



SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

FY 2012 BUDGET

Overview

The Office of the Special Inspector General for Iraq Reconstruction has prepared this budget justification material providing an additional level of detail for the Administration’s Fiscal Year 2012 Budget Request, submitted to Congress on February 14, 2011.

The Office of the Special Inspector General for Iraq Reconstruction requests a total of \$18.545 million to be available for obligation through September 30, 2013... This amount reflects estimates for operating expenses for FY 2012 (\$16.317 million); as well for FY2013 (\$2.228 million) (for a 3-month closure and transition (C&T) period from October – December 2012). Thus, this final request is for two-year funding that will cover all SIGIR budget requirements through its anticipated closure.

The agency requests that funds be made available as part of the FY 2012 appropriation, to be available through FY 2013 to alleviate the need for a supplemental appropriation or budget preparation for partial requirements in FY 2013. This will save on administrative efforts/costs for SIGIR and other agencies involved in the budget process. In addition, forward funding the 3-month C&T period, will allow effective planning and execution of tasks/contracts necessary to finalize mission-related products and administrative actions required to close the agency and transition remaining workload to permanent oversight organizations.

Optimizing Organizational Resources through Reduction/Elimination:

SIGIR will reduce FY 2012 operating expenses of \$16.317 million by 26% over the previous year. These reductions are the direct result of extensive contract reviews to optimize operational and administrative support; the elimination of tasks no longer a priority of the Iraq reconstruction program; and a continued focus on high-priority initiatives that further SIGIR’s mission to provide in-depth oversight of funds made available for Iraq reconstruction, and meet our temporary organizational mandate while keeping our staffing in line with the oversight requirement – reducing staff as appropriate for our workload.

Funding Summary (\$K)

Description	FY2010 Actual	FY 2011 Estimate	FY 2012 Request
Personnel Compensation	23,125	16,256	13,125
Travel and Transportation	902	900	815
Rent, Communications, and Utilities	1,699	1,953	1,750
Contractual Services and Supplies	3,641	2,928	2,855
TOTAL	29,367	22,037	18,545
Council on Inspector General’s Integrity and Efficiency (CIGIE) ¹	30	88	0
GRAND TOTAL	29,397	22,125	18,545²

¹ CIGIE did not mandate a SIGIR contribution for FY 2012.

² FY 2012 request includes \$16.317 million for FY 2012 and \$2.228 million for the FY 2013C&T period.

Optimizing Organizational Resources through Reduction/Elimination (cont'd):

Operational/Administrative Support

As SIGIR matured, internal efficiencies made it possible to cross-train administrative and support staff and reduce staff without significant impact on services. Savings realized have been redirected toward SIGIR's key lines of operation – Audits and Investigations.

SIGIR High Priority Initiatives:

Audits

SIGIR's Audit directorate will continue to target high-priority management and transition issues, as well as the use of Iraq Security Forces Fund, International Narcotics Control and Law Enforcement Fund, Economic Support Fund and Commander's Emergency Response Program Funds with timely audit coverage. In FY 2012, SIGIR will complete its efforts and any remaining gaps in coverage will be identified for other oversight organizations, such as Department of State OIG, Department of Defense OIG, or U.S. Agency for International Development OIG, as appropriate, for their consideration in ongoing audit plans.

By the close of FY 2012, SIGIR will have conducted a final forensic audit of all amounts appropriated or otherwise made available for the reconstruction of Iraq. A significant part of the forensic effort is carried on through SIGIR's Forensic, Evaluation, Research, Recovery, and Enforcement Team (FERRET) initiative, in an effort that has led to over 50 new investigations, with continued high productivity expected in 2012. A final report summarizing a review of internal controls and the results of the forensic effort will be published at the end of 2012.

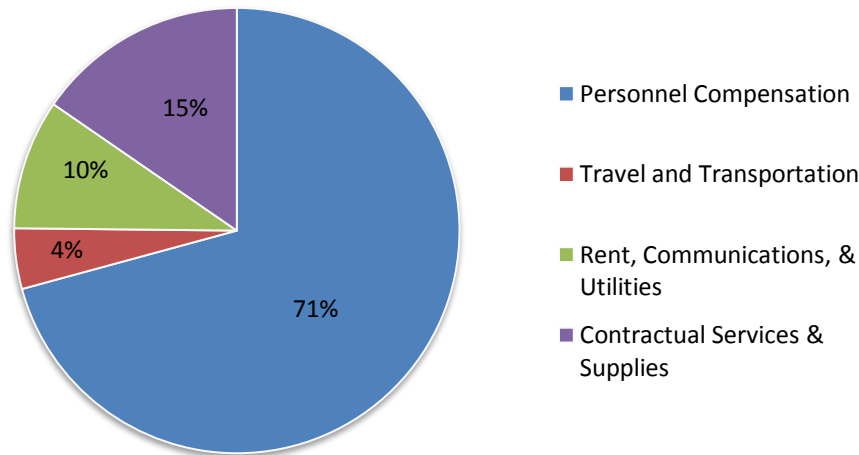
Investigations

As the oversight work of SIGIR matures, the number of new criminal cases has increased. The initiation of a regional-based investigative program, co-locating investigators with prosecutors and fellow law-enforcement in jurisdictions where case loads are highest, has yielded tangible results. In FY 2012, SIGIR anticipates a high volume of investigative cases that will require focused efforts to close with a small number being transitioned to other permanent investigative agencies upon SIGIR's closure.

In close collaboration with senior Department of Justice (DoJ) officials, SIGIR hired three highly experienced and respected former federal prosecutors and detailed them to DOJ's Criminal Division to work exclusively on cases in SIGIR's jurisdiction. SIGPRO attorneys work hand-in-hand with SIGIR's investigators to ensure that cases are in the best posture for eventual successful prosecution. During FY 2010, SIGIR experienced a rise in prosecutorial activity of approximately 73% when compared to the average of prosecutorial activity over the previous three fiscal years (FY 2007 - FY 2009). This initiative is expected to be a critical driver of investigative results in FY 2012.

FY 2012 Budget Summary

Below is a breakout of SIGIR's operating expenses by funding category.



Personnel Compensation

SIGIR personnel are in the Excepted Service and are assigned to appointments of varying length subject to the possibility of earlier termination, including termination in connection with SIGIR's phase out and closure. Personnel levels will continue to decrease through the closure and transition (C&T) period scheduled for completion in December 2012 (that is, during the first quarter of FY 2013). As a result, SIGIR requests a total of \$13.125 million for personnel compensation; \$11.907 million for FY 2012 and \$1.218 million for the FY 2013 C&T period.

Travel and Transportation

SIGIR's FY2012 travel requirements include allocations for US- and Iraq-based employees in the total amount of \$815K; approximately \$800K for FY 2012 and \$15K for the FY 2013 C&T period. Temporary Duty Travel (TDY) is required by SIGIR's US-based auditors and investigators to review records related to Iraq reconstruction; coordinate efforts associated with criminal cases to include collaborating with law enforcement in several foreign countries. TDY is also required for Iraq-based employees primarily related to deployment/redeployment to/from Iraq. In addition, Rest and Recuperation travel is authorized for eligible employees in that region.

As the number of permanently-stationed staff in Iraq decreases TDY assignments there will increase. Certain employees will travel to meet continuing education requirements, resulting in travel expenses.

Rent, Communications, and Utilities

This category includes an estimate for 16,739 square feet of leased space in the Washington metropolitan area. SIGIR requires a total of \$1.112 million for this category; \$886K for FY 2012 and \$226K for the FY 2013 C&T period. Arrangements will be made with GSA to terminate lease agreements in anticipation of and upon SIGIR's closure.

IT equipment/desktop support services are required for US-based employees in support of audits and investigations. This estimate also includes communication services/devices for both the US- and Iraq-based employees, as well as utilities needed to service the Washington, DC facility. As a result, a total of \$638K is required; \$583K for FY 2012 and \$55K for the FY 2013 C&T period.

Contractual Services and Supplies

Printing and Reproduction

This category includes a total of \$309K for Quarterly Report printing and reproduction; \$206K for FY 2012 and \$103K for the FY 2013 C&T period. SIGIR produces 4 quarterly reports annually, as required by law. Each report is estimated to be 125 pages in length – a reduction from the previous average of 250 pages. SIGIR anticipates publishing a final report upon its conclusion in December 2012. This report will provide a summary of the organization's oversight efforts throughout its lifespan.

Other Services

Due to the temporary nature of SIGIR's mandate and the need to be responsive to requirements set by Congress, SIGIR has used contractual support. SIGIR continually reevaluates these support requirements in an effort to keep costs to a minimum. As a result, SIGIR transferred many functions from contractors to government employees. However, as the organization approaches closure, reliance on contractual support will increase, to the degree that government employees necessary to its mission can no longer be retained.

Administrative Support Services

SIGIR requires a total of \$1.750 million for administrative support; \$1.213 million for FY 2012 and \$537K for the FY 2013 C&T period. As the organization approaches closure and transition, reductions in staff are eminent. Given the temporary status, hiring government employees to replace those lost through attrition will present challenges.

Operational Support Services

SIGIR requires a total of \$503K for operational support services; \$460K in FY 2012 and \$43K for the FY 2013 C&T period... This includes support for forensic audits and translation services.

Miscellaneous Services (not included in the above categories)

SIGIR requires a total of \$179K; \$170K for FY 2012 and \$9K for the FY 2013 C&T period. This category includes costs associated with training required to maintain professional certifications; a health and wellness program; vehicle lease costs; and miscellaneous costs associated with subscriptions, in addition to investigative efforts.

Supplies

This category includes a total of \$114K for supplies and shipping costs; \$91K for FY 2012 and \$23K for the FY 2013 C&T period. This is based on the need to ship files and miscellaneous computer/ADP equipment from Iraq, and to ship investigative files from various US locations. In addition, various supplies are needed to package, move, and store administrative and mission-related files.