligations	53	50	51
	Reimbursable Obligations:			
1253	Other goods and services from Federal sources	4	4	4
9999	Total new obligations	57	54	55

		2012 Actual	2013 Estimate	2014 Estimate
	Personnel Summary			
FTE	Civilian full-time equivalent employment	275	267	273

EMPLOYEE COUNT BY GRADE**Office of Inspector General****Employee Count by Grade
(Total Employment)**

	2012 Actuals	2013 Estimate	2014 Estimate
SES	9	9	6
Subtotal	9	9	6
GS/GM -15	38	37	37
GS/GM -14	66	64	64
GS/GM -13	96	103	106
GS -12	22	18	21
GS -11	12	9	12
GS -10	5	5	5
GS - 9	10	7	7
GS - 8	2	2	2
GS -7	4	4	4
GS - 6	0	0	0
GS - 5	2	2	2
GS - 4	2	2	2
GS - 3	4	4	4
GS - 2	1	1	1
GS -1	0	0	0
Subtotal	264	258	267
Total employment (actuals & estimates)	273	267	273

SECTION 405
OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT

Public Law 112-74, the 2012 Interior and Related Agencies Appropriations Act, includes the following:

SEC.405. Estimated overhead charges, deductions, reserves or holdbacks from programs, projects, activities and subactivities to support government-wide, departmental, agency or bureau administrative functions or headquarters, regional or central operations shall be presented in annual budget justifications and subject to approval by the Committees on Appropriations. Charges to such estimates shall be presented to the Committees on Appropriations for approval.

External Administrative Costs (Dollars in thousands)			
Department's Working Capital Fund	2012 Actual	2013 Estimate	2014 Estimate
Centralized Billings	1,415	1,540	1,611
Fee for Services	490	657	684

OIG pays external administrative costs through the Working Capital Fund and through separate “Fee for Service” agreements with the Department.

OIG Billing for Reimbursable Work (Dollars in thousands)			
	2012 Actual	2013 Estimate	2014 Estimate
Reimbursable Work	3,775	4,100	4,000

PROGRAM PERFORMANCE**Audit Activities**
(Dollar in million)

Below are statistics that were reported in the 2009, 2010, 2011, and 2012 OIG Semiannual Reports to the Congress, as mandated by the Inspector General Act of 1978, as amended. This information highlights some OIG activities and outputs and their potential impact on the Department's programs and operations.

Description	2009 Actual	2010 Actual	2011 Actual	2012 Actual
Audit Reports Issued or Reviewed				
Internal Audits, Contracts & Grant Audits	69	61	58	58
Single Audit Desk Reviews	144	143	-	-
Single Audit Quality Control Reviews	1	-	4	1
Total Audit Reports Issued or Processed	214	204	62	59
<u>Impact of Audit Activities:</u> (Dollars in millions)				
Lost or Potential Additional Revenues	\$32.5	-	-	-
Questioned Costs	\$2.7	\$39.1	\$15.4	\$3.6
Recommendations That Funds Be Put To Better Use	\$3.1	\$13.2	\$0.112	\$0.061
Total Monetary Impact	\$38.2	\$52.3	\$15.5	\$3.7
Internal Audit Recommendations Made	430	341	358	255
Internal Audit Recommendations Resolved	277	631	420	211

Investigative Activities
(Dollars in millions)

Description	2009 Actual	2010 Actual	2011 Actual	2012 Actual
<u>Investigative Activities:</u>				
Cases Opened	519	558	495	482
Closed	489	575	540	511
Hotline Complaints Received	243	283	275	239
<u>Impact of Investigative Activities:</u>				
Indictments/Information	41	20	20	22
Convictions	28	30	18	14
Sentencings	34	13	28	23
Jail (Months)	386	159	1,623	246
Probation/Supervised Release (Months)	1,063	306	1,007	768
Community Service (Hours)	2,080	240	420	-
Criminal Judgments/Restitutions	\$2.4	\$0.34	\$22.13	\$1.5
<u>Criminal Investigative Activities:</u>				
Criminal Matters Referred for Prosecution	48	42	23	19
Criminal Matters Declined	32	38	12	5
<u>Civil Investigative Activities:</u>				
Referrals	6	11	5	4
Declinations	5	8	5	2
Civil Recoveries	\$2.6	\$30.9	\$0.031	\$7.9
<u>Administrative Investigative Activities:</u>				
Administrative Actions	96	86	110	64
Administrative Recoveries/Restitutions	\$0.3	\$0.3	\$2.21	\$5.3
Contractor Suspensions	4	3	3	11
Contractor Debarments	2	40	36	32
Contract Terminations	1	-	-	-

OIG MANDATORY ACTIVITIES

- Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act of 1994 require that Inspectors General audit or arrange for annual audits of agency financial statements.
- The Single Audit Act of 1984, as amended, requires that Inspectors General review the quality of single audit reports of certain state, local, and Indian tribal governments and nonprofit organizations and the conformity of the audit reports with the Act.
- The No Child Left Behind Act of 2001 requires that the Inspector General (IG) for the Department of the Interior (DOI) establish a system to ensure that financial and compliance audits are conducted of each Bureau of Indian Affairs school at least once every three years.
- The Insular Areas Act of 1982 requires the DOI OIG to establish “an organization which will maintain a satisfactory level of independent audit oversight” in the Insular Areas of Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
- The Superfund Amendments and Reauthorization Act of 1986 requires Inspectors General to audit Environmental Protection Agency Superfund monies that are directly apportioned to the Department and those monies received through interagency agreements.
- The General Accounting Office Act of 1996 requires the DOI OIG to audit the Central Utah Project Cost Allocation. (This audit is a one-time effort that will be conducted when the allocation is finalized).
- The Office of National Drug Control Policy Reauthorization Act of 1998 requires Inspectors General to authenticate the detailed accounting of all funds expended by the Department for National Drug Control Program activities during the previous year. (Note: the Department has not reached the program funding threshold for which OIG authentication is required).
- The Federal Information Security Act of 2002 requires that Inspectors General perform annual evaluations of agency information security programs.
- The Fish and Wildlife Programs Improvement and National Wildlife Refuge System Centennial Act of 2000 requires the DOI OIG to procure biennial audits of the expense

incurred by the Fish and Wildlife Service (FWS) for administering the Sport Fish and Wildlife Restoration Acts.

- The Consolidated Appropriations Act of 2000 requires Inspectors General to report quarterly on the promptness of their agency's payments of their water and sewer bills to the District of Columbia Water and Sewer Authority.
- The Consolidated Appropriations Resolution of 2003 requires the Inspector General of each department to submit a report to the Committees on Appropriations detailing the department's policies and procedures to give first priority to the location of new offices and other facilities in rural areas, in accordance with the Rural Development Act of 1972, as amended.

THE INSPECTOR GENERAL REFORM ACT**THE INSPECTOR GENERAL REFORM ACT OF 2008 REQUIREMENTS:**

As required by the Inspector General Reform Act of 2008 (P. L. 110-109) , the budget for the Office of Inspector General must specify the amount initially requested to the Department of the Interior, the President's Budget request, the funding required for training, and any resources necessary to support the Council of the Inspectors General on Integrity and Efficiency. The President's Budget request is \$50,831,000 and includes \$250,000 in base funding for the training needs of the Office for the fiscal year. The OIG will receive a request from the Council on Inspectors General on Integrity and Efficiency for \$468,000.