



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

and Performance Information
Fiscal Year 2016

OFFICE OF INSPECTOR GENERAL

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

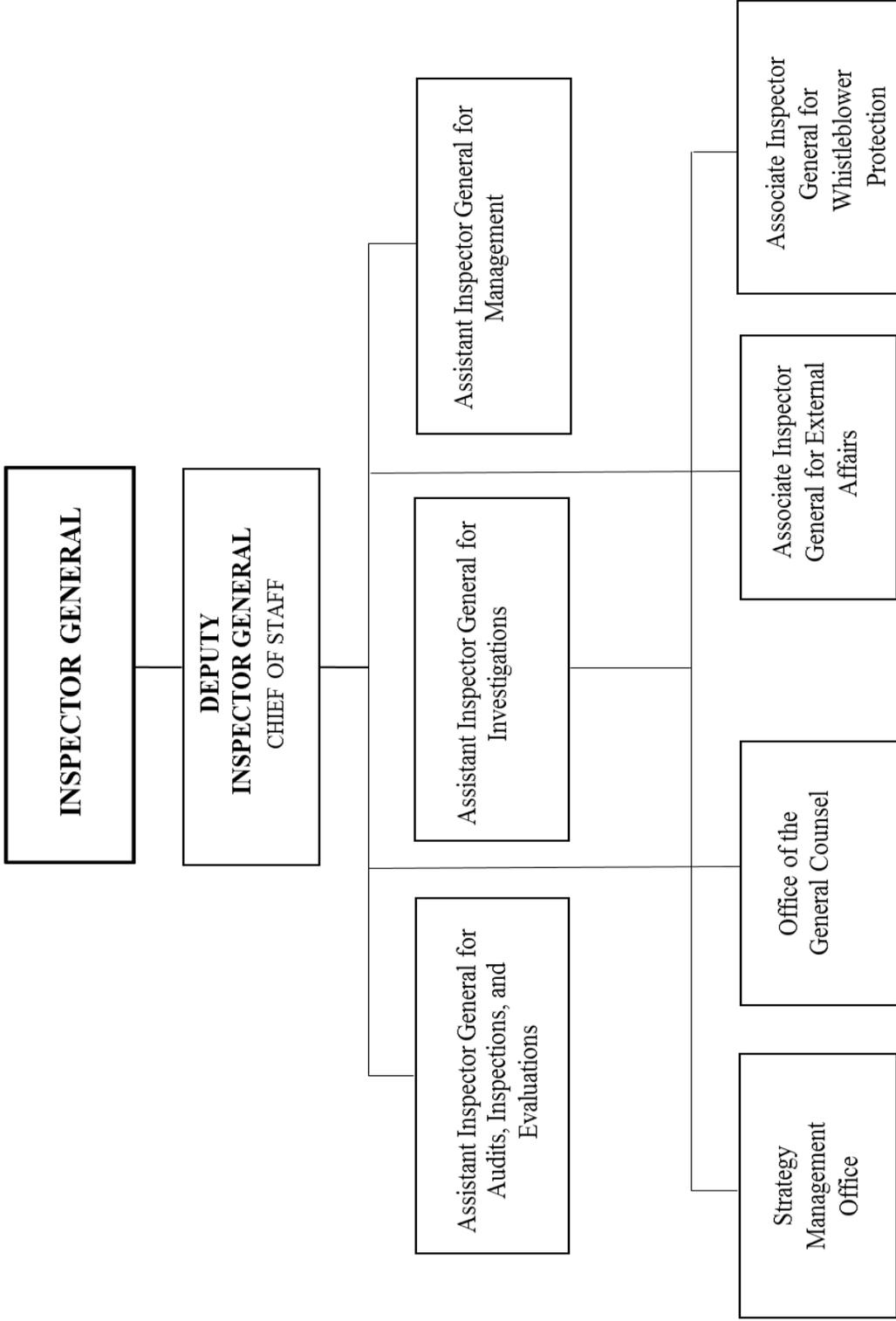
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**DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL**

FISCAL YEAR 2016 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, OIG responds to the significant challenges the Department faces in protecting the country's natural resources, environment, and cultural heritage.

The Department and its 10 bureaus – Bureau of Indian Affairs, Bureau of Indian Education, 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 Reclamation and Enforcement, 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. DOI is responsible for more than 530 million acres of America's public land, or about one-fifth of the land in the United States, and 55 million surface acres and 57 million subsurface estates of Indian Trusts lands. DOI is also responsible for a variety of water and underwater resources, including hundreds of dams and reservoirs and thousands of oil and gas leases on millions of acres of the Outer Continental Shelf. Approximately 21 percent of the Nation's energy production comes from projects on DOI-managed lands and offshore areas. DOI scientists conduct a wide range of research on biology, geology, and water to provide land and resource managers with critical information for sound decision making. DOI lands also provide outstanding recreational and cultural opportunities to numerous visitors worldwide.

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 2016 request for OIG is \$52,224,000, an increase of \$2,177,000 from the 2015 President's Budget. The request includes an increase of \$407,000 for fixed costs and program increases of \$1,770,000.

Budget Highlights**Total 2016 Budget Request***(Dollars in Thousands)*

Budget Authority	2014 Actual	2015 Enacted	2016 Request
Appropriation	50,831	50,047	52,224
Total Appropriation	50,831	50,047	52,224
<i>FTEs</i>	255	275	286

The proposed 2016 budget request for OIG identifies critical issues of high importance to the Department, Congress, and the general public. OIG developed Key Focus Areas along with special areas of emphasis by reviewing the Department's strategic plan, budget, and top management challenges. The Key Focus Areas provide a discipline when we consider how to deploy our resources and to ensure our stakeholders that we are being the best stewards possible in providing oversight for the programs and operations of DOI.

The Office of Audits, Inspections, and Evaluations (AIE) program increases total \$920,000 and +6 FTEs to address public safety on DOI lands and insider threats to DOI information technology systems. In this request, AIE addresses one of the Department's top priorities, to focus on safety, security, and preparedness activities. DOI has a responsibility for protecting lives, resources, property, and the environment through law enforcement, health and safety, security, and emergency management. This request includes \$610,000 and +4 FTEs to conduct highly specialized inspections and evaluations of DOI law enforcement and public safety programs that address DOI weapons inventory and evidence collection practices, border crimes, policing, use of force, and overall protection of federal lands, resources, and people.

The AIE request also includes \$310,000 and +2 FTEs for OIG's Insider Threat Program. Providing dependable and efficient information technology throughout the Department has been either a DOI Management Initiative or Mission Area in the past three DOI strategic plans. From the Department's launch of their Information Technology Transformation Initiative, the Office of the Chief Information Officer (OCIO) has identified a number of concerns over unacknowledged, undocumented, and unmanaged IT assets that may pose risks to overall IT security. AIE will review and evaluate existing programs, focusing on compliance and oversight that prevent insider threats, including sampling of DOI network traffic, foreign travel, and use of Sensitive Compartmented Information Facilities. The mission for this program will be to systematically address the prevention, detection, and resolution of insider threats with a special focus on critical infrastructures, people, data, and information systems.

The Office of Investigations (OI) program increases total \$850,000 and +5 FTEs to fund initiatives in Indian Country. In each of the past three DOI strategic plans, strengthening Tribal Nations and meeting the United States' trust, treaty, and other responsibilities to American Indians and Alaska Natives has been a significant mission area. The Department assists Indian Nations in developing capacity and infrastructure on reservations to enhance their quality of life. Unfortunately with the increased opportunities for economic development, the risk for fraud, bribery, embezzlement, and theft continues to be of great concern. This request supports OI efforts to increase service to a large geographic area, covering the mid-West and

Western areas of the United States, and to specifically address complaints regarding government waste and fraud in Indian Country.

The OI receives over 600 complaints each year and nearly 30 percent involve Indian Country issues pertaining to Tribes and Tribal Organizations. Adding more investigators improves the ability to initiate more new cases in a high complaint area. Providing +5 FTEs will enable the OIG to investigate 15 new cases each year, and potentially save millions. The additional FTEs that concentrate on Indian Country fully understand the Tribal issues, Tribal support and assistance contracts, and can coordinate with the FBI and US Attorney Intelligence Community task forces, allowing for an organized approach to address the crimes, trends, and underlying causes of criminal activity.

Management Effectiveness

OIG has spent the last several years implementing a plan to reduce costs through the downsizing/closure of offices. Since 2010 four offices have closed and two locations have seen a square foot reduction of 52 percent from the previous space occupied. Our approach for consolidating offices and collocating employees embraces the elements of touch-down spaces, hoteling spaces, and other collaborative open designs to take advantage of those who frequently travel and or telework. Reducing OIG's footprint improves the efficiency of the organization by providing the ability to invest in our most critical asset – our people.

Duplicative Programs

OIG's responsibilities include providing independent oversight and detecting waste, fraud, and mismanagement. Our dedicated staff within AIE reviews DOI programs and operations, measuring them against best practices and objective criteria to determine efficiency and effectiveness.

Supporting the President's Management Agenda

The 2016 budget request for OIG supports the President's Management Agenda by proposing to implement an Insider Threat Program. Our concept would have OIG staff work with DOI stakeholders including the DOI Advanced Security Operations Center and bureau IT security personnel. OIG believes this concept will make a significant and tangible difference in our agency's cybersecurity initiatives. The National Institute of Standards and Technology (NIST) recently provided agencies with steps needed to transition to a more dynamic cybersecurity environment. NIST's supplemental guidance builds upon OMB's information system continuous monitoring process, which agencies have until 2017 to implement. The OIG ITP request further promotes our IT Audits Unit, providing OIG dedicated staffing to perform ongoing reviews on the high risk environment of IT expenditures and infrastructure security.

Evidence and Evaluations

The 2016 budget request for OIG uses strategic reviews and evaluation results to support our program increases. Our strategic reviews and analysis identifies top management and performance challenges we provide to the Department on an annual basis. The latest report included responsibility to Indian and Insular Areas, public safety, and information technology. In each of these areas, we have requested program increases in 2016 to address critical issues.

Access to High-Value Data Sets

OIG supports the use of statistics within the Office of Investigations. Forensics and analysis teams collect, store, and analyze information related to DOI business transactions. Leveraging this available data, OIG monitors high level spending trends, fraud indicators, and information on specific contractors and grantees to identify and rank high-risk, high-value audits, evaluations, and investigations that will have the greatest impact on the Department. Additionally high-value data analysis assists OIG in conducting outreach activities in the Department and contacting recipients of Department funds to raise awareness of fraud, fraud indicators, and fraud prevention.

Job Training and Employment Programs

OIG's strategic plan includes improving our organizational capacity by developing our people and expertise. We create a culture of success by developing employees to their highest potential and rewarding excellence. OIG employees have individual development plans which identify education and training opportunities for our specialized requirements. We believe our success in recruiting and retaining a quality workforce coincides with the proper training and continued education offered. If our training program did not exist we could not provide quality products and services to DOI decision makers, Congress, and the general public.

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

Dollars in Thousands (\$000)

	<i>2014 Actual</i>	<i>2015 Enacted</i>	Fixed Costs	Internal Transfers	Program Changes	2016 Request
Appropriation: Salaries and Expenses						
Audits, Inspections, and Evaluations	18,129	18,640	+101	0	+920	19,661
Investigations	18,754	18,898	+94	0	+850	19,842
Mission Support	13,948	12,509	+212	0	0	12,721
TOTAL, Salaries and Expenses	50,831	50,047	+407	0	1,770	52,224
<i>Transfers</i>	400	400	0	0	-400	0
TOTAL, Salaries and Expenses w/ transfers	51,231	50,447	+407	0	1,370	52,224

The OIG 2016 request includes net increase of \$1,777,000 from the 2015 enacted level for the following changes:

- Increase of \$1,770,000 for program changes
 - Increase of \$920,000 for Public Safety and Insider Threat Program Audits, Inspections and Evaluations
 - Increase of \$850,000 for Indian Country Fraud Program investigations.
- Increase of \$407,000 for fixed costs
- Decrease of \$400,000 in transfers

Summary of Requirements for Office of Inspector General

(Dollars in Thousands)

	2014 Actual		2015 Enacted		Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2016 Request		Change from 2015 Enacted (+/-)
	Amount	FTE	Amount	FTE			FTE	Amount	FTE	Amount	
Salaries and Expenses											
Audits, Inspections, and Evaluations	18,129	104	18,640	101	101	-	6	920	110	19,661	6 1,021
Investigations	18,754	96	18,898	94	94	-	5	850	101	19,842	5 944
Mission Support	13,948	75	12,509	212	212	-	-	-	75	12,721	- 212
TOTAL, ACCOUNT	50,831	275	50,047	407	407	-	11	1,770	286	52,224	11 2,177
<i>Transfers</i>	400	0	400	0	0	0	0	-400	0	0	0 -400
TOTAL, ACCOUNT w/ Transfers	51,231	275	50,447	407	407	-	11	1,370	286	52,224	11 1,777

FIXED COSTS AND RELATED CHANGES TABLE

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

Fixed Cost Changes and Projections	2015	2015 to 2016 Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days.	+0	+151
Pay Raise The change reflects the salary impact of programmed pay raise increases.	+385	+477
Employer Contribution to FERS The change reflects the directed increase of 0.5% in employer's contribution to the Federal Employee Retirement System.	+0	+21
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are detailed in the Budget Justification for Department Management.	-236	-311
Departmental Working Capital Fund ITT The change reflects expected changes in the charges for centrally billed Department services through the Working Capital Fund.	-8	+2
Worker's Compensation Payments The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.	-2	+89
Unemployment Compensation Payments 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.	+0	+0
Rental Payments 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.	+694	-22
O&M Increases from Moves out of GSA-Space into Bureau Space In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.	+0	+0

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, [\$50,047,000] \$52,224,000.
(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2015.)

Office of Audits, Inspections, and Evaluations (AIE)

	<i>2014 Actual</i>	2015 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2016 Request	Change from 2015 Enacted (+/-)
Audits, Inspections, and Evaluations	<i>18,129</i>	18,640	+101	0	+920	19,661	+1,021
<i>FTE</i>	<i>97</i>	<i>104</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>110</i>	<i>+6</i>

Summary of 2016 Program Changes for AIE

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Public Safety Inspections and Evaluations	+610	+4
Insider Threat Inspections and Evaluations	+310	+2
TOTAL Program Changes	+920	+6

Justification of Program Change:

The 2016 budget request for the Office of Audits, Inspections, and Evaluations is \$19,661,000 and 110 FTEs, a program increase of +\$1,021,000 from the 2015 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. AIE conducts reviews of DOI programs and operations identified as high risk for waste, fraud, abuse, and mismanagement.

Public Safety Inspections and Evaluations (+\$610,000/+4 FTE)

The 2016 request for AIE includes \$610,000 and 4 FTEs to conduct highly specialized inspections and evaluations of DOI law enforcement and public safety programs that address DOI weapons inventory and evidence collection practices, border crimes, policing, use of force, and overall protection of Federal lands, resources, and people.

Each year, millions of individuals visit DOI's national parks and monuments, wildlife refuges, and recreational sites. DOI is responsible for serving these visitors and for maintaining and protecting thousands of facilities and millions of acres of property. In some cases, the isolation of lands and facilities presents unique vulnerabilities, making public safety a challenge.

In June 2014, the Secretary signed a memorandum of understanding with members of the Western States Tourism Policy Council and other Federal agencies recognizing the importance of tourism on Federal lands

and waters. Tourism to national parks and federally managed lands is a driving economic force in the Western States. Travelers visiting Western States in 2012 spent \$277 billion. More than 83 million people visited national parks in the West in 2013. The MOU renews for 5 years an ongoing agreement between States and Federal agencies (in place since 1997) to work together to advance domestic and international tourism on public lands and spur economic growth.

While increasing visitors to the national parks and federally managed lands benefits Western States economically and builds public support for DOI programs, an increased number of visitors also raises public safety concerns, especially in remote regions of the parks, during inclement weather, or with regard to protecting more visitors from animals such as bears. NPS and BLM could potentially find it challenging to adequately plan for and monitor the additional vendors needed to support increased visitor numbers and avoid potential occurrences such as the summer 2012 hanta virus outbreak in NPS tent cabins. At national parks and federally managed lands, ensuring the health and safety of visitors is just as critical for DOI as protecting and preserving these areas.

Additionally, the detention of inmates in Indian Country is an area of concern for DOI. The responsibility of ensuring inmates' safety and security not only falls upon the BIA Office of Justice Services (OJS) staff, but also is highly dependent on the facilities in which they are housed. Currently BIA OJS management does not have direct control or oversight of the physical structure of the detention facilities, relying instead on BIA's Office of Facilities, Environmental and Cultural Resources to address facility deficiencies or safety concerns. In addition, numerous tribes across Indian Country have received grants from the U.S. Department of Justice to construct new detention facilities. In many instances, general contractors perform substandard work, resulting in a facility that cannot be opened (or used). Contractors also are not held accountable during the construction phase. Unless internal controls and oversight are strengthened, BIA detention facilities will continue to be an area of concern for DOI.

Insider Threat Program (+\$310,000/+2 FTE)

This request also includes \$310,000 and +2 FTEs for Insider Threat Program. AIE will review and evaluate existing programs, focusing on compliance and oversight that prevent insider threats, including sampling of DOI network traffic, foreign travel, and use of Sensitive Compartmented Information Facilities. The mission for this program will be to systematically address the prevention, detection, and resolution of insider threats with a special focus on critical infrastructures, people, data, and information systems.

As computer technology advanced, Federal agencies and our Nation's critical infrastructures—such as power distribution, water supply, telecommunications, and emergency services—become increasingly dependent on computerized information systems and electronic data to carry out operations and to process, maintain, and report essential information. The security of these systems and data is essential to protect national and economic security, as well as public health and safety. Safeguarding Federal information technology systems and the systems that support critical infrastructures is a continuing concern. Federal information security stayed on GAO's High-Risk List since 1997. Risks to information and communication systems include insider threats from disaffected or careless employees and business partners, escalating and emerging threats from around the globe, the ease of obtaining and using hacking tools, the steady advance in the sophistication of attack technology, and the emergence of new and more destructive attacks. DOI

relies on complex, interconnected information systems to carry out its daily operations. DOI spends about \$1 billion annually on its portfolio of IT assets, which support programs that protect and manage our Nation's natural resources and cultural heritage; provide scientific and other information to the public about those resources; and meet the Department's responsibilities to American Indians, Alaska Natives, and affiliated Insular Areas.

Office of Investigations (OI)

	<i>2014 Actual</i>	2015 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2016 Request	Change from 2015 Enacted (+/-)
Investigations	<i>18,754</i>	18,898	+94	0	+850	19,842	+944
<i>FTE</i>	<i>85</i>	<i>96</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>101</i>	<i>+5</i>

Summary of 2016 Program Changes for OI

Request Component	(\$000)	FTE
<u>Program Changes:</u>		
Indian Country Program Fraud	+850	+5
TOTAL Program Changes	+850	+5

Justification of Program Change:

The 2016 budget request for the Office of Investigations is \$19,842,000 and 101 FTE, a program change of +\$850,000 and +5 FTE from the 2015 enacted level.

Indian Country Program Fraud (+\$850,000/+5 FTE)

The 2016 program increase of \$850,000 and +5 FTE will fund high risk fraud investigations in Indian Country. These additional FTE will enable the OIG to investigate and complete more cases, and potentially save millions of taxpayer dollars. This increase supports OIG efforts to increase its service to a large geographic area, covering the mid-West and Western areas of the United States, and to specifically address complaints of Federal Government waste and fraud in Indian Country.

Through the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE), the Department works with 566 Federally recognized Indian tribes, has trust responsibilities for 112 million surface and subsurface acres of land belonging to Indian tribes and individuals, and provides education services to approximately 41,000 Indian children in 183 schools and dormitories. The request for additional staffing also addresses grants provided throughout Indian Country that are considered high risk areas for fraud. With the increased focus and priority placed on Indian Education, and the current number of thefts from Indian School accounts, it is only prudent to staff up in this area. Internal controls to safeguard grants are often not present and recurring theft requires continued presence by the OIG as a deterrent as well as providing consequences for criminal acts.

BIA and BIE programs provide millions of dollars for construction projects, contracts, grants, and 638 contracts throughout Indian Country. Many areas in Indian Country remain plagued by poverty, crime, poor education, inadequate healthcare, and limited social services. The absence of basic needs creates an environment that makes millions of Federal dollars at high risk for fraud and misuse. Of the 600 complaints

the OIG receives each year, nearly one-third involve Indian Country. OIG requires additional investigative staff in order to more effectively address those issues.

Previous OIG investigations regularly revealed that DOI-funded programs and operations in Indian Country are extremely susceptible to fraud, waste, mismanagement, and abuse due to nepotism, unqualified employees, failure to follow policies and procedures, lack of internal controls, lack of transparency, lack of oversight, and fear of reprisal for reporting wrongdoing. Past OIG investigations led to indictments for bribery, fraud, and other charges related to misuse of Federal funds meant for Indian education and other tribal programs. For example, one past OIG investigation showed that even though BIA quit providing funds directly to South Dakota's Crow Creek Sioux Tribe because it was classified as high risk, tribal council members (who also served on the Crow Creek Tribal School's school board) participated in a scheme through which a contractor paid them thousands of dollars in bribes to secure tribal business. The tribe received several million dollars annually from BIE for educational programs and operations and additional funds from BIA for school facility construction projects. Another investigation determined that contractors defrauded oil lease investors on the Fort Peck Indian Reservation. OIG fraud indictments led to prison sentences and an order to pay \$5.2 million in restitution.

Recently, an innovative investigative approach called the Guardians Project, led by OIG's Office of Investigations and Montana's U.S. Attorney's Office, with substantial assistance provided by OIG's Office of Audits, Inspections, and Evaluations, led to numerous indictments and convictions in Indian Country. The project resulted in the prosecution of a former State representative, a tribal leader, and others involved in siphoning off funds from a \$33 million water project on Montana's Rocky Boy Indian Reservation. In both cases cited above, OIG initiated and/or successfully completed suspension and debarment action against the offending tribal officials and contractors.

OIG reported on several criminal investigations involving tribal contractors and officials of the Chippewa Cree Tribe of Indians that resulted in indictments of contractors for multiple counts of bribery, theft of tribal funds; conspiracy, money laundering, and Federal income tax fraud. The majority of these cases involved subcontracts awarded by the Chippewa Cree Construction Corporation for the Rocky Boy's/North Central Montana Regional Water System, a Federally funded construction project awarded to the Tribe by the Bureau of Reclamation. These criminal investigations led to more than \$1 million dollars in court ordered restitution to the Chippewa Cree Tribe and Internal Revenue Service.

In each of the past three DOI strategic plans, strengthening Tribal Nations and meeting the United States' trust, treaty, and other responsibilities to American Indians and Alaska Natives remained a significant mission area. Unfortunately with the increased opportunities for economic development, the risk for fraud, bribery, embezzlement, and theft continues to be of great concern. Dedicating additional investigative staff to specifically concentrate on vulnerabilities in Indian Country would allow for an organized approach to address the trends and underlying causes of criminal activity and potentially provide millions of dollars in financial restitutions for the Federal Government.

Mission Support

	<i>2014 Actual</i>	2015 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2016 Request	Change from 2015 Enacted (+/-)
Mission Support	<i>13,948</i>	12,509	+212	0	+0	12,721	+212
<i>FTE</i>	<i>73</i>	<i>75</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>75</i>	<i>+0</i>

Summary of 2016 Program Changes for Mission Support

Request Component	(\$000)	FTE
<u>Program Changes:</u>	0	0
TOTAL Program Changes	0	0

Justification of Program Change:

The 2016 budget request for Mission Support is \$12,721,000 and 75 FTE, no program change from the 2015 enacted level and 0 FTE from the 2015 enacted level.

Mission Support makes it possible for the OIG to perform audits and investigations by providing mission essential services to operational staff. Among its many responsibilities, Mission Support 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, training, FOIA requests, and the Whistleblower Protection and Ombudsman Program.

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

		2014 Actual	2015 Enacted	2016 Estimate
Program and Financing				
	Obligations by program activity			
0001	Direct Program	50	50	51
0801	Reimbursable Programs	3	3	3
0900	Total New Obligations	53	53	54
	Budgetary resources available for obligation			
1100	Appropriation	51	50	52
1700	Spending authority from offsetting collections	3	3	3
1930	Total budget resources available for obligation	54	53	55
	Change in obligated balances:			
3000	Unpaid obligations, brought forward, Oct 1	7	6	3
3010	Obligations incurred, unexpired accounts	53	53	54
3020	Outlays (gross)	-53	-56	-55
3041	Recoveries of prior year unpaid obligations, expired	-1	0	0
3050	Unpaid obligations, end of year	6	3	2
	Outlays (gross), detail:			
4010	Outlays from new discretionary authority	48	48	50
4011	Outlays from discretionary balances	5	8	5
4020	Total outlays (gross)	53	56	55
	Offsets:			
4030	Reimbursable program	-3	-3	-3
	New budget authority and outlays:			
4070	Budget authority	51	50	52
4080	Outlays	50	53	52

Treasury Account ID: 14-0104

(Dollars in Millions)

		2014 Actual	2015 Enacted	2016 Estimate
Object Classification				
	Direct Obligations:			
	Personnel Compensation			
1111	Personnel Compensation: Full-time permanent	28	28	28
1121	Civilian personnel benefits	9	9	9
1210	Travel and transportation of persons	1	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	4	3	4
1253	Other goods and services from Federal sources	5	5	5
1990	Subtotal, obligations, Direct obligations	50	50	51
	Reimbursable Obligations:			
1253	Other goods and services from Federal sources	3	3	3
9999	Total new obligations	53	53	54

		2014 Actual	2015 Enacted	2016 Estimate
	Personnel Summary			
FTE	Civilian full-time equivalent employment	255	275	286

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

	2014 Actuals	2015 Estimate	2016 Estimate
SES	8	8	8
Subtotal	8	8	8
GS/GM -15	35	34	34
GS/GM -14	67	66	66
GS/GM -13	137	136	136
GS -12	13	13	17
GS -11	2	2	4
GS -10	3	4	5
GS - 9	2	7	12
GS - 8	1	1	1
GS - 7	1	4	4
GS - 6	0	0	0
GS - 5	4	3	3
GS - 4	4	4	4
GS - 3	0	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	269	274	286
Total employment (actuals & estimates)	277	282	294

PROGRAM PERFORMANCE

GOAL PERFORMANCE TABLE						
	2013 Actual	2014 Actual	2015 Estimate	2016 Estimate	Change from 2015 Estimate to 2016	Long-Term Estimate 2020
Percent of completed audits with recommendations resulting in a notice of finding	90%	100%	85%	90%	5%	90%
Percent of investigations resulting in a management advisory	4%	5%	5%	5%	0%	5%
Percent of cases resulting in criminal conviction, civil or administrative action, or other appropriate resolution	82%	89%	89%	89%	0%	89 %

Audit Activities
(Dollar in million)

Below are statistics that were reported in the 2011, 2012, 2013, and 2014 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	2011 Actual	2012 Actual	2013 Actual	2014 Actual
Audit Reports Issued or Reviewed				
Internal Audits, Contracts & Grant Audits	58	58	81	55
Single Audit Quality Control Reviews	4	1	2	5
Total Audit Reports Issued or Processed	62	59	83	60
<u>Impact of Audit Activities:</u> (Dollars in millions)				
Questioned Costs	\$15.4	\$3.6	\$30.2	\$33.0
Recommendations That Funds Be Put To Better Use	\$0.1	\$0.1	\$16.1	\$4.3
Total Monetary Impact	\$15.5	\$3.7	\$46.3	\$37.3
Internal Audit Recommendations Made	358	255	318	229
Internal Audit Recommendations Resolved	420	211	241	254

Investigative Activities
(Dollars in millions)

Description	2011 Actual	2012 Actual	2013 Actual	2014 Actual
<u>Investigative Activities:</u>				
Cases Opened	495	482	475	587
Closed	540	511	439	533
Hotline Complaints Received	275	239	607	746
<u>Impact of Investigative Activities:</u>				
Indictments/Information	20	22	46	50
Convictions	18	14	32	39
Sentencings	28	23	21	38
Jail (Months)	1,623	246	602	962
Probation/Supervised Release (Months)	1,007	768	1,899	1464
Community Service (Hours)	420	-	330	503
Criminal Judgments/Restitutions	\$22.1	\$1.5	\$4,456.6	\$10.7
<u>Criminal Investigative Activities:</u>				
Criminal Matters Referred for Prosecution	23	19	48	48
Criminal Matters Declined	12	5	20	16
<u>Civil Investigative Activities:</u>				
Referrals	5	4	10	6
Declinations	5	2	8	9
Civil Recoveries	\$0	\$7.9	\$2.0	\$1.7
<u>Administrative Investigative Activities:</u>				
Administrative Actions	110	64	53	70
Administrative Recoveries/Restitutions	\$2.2	\$5.3	-	\$9
Contractor Suspensions	3	11	15	17
Contractor Debarments	36	32	27	44

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 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 OF 2008 REQUIREMENTS:

As required by the Inspector General Reform Act of 2008 (P.L. 110-409), the budget for the Office of the Inspector General must specify the amount initially requested to the Department of the Interior, the President's Budget require, the funding required for training, and any resources necessary to support the Council of the Inspectors General on Integrity and Efficiency. The OMB Budget request is \$52,224,000 and includes \$600,000 in base funding for training needs in the fiscal year. The OIG will receive a request from the Council on Inspectors General on Integrity and Efficiency for \$423,000.

SECTION 403 COMPLIANCE

Public Law 113-285, Department of the Interior, Environment, and Related Agencies Appropriations Act, 2015, includes the following:

SEC.403. 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)	2016
WCF Centralized Billings	1,031
WCF Direct Billings/Fee for Service	553

OIG pays external administrative costs through the Working Capital Fund for shared services and activities, and for separate "Fee for Service" agreements with the Department.

