

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

and Performance Information  
Fiscal Year 2012

## **OFFICE OF INSPECTOR GENERAL**

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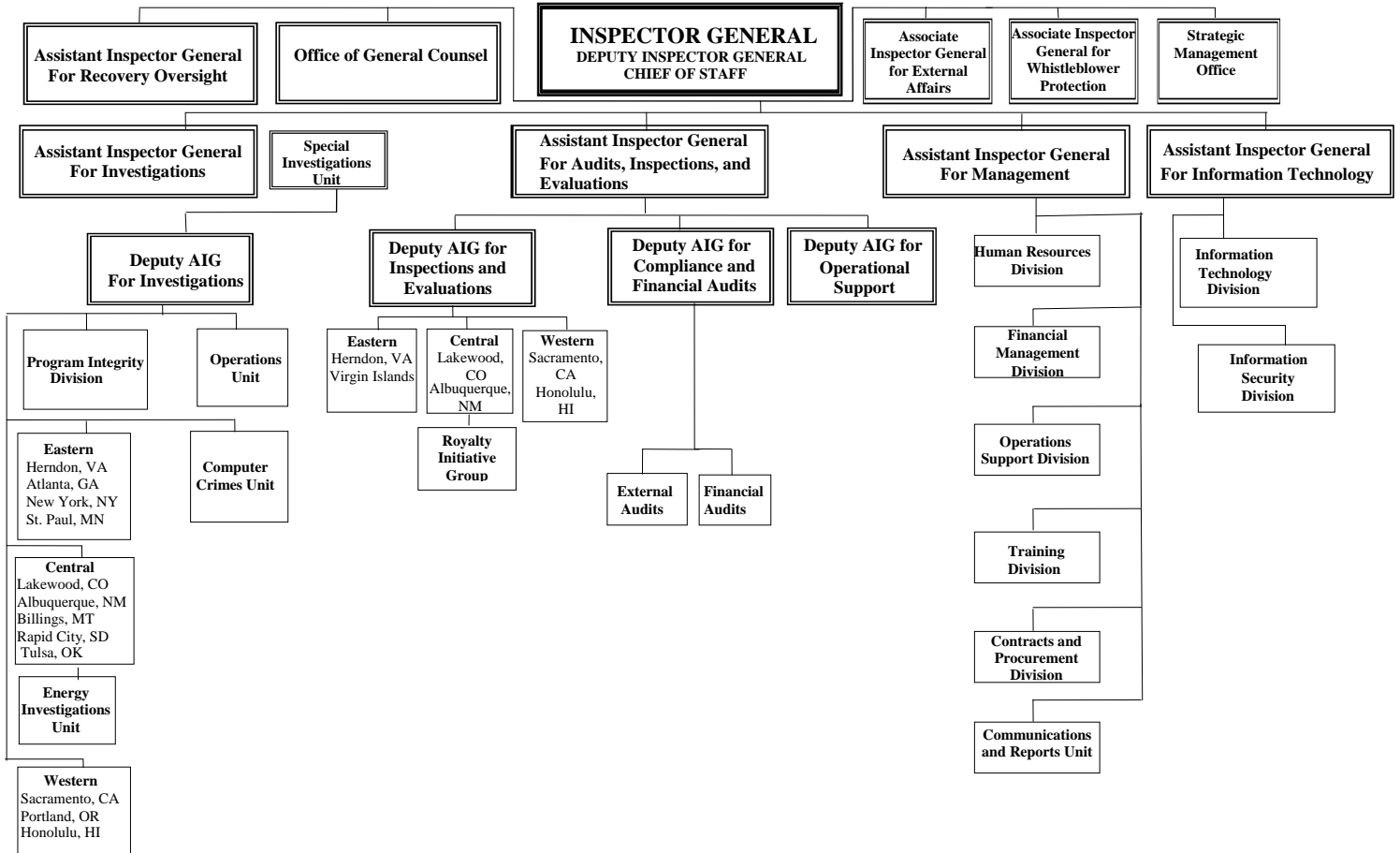
**DEPARTMENT OF THE INTERIOR  
OFFICE OF INSPECTOR GENERAL**

**FISCAL YEAR 2012**  
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## OFFICE OF INSPECTOR GENERAL ORGANIZATION CHART





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

<b>Budget Authority</b>	<b>2010 Actual</b>	<b>2010 Enacted /2011 CR</b>	<b>2012 President's Budget</b>	<b>2012 Request Change from 2011</b>
<b>Discretionary</b>	<b>48,590</b>	<b>48,590</b>	<b>49,471</b>	<b>+881</b>
<i>Net Transfer – Oil Spill Supplemental</i>	+200	0	0	0
	48,790	48,590	49,471	0
<i>FTE</i>	291	287	288	+1

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

**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 69,000 employees and more 300,000 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 \$12.0 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 55 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 oil and gas leases on 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. Various high risk areas compete for resources. 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 one-fourth of one percent of DOI's total budget authority, the OIG faces a growing need for

mission critical resources. The OIG targets cross-cutting or Department-wide issues and concentrates on the most serious management and program challenges. In addition, the OIG must be ready to assist with national crises, such as the Deepwater Horizon oil spill.

#### Deepwater Horizon Support

The sinking of the Deepwater Horizon and the oil spill that resulted from that incident highlighted the importance of proactive oversight and enforcement efforts. The Department of Justice (DOJ) and the Secretary of the Interior requested that DOI OIG investigate the circumstances surrounding the Deepwater Horizon incident. The OIG has taken a leadership role on the DOJ task force due to exceptional performance and knowledge obtained in previous investigations of the DOI's Minerals Management Service. This criminal investigation is the largest the OIG has ever undertaken, and the OIG predicts it will take years to resolve. The OIG's Office of Investigations currently has 18 employees assigned full-time to the criminal investigation with an additional 8 employees providing regular support to the criminal investigation. In addition, the Office of Investigations has three investigators working with three auditors from the Office of Audits, Inspections, and Evaluations dedicated to working with DOJ's Civil Division to pursue civil remedies regarding the Deepwater incident.

## **INTRODUCTION**

The 2012 budget request for the Office of Inspector General is \$49,471,000 and 288 FTE, a net program change of \$881,000 and 1 FTE from the 2010 Enacted/ 2011 Continuing Resolution. The change includes estimated fixed cost increases totaling \$832,000, administrative savings and management efficiencies of \$373,000 and program changes of \$422,000.

In response to the requirements issued through OMB Memorandum M-10-19 regarding Government-wide initiatives, the Office of Inspector General is participating with Departmental offices and the other Department bureaus in a coordinated, agency-wide approach to the planning and implementation for each initiative. The Department is coordinating the initiative efforts through organized steering committees or implementation groups that engage each bureau and office. This enables a consistent and structured response across the Department. Descriptions of the Department's strategies and accomplishments for each initiative are provided in the General Statement of the Department-Wide Programs budget justification.

The Office of Inspector General has no programs with tribal implications, therefore no consultation was required.

### **Accountable Government Initiative (Administrative Cost Savings)**

In support of the President's commitment on fiscal discipline and spending restraint, the Office of Inspector General is participating in an aggressive Department-wide effort to curb non-essential administrative spending. In accordance with this initiative, Office of Inspector General's justification assumes \$172,000 in savings in 2012 against actual 2010 expenditures. A specific implementation plan will be completed in the near future; however, the activities where savings will be realized include: advisory contracts; travel and transportation of people and



things, including employee relocation; printing; and supplies. There will be no programmatic impact of implementing these savings initiatives, as functions will be performed in a more efficient and more effective manner. These cost savings build upon management efficiencies of \$201,000 that the bureau began implementing in FY 2011. These management efficiencies are in the areas of IT infrastructure consolidation, travel and relocation, and strategic sourcing. Examples of 2012 administrative cost savings opportunities in OIG include the following:

- Expansion of Strategic Sourcing
- Limiting training options that require employees to be in travel status
- Increasing use of web-based technologies for basic core competency training
- Identifying opportunities to reduce conference and meeting costs by selecting off-season periods for commercial facilities or using government-owned facilities
- Reducing the number of travelers to meetings, conferences, and seminars
- Increasing the use of teleconferences, video-conferencing technologies, and on-line meeting capabilities in lieu of traveling to events
- Reduction of contractor support services
- Consolidating IT infrastructure

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.

### **Real Property Cost Savings and Innovation Plan**

DOI has been working with bureau space, leasing, and asset management staff to identify and implement actions that reduce the footprint of departmental assets in support of the OMB goal to find \$3 billion in costs savings between 2010 and 2012. In support of this coordinated Department-wide effort, OIG has identified real property cost savings from implementing strategic sourcing in relocations, consolidating lease space, taking advantage of telecommuting and hoteling. The OIG share of the effort is to reduce costs by \$200,000. A savings of \$150,000 is realized in 2011 reducing the 2012 budget request and an additional \$50,000 is OIG goal for improving operations in 2012.

### **2011 Performance Summary**

#### **DOI Strategic Plan**

In accordance with the Government Performance and Results Act of 1993, the DOI Strategic Plan has been reviewed and updated in compliance with the three-year update requirement. The Department, in consultation with the bureaus, reviewed the organization and construct of the Strategic Plan in light of the Administration's priorities, goals, and objectives; recent innovations and efficiencies in delivering mission objectives; and the goal to provide a more integrated and

focused approach to track performance across a wide range of DOI programs. Although many of the outcome goals and performance measures remain consistent from the previous Strategic Plan, the organizing principles for those goals and measures reflect the new approach to meeting the Department's mission responsibilities. The DOI Strategic Plan for 2011 – 2016 is the foundational structure for the description of program performance measurement and planning for the 2012 President's Budget. Budget and program plans for 2012 are fully consistent with the goals, outcomes, and measures described in the new version of the DOI Strategic Plan.

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 for programmatic and systemic change. 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 vision, mission, and corresponding goals, objectives, and strategies are aligned to increase accountability and the likelihood that the Department will achieve its mission. Throughout each 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 designed to measure certain indicators rather than long-term goals.

<b>GOAL PERFORMANCE TABLE</b>							
	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Estimate</b>	<b>2012 Estimate</b>	<b>Change from 2011 Estimate to 2012</b>	<b>Long-Term Estimate 2017</b>
Percent of completed audits with recommendations resulting in a notice of finding	72%	81%	75%	70%	70%	0%	0%
Percent of investigations resulting in a management advisory	25%	9%	5%	25%	25%	0%	0%
Percent of cases resulting in criminal conviction, civil or administrative action, or other appropriate resolution	80%	93%	93%	80%	80%	0%	0%

<b>2012 Budget at a Glance</b>						
<i>(Dollars in Thousands)</i>						
	<b>2010 Actual</b>	<b>2010 Enacted/ 2011 CR</b>	<b>Fixed Cost &amp; Related Changes</b>	<b>Administrative Cost Savings</b>	<b>Program Changes</b>	<b>2012 Request</b>
<b>Appropriation: Office of Inspector General</b>						
Office of Audits, Inspections, and Evaluations	21,333	21,333	+99	0	0	21,432
Office of Investigations	17,533	17,533	+121	0	+117	17,771
Office of Management	9,724	9,724	+612	-373	+305	10,268
<b>Total OIG</b>	<b>48,590</b>	<b>48,590</b>	<b>+832</b>	<b>-373</b>	<b>+422</b>	<b>49,471</b>
Transfer – Oil Spill Supplemental	+200	0	0	0	0	0
<b>Total OIG including Transfers</b>	<b>48,790</b>	<b>48,590</b>	<b>+832</b>	<b>-373</b>	<b>+422</b>	<b>49,471</b>

The OIG's request includes the following changes:

- Increase of +\$832,000 for fixed costs increases
- Increase of \$422,000 in program changes:
  - Increase of \$455,000 for the Council of the Inspectors General on Integrity and Efficiency
  - Increase of \$117,000 for 1 FTE in the Energy Investigations Unit
  - Decrease of \$150,000 for office closures resulting in rent savings
- Decrease of \$373,000 including administrative savings



<b>Summary of Requirements (Dollars in Thousands)</b>														
	<b>2010 Actual</b>		<b>2010 Enacted /2011 CR</b>		<b>Fixed Costs &amp; Related Changes (+/-)</b>		<b>Administrative Cost Savings (-)</b>		<b>Program Changes (+/-)</b>		<b>2012 Budget Request</b>		<b>Inc. (+) Dec. (-) from 2011</b>	
	<i>FTE</i>	<i>Amount</i>	<i>FTE</i>	<i>Amount</i>	<i>FTE</i>	<i>Amount</i>	<i>FTE</i>	<i>Amount</i>	<i>FTE</i>	<i>Amount</i>	<i>FTE</i>	<i>Amount</i>	<i>FTE</i>	<i>Amount</i>
<b>Appropriation: Office of Inspector General</b>														
Office of Audits, Inspections, and Evaluations	114	21,333	110	21,333	0	+99	0	0	0	0	110	21,432	0	99
Office of Investigations	104	17,533	104	17,533	0	+121	0	0	1	+117	105	17,771	+1	238
Office of Management	63	9,724	63	9,724	0	+612	0	-373	0	+305	63	10,268	0	544
American Reinvestment and Recovery Act	10	0	10	0	0	0	0	0	0	0	10	0	0	0
<b>Total OIG</b>	<b>291</b>	<b>48,590</b>	<b>287</b>	<b>48,590</b>	<b>0</b>	<b>+832</b>	<b>0</b>	<b>-373</b>	<b>0</b>	<b>+422</b>	<b>288</b>	<b>49,471</b>	<b>+1</b>	<b>881</b>
Transfer – Oil Spill	0	+200	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursable Program	0	5,000	0	5,000	0	0	0	0	0	0	0	5,000	0	0

Note: 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 Enacted/ 2011 CR	2012 Fixed Costs and Related Change
<b>Additional Operational Costs from 2010 and 2011 January Pay Raises</b>			
1. 2010 Pay Raise, 3 Quarters in 2010 Budget (2.0%)	+\$561	N/A	N/A
2. 2009 Pay Raise, 1 Quarter (3.9%)	+\$328	N/A	N/A
3. 2010 Pay Raise, 1 Quarter (2.0%) <i>Amount of 2010 Pay Raise, 1 Quarter absorbed</i>	N/A	N/A [+179]	+\$179
4. 2011 Pay Raise, 3 Quarters in 2011 Budget (0%)	N/A	\$0	N/A
5. 2011 Pay Raise, 1 Quarter (0%)	N/A	N/A	N/A
6. 2012 Pay Raise (0%)	N/A	N/A	\$0
7. Non Foreign Area Cola/ Locality Pay Adjustment	N/A	N/A	\$32
<p>These adjustments are for an additional amount needed to fund estimated pay raises for Federal employees.</p> <p>Lines 1 – 2. Previous pay raises provided as a point of reference.</p> <p>Line 3. The amount needed in 2012 to fund the enacted 2.0% January 2010 pay raise from the October through December 2010.</p> <p>Line 4. 2011 Revised column is based upon an Administration-directed 2-year pay freeze at the 2010 level.</p> <p>Line 5. Shown as “0” to reflect the second year of the Administration-directed 2-year pay freeze at the 2010 level.</p> <p>Line 6. Shown as “0” to reflect the second year of the Administration-directed 2-year pay freeze at the 2010 level.</p>			
<b>Other Fixed Cost Changes</b>			
This adjustment reflects the decreased costs resulting from the fact that there is one less pay day in 2012 than in 2011	NA	NA	-\$158
<b>Employer Share of Federal Health Benefit Plans</b>			
<i>Amount of health benefits absorbed</i>	+\$99 [0]	N/A [+113]	+\$235 [0]
The adjustment is for changes in the Federal Government's share of the cost of health insurance coverage for Federal employees. For 2012, the increase is estimated at 6.8%.			
<b>Workers Compensation Payments</b>			
<i>Amount of workers compensation absorbed</i>	+\$58 [0]	N/A [+39]	+\$18 [0]
The adjustment is for actual charges through June 2010 for the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2012 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.			
<b>Unemployment Compensation Payments</b>			
<i>Amount of unemployment compensation absorbed</i>	-\$2 [0]	N/A [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.			
<b>Rental Payments</b>			
<i>Amount of rental payments absorbed</i>	+\$128 [0]	N/A [+43]	+\$388 [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)

	<b>2010 Budget</b>	<b>2010 Enacted/ 2011 CR</b>	<b>2012 Fixed Costs and Related Change</b>
<b>Departmental Working Capital Fund</b>	<b>\$321</b>	<b>N/A</b>	<b>+\$138</b>
<i>Amount of WCF payments absorbed</i>	<i>[0]</i>	<i>[+28]</i>	<i>[0]</i>
The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.			



## 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, \$49,471,000.* Note. – A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.



**Activity: Office of Inspector General**  
**Subactivity: Office of Audits, Inspections, and Evaluations**

	2010 Actual	2010 Enacted/ 2011CR	2012				Change From 2011 CR (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Costs Savings (-)	Program Changes (+/-)	Budget Request	
Office of Audits, Inspections and Evaluations	21,333	21,333	+99	0	0	21,432	+99
<i>FTE</i>	<i>114</i>	<i>110</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>110</i>	<i>0</i>

**Summary of 2012 Program Changes for the Office of Audits, Inspections, and Evaluations**

The 2012 budget request for the Office of Audits, Inspections, and Evaluations (OAIE) is \$21,432,000 and 110 FTE, with no program changes from the 2010 Enacted/ 2011 Continuing Resolution.

**Program Overview**

The OAIE conducts independent audits and evaluations of DOI programs and operations. The OAIE oversees the audit of DOI financial statements; reviews DOI grants and contracts; evaluates the revenues and expenditures of the Insular Areas and Territories; follows up on prior audit recommendations; and provides information for, or responds to, data requests by Congress, OMB, and DOI management about DOI's operations.



**Activity: Office of Inspector General****Subactivity: Office of Investigations**

	2010 Actual	2010 Enacted/ 2011 CR	2012				Change From 2011 (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Costs Savings (-)	Program Changes (+/-)	Budget Request	
Office of Investigations	17,533	17,533	+121	0	+117	17,771	+238
<i>FTE</i>	<i>104</i>	<i>104</i>	<i>0</i>	<i>0</i>	<i>+1</i>	<i>105</i>	<i>+1</i>

**Summary of 2012 Program Changes for the Office of Investigations**

Request Component	(\$000)	FTE
Program Changes		
<ul style="list-style-type: none"> <li>Energy Investigations Unit FTE</li> </ul>	+117	+1
<b>Total Program Changes</b>	<b>+117</b>	<b>+1</b>

**Justification of Program Changes**

The 2012 budget request for the Office of Investigations (OI) is \$17,771,000 and 105 FTE, a program increase of \$117,000 and 1 FTE from the 2010 Enacted/ 2011 Continuing Resolution.

**Program Overview**

The OI is currently leading efforts to investigate the Deepwater Horizon incident. OI staff members are leading the civil investigation and co-leading the criminal investigation. The OI is leading a task force, in conjunction with the Department of Justice and Environmental Protection Agency, reviewing all aspects of the activities leading up to, during, and after the incident. The OIG's investigators are heavily engaged in an enormous endeavor that will take years to resolve and requires the retrieval and analysis of a tremendous amount of data, issuing hundreds of subpoenas, interviewing approximately 300 personnel, and gathering evidence and forensics. An additional FTE is required for the Energy Investigations Unit to continue the investigation to a successful completion.



**Activity: Office of Inspector General**  
**Subactivity: Office of Management**

	2010 Actual	2010 Enacted/ 2011 CR	2012				Change From 2011 (+/-)
			Fixed Costs & Related Changes (+/-)	Administrative Cost Savings (-)	Program Changes (+/-)	Budget Request	
Office of Management	9,724	9,724	+612	-373	+305	10,268	+544
<i>FTE</i>	<i>63</i>	<i>63</i>	<i>0</i>	<i>0</i>	<i>63</i>	<i>0</i>	<i>0</i>

### Summary of 2012 Program Changes for the Office of Management

Request Component	(\$000)	FTE
Program Changes:		
• Guam Office Closure	-50	0
• New York Office Closure	-54	0
• St. Paul, MN Office Closure	-46	0
• Council of Inspectors General on Integrity and Efficiency	+455	0
<b>Total Program Changes</b>	<b>+305</b>	<b>0</b>

### Justification of Program Changes

The 2012 target budget request for the Office of Investigations (OI) is \$10,268,000 and 63 FTE, a program increase of \$305,000 and 0 FTE from the 2010 Enacted/ 2011 Continuing Resolution.

The OIG proposes the closure of three offices resulting in real property savings approaching the goal of \$200,000. The closure of the office in Guam will result in annual savings of \$50,000.

The OIG plans to close the New York and St. Paul, MN offices, which are minimally staffed, to reduce costs by \$54,000 and \$46,000 respectively. The current employees in those locations will be offered an opportunity to participate in full-time telework or to relocate to the Herndon, VA office.

The Council of Inspectors General on Integrity and Efficiency (CIGIE) was statutorily established as an independent entity within the executive branch by 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 request includes an increase of \$455,000, a pass through, to be provided to CIGIE in accordance with The Inspector General Reform Act of 2008.

### **Administrative Cost Savings**

The OIG has already begun implementing a comprehensive plan of action which will save \$373,000 in administrative costs. The OIG will continue to use strategic sourcing options to achieve savings when purchasing information technology hardware and software as well as other types of acquisitions including wireless communications, furniture, and paper. Limiting relocation allowances, the number of attendees at conferences that require travel and implementing use of web based technology will reduce travel costs. Additional contractor support services will be terminated to help the OIG achieve the \$373,000 savings goal and contribute to the Department's goal. These savings will be accomplished without degrading the OIG's ability to accomplish its mission.

### **Program Overview**

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



### Office of Inspector General

(Dollars in Millions)

Treasury Account ID: 14-0104-0		2010 Actual	2011 Estimate	2012 Estimate
<b>Program and Financing</b>				
	<b>Obligations by program activity</b>			
00.01	Direct Program	49	49	49
00.02	Recovery Act activities	4	5	4
09.01	Reimbursable Program	5	5	5
10.00	Total new obligations	58	59	58
	<b>Budgetary resources available for obligation</b>			
21.40	Unobligated balance carried forward, start of year	13	9	4
22.00	New budget authority (gross)	49	49	49
23.90	Total budget resources available for obligation	67	63	58
23.95	Total new obligations	-58	-59	-58
24.40	Unobligated balance carried forward, end of year	9	4	0
	<b>New budget authority (gross), detail:</b>			
40.00	Appropriation	49	49	49
58.00	Spending authority from offsetting collections	5	5	5
70.00	Total new budget authority (gross)	54	54	54
	<b>Change in obligated balances:</b>			
72.40	Obligated balance, start of year	4	6	12
73.10	Total new obligations	58	59	58
73.20	Total outlays (gross)	-56	-53	-58
74.40	Obligated balance, end of year	6	12	12
	<b>Outlays (gross), detail:</b>			
86.90	Outlays from new discretionary authority	48	49	50
86.93	Outlays from discretionary balances	8	4	9
87.00	Total outlays (gross)	56	53	58
	<b>Offsets:</b>			
88.00	Offsetting collections from Federal sources	-5	-5	-5
	<b>New budget authority and outlays:</b>			
89.00	Budget authority	49	49	50
90.00	Outlays	51	48	53
95.02	Unpaid obligation, end of year	6	12	12

**Office of Inspector General**  
(Dollars in Millions)

Treasury Account ID: 14-0104-0		2010 Actual	2011 Estimate	2012 Estimate
<b>Object Classification</b>				
	<b>Direct Obligations:</b>			
	Personnel compensation			
11.11	Personnel compensation: Full-time permanent	32	33	33
11.21	Civilian personnel benefits	10	10	10
12.10	Travel and transportation of persons	3	3	2
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	53	54	53
	<b>Reimbursable Obligations:</b>			
22.52	Other services	5	5	5
29.90	Subtotal, obligations, Reimbursable obligations	5	5	5
99.99	Total new obligations	58	59	58

Personnel Summary	2010 Actual	2011 Estimate	2012 Estimate
Civilian full-time equivalent employment	291	287	288

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

	<b>2010 Actual</b>	<b>2011 Estimate</b>	<b>2012 Estimate</b>
Executive Level V	1	1	1
SES	11	10	10
Subtotal	12	11	11
SL-00	1	0	0
Subtotal	1	0	0
GS-15	35	36	36
GS-14	72	71	71
GS-13	96	99	99
GS-12	22	22	22
GS-11	11	12	12
GS-10	5	5	5
GS-09	10	11	11
GL-09	1	1	1
GS-08	3	3	3
GS-07	11	14	14
GL-07	1	1	1
GS-05	3	3	3
GS-04	1	1	1
Subtotal	271	279	279
Total Employment (actual/estimate)	284	290	290



**SECTION 405 OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT**

The 2006 Interior and Related Agencies Appropriations Act includes 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.*

<b>External Administrative Costs (Dollars in thousands)</b>			
<b>Department's Working Capital Fund</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Centralized Billings</b>	<b>1,361</b>	<b>1,392</b>	<b>1,538</b>
<b>Fee for Services</b>	<b>374</b>	<b>417</b>	<b>478</b>

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

<b>OIG Billing for Reimbursable Work (Dollars in thousands)</b>			
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Reimbursable Work</b>	<b>4,532</b>	<b>5,000</b>	<b>5,000</b>



### Program Performance - Audit Activities

(Dollars in millions)

Below are statistics that were reported in the 2007, 2008, 2009, and 2010 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	2007 Actual	2008 Actual	2009 Actual	2010 Actual
<b><u>Audit Reports Issued or Reviewed:</u></b>				
Internal Audits, Contracts & Grant Audits	91	90	69	61
Single Audit Desk Reviews	168	116	144	143
Single Audit Quality Control Reviews	5	4	1	1
<b>Total Audit Reports Issued or Processed</b>	<b>264</b>	<b>210</b>	<b>214</b>	<b>205</b>
<b><u>Impact of Audit Activities:</u></b> <b>(Dollars in millions)</b>				
Lost or Potential Additional Revenues	\$6.8	\$252.9	\$34.9	0
Questioned Costs	\$10.2	\$6.0	\$2.7	\$39.6
Recommendations That Funds Be Put To Better Use	\$21.7	\$10.8	\$3.0	\$13.2
Wasted funds*	\$28.9	\$7.4	0	0
<b>Total Monetary Impact</b>	<b>\$67.6</b>	<b>\$277.1</b>	<b>\$40.6</b>	<b>\$52.8</b>
Internal Audit Recommendations Made	473	517	430	324
Internal Audit Recommendations Resolved	358	430	277	625

\*Wasted funds is a category the OIG uses to classify funds that were wasted and cannot be recovered. Specifically, wasted funds are non-recoverable monies that do not fit in the "funds to be put to better use" or "questioned costs" categories.

**Program Performance - Investigative Activities**  
(Dollars in millions)

Description	2007 Actual	2008 Actual	2009 Actual	2010 Actual
<b><u>Investigative Activities:</u></b>				
Cases Opened	411	371	519	558
Closed	590	431	487	575
Hotline Complaints Received	136	152	243	283
<b><u>Impact of Investigative Activities:</u></b>				
Indictments/Information	53	26	36	20
Convictions	45	39	29	30
Sentencings	39	52	34	20
Jail (Months)	540	1,109	396	159
Probation/Supervised Release (Months)	1,230	2,034	1,063	306
Community Service (Hours)	550	4,050	2,080	240
Criminal Judgments/Restitutions	\$5.0	\$6.1	\$2.4	\$0.34
<b><u>Criminal Investigative Activities:</u></b>				
Criminal Matters Referred for Prosecution	79	68	54	42
Criminal Matters Declined	74	47	36	22
<b><u>Civil Investigative Activities:</u></b>				
Referrals	7	12	8	11
Declinations	8	9	6	8
Civil Recoveries	\$105.5	\$0.3	\$2.6	\$30.9
<b><u>Administrative Investigative Activities:</u></b>				
Administrative Actions	77	51	104	86
Administrative Recoveries/Restitutions	\$2.3	\$0.03	\$0.3	\$0.3
Contractor Suspensions	-	-	4	3
Contractor Debarments	3	-	3	40
Contract Terminations	-	-	1	0



### OIG MANDATORY ACTIVITIES

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

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

**THE INSPECTOR GENERAL REFORM ACT 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 2012 budget request totaled \$50,411,000. The President's budget request is \$49,471,000 and includes \$850,000 in base funding for the training needs of the Office for the fiscal year. The majority of the reduction to the initial budget request is due to the pay freeze. The OIG will receive a request from the Council of Inspectors General on Integrity and Efficiency for \$455,000.