

Office of Inspector General

Proposed Appropriation Language

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [~~\$32,430,000~~] *\$38,872,000*, to remain available until expended.

Office of Inspector General

Mission Supporting Goals and Objectives

Program Mission

As mandated by the Inspector General Act (IG Act) of 1978, as amended, the Office of Inspector General (OIG) promotes the effective, efficient, and economical operation of the Department of Energy (DOE), including the National Nuclear Security Administration (NNSA), through audits, investigations, inspections, and other reviews and detects and prevents fraud, waste, abuse, and violations of law.

The FY 2003 budget request of \$38.8 million will enable the OIG to move beyond primarily meeting statutory requirements to conducting program performance reviews and other related reviews that will result in greater cost savings, monetary recoveries, and management improvements. Clearly, the OIG is revenue positive as demonstrated by its recommendations to better utilize funds or potentially save over \$1.9 billion and by returning over \$50 million in hard dollars to the Federal Government since FY 2000. This request also will enable the OIG to expand its presence and provide greater, more comprehensive coverage of the Department's programs and operations. In FY 2003 and beyond, the OIG seeks to serve as an aggressive facilitator of management reform by evaluating the performance of the Department's programs and operations in each of the President's five key Management Initiatives, the Secretary's priorities, and the most serious management challenges facing the Department.

In addition to the requirements of the IG Act, the OIG performs a number of functions mandated by other statutes, executive orders, and regulations. Examples of such mandatory reviews, which increase regularly, include:

- Annual audit of Departmentwide and designated component financial statements to comply with the Government Management Reform Act (GMRA) of 1994. This effort currently requires approximately one-fourth of the OIG's audit resources.
- Annual audits of statements of costs incurred and claimed by management and operating contractors, as required by Department orders.
- Review of Department information security systems, required by the Government Information Security Reform Act (GISRA) of 2001.
- Annual reviews of internal control systems required by the Federal Managers' Financial Integrity Act.
- Continuous review of the Department's implementation of the Government Performance and Results Act (GPRA) of 1993.
- Reports to the Intelligence Oversight Board as required by Executive Order 12863, "President's Foreign Intelligence Advisory Board," at least quarterly and "as necessary or appropriate." This includes reviews to ensure the Department's intelligence activities are conducted in accordance with existing requirements of Executive Order 12333, "United States Intelligence Activities."

- Annual review of Department policies and procedures with respect to the export of sensitive U.S. military technologies and information to countries and entities of concern, required by the National Defense Authorization Act for FY 2000.

In addition to these mandatory requirements, the OIG conducts program performance reviews which focus on the most serious management challenges facing the Department. These risk-based reviews lead to recommendations for management improvements and typically yield significant cost savings for the Government. It is these types of reviews which will increase at the requested funding level and they are discussed more fully under “Planned Activities.”

Also, the OIG has performed time-sensitive, complex, labor-intensive, and quick turnaround reviews for the Secretary and Congress. Recent examples include reviews of:

- The most significant management challenges facing the Department.
- Conflict of interest concerns with respect to a legal services contract for the Yucca Mountain project.
- The ten most significant performance measures contained in the Department’s performance report and the extent to which the data or information underlying the measures are valid and accurate.
- Circumstances surrounding potential bias in the issuance of a draft report and potential misuse of appropriated funds in the Department’s evaluation of Yucca Mountain as the Nation’s permanent repository for high-level nuclear waste.
- Whether there is profiling in the Department’s security clearance process and in the handling of security incidents.
- Campaign activities by Department employees in politically sensitive positions.
- The implementation of the prohibition against the collection of personally identifiable information from government websites, required by the Omnibus Appropriation Act of FY 2001.

Program Strategic Performance Goal

The OIG is initiating a comprehensive management review of its Program Strategic Performance Goals, Performance Indicators, and Targets in conjunction with updating its Strategic Plan. Consequently, the goals, indicators, and targets contained in this budget request will be revised prior to implementation of the OIG’s and Department’s FY 2003 Annual Performance Plan.

The following performance goals support strategic objective CM6 above:

- CM6-1: Focus performance reviews on those issues, programs and systems having the greatest potential impact on the protection or recovery of public resources; and make associated recommendations for positive change.**

This specifically includes evaluating the Department’s implementation of the GPRA.

Performance Indicators

The percentage of performance audits that incorporate approaches to evaluate performance measures and how they were applied.

The percentage of inspections planned for the year and the replacement of those not started with inspections having greater potential impact.

The percentage of management inspections completed within 12 months.

Performance Standards

Blue : Significantly exceed all planned targets/milestones relating to the above goal.

Green: Meet all planned targets/milestones relating to the above goal.

Yellow: Meet most of the planned targets/milestones relating to the above goal, but failing in more than one.

Red: Does not meet all planned targets/milestones relating to the above goal.

Annual Performance Results and Targets

FY 2001 Results	FY 2002 Revised Final/Targets	FY 2003 Targets
<ul style="list-style-type: none"> • <i>Initiate at least 70 percent of inspections planned for the year and replace those not started with inspections having greater impact. (CM5-1) (EXCEEDED GOAL)</i> 	<ul style="list-style-type: none"> • <i>Initiate at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact. (CM6-1)</i> 	<ul style="list-style-type: none"> • <i>Ensure that at least 90 percent of performance audits incorporate approaches to evaluate performance measures and how they were applied. (CM6-1)</i> • <i>Initiate at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact. (CM6-1)</i> • <i>Complete at least 80 percent of management inspections within 12 months. (CM6-1)</i>

CM6-2: Make recommendations for positive change in Department programs and operations through the issuance of reports.

Performance Indicators

The percentage of audits planned for the year and the replacement of those audits not started with more significant audits which identify time-sensitive issues needing review.

The percentage of inspections planned for the year and the replacement of those not started with inspections having greater potential impact.

The percentage of all cases investigated during the fiscal year where judicial and/or administrative action that facilitates positive change in Department programs and operations was obtained.

Performance Standards

Blue: Significantly exceed all planned targets/milestones relating to the above goal.

Green: Meet all planned targets/milestones relating to the above goal.

Yellow: Meet most of the planned targets/milestones relating to the above goal, but failing in more than one.

Red: Does not meet all planned targets/milestones relating to the above goal.

Annual Performance Results and Targets

FY 2001 Results	FY 2002 Revised Final/Targets	FY 2003 Targets
<ul style="list-style-type: none"> • <i>Initiate at least 60 percent of the audits planned for the year and replace those audits not started with more significant audits which identify time-sensitive issues needing review. (CM5-2) (EXCEEDED GOAL)</i> 	<ul style="list-style-type: none"> • <i>Initiate at least 60 percent of the audits planned for the year and replace those audits not started with more significant audits which identify time-sensitive issues needing review. (CM6-2)</i> 	<ul style="list-style-type: none"> • <i>Initiate at least 60 percent of the audits planned for the year and replace those audits not started with more significant audits which identify time-sensitive issues needing review. (CM6-2)</i>
<ul style="list-style-type: none"> • <i>Obtain judicial and/or administrative action on at least 35 percent of all cases investigated during the fiscal year. (CM5-2) (MET GOAL)</i> 	<ul style="list-style-type: none"> • <i>Obtain judicial and/or administrative action that facilitates positive change in Department programs and operations on at least 35 percent of all cases investigated during the fiscal year. (CM6-2)</i> 	<ul style="list-style-type: none"> • <i>Obtain judicial and/or administrative action that facilitates positive change in Department programs and operations on at least 35 percent of all cases investigated during the fiscal year. (CM6-2)</i>
<ul style="list-style-type: none"> • <i>Initiate at least 70 percent of inspections planned for the year</i> 	<ul style="list-style-type: none"> • <i>Initiate at least 70 percent of inspections planned for the</i> 	<ul style="list-style-type: none"> • <i>Initiate at least 70 percent of inspections planned for the</i>

and replace those not started with inspections having greater potential impact. (CM5-2) (EXCEEDED GOAL)

year and replace those not started with inspections having greater potential impact. (CM6-2)

year and replace those not started with inspections having greater potential impact. (CM6-2)

Significant Accomplishments and Planned Activities

Accomplishments

Following are examples of recent successful outcomes resulting from OIG reviews:

- In response to prior financial statement audit recommendations, the Department improved the quality of input related to clean-up costs for active and surplus facilities included in its \$234 billion environmental liability estimate. The Department received an unqualified opinion on its FY 2000 financial statements.
- The Department agreed to develop and implement a comprehensive multi-year workforce planning program by establishing a Department-wide human capital management strategy and preparing and submitting a 5 year workforce restructuring plan with the Department's FY 2003 budget.
- The Department agreed to improve disposal efficiency and develop a strategy for timely and effective use of its waste disposal facilities.
- The Department committed to analyze other options to determine whether the Savannah River Site could more economically dispose of excess plutonium. The Department could potentially save \$650 million if other alternatives are determined to be viable to building the Plutonium Immobilization Facility.
- The Department directed Sandia National Laboratory to re-assess its property record system and perform a root-cause analysis to identify appropriate system enhancements that will ensure that Government property is safeguarded and controlled.
- Management agreed to finalize DOE Manual 205.X, Handling Cyber Security Alerts and Advisories, Reporting Computer/Cyber Security Incidents, which will clarify responsibilities and processes for responding to cyber security incidents. The potential savings are \$6.8 million.
- The Department developed guidance on a cost recovery strategy and a plan for the use of recovered funds related to the Department Super Energy Savings performance contracts. The potential savings are \$2 million.
- The Department agreed to examine the suitability and availability of alternative treatment processes for mixed low-level waste at Idaho and agreed to integrate site disposal plans.
- The Department agreed to complete a project baseline, implement a critical path, and fully define roles and responsibilities at Hanford's Waste Treatment Plant program, a nearly \$50 billion environmental project.
- The Department initiated actions to address testing backlogs for the Stockpile Stewardship program and indicated that most of the laboratory and component backlogs are scheduled to be eliminated by the first part of FY 2003.

- Department officials met with representatives of the Nuclear Regulatory Commission to discuss the need to confirm inventories of Department-owned nuclear material at domestic licensee facilities. Based on this meeting, the Nuclear Regulatory Commission agreed to conduct a one-time confirmation of all licensee facilities with Department-owned material.
- The Department received \$3.2 million as a result of a joint task force investigation and civil settlement agreement in which a contractor paid the government \$8.2 million to resolve a Qui Tam lawsuit alleging the contractor submitted millions of dollars in false invoices.
- A contractor reimbursed the Department \$243,365 for unallowable expenditures (in response to an investigative report to management).
- A subject confessed and pled guilty to several computer intrusions at government and commercial entities as a result of a joint investigation with the National Aeronautics and Space Administration and the United States Postal Inspection Service. The investigation was based on allegations that an individual gained unauthorized access to a nonpublic web server at the Department's Sandia National Laboratory.
- A subcontractor, as well as its President and Vice-President, were debarred from doing business with the Government for 3 years as a result of the illegal transportation and disposal of hazardous waste from the Department's Superconducting Super Collider site.
- The Savannah River Operations Office agreed to cease further spending on a duplicative human resources information system on which almost \$1 million had already been spent.
- The Los Alamos National Laboratory took steps to improve its operating and security procedures pertaining to vault operations during power failures.
- To improve coordination of nuclear shipments, management will contact State officials of the respective 48 contiguous States and provide an orientation video and letter explaining the mission of the Office of Transportation Safeguards.
- The Office of Security and Emergency Operations initiated actions to better coordinate future procurements with affected organizations and provide program managers with appropriate procurement training in response to a finding that the office did not adequately plan and execute procurement of respirators to be used by protective forces Department-wide.
- The Department agreed to develop a definitive plan to complete the Ashtabula Environmental Management Project by 2006 and intends to hold the contractor accountable for complying with the undated closure plan.
- The Department agreed to develop a plan to correct security weaknesses identified in its unclassified cyber security program.
- The Department agreed to develop and implement a structured approach to documenting and maintaining information to support each classified information system inspection. Formal policies and procedures have been adopted to govern these classified reviews.
- The Department promulgated rules to withhold award fee dollars from contractors for violations of security directives regarding classified materials and to assess civil penalties for failure to protect classified documents.

- Two companies and their owners involved in providing substandard coal to the Savannah River Site, the Fernald Environmental Management Project, and numerous Department of Defense facilities were debarred from government contracting for a period of 3 years.
- A subcontractor paid the Department \$800,000 and released its claim to approximately \$148,000 in contract funds held by the Department as a result of a joint investigation with the Defense Criminal Investigative Service, the Naval Investigative Service, and the Defense Contract Audit Agency. The investigation determined that the subcontractor improperly charged the Government for costs associated with the manufacturing of commercial products.

Planned Activities

At the requested level of \$38.8 million, in addition to performing the mandatory reviews required by specific law, regulation or policy, the OIG would be able to operate a robust performance review program. This program would include an expanded presence at key Department sites resulting in more comprehensive coverage of Department programs and operations and greater cost savings and management improvements. This effort will focus heavily on evaluating the Department's performance as it relates to the President's five key Management Initiatives, the Secretary's priorities for a better managed Department, and the Department management challenges identified by the OIG. Also, in the aftermath of the terrorist attacks of September 11, 2001, the OIG plans to further increase its already significant emphasis on reviews relevant to national security. Specifically, at the requested level, the OIG would perform the following work:

- Increase the number of program performance reviews by 25 percent. These risk-based reviews will address key challenges facing the Department such as information technology, applied research and development, and environmental remediation. It is anticipated that these additional reviews will result in identified cost savings of approximately \$500 million a year. This equates to a payback of \$100,000 per \$1 expended on such reviews.
- Expand program performance reviews of the four Power Market Administrations (PMA) and existing activities such as the Boulder Canyon project. The funding sources for the two largest PMAs are over \$4 billion a year, and these activities have not been subject to extensive independent review.
- Substantially increase/re-establish an OIG presence at Livermore, Chicago, Los Alamos, Nevada, and Oak Ridge sites primarily to review the Department's progress in meeting established cost, schedule, performance goals, and technical parameters on major projects. Specific projects to be reviewed will include Pit Manufacturing activities (\$1.7 billion), the Spallation Neutron Source Project (\$1.4 billion), the National Ignition Facility (\$4 billion), and the Yucca Mountain Project (\$50 billion).
- Address critical and emerging Homeland Security issues. The events of September 11, 2001, have highlighted the importance of protecting the nuclear weapons complex. To ensure the Department has adequate protective measures in place, the OIG plans to conduct reviews of the: (1) controls over nuclear materials, including shipment; (2) adequacy of protective forces; (3) actions to address the deteriorating weapons infrastructure; (4) protection of classified information; (5) security self-assessments performed by Department contractors; (6) Department's intelligence activities; and (7) adequacy of the Department's Counterintelligence program.
- Expand coverage of the NNSA's implementation of the Stockpile Stewardship Program. Recent OIG reviews have disclosed weaknesses in the Stewardship Program's infrastructure, its ability to carry out

its science-based surveillance-testing regime and to expeditiously resolve weapon defects when they are identified. Based on OIG audits, Congress and others have questioned whether the Department can continue to certify the safety and reliability of the Nation's nuclear weapons without resuming underground testing. The OIG would conduct follow-up work in each of these areas and additional reviews covering other aspects of the Stockpile Stewardship Program.

- Reestablish an audit office at the Federal Energy Regulatory Commission (FERC) to review FERC's activities to promote the growth of hydroelectric, natural gas, and electric power competitive markets. Performance audits would include reviews of natural gas pipeline construction, hydroelectric power projects, as well as upgrading the Nation's power-grid.
- Substantially increase the number of performance reviews addressing Human Capital challenges facing the Department and its contractors. In the next 5 years, 34 percent of the Federal staff will be eligible for retirement. Currently, only six percent of the work population is under 35. The Department's major contractors face similar situations. Los Alamos, Sandia, and Livermore National Laboratories have already reported problems with recruitment and retention of critical staff. Most of those retiring or leaving will take with them technical and scientific knowledge that is not easily replaced. Reviews will be made of the Department's plans to address skill imbalances and recruiting/training the next generation of technical and managerial staff before it reaches crisis proportions.
- Initiate a review program of the Department's Expanded Electronic Government and Information Technology (IT) Reform activities. Currently, the Department spends approximately \$1.4 billion annually on IT activities. Expanded coverage would include reviewing: (1) compliance with the Government Paperwork Elimination Act; (2) procurement and business system modernization efforts; and (3) the Department's actions taken to meet the Administration's goals of simplifying and reducing redundancy in IT systems government-wide.
- Increase audit reviews of competitive sourcing by the Department and its contractors.
- Double the number of reviews examining the Department's implementation of the GPRA. Currently, planning, budgeting, and performance at the Department are separate activities and not integrated. Planned reviews will assess whether performance measures: (1) cover all critical Department activities; (2) are integrated with contractor operations; and (3) address the President and Secretary's key management initiatives.
- Expand the number of reviews of the Department's financial and performance management systems. The President's management initiative has underscored the need to revitalize performance and accountability systems. Additional coverage would address the Department and its contractor efforts to develop and deploy an integrated management information system. For example, an audit will evaluate the Department's initiative to develop a comprehensive Business Management Information System.
- Expand performance reviews of contract and environmental management issues. Prior reviews of Performance Based Contracting have resulted in the Department revamping its approach to incentive contracting. Planned reviews will include a focus on achievement of program goals, including the milestones of the Tri-Party Agreements.
- Direct an increase of investigative resources to develop cases that will result in significant monetary returns to the Department. In the past five years, OIG investigative work has resulted in approximately \$70 million in recoveries and fines returned to the Department and the U.S. Treasury.

Qui Tam-related investigations have resulted in an annual average recovery of \$11 million during the same period.

- Expand technical investigative efforts to support criminal and civil investigative operations. This will include leading edge research and programs involving energy development, nuclear weapons stockpile stewardship, environmental clean-up, and waste management that are vulnerable to individuals and groups with an aim to disrupt Department operations.
- Increase investigations of fraud schemes involving Department financial assistance programs. The Department currently has in excess of 5,000 active financial assistance awards valued at nearly \$19 billion. Of that total, over 4,000 involve awards and \$7 billion involve grants.
- Increase OIG investigations of environmental crimes that threaten public health and safety; the safety and reliability of the nuclear stockpile; and the availability of safe, efficient, and effective nuclear power. This is particularly critical in light of the Department's need to address the environmental legacy of the Cold War era, as well as the Department's current mission relating to research and development and nuclear weapons production. This includes remediation of environmental contamination, safely storing and guarding more than 18 metric tons of weapons-usable plutonium, managing over 2,000 tons of radioactive spent nuclear fuel, and deactivating and/or decommissioning about 4,000 facilities that are no longer needed to support the Department's mission.
- Receive and evaluate information via the OIG Hotline from the public regarding possible waste, fraud, and abuse in Department programs and activities. The OIG typically receives over 1,000 Hotline contacts annually.

Detailed Program Justification

(dollars in thousands)

	FY 2001	FY 2002	FY 2003
Salaries and Benefits	25,325	24,944	28,004
<p>The OIG employs auditors, investigators, and inspectors to detect and prevent fraud, abuse, and violations of law and to promote economy, efficiency, and effectiveness in the operations of the Department, including NNSA. Costs significantly increase as additional staff resources will be required primarily to perform additional and timely performance reviews of the Department’s programs and operations. This line item also includes increasing costs associated with compensation and medical expenses of a former OIG employee who contracted Chronic Beryllium Disease. This reimbursement will be an annual requirement, which was previously not budgeted and could potentially include other employees. Funding is also included for the Government’s share of increased costs associated with pension and annuitant health care benefits. Also, consistent with the Inspector General community, in order to retain highly qualified employees, it is the OIG’s intent to offer student loan repayments (estimated at \$60,000 in FY 2003) to certain employees.</p>			
Travel	1,419	1,353	1,815
<p>Extensive travel is required to make first-hand observations of conditions and review original records at DOE sites; conduct interviews; follow up on leads; meet with subjects, witnesses, and U.S. Attorneys; appear in court; etc. The frequency of travel is expected to increase as the number of program performance reviews increases.</p>			
Support Services	3,564	4,829	5,529
<p>Support services are required for contractor expertise, needed primarily for financial statement audits required by the GMRA, and for technical expertise (e.g., actuaries, petroleum engineers, and information technology support personnel) required, for example, by the GISRA, which could not be maintained cost-effectively in-house.</p>			
Other Related Expenses	3,248	2,730	3,524
<p>Funding is required for the OIG’s share of the DOE Working Capital Fund and basic support needs (e.g., information technology maintenance and employee relocation expenses). Funding is required for replacement purchases of computer hardware and software that had been postponed in FY 2002. Also included is a restoration of training that was significantly curtailed in FY 2002 due to budget constraints. Training is critical for OIG staff to maintain required levels of proficiency and comply with the IG Act by meeting GAO training requirements. Training is also needed to support President’s Council on Integrity and Efficiency standards, Hotline requirements, review and investigation of technological and computer systems and crimes, and succession planning requirements.</p>			
Total, Program Direction	33,556	33,856	38,872

Funding Schedule

(dollars in thousands, whole FTEs)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Albuquerque Operations Office					
Los Alamos					
Salaries and Benefits.....	476	495	639	144	29.1%
Travel.....	27	27	41	14	51.9%
Support Services.....	67	96	126	30	31.3%
Other Related Expenses.....	28	18	41	23	127.8%
Subtotal, Los Alamos.....	598	636	847	211	33.2%
Full Time Equivalents.....	5	5	6	1	20.0%
Albuquerque					
Salaries and Benefits.....	2,475	2,376	3,088	712	30.0%
Travel.....	139	129	200	71	55.0%
Support Services.....	348	460	610	150	32.6%
Other Related Expenses.....	145	84	200	116	138.1%
Subtotal, Albuquerque.....	3,107	3,049	4,098	1,049	34.4%
Full Time Equivalents.....	26	24	29	5	20.8%
Total, Albuquerque Operations Office.....	3,704	3,684	4,946	1,261	34.2%
Total, Full Time Equivalents	31	29	35	6	20.7%
Chicago Operations Office					
Argonne					
Salaries and Benefits.....	476	495	639	144	29.1%
Travel.....	27	27	41	14	51.9%
Support Services.....	67	96	126	30	31.3%
Other Related Expenses.....	28	18	41	23	127.8%
Subtotal, Argonne.....	598	636	847	211	33.2%
Full Time Equivalents.....	5	5	6	1	20.0%
Princeton					
Salaries and Benefits.....	476	495	532	37	7.5%
Travel.....	27	27	35	8	29.6%
Support Services.....	67	96	105	9	9.4%
Other Related Expenses.....	28	18	35	17	94.4%
Subtotal, Princeton.....	598	636	707	71	11.2%
Full Time Equivalents.....	5	5	5	0	0.0%
Total, Chicago Operations Office	1,194	1,271	1,555	283	22.3%
Total, Full Time Equivalents	10	10	11	1	10.0%
Golden Field Office					
Western Area Power Administration					
Salaries and Benefits.....	952	988	1,065	77	7.8%
Travel.....	53	54	69	15	27.8%
Support Services.....	134	192	210	18	9.4%
Other Related Expenses.....	56	35	69	34	97.1%
Total, Western Area Power Administration.....	1,195	1,269	1,413	144	11.3%
Full Time Equivalents.....	10	10	10	0	0.0%

(dollars in thousands, whole FTEs)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Idaho Operations Office					
Idaho Falls					
Salaries and Benefits.....	476	495	532	37	7.5%
Travel.....	27	27	35	8	29.6%
Support Services.....	67	96	105	9	9.4%
Other Related Expenses.....	28	18	35	17	94.4%
Total, Idaho Operations Office.....	598	636	707	71	11.2%
Full Time Equivalents.....	5	5	5	0	0.0%
National Energy Technology Laboratory					
Pittsburgh					
Salaries and Benefits.....	1,047	1,089	1,171	82	7.5%
Travel.....	59	59	76	17	28.8%
Support Services.....	147	211	231	20	9.5%
Other Related Expenses.....	61	38	76	38	100.0%
Total, National Energy Technology Laboratory.....	1,314	1,397	1,554	157	11.2%
Full Time Equivalents.....	11	11	11	0	0.0%
Nevada Operations Office					
Las Vegas					
Salaries and Benefits.....	666	693	852	159	22.9%
Travel.....	37	38	55	17	44.7%
Support Services.....	94	134	168	34	25.4%
Other Related Expenses.....	39	25	55	30	120.0%
Total, Nevada Operations Office.....	836	890	1,130	240	27.0%
Full Time Equivalents.....	7	7	8	1	14.3%
Oakland Operations Office					
Livermore					
Salaries and Benefits.....	1,238	1,188	1,491	303	25.5%
Travel.....	69	64	97	33	51.6%
Support Services.....	174	230	294	64	27.8%
Other Related Expenses.....	72	44	97	53	120.5%
Total, Oakland Operations Office.....	1,553	1,526	1,979	453	29.7%
Full Time Equivalents.....	13	12	14	2	16.7%
Oak Ridge Operations Office					
Oak Ridge					
Salaries and Benefits.....	3,047	2,970	3,407	437	14.7%
Travel.....	171	161	221	60	37.3%
Support Services.....	429	575	673	98	17.0%
Other Related Expenses.....	178	106	221	115	108.5%
Total, Oak Ridge Operations Office.....	3,825	3,812	4,522	710	18.6%
Full Time Equivalents.....	32	30	32	2	6.7%

(dollars in thousands, whole FTEs)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Richland Operations Office					
Richland					
Salaries and Benefits.....	1,142	1,188	1,277	89	7.5%
Travel.....	64	64	83	19	29.7%
Support Services.....	161	230	252	22	9.6%
Other Related Expenses.....	67	42	83	41	97.6%
Total, Richland Operations Office.....	1,434	1,524	1,695	171	11.2%
Full Time Equivalents.....	12	12	12	0	0.0%
Savannah River Operations Office					
Savannah River					
Salaries and Benefits.....	1,333	1,386	1,491	105	7.6%
Travel.....	75	75	97	22	29.3%
Support Services.....	188	268	294	26	9.7%
Other Related Expenses.....	78	50	97	47	94.0%
Total, Savannah River Operations Office.....	1,674	1,779	1,979	200	11.2%
Full Time Equivalents.....	14	14	14	0	0.0%
Washington Headquarters					
Salaries and Benefits.....	4,000	3,860	4,047	187	4.8%
Travel.....	223	209	261	52	24.9%
Support Services.....	563	746	800	54	7.2%
Other Related Expenses.....	845	777	846	69	8.9%
Total, Washington Headquarters.....	5,631	5,592	5,954	362	6.5%
Full Time Equivalents.....	42	39	38	-1	-2.6%
Field Services Activities in Washington, D.C.					
Salaries and Benefits.....	3,427	3,267	3,514	247	7.6%
Travel.....	192	177	228	51	28.8%
Support Services.....	482	632	694	62	9.8%
Other Related Expenses.....	726	659	736	77	11.7%
Total, Field Services Activities.....	4,827	4,735	5,172	437	9.2%
Full Time Equivalents.....	36	33	33	0	0.0%
D.C. Field Sites					
Salaries and Benefits.....	4,094	3,959	4,259	300	7.6%
Travel.....	229	215	276	61	28.4%
Support Services.....	576	767	841	74	9.6%
Other Related Expenses.....	867	798	892	94	11.8%
Total, D.C. Field Sites.....	5,766	5,739	6,268	529	9.2%
Full Time Equivalents.....	43	40	40	0	0.0%

(dollars in thousands, whole FTEs)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Total Inspector General					
Salaries and Benefits.....	25,325 ^a	24,944 ^a	28,004 ^a	3,060	12.3%
Travel.....	1,419	1,353	1,815	462	34.1%
Support Services.....	3,564	4,829	5,529	700	14.5%
Other Related Expenses.....	3,248	2,730	3,524	794	29.1%
Subtotal, Program Direction.....	33,556	33,856	38,872	5,016	14.8%
Appropriation Transfer.....	700	0	0	0	0.0%
Total, Program Direction.....	33,556	33,856	38,872	5,016	14.8%
Total Excluding Full Funding for Federal Retirements, Program Direction	32,130	32,430	37,671	5,241	16.2%
Full Time Equivalents.....	266	262 ^b	263	1	0.4%

^a The FY 2001 and FY 2002 columns of the FY 2003 Congressional Request include funding in the amount of \$1,426 and \$1,426, respectively, for the Government's share of increased costs associated with pension and annuitant health care benefits. These funds are comparable to FY 2003 funding of \$1,201. (Note: The data is presented on a comparable basis as if the legislation had been enacted and implemented in FY 2001.)

^b 252 FTEs is the fundable level for FY 2002, however the FY 2002 FTE ceiling is 262.

Support Services

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Management Support Services					
Consulting Services.....	3,150	4,409	5,100	691	15.7%
ADP Support.....	414	420	429	9	2.1%
Administrative Support Services.....	0	0	0	0	0%
Total, Management Support Services.....	3,564	4,829	5,529	700	14.5%
Use of Prior-Year Balances.....	0	0	0	0	0%
Total, Support Services.....	3,564	4,829	5,529	700	14.5%

Other Related Expenses

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Working Capital Fund.....	1,766	1,840	1,708	-132	-7.2%
Training.....	211	85	418	333	392%
Other ^a	1,271	805	1,398	593	73.7%
Subtotal, Other Related Expenses.....	3,248	2,730	3,524	794	29.1%
Use of Prior-Year Balances.....	0	0	0	0	0%
Total, Other Related Expenses.....	3,248	2,730	3,524	794	29.1%

^a Includes ADP hardware and software, employee relocations, office supplies, etc.

Explanation of Funding Changes from FY 2002 to FY 2003

FY 2003 vs.
FY 2002
(\$000)

Salaries and Benefits

Salaries/Benefits increase primarily reflects an increased staffing level and also includes the pay raise, permanent change of station cost increases, and tuition assistance (+\$60,000). Also includes funding for the Government's share of increased costs associated with pension and annuitant health care benefits..... +3,060

Travel

Travel increases primarily due to increased frequency of travel resulting from increased risk-based performance reviews at DOE field sites..... +462

Support Services

Support Services increase due to inflation and statutory requirements, notably full funding of GISRA, for which contractor support is needed..... +700

Other Related Expenses

Other Related Expenses increase due to necessary information technology replacement purchases (not funded in FY 2002), and restoration of mandatory training to required levels. Increase is offset somewhat by a decrease in the Working Capital Fund estimate..... +794

Total Funding Change, Program Direction..... +5,016