



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

and Performance Information
Fiscal Year 2011

OFFICE OF INSPECTOR GENERAL

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

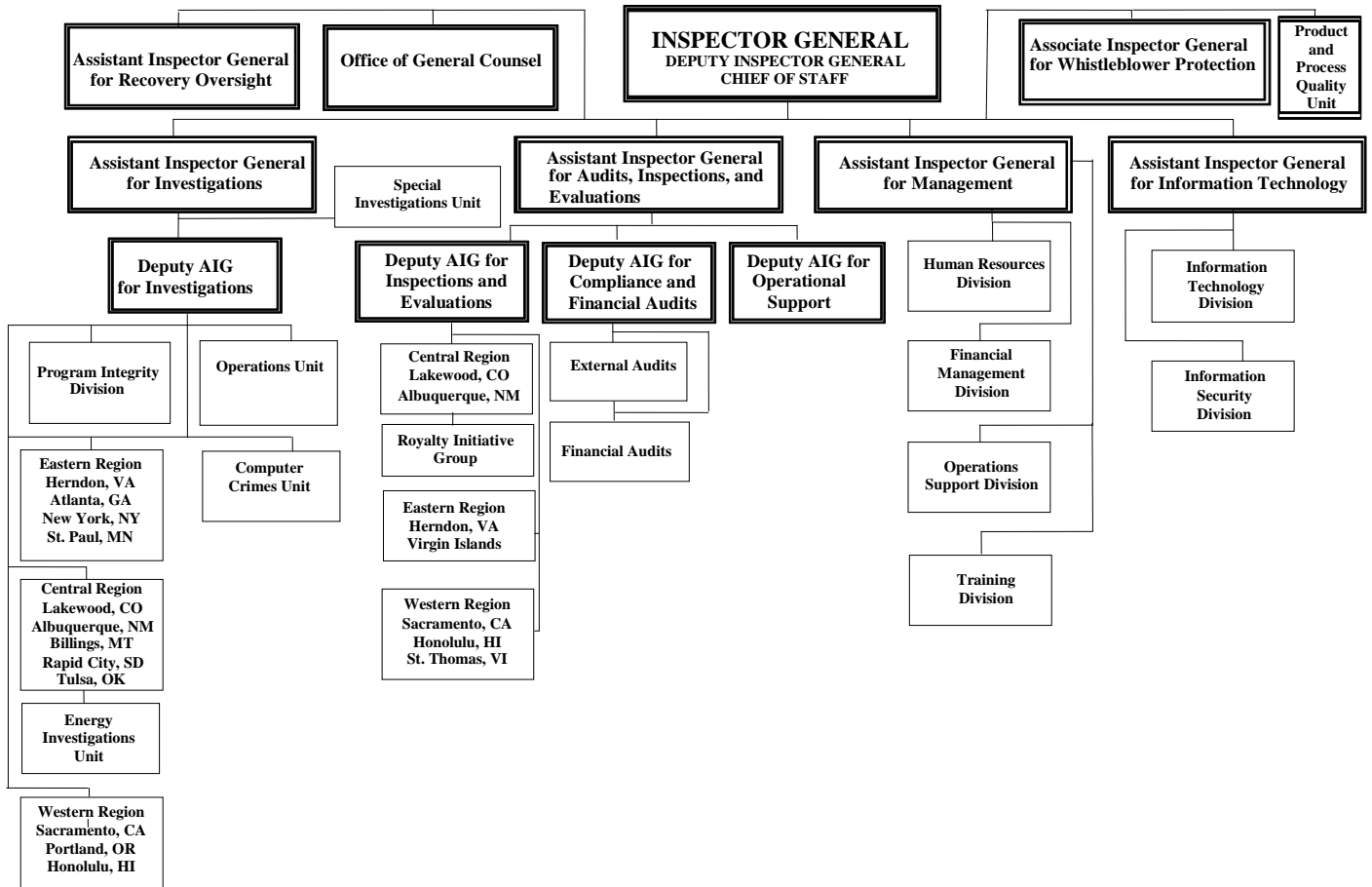
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**DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL**

**FISCAL YEAR 2011
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OFFICE OF INSPECTOR GENERAL ORGANIZATION CHART



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

Total 2011 Budget Request

(Dollars in Thousands)

Budget Authority	2009 Enacted	2009 Recovery Act	2010 Enacted	2011 Request	2011 Request Change from 2010
Discretionary	45,953	15,000	48,590	49,560	+970
<i>FTE's</i>	<i>266</i>	<i>10</i>	<i>287</i>	<i>287</i>	<i>0</i>

¹ FY 2010 FTE estimates include the net impact of changes due to additional Recovery Act hiring, delayed hiring to fill 2009 vacancies and proposed program changes in FY 2010.

General Statement

The multi-faceted mission of the Office of Inspector General (OIG) is to promote excellence, integrity, and accountability in the programs, operations, and management of the U.S. Department of the Interior (DOI).

DOI is a large, decentralized agency with more than 67,000 employees and 242,000 volunteers located at approximately 2,400 operating locations across the United States, Puerto Rico, U.S. territories, and freely associated states with an annual operating budget of approximately \$12.2 billion. DOI is responsible for 500 million acres of America's public land, or about one-fifth of the land in the United States, and 56 million acres of Indian Trust lands. DOI also has responsibility for a variety of water and underwater resources, including 476 dams and 348 reservoirs and approximately 8,526 active oil and gas leases on 44 million acres of the Outer Continental Shelf. Approximately 30 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.

The OIG provides a blend of services to independently and objectively identify risks and vulnerabilities that directly impact, or could impact, the Department's ability to accomplish its mission. Specifically, OIG employees conduct audits, inspections, evaluations, assessments, and investigations relating to DOI programs and operations. Ultimately, the Inspector General (IG) is required to keep the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of DOI programs and operations. With less than 300 employees and a budget that is less than one-half of 1 percent of DOI's total budget authority, the OIG faces a growing need for mission critical resources and focuses available resources on various competing demands in high-risk areas. The OIG targets cross-cutting or Department-wide issues and concentrates on the most serious management and program challenges. Through these efforts the OIG supports all of the DOI's High Priority Performance Goals.

Best Places to Work in the Federal Government

Based on the Office of Personnel Management's 2008 Federal Human Capital Survey results, DOI's OIG is one of the 2009 *Best Places to Work in the Federal Government*. The rankings determined through that survey provide a definitive and quantitative assessment of employee satisfaction and commitment in federal agencies. Out of the 216 agency subcomponents that were ranked, the OIG ranked 13th. Additionally, OIG ranked first in Strategic Management and Work/Life Balance and third in Pay and Benefits and Teamwork. Also, the OIG ranked third as one of the agencies that improved significantly overall since the last survey in 2006. Employee satisfaction is a leading indicator of organizational performance and effectiveness. Fully funding OIG's request would be an investment of additional resources in an organization that has proven its dedication to excellence and continually strives for improvement. Given the importance of independent oversight and the increasing size of the Department's operations due to the American Recovery and Reinvestment Act as well as new energy initiatives funding the OIG's request is essential.

Introduction

The 2011 President's Budget request for the Office of Inspector General is \$49,560,000 in current appropriations, an increase of \$970,000 from 2010. Increases include \$394,000 for the Council of the Inspectors General on Integrity and Efficiency and \$777,000 for fixed costs. Reductions include -\$201,000 for management efficiencies in the areas of travel, information technology, acquisitions.

The OIG continually reviews operational priorities, office workload, staffing and routinely examines whether existing locations are the most appropriate and effective based upon mission needs. A recent review disclosed that our investigative office in Tulsa, Oklahoma, was primarily performing investigations outside the Tulsa area and the staff could be relocated to more effective locations. Based on this review, the OIG closed the Tulsa office, one of the organization's more expensive monthly leases.

In 2009, the President established the SAVE Award program, to challenge Federal employees across the government to submit their ideas for efficiencies and savings as part of the annual budget process. The goal of the SAVE Award is to produce ideas that will yield savings and improve government operations. The Department of the Interior received thousands of submissions on a variety of topics during the SAVE Award process which are being reviewed by the Bureaus. The FY 2011 budget assumes \$62 million in savings from implementing SAVE Award proposals in three areas: travel, information technology, and strategic sourcing, which are described below.

Travel Reduction - The Office of Inspector General is participating in a Department-wide effort to reduce travel and relocation expenditures through adoption of new technologies and efficiency improvements. Bureaus are implementing new teleconferencing, videoconferencing, shared Web sites, and other technologies that will enable real-time communications and shared access to documents that will enable more meetings to be conducted remotely and electronically. The proposed reduction also includes a decrease in funding for permanent change of station expenses, in response to an Office of Inspector General finding that suggest a need for greater control over management of these costs. The overall travel reduction would decrease the Department's

spending on travel and relocation to a level commensurate with actual 2008 travel and relocation expenditures. The OIG's share of this reduction is \$13,000.

In order to save \$13,000 in travel costs, the OIG will pursue the following options:

- Limit training options that require employees to be in travel status
- Increase use of web-based technologies for basic core competency training
- Identify opportunities to reduce conference and meeting costs by selecting off-season periods for commercial facilities or using government-owned facilities
- Reduce the number of travelers to meetings, conferences, and seminars
- Increase the use of teleconferences, video-conferencing technologies, and on-line meeting capabilities in lieu of traveling to events

IT Reduction - The Office of Inspector General's Chief Information Officer has been working collaboratively with the other Interior CIOs on an approach to achieve improved effectiveness and efficiencies in information technology. The Department anticipates savings from the Department-wide implementation of a common e-mail system and the consolidation of servers, data centers, and help desks. Although this is a multi-year effort, it is feasible to expect \$20 million in savings in 2011, of which, the OIG's share is \$81,000.

Secretary Salazar is committed to information technology reforms that will improve the effectiveness and efficiency of operations within the Department including a common email system. Detailed planning information exists from earlier efforts to deploy a common email system that provide a foundation for an accelerated effort, beginning in the current fiscal year. The Department has conducted inventories and evaluations of servers, data centers, and help desks. All of the information indicates significant potential savings from the consolidation and reduction of this infrastructure. The Department will be working throughout FY 2010 to develop plans, begin deployments, and implement changes so as to realize savings beginning in 2011.

Throughout the OIG there are continuous efforts to find ways to improve processes, become more efficient, and limit expenses. The OIG Information Technology Division (ITD) is currently planning a migration from Lotus Notes to Microsoft Exchange and is consolidating servers in accordance with DOI initiatives. Those changes will reduce maintenance and replacement costs annually. In addition, a T1 line supporting the Virgin Islands location will be disconnected to implement a less expensive technology. The ITD will also avoid costs by eliminating maintenance charges for auditing software. Additionally, the ITD will examine the use of Government-Wide Acquisition Contract vehicles, such as the NASA Solutions for Enterprise-Wide Procurement (SEWP), in order to achieve savings in the procurement of information technology hardware and software. Through these efforts, the ITD projects savings of \$81,000.

Acquisition Reduction - The Office of Inspector General's Operation Support Division has been working collaboratively with the other Department acquisition offices to prepare an Acquisition Improvement Plan. Although OMB's proposed acquisition savings program allows agencies to redirect savings to other mission objectives, Interior is proposing a reduction of \$30 million in real savings to help offset other program priorities in the budget request, of which, the OIG's

share is \$107,000. One option for achieving this savings is the expanded use of strategic sourcing.

Currently, strategic sourcing is used for enterprise acquisitions for software and hardware. Expansion of strategic sourcing to other types of acquisitions has the potential to achieve additional savings for the bureaus and offices in Interior. The Office of Acquisition and Property Management, working with a team of bureau representatives, has developed a set of options for strategic sourcing, including: telecommunications, relocations, copiers/printers, heavy equipment, recycled paper, shuttle services, furniture, wireless communications, and training. Currently, participation by the bureaus is optional.

The Department has a track record with successful strategic sourcing and plans to expand its use based on the advice and guidance from the Strategic Sourcing Executive Council. During 2010, DOI would develop its plans and begin to implement expanded strategic sourcing to realize the targeted savings in 2011. To achieve this level of savings, all of the bureaus would participate. The leadership in the Department is committed to participation in this initiative. The savings realized from this initiative would be included in the Department's Acquisition Improvement Plan.

Strategic sourcing offers the potential to achieve savings in the acquisition of goods and services. While the OIG does not procure goods and services in extremely large volumes and dollar amounts, strategic sourcing none the less provides a potential for achieving savings.

OIG will have several opportunities in FY10 to achieve cost savings through the use of strategic sourcing initiatives and options. OIG is planning an acquisition action to replace its existing leased copiers in the 3rd or 4th QTR, FY10. By using strategic sourcing options that the Department has developed in the copier commodity area, there is a potential to achieve savings. OIG is also planning two office relocations in FY10 and FY11. Similarly, using strategic sourcing options developed in the furniture commodities area offers an additional opportunity to achieve savings. The OIG continuously reviews its acquisition methodologies and will look to use available strategic sourcing options in all applicable acquisitions. OIG will specifically examine its wireless communications services to determine if strategic sourcing options will create an opportunity for savings. The OIG Acquisition Office will continue to work with the Department's Office of Acquisition and Property Management in order to take advantage of the various strategic sourcing options developed and available to the Department, Bureaus, and Agencies.

Recovery Act

The American Recovery and Reinvestment Act of 2009 (ARRA or Act) not only stipulated a plan for unprecedented levels of spending, but also recognized the need for proportionate levels of oversight, transparency, and accountability. The OIG received Recovery Act funding to oversee to the stimulus funding received by the Department for the Recovery Act. The OIG immediately formed the Recovery Oversight Office within the OIG to address the specific needs of providing the oversight. The office is comprised of cross-functional teams from diverse disciplines. To establish this office, the OIG transferred employees who perform traditional audits and evaluations, as well as hired Term appointments, to oversee the spending of Recovery Act funding.

2011 Performance Summary**DOI Strategic Plan Activities**

The Inspector General believes that to be effective and to make a positive contribution to DOI's ability to achieve its mission, the OIG needs to educate and inform rather than simply criticize. The written products the OIG generates offer recommendations, suggestions, and examples of best practices to assist DOI and its bureaus in improving operations and maximizing value to the American taxpayer. The office focuses resources on high-risk areas, targets cross-cutting or Department-wide issues, and concentrates on the most serious management and program challenges. Ultimately, the OIG contributes to mission results by producing reports with recommendations that influence programmatic and systemic change that hopefully result in prompt and effective action by the Department. Although, this budget request does not directly reference the existing DOI High Priority Performance Goals, it does report on performance goals and accomplishments associated with the current slate of end outcome goals and related performance measures.

The OIG's mission, and corresponding goals, objectives, and strategies are aligned to increase accountability and the likelihood that the Department will achieve its mission. During the year, the OIG tracks cost and performance data to evaluate progress in achieving specific program performance goals and to ensure that the work being performed reflects the Inspector General's highest priorities. The performance measures are aligned for appropriate scale and resources, and they are designed to measure certain indicators rather than long-term goals.

Program Performance Change								
	2007 Actual	2008 Actual	2009 Plan	2009 Actual	2010 Plan	2011 Plan	Change from 2010 Plan to 2011	Long-term Target 2012
Percent of completed audits resulting in a notice of finding	68%	72%	75%	81%	70%	70%	0%	70%
Percent of investigations resulting in a management advisory	20%	25%	20%	9%	25%	25%	0%	25%
Percent of cases resulting in criminal conviction, civil or administrative action, or other appropriate resolution	70%	80%	80%	93%	80%	80%	0%	80%

Budget at a Glance <i>(Dollars in Thousands)</i>						
	2009 Enacted	2009 Recovery Act	2010 Enacted	Fixed Cost & Related Changes	Program Changes	2011 Request
Appropriation: Office of Inspector General						
Office of Audits, Inspections, and Evaluations	20,083	0	21,333	+264	0	21,597
Office of Investigations	16,690	0	17,533	+322	0	17,855
Office of Management	9,180	0	9,724	+191	+394	10,309
Travel Reduction	0	0	0	-13	0	-13
Information Technology Reduction	0	0	0	-81	0	-81
Acquisition Reduction	0	0	0	-107	0	-107
American Reinvestment and Recovery Act	0	15,000	0	0	0	0
Total, OIG	45,953	15,000	48,590	+576	+394	49,560

Note: Program Changes include \$394,000 for the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The funding will serve as a pass-through and provides support to CIGIE in accordance with the Inspector Generals Reform Act of 2008.

The 2011 budget request for the Office of Inspector General is \$49,560,000 and 287 FTE, an increase of \$970,000 and 0 FTE from 2010.

The OIG's request includes the following changes:

- An increase of +\$777,000 for fixed costs.
- An increase of +394,000 for the Council of the Inspectors General on Integrity and Efficiency.
- A decrease of -\$13,000 for a travel and relocation reduction.
- A decrease of -\$81,000 for an information technology reduction.
- A decrease of -\$107,000 for an acquisition reduction.

Summary of Requirements														
<i>(Dollars in Thousands)</i>														
	2009 Enacted		2009 Recovery Act		2010 Enacted		Fixed Costs & Related Changes (+/-)		Program Changes (+/-)		2011 Budget Request		Inc. (+) Dec. (-) from 2010	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Appropriation: Office of Inspector General														
Office of Audits, Inspections, and Evaluations	105	20,083	0	0	114	21,333	0	+264	0	0	114	21,597	0	+264
Office of Investigations	96	16,690	0	0	100	17,533	0	+322	0	0	100	17,855	0	+322
Office of Management	65	9,180	0	0	63	9,724	0	+191	0	+394 ²	63	10,309	0	+585
Travel Reduction	0	0	0	0	0	0	0	-13	0	0	0	-13	0	-13
IT Reduction	0	0	0	0	0	0	0	-81	0	0	0	-81	0	-81
Acquisition Reduction	0	0	0	0	0	0	0	-107	0	0	0	-107	0	-107
American Reinvestment and Recovery Act	0	0	10	15,000	10	0	0	0	0	0	10	0	0	0
Total, OIG	266	45,953	10	15,000	287¹	48,590	0	+576	0	+394²	287¹	49,560	0	+970
Reimbursable Program	0	3,485	0	0	0	5,000	0	0	0	0	0	5,000	0	0

¹ FY 2010 FTE estimates include the net impact of changes due to additional Recovery Act hiring, delayed hiring to fill 2009 vacancies, and proposed program changes in FY 2010. ² Program Changes include +\$394,000 for the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The funding will serve as a pass-through and provides support to CIGIE in accordance with The Inspector General Reform Act of 2008.

The nature of the OIG's work requires a close relationship among all the OIG organizational elements. Using a team approach and necessary flexibility to move staff to priority work, it is common to share staff resources among activities. For example: (1) teams consisting of investigators and auditors are used to address the growing number of high-level investigations and audit requests and (2) teams of OM experts and auditors are used to address information technology evaluations. As the Department faces complex challenges, the OIG, in many instances, employs interdisciplinary and cross-functional teams to leverage the inherent strengths and abilities of our human capital to identify and communicate tangible ways the Department can improve. With this in mind, the OIG operates within the total budget levels and FTE guidelines effectively and efficiently to accomplish its mission.

Justification of Fixed Costs and Related Changes

	2010 Budget	2010 Revised	2011 Fixed Costs Change
<u>Additional Operational Costs from 2010 and 2011 January Pay Raises</u>			
1. 2010 Pay Raise, 3 Quarters in 2010 Budget	+\$505	+\$505	NA
<i>Amount of pay raise absorbed</i>	[0]	[0]	NA
2. 2010 Pay Raise, 1 Quarter (Enacted 2.0%)	NA	NA	+\$179
<i>Amount of pay raise absorbed</i>			[0]
3. 2011 Pay Raise (Assumed 1.4%)	NA	NA	+\$375
<i>Amount of pay raise absorbed</i>			[0]
These adjustments are for an additional amount needed to fund estimated pay raises for Federal employees.			
Line 1, 2010 Revised column is an update of 2010 budget estimates based upon an enacted 2.0%.			
Line 2 is the amount needed in 2011 to fund the enacted 2.0% January 2010 pay raise from October through December 2010.			
Line 3 is the amount needed in 2011 to fund the estimated 1.4% January 2011 pay raise from January through September 2011.			
	2010 Budget	2010 Revised	2011 Fixed Costs Change
<u>Other Fixed Cost Changes</u>			
One Less Pay Day	NA	NA	NA
Number of paydays is constant in FY 2011.			
Employer Share of Federal Health Benefit Plans	+\$99	+\$99	+\$113
<i>Amount of health benefits absorbed</i>	[0]	[0]	[0]
The adjustment is for changes in the Federal Government's share of the cost of health insurance coverage for Federal employees. For 2011, the increase is estimated at 7.0%.			
Workers Compensation Payments	+\$58	+\$58	+\$39
<i>Amount of workers compensation absorbed</i>	[0]	[0]	[0]
The adjustment is for actual charges through June 2009 for the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2011 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	-\$2	-\$2	\$0
<i>Amount of unemployment compensation absorbed</i>	[0]	[0]	[0]
The adjustment is for estimated 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	+\$128	+\$128	+\$43
<i>Amount of rental payments absorbed</i>	[0]	[0]	[0]
The adjustment is for changes in the costs payable to General Services Administration 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 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.			

Justification of Fixed Costs and Related Changes
(Continued)

	2010 Budget	2010 Revised	2011 Fixed Costs and Related Change
Departmental Working Capital Fund	+\$321	+\$321	+\$28
<i>Amount of WCF payments absorbed through cost savings</i>	<i>[0]</i>	<i>[0]</i>	<i>[0]</i>
The Working Capital Fund funding estimate for 2011 is being held level with 2010 Department-wide. Reallocations among bureaus reflect shifts of funding within WCF projects.			
Related Changes - Internal Transfers and Other Changes			
Travel Savings			-\$13
The OIG will save \$13,000 by reducing travel expenditures through adoption of new technologies and efficiency improvements.			
Information Technology Savings			-\$81
The OIG will save \$81,000 through improved effectiveness and efficiencies in information technology.			
Acquisition Savings			-\$107
The OIG will save \$107,000 as a result of the expansion of strategic sourcing for enterprise acquisitions.			

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, [\$48,590,000] \$49,560,000
(Department of the Interior and Related Agencies Appropriations Act, 2010)*

Activity: Office of Inspector General

Subactivity: Office of Audits, Inspections and Evaluations

	2009 Enacted	2009 Recovery Act	2010 Enacted	2011			Change From 2010 (+/-)
				Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Office of Audits, Inspections and Evaluations	20,083	0	21,333	+264	0	21,597	+264
American Reinvestment and Recovery Act	0	15,000	0	0	0	0	0
Total, Office of Audits, Inspections, and Evaluations	20,083	15,000	21,333	+264	0	21,597	+264
<i>FTE</i>	<i>105</i>	<i>10</i>	<i>114</i>	<i>0</i>	<i>0</i>	<i>114</i>	<i>0</i>

The 2011 budget request for the Office of Audits, Inspections, and Evaluations is \$21,597,000 and 114 FTE, no program change from 2010.

Program Overview

The Office of Audits, Inspections, and Evaluations (AIE) conducts 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/or operate in accordance with laws and regulations. The AIE provides oversight of the audit of DOI financial statements to determine if they are presented fairly and are in accordance with accounting principles. The AIE also reviews DOI grants and contracts awarded to state, local, Indian tribal, and Insular area governments; for-profit and non-profit organizations; and educational institutions to determine if services have been provided in accordance with the agreements and if costs incurred are eligible for DOI reimbursement. Furthermore, the AIE evaluates the revenues and expenditures of the Insular Area Governments of Guam, Commonwealth of the Northern Mariana Islands, the U. S. Virgin Islands, and American Samoa; and DOI funds provided under Compacts of Free Association between the U. S. Government and the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. Another critical function for the AIE is following up on prior audit recommendations to determine if the recommendations have been effectively implemented and if any new recommendations are warranted. Additionally the AIE often provides information for, or responds to, data requests by the Congress, the Office of Management and Budget, and DOI management about DOI's operations.

Activity: Office of Inspector General

Subactivity: Office of Investigations

	2009 Enacted	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Office of Investigations	16,690	17,533	+322	0	17,855	+322
Total, Office of Investigations	16,690	17,533	+322	0	17,855	+322
<i>FTE</i>	<i>96</i>	<i>100</i>	<i>0</i>	<i>0</i>	<i>100</i>	<i>0</i>

The 2011 budget request for the Office of Investigations is \$17,855,000 and 100 FTE, no program change from 2010.

Program Overview

As mandated by the Inspector General Act of 1978 4(A)(1), the Office of Investigations (OI) conducts, supervises, and coordinates investigations relating to the programs and operations of the Department of the Interior. The OI investigates matters regarding waste, fraud and mismanagement or inefficiency in departmental programs and operations. The OI's key responsibilities include investigations of allegations of fraud, waste, or mismanagement resulting in a significant dollar amount loss to the government; misconduct by employees with access to or responsibility for monies or financial systems, regardless of dollar amount and regardless of grade; and allegations involving contractors, grantees, or any other entities doing business with, making payments to, or receiving funding from the Department of the Interior.

Activity: Office of Inspector General

Subactivity: Office of Management

	2009 Enacted	2010 Enacted	2011			Change From 2010 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Budget Request	
Office of Management	9,180	9,724	+191	+394	10,309	+585
Travel Reduction	0	0	-13	0	-13	-13
Information Technology Reduction	0	0	-81	0	-81	-81
Acquisition Reduction	0	0	-107	0	-107	-107
Total, Office of Management	9,180	9,724	-10	+394	10,108	+384
<i>FTE</i>	65	63	0	0	63	0

Summary of 2011 Program Changes for the Office of Management

Request Component	(\$000)	FTE
• Council of Inspectors General on Integrity and Efficiency	+394	0
Total Program Changes	+394	0

Justification of 2011 Program Changes

The 2011 budget request for the Office of Management is \$10,108,000 and 63 FTE, a program change of +\$394,000 and 0 FTE from 2010.

Program Overview

The Office of Management provides all of the facility, acquisition, property management, human resource, financial management, and information technology support necessary for the Office of Audits, Inspections, and Evaluations and Office of Investigations to carry out their primary missions.

Council of Inspectors General on Integrity and Efficiency (+394,000/0 FTE)

The Council of Inspectors General on Integrity and Efficiency (CIGIE) was statutorily established as an independent entity within the executive branch by the "The Inspector General Reform Act of 2008, P.L. 110-409" to address integrity, economy, and effectiveness issues that transcend individual Government agencies; and to increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in Offices of Inspectors General. The program increase of \$394,000 will serve as a pass-through and provide support to CIGIE in accordance with "The Inspector General Reform Act of 2008."

Office of Inspector General
(Dollars in Millions)

Treasury Account ID: 14-0104-0		2009 Actual	2010 Estimate	2011 Estimate
Program and Financing				
	Obligations by program activity			
00.01	Direct Program	46	49	50
00.02	Recovery Act activities	2	4	4
09.01	Reimbursable Program	3	5	5
10.00	Total new obligations	51	58	59
	Budgetary resources available for obligation			
21.40	Unobligated balance carried forward, start of year	0	13	9
22.00	New budget authority (gross)	64	54	55
23.90	Total budget resources available for obligation	64	67	64
23.95	Total new obligations	-51	-58	-59
24.40	Unobligated balance carried forward, end of year	13	9	5
	New budget authority (gross), detail:			
40.00	Appropriation	61	49	50
58.00	Spending authority from offsetting collections	3	5	5
70.00	Total new budget authority (gross)	64	54	55
	Change in obligated balances:			
72.40	Obligated balance, start of year	4	4	5
73.10	Total new obligations	51	58	59
73.20	Total outlays (gross)	-51	-57	-59
74.40	Obligated balance, end of year	4	5	5
	Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	48	49	50
86.93	Outlays from discretionary balances	3	8	9
87.00	Total outlays (gross)	51	57	59
	Offsets:			
88.00	Offsetting collections from Federal sources	-3	-5	-5
	New budget authority and outlays:			
89.00	Budget authority	61	49	50
90.00	Outlays	48	52	54
95.02	Unpaid obligation, end of year	4		

Office of Inspector General
(Dollars in Millions)

Treasury Account ID: 14-0104-0		2009 Actual	2010 Estimate	2011 Estimate
Object Classification				
	Direct Obligations:			
	Personnel compensation			
11.11	Personnel compensation: Full-time permanent	28	32	33
11.21	Civilian personnel benefits	9	10	10
12.10	Travel and transportation of persons	3	3	3
12.31	Rental payments to GSA	3	3	3
12.52	Other services	2	2	2
12.53	Other purchases of goods and services from Government accounts	3	3	3
19.90	Subtotal, obligations, Direct obligations	48	53	54
	Reimbursable Obligations:			
22.52	Other services	3	5	5
29.90	Subtotal, obligations, Reimbursable obligations	3	5	5
99.99	Total new obligations	51	58	59

Personnel Summary	2009 Actual	2010 Estimate	2011 Estimate
Civilian full-time equivalent employment	276	287	287

**Employee Count by Grade
(Total Employment)**

	2009 Actual	2010 Estimate	2011 Estimate
Executive Level V	1	1	1
SES	10	12	12
Subtotal	11	13	13
SL-00	1	1	1
Subtotal	1	1	1
GS-15	38	37	37
GS-14	72	71	71
GS-13	100	99	99
GS-12	18	22	22
GS-11	15	12	12
GS-10	6	5	5
GS-09	7	11	11
GL-09	1	1	1
GS-08	3	3	3
GS-07	14	14	14
GL-07	1	1	1
GS-05	2	3	3
GS-04	1	1	1
Subtotal	278	280	280
Total Employment (actual/estimate)	290	294	294

SECTION 405 OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT

The 2006 Interior and Related Agencies Appropriations Act include the following requirement for disclosure of overhead, administrative, and other types of spending:

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

External Administrative Costs (Dollars in thousands)			
Department's Working Capital Fund	FY 2009	FY 2010	FY 2011
Centralized Billings	1,043	1,362	1,390
Fee for Services	378	334	363

OIG pays external administrative costs through the Working Capital Fund and through additional separate fee for service agreements with the Department.

OIG Billing for Reimbursable Work (Dollars in thousands)			
Reimbursable Work	FY 2009	FY 2010	FY 2011
Salaries and Benefits	2,559	4,100	4,100
Reimbursable Overhead	926	900	900
Total	3,485	5,000	5,000

Performance Outputs - Audit Activities

(Dollars in millions)

Below are statistics that were reported in the FY 2006, FY 2007, FY 2008, and FY 2009 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	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual
Audit Reports Issued or Reviewed				
Internal Audits, Contracts & Grant Audits	63	91	90	69
Single Audit Desk Reviews	231	168	116	144
Single Audit Quality Control Reviews	5	5	4	1
Total Audit Reports Issued or Processed	299	264	210	214
<u>Impact of Audit Activities:</u> (Dollars in millions)				
Lost or Potential Additional Revenues	\$2.8	\$6.8	\$252.9	\$34.9
Questioned Costs	\$0.9	\$10.2	\$6.0	\$2.7
Recommendations That Funds Be Put To Better Use	\$1.2	\$21.7	\$10.8	\$3.0
Wasted funds*		\$28.9	\$7.4	*
Total Monetary Impact	\$4.9	\$67.6	\$277.1	\$40.6
Internal Audit Recommendations Made	446	473	517	430
Internal Audit Recommendations Resolved	185	358	430	277

Performance Outputs - Investigative Activities
(Dollars in millions)

Description	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual
<u>Investigative Activities:</u>				
Cases Opened	422	411	371	519
Closed	501	590	431	487
Hotline Complaints Received	169	136	152	243
<u>Impact of Investigative Activities:</u>				
Indictments/Information	55	53	26	36
Convictions	46	45	39	29
Sentencings	46	39	52	34
Jail (Months)	356	540	1,109	396
Probation/Supervised Release (Months)	1,611	1,230	2,034	1,063
Community Service (Hours)	1,251	550	4,050	2,080
Criminal Judgments/Restitutions	\$1.5	\$5.0	\$6.1	\$2.4
<u>Criminal Investigative Activities:</u>				
Criminal Matters Referred for Prosecution	75	79	68	54
Criminal Matters Declined	63	74	47	36
<u>Civil Investigative Activities:</u>				
Referrals	8	7	12	8
Declinations	6	8	9	6
Civil Recoveries	-	\$105.5	\$0.3	\$2.6
<u>Administrative Investigative Activities:</u>				
Administrative Actions	91	77	51	104
Administrative Recoveries/Restitutions	\$0.05	\$2.3	\$0.03	\$0.28
Contractor Suspensions	-	-	-	4
Contractor Debarments	7	3	-	3
Contract Terminations	-	-	-	1

OIG MANDATORY ACTIVITIES

- Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act of 1994 require that Inspectors General audit or arrange for annual audits of agency financial statements.
- The Single Audit Act of 1984, as amended, requires that Inspectors General review the quality of single audit reports of certain state, local, and Indian tribal governments and nonprofit organizations and the conformity of the audit reports with the Act.
- The No Child Left Behind Act of 2001 requires that the Inspector General (IG) for the Department of the Interior (DOI) establish a system to ensure that financial and compliance audits are conducted of each Bureau of Indian Affairs school at least once every 3 years.
- The Insular Areas Act of 1982 requires the DOI OIG to establish "an organization which will maintain a satisfactory level of independent audit oversight" in the Insular Areas of Guam, American Samoa, the U. S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
- The Superfund Amendments and Reauthorization Act of 1986 requires Inspectors General to audit Environmental Protection Agency Superfund monies that are directly apportioned to the Department and those monies received through interagency agreements.
- The General Accounting Office Act of 1996 requires the DOI OIG to audit the Central Utah Project Cost Allocation. (This audit is a one-time effort that will be conducted when the allocation is finalized).
- The Office of National Drug Control Policy Reauthorization Act of 1998 requires Inspectors General to authenticate the detailed accounting of all funds expended by the Department for National Drug Control Program activities during the previous year. (Note: the Department has not reached the program funding threshold for which OIG authentication is required).
- The Federal Information Security Act of 2002 requires that Inspectors General perform annual evaluations of agency information security programs.
- The Fish and Wildlife Programs Improvement and National Wildlife Refuge System Centennial Act of 2000 requires the DOI OIG to procure biennial audits of the expense incurred by the Fish and Wildlife Service (FWS) for administering the Sport Fish and Wildlife Restoration Acts.
- The Consolidated Appropriations Act of 2000 requires Inspectors General to report quarterly on the promptness of their agency's payments of their water and sewer bills to the District of Columbia Water and Sewer Authority.

- The Consolidated Appropriations Resolution of 2003 requires the Inspector General of each department to submit a report to the Committees on Appropriations detailing the department's policies and procedures to give first priority to the location of new offices and other facilities in rural areas, in accordance with the Rural Development Act of 1972, as amended.

THE INSPECTOR GENERAL REFORM ACT OF 2008 REQUIREMENTS:

As required by the Inspector General Reform Act of 2008 (Pub. 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 Office of Inspector General's initial 2011 budget request totaled \$51,175,000. The President's Budget request is \$49,560,000 and includes \$850,000 in base funding for the training needs of the Office for the fiscal year. The OIG will receive a request from the Council of Inspectors General on Integrity and Efficiency for \$394,000 which represents the total program increase amount requested for 2011.