

BUDGET The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information
Fiscal Year 2015

OFFICE OF INSPECTOR GENERAL

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees.

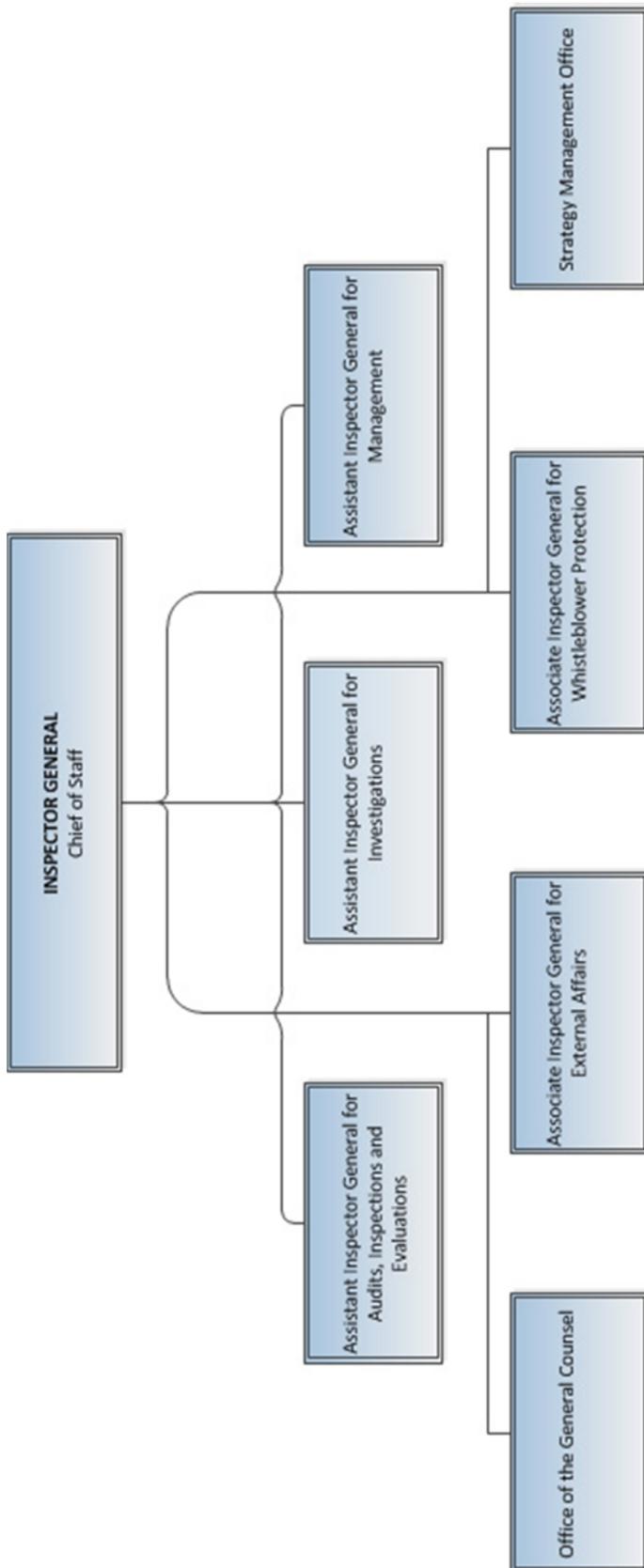
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**DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL**

FISCAL YEAR 2015 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, accountability, and integrity within the programs, operations, and management of the Department of the Interior (DOI). A highly motivated organization with less than 275 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 315,000 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 \$15 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 the administration of 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 provides clear benefits for the American people.

The 2015 budget request for the Office of Inspector General is \$50,047,000, a decrease of \$784,000 from the 2014 Enacted level. The request includes an increase of \$861,000 for fixed costs and net program decreases of \$1,645,000.

Budget Highlights

Total 2015 Budget Request

(Dollars in Thousands)

Budget Authority	2013 Actual	2014 Enacted	2015 Request
Appropriation	46,808	50,831	50,047
Total Appropriation	46,808	50,831	50,047
<i>FTEs</i>	<i>257</i>	<i>273</i>	<i>275</i>

The proposed 2015 budget request preserves resources for our core missions and provides an opportunity for OIG to address an immediate need for addressing cyber security challenges. Office of Inspector General places the highest value on objectivity and independence to ensure integrity in our workforce and products. We strive for continuous improvement and believe in the limitless potential of our employees. Adequate financial resources enable us to achieve operational excellence.

The Office of Audits, Inspections, and Evaluations requests \$355,000 and 2 FTEs to address information technology audits of continuous monitoring and system vulnerabilities. Leadership has identified a need to increase our presence in this area by adding highly trained and qualified IT Security/Audit professionals as the nation faces national cyber security challenges. The staff increase will enable OIG to perform ongoing reviews of required continuous monitoring efforts on the Department's diverse IT portfolio.

Mission Support includes a \$2 million program reduction for the one-time request to improve our space utilization rate through collocating employees in the Washington DC area.

THE PRESIDENT'S MANAGEMENT AGENDA**President's Management Agenda**

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 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.

Information Technology Transformation

The FY 2015 President's Budget Request includes \$17,000 for Office of Inspector General participation in the Department's IT Transformation efforts through the Department's Working Capital Fund. These funds will support IT Transformation project-level planning and coordination and the implementation of enterprise IT services

BUDGET AT A GLANCE

Office of Inspector General Budget At A Glance
Dollars in Thousands (\$000)

	<i>2013 Actual</i>	2014 Enacted	Fixed Costs	Program Changes	2015 Request
Appropriation: Salaries and Expenses					
Audits, Inspections, and Evaluations	<i>17,530</i>	18,129	+156	+355	18,640
Investigations	<i>16,815</i>	18,754	+144	0	18,898
Mission Support	<i>12,463</i>	13,948	+561	-2,000	12,509
TOTAL, Salaries and Expenses	<i>46,808</i>	50,831	+861	-1,645	50,047
<i>Transfers</i>		<i>400</i>	<i>0</i>	<i>-200</i>	<i>200</i>
TOTAL, Salaries and Expenses w/ transfers	<i>46,808</i>	<i>51,231</i>	<i>+861</i>	<i>-1,845</i>	<i>50,247</i>

The OIG request includes a net decrease of \$784,000 for the following changes:

- Increase of \$861,000 for fixed costs
- Decrease of \$1,645,000 for net program changes
 - Increase of \$355,000 for Information Security Audits
 - Decrease of \$2,000,000 for Office Consolidations

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

	2013 Actual		2014 Enacted		Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2015 Request		Change from 2014 Enacted (+/-)	
	Amount	FTE	Amount	FTE			FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses												
Audits, Inspections, and Evaluations	17,530	102	18,129		+156	0	+2	+355	104	18,640	+2	+511
Investigations	16,815	96	18,754		+144	0	0	0	96	18,898	0	+144
Mission Support	12,463	75	13,948		+561	0	0	-2,000	75	12,509	0	-1,439
TOTAL, ACCOUNT	46,808	273	50,831		+861	0	+2	-1,645	275	50,047	+2	-784
<i>Transfers</i>	0	0	400		0	0	0	-200	0	200	0	-200
TOTAL, ACCOUNT w/ Transfers	46,808	273	51,231		+861	0	+2	-1,845	275	50,247	+2	-984

FIXED COSTS AND RELATED CHANGES TABLE

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

Fixed Cost Changes and Projections	2014 Enacted	2014 Enacted to 2015 Request
Change in Number of Paid Days	0	0
This column reflects changes in pay associated with the change in the number of paid days between 2014 and 2015. In years where there is no change in paid days, the salary impact will be zero.		
Pay Raise	+290	+392
The change reflects the salary impact of programmed pay raise increases as proposed in the Circular A-11.		
Employer Share of Federal Health Benefit Plans	+16	+21
The change reflects expected increases in employer's share of Federal Health Benefit Plans.		
Departmental Working Capital Fund	+45	-244
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	+10	-2
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 2015 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	0
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	-1,266	+694
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.		

Per OMB Circular A-11, Section 32, the Agency contribution for FERS increased from 11.9% to 13.2% in FY2014. This increase is funded within FY2014 Enacted fixed costs.

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] *\$50,047,000.*
(*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2014.*)

Office of Audits, Inspections, and Evaluations (OAIE)

	<i>2013 Actual</i>	<i>2014 Enacted</i>	<i>Fixed Costs (+/-)</i>	<i>Internal Transfers (+/-)</i>	<i>Program Changes (+/-)</i>	<i>2015 Request</i>	<i>Change from 2014 Enacted (+/-)</i>
Audits, Inspections, and Evaluations	<i>17,530</i>	<i>18,129</i>	<i>+156</i>	<i>0</i>	<i>+355</i>	<i>18,640</i>	<i>+511</i>
<i>FTE</i>	<i>96</i>	<i>102</i>	<i>0</i>	<i>0</i>	<i>+2</i>	<i>104</i>	<i>+2</i>

Summary of 2015 Program Changes for OAIE

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Information Security Audits	+355	+2
TOTAL Program Changes	+355	+2

Justification

The 2015 budget request for the Office of Audits, Inspections, and Evaluations is \$18,640,000 and 104 FTEs, a program increase of +\$355,000 from the 2014 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 questioned approximately \$30 million of the \$39 million sample in Coastal Impact Assistance Program (CIAP) grants awarded to the state of Mississippi from fiscal years 2009 to 2012. The audit determined whether grant recipients complied with Federal regulations and DOI policies and provided U.S. Fish and Wildlife Service (FWS) management challenges it should address as it assumes responsibilities from Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE). AIE identified seven major deficiencies in CIAP management and provided 37 recommendations to FWS to resolve the systematic deficiencies and personnel issues.

OIG evaluated Bureau of Land Management's (BLM) coal program and determined improvements could return millions of dollars annually to DOI. The evaluation found six weaknesses in the sale process for coal leases that put DOI at risk of not receiving fair market value for the leases. Those factors contributed to lost bonus revenues of \$2 million in recent lease sales and \$60 million in potentially undervalued lease modifications. Overall 13 recommendations targeting weaknesses and improvements were identified that could produce significant returns to the Federal Government.

AIE inspected the Office of Surface Mining Reclamation and Enforcement (OSM) to ensure that the Oklahoma Department of Mines (ODM) properly enforces Federal regulations requiring coal-mining operators in Oklahoma to return mined lands to their preexisting topography, or approximate original contour (AOC). ODM's enforcement of the AOC in Oklahoma is funded through a Federal grant, with OSM providing monitoring, oversight, and other support. The inspection found AOC enforcement in Oklahoma is not working as intended and OSM has not been successful in getting ODM to ensure operators return land to AOC. Three recommendations were made to address AOC issues in Oklahoma.

The 2015 request for AIE includes \$355,000 and 2 FTEs for conducting audits, evaluations, and inspections of Interior's Information Systems and corresponding cyber security efforts to determine vulnerabilities and recommend actions to improve the efficiency and effectiveness of these systems and programs. The President and Congress have both indicated that the cyber threat is one of the most serious economic and national security challenges we face as a nation and that America's economic prosperity in the 21st century will depend on cyber security. The Federal Information Security Management Act (FISMA), OMB policy, and the implementing standards and guidelines developed by NIST require a continuous monitoring approach. Continuous Monitoring is considered a key technology in agency attempts to improve cyber security and reduce risk by keeping a constant check on the state of compliance with security controls and the level of current threats. Approaching IT security as an on-going review area rather than a limited engagement, the OIG can provide timely and meaningful solutions to improve safeguards over the confidentiality, integrity, and availability of the Department's IT resources. This work assists in improving the challenge area of Management Effectiveness and the strategic goal of Dependability and Efficiency of Information Technology.

Office of Investigations (OI)

	<i>2013 Actual</i>	<i>2014 Enacted</i>	<i>Fixed Costs (+/-)</i>	<i>Internal Transfers (+/-)</i>	<i>Program Changes (+/-)</i>	<i>2015 Request</i>	<i>Change from 2014 Enacted (+/-)</i>
Investigations	16,815	18,754	+144	0	0	18,898	+144
<i>FTE</i>	<i>86</i>	<i>96</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>96</i>	<i>0</i>

Justification

The 2015 budget request for the Office of Investigations is \$18,898,000 and 96 FTEs.

The Office of Investigations (OI) investigates allegations of fraud, waste, abuse, or mismanagement against Department of the Interior employees, contractors, grantees or other entities doing business with or receiving funds from the Department resulting in significant financial loss to DOI. At times these civil, criminal, and administrative investigations result in recoveries and restitutions of millions of dollars to the government. Performance year 2013 recorded a record high of \$4.5 billion in criminal penalties.

In other accomplishments, OIG led a team of eight law enforcement agencies to investigate the owner of bonding company Tripartite Escrow Corporation (TEC), after a Department of Transportation (DOT) employee reported that TEC pledged the same collateral to support performance and payment bonds on several DOT contracts simultaneously. The investigation determined that TEC had pledged the same collateral for numerous contracts within DOI and for other factions of the Federal Government without disclosing those encumbrances. The investigation determined that from approximately April 2005 through May 2011, TEC bonded Government projects with fraudulent bid bonds, payment bonds, and performance bonds, resulting in a loss of over \$1 million to the Government. A Federal Grand Jury indicted the owner of TEC on 23 fraud-related counts, including 10 counts of mail fraud, 7 counts of wire fraud, 3 counts of money laundering, 2 counts of aggravated identity theft, and 1 count of major fraud against the United States.

OIG assessed the management and supervision of the U.S. Park Police (USPP) firearms program after receiving an anonymous complaint regarding potentially missing weapons. The assessment revealed that USPP could not properly account for various weapons, including Government-issued military-style rifles. OI's inspections of USPP field offices revealed hundreds of handguns, rifles, and shotguns were not accounted for on official USPP inventory records. We found that individuals appointed to oversee the firearms program, including senior command officers, gave only minimal supervision to officers and other program staff who had access to unassigned weapons. The assessment revealed years of inattention to administrative detail and management principles by USPP leadership and management at all levels, undermining the

practice of the basic tenets of property management and supervisory oversight of the firearms program. OI's ten recommendations, aimed at updating USPP firearms policies and conducting complete inventories, could improve the management of the USPP firearms program.

Wrongdoing in Indian Country involving theft from Tribes and Bureau of Indian Education schools, bribery, a fraudulent oil lease investment scheme, and embezzlement was a focus for OI. OIG investigated a Chippewa Cree Tribe official and two Montana contractors engaged in bribery to obtain subcontracts for the Rocky Boys/North Central Montana Rural Water System, a Federally funded construction project awarded to the Tribe by the Bureau of Reclamation. We found that Chippewa Cree Construction Corporation's Chief Executive Officer, who also served as the corporation's contracting officer, awarded four construction contracts totaling more than \$700,000 to Hunter Burns Construction, LLC, to install PVC pipe on one portion of the construction project. A Federal Grand Jury in Billings, MT, indicted the Chief Executive Officer, Hunter Burns Construction, LLC, and several others on charges of conspiracy, theft from an Indian tribal government receiving Federal funding and bribery.

OIG, with the FBI and the Del Norte County District Attorney's Office in Crescent City, CA, jointly investigated the former director of the Yurok Tribe Forestry for embezzling approximately \$870,000 from the Tribe by submitting false invoices through Mad River Biologists, who were contracted by the Tribe to conduct scientific assessments, surveys, and environmental projects in support of Endangered Species Act projects. The former director pleaded guilty in the U.S. District Court for the Northern District of California to one count of conspiracy to commit embezzlement and theft from an Indian tribal organization.

OIG and the FBI conducted a joint investigation into Domestic Energy Solutions, a private energy company, engaged in a fraudulent oil lease investment scheme on the Fort Peck Indian Reservation. Six defendants were indicted and convicted with sentences ranging from one to fifteen years and a cumulative restitution total of \$5.2 million.

In all criminal and civil cases, the OIG proceeds with appropriate recommendations for program exclusion to the Department's Suspending and Debarment Official. During Fiscal Year 2013, the OIG referred 18 suspensions and 31 debarments to the Department, and OIG referrals resulted in 21 suspensions and 32 debarments. Additionally, OIG's recommendations resulted in three compliance and ethics agreements in lieu of suspension or debarment. OIG continues its vigorous support of DOI and the Federal Government in excluding non-responsible parties from receiving Federal awards. At the same time, the Department's use of compliance and ethics agreements can result in greatly enhanced compliance and ethical behavior within companies, while allowing the companies to remain eligible for awards and preserving American jobs.

Lastly, OIG took a proactive stance with oversight related to the Department's emergency recovery efforts. We increased oversight of purchase-card usage and developing contracts, escalated our outreach efforts and fraud awareness briefings with responding DOI bureaus, coordinated with the Recovery Accountability and Transparency Board, and liaised with the U.S. Attorneys' Offices in affected States, as well as the U.S. Department of Justice's Anti-Trust Division. OIG supports the Department as it restores the damage created by Hurricane Sandy and is monitoring every channel of Hurricane Sandy spending.

Mission Support

	<i>2013 Actual</i>	<i>2014 Enacted</i>	<i>Fixed Costs (+/-)</i>	<i>Internal Transfers (+/-)</i>	<i>Program Changes (+/-)</i>	<i>2015 Request</i>	<i>Change from 2014 Enacted (+/-)</i>
Mission Support	12,463	13,948	+561	0	-2,000	12,509	-1,439
<i>FTE</i>	<i>75</i>	<i>75</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>75</i>	<i>0</i>

Summary of 2015 Program Changes for Mission Support

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Office consolidation reduction	-2,000	0
TOTAL Program Changes	-2,000	0

Justification

The 2015 budget request for Mission Support is \$12,509,000 and 75 FTEs, a program decrease of \$2,000,000 from the 2014 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.

Mission Support also includes the excellent work by our Whistleblower Protection Program. Performance year 2013 OIG received more than 100 complaints and inquiries and provided two summaries of advisories sent to the Bureau of Indian Affairs and the U.S. Fish and Wildlife Service alerting them of accountability failures. Our efforts at prevention and holding management accountable through education, investigation, and influence have been bolstered with the Whistleblower Protection Enhancement Act of 2012. Other Federal agencies have reached out to us for guidance on establishing a meaningful program, and we are honored that our program has served as a positive model for other Government agencies.

OIG's FOIA office received recognition in the Center for Effective Government *Best Practices for Agency Freedom of Information Act Regulations*. The December report mentions OIG's implementation of an automated acknowledgement for request received through the agency website or by e-mail. In addition, the report highlights Interior's proactive approach to post information online making it easily accessible and the Department's clear procedures for fees and fee waivers in order to prevent delays and disputes over small amounts of money.

The 2015 program reduction of \$2 million for Mission Support reflects OIG's dedication to reducing our physical footprint. Our telework program was rewarded by GSA in 2013 when OIG won a "TeleVision" award for excellence in government telework and mobility programs. Since early 2009 the office has set forth to fully embrace the organizational benefits of telework. The strategic decision is mutually beneficial to accomplishing our mission while providing employees increased work-life balance opportunities. More than 98 percent of our employees participate in the program which ensures continuity of operations in times of weather or other emergency situations. OIG's approach allows for consolidating offices and collocating employees, saving millions in real estate costs over time.

GOAL PERFORMANCE TABLE							
	2011 Actual	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate	Change from 2014 Estimate to 2015	Long- Term Estimate 2020
Percent of completed audits with recommendations resulting in a notice of finding	81%	83%	90%	80%	80%	0%	80%
Percent of investigations resulting in a management advisory	4%	7%	4%	5%	5%	0%	5%
Percent of cases resulting in criminal conviction, civil or administrative action, or other appropriate resolution	91%	90%	82%	89%	89%	0%	89%

MAX TABLES – BUDGET SCHEDULES**Treasury Account ID: 14-0104****(Dollars in Millions)**

		2013 Actual	2014 Enacted	2015 Estimate
Program and Financing				
	Obligations by program activity			
0001	Direct Program	47	51	50
0801	Reimbursable Programs	3	3	3
0900	Total New Obligations	50	54	53
	Budgetary resources available for obligation			
1100	Appropriation	50	51	50
1130	Appropriation permanently reduced	-3	-	-
1700	Spending authority from offsetting collections	3	3	3
1930	Total budget resources available for obligation	50	54	53
	Change in obligated balances:			
3000	Unpaid obligations, brought forward, Oct 1	8	7	7
3010	Obligations incurred, unexpired accounts	50	54	53
3020	Outlays (gross)	-51	-54	-56
3050	Unpaid obligations, end of year	7	7	4
	Outlays (gross), detail:			
4010	Outlays from new discretionary authority	45	49	48
4011	Outlays from discretionary balances	6	5	8
4020	Total outlays (gross)	51	54	56
	Offsets:			
4030	Offsetting collections from Federal sources	-4	-3	-3
4052	Offsetting collections credited to expired accounts	1	-	-
	New budget authority and outlays:			
4070	Budget authority	47	51	50
4080	Outlays	47	51	53

Treasury Account ID: 14-0104

(Dollars in Millions)

		2013 Actual	2014 Enacted	2015 Estimate
Object Classification				
	Direct Obligations:			
	Personnel Compensation			
1111	Personnel Compensation: Full-time permanent	29	32	32
1121	Civilian personnel benefits	9	9	9
1210	Travel and transportation of persons	2	2	2
1231	Rental payments to GSA	2	2	2
1232	Rental payments to others	1	1	1
1252	Other services from non-Federal sources	1	1	1
1253	Other goods and services from Federal sources	3	4	3
1990	Subtotal, obligations, Direct obligations	47	51	50
	Reimbursable Obligations:			
1253	Other goods and services from Federal sources	3	3	3
9999	Total new obligations	50	54	53

		2013 Actual	2014 Enacted	2015 Estimate
	Personnel Summary			
FTE	Civilian full-time equivalent employment	257	273	275

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

	2013 Actuals	2014 Estimate	2015 Estimate
SES	8	7	7
Subtotal	8	7	7
GS/GM -15	37	33	33
GS/GM -14	61	65	67
GS/GM -13	106	112	112
GS -12	19	25	25
GS -11	5	8	8
GS -10	5	3	3
GS - 9	6	10	10
GS - 8	2	2	2
GS - 7	0	4	4
GS - 6	0	0	0
GS - 5	1	1	1
GS - 4	1	3	3
GS - 3	2	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	245	266	268
Total employment (actuals & estimates)	253	273	275

SECTION 404 COMPLIANCE

Public Law 113-76, the 2014 Consolidated Appropriations Act, includes the following:

SEC.404. The amount and basis of estimated overhead charges, deductions, reserves or holdbacks, including working capital fund and cost pool charges, 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 of the House of Representatives and the Senate. Changes to such estimates shall be presented to the Committee on Appropriations for approval.

External Administrative Costs (Dollars in thousands)			
Department's Working Capital Fund	2013 Actual	2014 Enacted	2015 Estimate
Centralized Billings	1,539	1,610	1,340
Fee for Services	497	475	938

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)			
	2013 Actual	2014 Enacted	2015 Estimate
Reimbursable Work	3,854	4,000	3,000

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

Below are statistics that were reported in the 2010, 2011, 2012, and 2013 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	2010 Actual	2011 Actual	2012 Actual	2013 Actual
Audit Reports Issued or Reviewed				
Internal Audits, Contracts & Grant Audits	61	58	58	81
Single Audit Desk Reviews	143	-	-	-
Single Audit Quality Control Reviews	-	4	1	2
Total Audit Reports Issued or Processed	204	62	59	83
<u>Impact of Audit Activities:</u> (Dollars in millions)				
Questioned Costs	\$39.1	\$15.4	\$3.6	\$30.2
Recommendations That Funds Be Put To Better Use	\$13.2	\$0.112	\$0.061	\$16.1
Total Monetary Impact	\$52.3	\$15.5	\$3.7	\$46.3
Internal Audit Recommendations Made	341	358	255	318
Internal Audit Recommendations Resolved	631	420	211	241

Investigative Activities
(Dollars in millions)

Description	2010 Actual	2011 Actual	2012 Actual	2013 Actual
<u>Investigative Activities:</u>				
Cases Opened	558	495	482	475
Closed	575	540	511	439
Hotline Complaints Received	283	275	239	607
<u>Impact of Investigative Activities:</u>				
Indictments/Information	20	20	22	46
Convictions	30	18	14	32
Sentencings	13	28	23	21
Jail (Months)	159	1,623	246	602
Probation/Supervised Release (Months)	306	1,007	768	1,899
Community Service (Hours)	240	420	-	330
Criminal Judgments/Restitutions	\$0.34	\$22.13	\$1.5	\$4,456.6
<u>Criminal Investigative Activities:</u>				
Criminal Matters Referred for Prosecution	42	23	19	48
Criminal Matters Declined	38	12	5	20
<u>Civil Investigative Activities:</u>				
Referrals	11	5	4	10
Declinations	8	5	2	8
Civil Recoveries	\$30.9	\$0.031	\$7.9	\$2.0
<u>Administrative Investigative Activities:</u>				
Administrative Actions	86	110	64	53
Administrative Recoveries/Restitutions	\$0.3	\$2.21	\$5.3	-
Contractor Suspensions	3	3	11	15
Contractor Debarments	40	36	32	27

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 require 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 require 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. 110-409) , 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 \$50,047,000 and includes \$600,000 in base funding for the training needs for the fiscal year. The Office anticipates \$250,000 in travel expenses associated with training due to staff traveling from their field office locations. The OIG will receive a request from the Council on Inspectors General on Integrity and Efficiency for \$423,000.