

# **Office of Inspector General**

## **Proposed Appropriation Language**

*For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$39,462,000, to remain available until expended.*

Note — A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107–229, as amended). The amounts included for 2003 in this budget reflect the Administration’s 2003 policy proposals.

## **Explanation of Change**

The only change from the language proposed in FY 2003 is to the proposed funding amount.



# Office of Inspector General

## 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.

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 include:

- Annual audit of Department-wide 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.
- 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.

Pursuant to the IG Act, the office conducts program performance reviews which focus on the most serious management challenges facing the Department. These risk-based reviews lead to recommendations that improve program performance and typically yield significant cost savings for the Government. The Department Management Challenges identified by the OIG this year are: Contract Administration, Environmental Cleanup, Information Technology Management, National Security, Performance Management, Stockpile Stewardship, and Worker/Community Safety. Many of these challenges parallel both the Secretary's priorities for a better managed Department and the President's five key Management Initiatives.

Other critical activities of the OIG include:

- Investigating criminal and civil allegations of fraud, waste, and abuse in programs and operations of the Department.

- Receiving and evaluating complaints via the OIG Hotline from various sources, including the public, regarding possible waste, fraud, and abuse in Department programs and activities.
- Providing investigative support to the Department of Justice (DOJ) on Qui Tam False Claims Act investigations.
- Contributing to multi-agency task force investigations, which are particularly effective and efficient due to leveraging of resources from several agencies.
- Investigating attacks on Department computer systems (using OIG investigative authority).
- Conducting program performance reviews and other related reviews that will have the greatest impact on protecting, saving, and recovering public resources.
- Reviewing the most significant management challenges facing the Department.

Also, the OIG routinely performs sensitive, complex, labor-intensive, high-profile, and quick turnaround reviews for the Secretary, Congress, and other Senior Department officials. In May 2002, the OIG established the Office of Program Review and Special Inquiries, which is dedicated to performing these reviews. Since that time, the OIG has responded to a number of Congressional and Senior Department official requests to conduct expedited inquiries involving high profile and sensitive matters. Recent examples include reviews of:

- Allegations of cover up of illegal activities and security concerns at the Los Alamos National Laboratory.
- Allegations that transportation safeguards couriers were coerced to make false statements by the management concerning the safety and security of the shipments they were assigned to defend.
- The NNSA's efforts to construct the Tritium Extraction Facility at the Savannah River Site.
- Conflict of interest concerns with respect to a legal services contract for the Yucca Mountain project.

## **Program Strategic Performance Goals**

The OIG has initiated a comprehensive management review of its Program Strategic Performance Goals, Performance Indicators, and Targets in conjunction with updating its Strategic Plan. Consequently, the Office will revise and update the goals, indicators, and targets beginning with the FY 2005 planning and budget cycle.

The following performance goals support strategic objective CM6:

- 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 that are initiated and the replacement of those not started with inspections having greater potential impact.

The percentage of management inspections completed within 12 months of each fiscal year.

## Annual Performance Results and Targets

FY 2002 Results	FY 2003 Targets	FY 2004 Targets
Initiated at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact.	Ensure that at least 90 percent of planned performance audits incorporate approaches to evaluate performance measures and how they were applied.  Initiate at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact  Complete at least 80 percent of planned management inspections within 12 months.	Ensure that at least 90 percent of performance audits incorporate approaches to evaluate performance measures and how they were applied.  Initiate at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact.  Complete at least 80 percent of planned management inspections within 12 months.

**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 that are initiated 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 that are initiated 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.

## Annual Performance Results and Targets

FY 2002 Results	FY 2003 Targets	FY 2004 Targets
Initiated 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.	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.	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.
Obtained 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.	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.	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.
Initiated at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact.	Initiate at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact.	Initiate at least 70 percent of inspections planned for the year and replace those not started with inspections having greater potential impact.

## Significant Program Shifts

### Accomplishments

OIG reviews routinely result in potential Departmental savings and/or agreements with Departmental Management to improve operations. Recent outcomes of OIG reviews are outlined below:

- The Department has agreed to improve environmental performance measures to more accurately assess cleanup progress.
- The Department could avoid about \$34 million in cleanup costs and fees on the Ashtabula Environmental Management Project by including cost-sharing provisions in future contracts. These provisions would require the contractor to pay 13 percent of the cost to cleanup the site and would eliminate all Department fees.
- The Department has agreed to take steps to improve the disposition of excess facilities, including developing a new policy to establish a more corporate approach to facility and infrastructure management.
- The Department has agreed to evaluate alternatives to constructing a waste vitrification facility and, possibly, avoid spending \$2.4 billion by upgrading an existing facility.

- The Department has agreed to take action to improve sealed source data included in the Nuclear Materials Management and Safeguard System.
- The Department has agreed to take actions that could save at least \$4 million annually by consolidating and optimizing segments of its telecommunications infrastructure.
- The Department could incur about \$152 million in additional infrastructure support costs on the Fernald Environmental Management Project if closure is completed in 2009, three years later than planned.
- The Department has agreed to suspend the establishment of contact-handled transuranium waste characterization capabilities at the Waste Isolation Pilot Plant until a complete analysis of associated costs and risks is performed.
- The Department has agreed to finalize and implement a master plan relating to I-Manage (formerly known as the Business Management Information System) development efforts and establish specific, quantifiable, and realistic performance measures or goals to guide the I-Manage development effort.
- By eliminating excess facilities, the Department could save over \$70 million annually for surveillance and maintenance on facilities that are excess to the Department's needs.
- The Department has agreed to undertake a series of immediate actions to enhance maintenance procedures on equipment at the Oak Ridge Y-12 Plant depleted uranium facility and ensure continued depleted uranium operations.
- By using the direct disposal method instead of the solvent extraction method to treat the Savannah River Site's salt waste, the Department could save about \$500 million.
- The Department has agreed to develop and implement corrective action plans to conclude evaluation findings and enhance certain elements of the Department cyber security plan.
- The Department has agreed to develop new security policy, improve security planning for remote access to unclassified information systems, and strengthen cyber security policy and requirements.
- The Department has agreed to develop a new performance metrics program to improve awareness and utilization of the National Institute of Standards and Technology Self-Assessment tool.
- A series of actions intended to enhance the Savannah River Operations Office's analysis and decision-making process with respect to its continuing privatization initiatives could save the Department about \$6.3 million during the remainder of the contract.
- The Department has agreed to recruit and train personnel with appropriate skills to fill key and critical positions needed to conduct underground nuclear tests and in partnership with key stakeholders develop a plan for the execution of nuclear explosion safety studies.
- The Department has agreed to require centralized scheduling systems at all light source user facilities and report annually on the actual use.

As a result of OIG reviews, the Department has already:

- Started the process of converting surplus plutonium into mixed oxide fuel for use in nuclear reactors, which is expected to save about \$1.7 billion compared to the previously planned approach.

- Stopped funding (in FY 2002) for soil washing at the Ashtabula Environmental Management Project, which should save at least \$6.1 million.
- Taken action to establish a Value Engineering policy that will meet the requirements of OMB Circular A-131.
- Begun the development of a corporate approach, that integrates all mission needs, to address all remote handled waste at Idaho National Engineering and Environmental Laboratory as well as updating the conceptual design of the remote treatment facility.
- Taken action to implement a planning process that identifies the detailed work scope, schedule, and resources necessary to complete any environmental management project.
- Initiated surveillance at all National Laboratories to ensure compliance with Department trade secrets license policy.
- Taken steps to ensure that a Department site contractor more effectively manages Government-owned personal property following identification by the OIG that over \$2 million was inappropriately spent to transport, upgrade, and store equipment.
- Made improvements at Lawrence Livermore National Laboratory in the identification of excess high-risk personal property, in order to ensure that this property is not sold before the required reutilization screening period in the Energy Asset Disposal System had expired.
- Enhanced the preparedness of Department protective forces against terrorist attack through: (1) performing a review of the fresh pursuit policies and practices at all Department National Laboratories; and (2) revising the fresh pursuit portion of the Code of Federal Regulations to address issues raised by the OIG.
- Taken action to reduce the environmental liability estimate to \$209 billion. The Department received an unqualified opinion on its FY 2001 financial statements.
- Committed to analyzing other options to the building of the Plutonium Immobilization Facility which could potentially save \$650 million in the disposal of excess plutonium.
- Modified and updated both the quality assurance production plan and the quality evaluation tracking report. These two documents now identify, in part, the backlog and the schedule to eliminate backlogs.
- Instituted an aggressive program to combat, and provide reasonable assurance against, Government purchase card abuse and misuse.

Additionally, the OIG works closely with other agencies in the execution of its investigative authority. Nearly one-third of the approximately 200 current OIG investigations are joint agency operations. These investigations generally focus on significant criminal enterprises that affect multiple agencies including the Department. Recent OIG criminal and civil investigations, to include joint investigations with other Federal and State law enforcement agencies, have resulted in:

- Recoveries, fines, and settlements exceeding \$30 million for FY 2001 and FY 2002 combined.
- More than 70 percent of cases for criminal or civil prosecution being accepted by the U.S. Attorney's Office for further action.
- The pursuit of 23 Qui Tam lawsuits involving alleged fraud against the Government in the amount of approximately \$205 million (as of December 2002).



- A subject pleading guilty to computer intrusions at the Department. The investigation was based on allegations that the individual gained unauthorized access to computer systems at several Department facilities.
- The Department receiving \$2.3 million directly as a result of civil settlement agreements in a case involving the submission of false per diem claims by two subcontractors. Total recovery for the Government was \$4.7 million.
- Four guilty pleas involving significant misuse and abuse of Government purchase cards. Mischarges ranged from \$2,000 to \$138,000.
- Debarment of 10 individuals and companies for providing fraudulent invoices against a \$2.8 million community development grant and cooperative agreement with the Department's Savannah River Site.
- A private citizen pleading guilty to violations of the Clean Water Act for discharging in excess of 500,000 gallons of "black liquor," an environmental byproduct from the pulp and paper mill industry, into a water stream that flows through the Department's East Tennessee Technology Park.
- An environmental cleanup services contractor pleading guilty to violations of the Resource Conservation and Recovery Act. During the course of the investigation the contractor's parent company paid \$14.5 million in remediation and disposal costs to clean up waste stored improperly.
- Convictions of two individuals for the theft of NNSA credentials.
- A contractor employee pleading guilty to the use of Government computers to visit Internet sites where he downloaded images and videos of child pornography.

### **FY 2003/2004 Planned Activities**

At the requested level of \$39.5 million, the OIG will continue to focus efforts on issues and concerns most critical to the Administration, the Department, and Congress. Specifically, the OIG will continue to play an integral role in facilitating management reform in the Department by evaluating and providing recommendations that will improve program performance and accountability in each of the President's five key Management Initiatives, the Secretary's priorities for a better managed Department, and the OIG-identified most serious management challenges facing the Department.

The requested level will enable the OIG to meet its statutory requirements as well as conduct program performance reviews and other related reviews that will have the greatest impact on protecting, saving, and recovering public resources. Furthermore, the requested level will enable the OIG to maintain a significant emphasis on performing reviews in support of homeland security and the national defense.

Specifically, at the requested level, the OIG would perform the following work:

- Assist the Congress, Secretary, and other Senior Department officials by performing special, expedited reviews or inquiries involving high profile and sensitive matters.
- Conduct risk-based reviews that address key challenges facing the Department, such as information technology, stockpile stewardship, performance management, and national security. It is anticipated that these 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.

- Conduct follow-up on prior reviews to determine the status and efficacy of corrective actions agreed to by the Department.
- Maintain 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 \$88 million in recoveries and fines returned to the Department and the U.S. Treasury. Qui Tam False Claims Act related investigations have resulted in an annual average recovery of \$4 million during the same period.
- Review critical and emerging homeland security issues to ensure that the Department has adequate protective measures in place. The OIG plans to continue conducting reviews of the: (1) controls over nuclear materials, including shipment; (2) security of other sensitive materials; (3) adequacy of protective forces; (4) actions to address the deteriorating weapons infrastructure; (5) protection of classified and sensitive information; and (6) Department's intelligence and counterintelligence activities.
- Review the NNSA's implementation of the Stockpile Stewardship Program. Recent OIG reviews have disclosed weaknesses in the Stewardship Program's infrastructure and 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.
- Maintain 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. 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.
- Continue 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's and the Secretary's key management initiatives.
- Continue 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. Coverage would address the Department and its contractor efforts to develop and deploy an integrated management information system.
- Conduct program performance reviews of the four Power Market Administrations (PMAs) 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.
- Maintain OIG presence at the Department's major sites primarily to review its progress in meeting the established cost, schedule, performance goals, and technical parameters on major projects. Specific projects to be reviewed will include the National Ignition Facility (\$4 billion) and the Yucca Mountain Project (\$50 billion).

- Review the Federal Energy Regulatory Commission'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.
- Review competitive sourcing activities by the Department and its contractors.
- Conduct 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.
- Provide internal technical support to investigative operations and conduct investigations of computer crimes committed by individuals and groups with an aim to disrupt Department operations.
- Maintain investigations of fraud schemes involving Department financial assistance programs, which include grants and cooperative research and development agreements. The Department currently has in excess of 5,000 active financial assistance awards valued at nearly \$19 billion.
- Conduct 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 various sources, including the public, regarding possible waste, fraud, and abuse in Department programs and activities. The OIG typically receives over 1,000 Hotline contacts annually.

## Funding Profile

(dollars in thousands)

	FY 2002 Comparable Appropriation	FY 2003 Request	FY 2004 Request	\$ Change	% Change
Office Of Inspector General					
Total, Office of Inspector General.....	32,405	37,671	39,462	1,791	4.8%
Additional net budget authority to cover the cost of fully accruing retirement (non-add).....	-1,426	-1,201	-1,201	0	0

**Public Law Authorizations:**

Inspector General Act (IG Act) of 1978, as amended

## Funding by Site <sup>a</sup>

	(dollars in thousands, whole FTEs)				
	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Albuquerque Operations Office					
Los Alamos					
Salaries and Benefits.....	467	612	632	20	3.3%
Travel.....	26	41	35	-6	-14.6%
Support Services.....	96	126	169	43	34.1%
Other Related Expenses.....	18	41	41	0	0.0%
Subtotal, Los Alamos.....	607	820	877	57	7.0%
Full Time Equivalents.....	5	6	6	0	0.0%
Albuquerque					
Salaries and Benefits.....	2,240	2,955	3,053	98	3.3%
Travel.....	126	200	168	-32	-16.0%
Support Services.....	460	610	815	205	33.6%
Other Related Expenses.....	87	200	196	-4	-2.0%
Subtotal, Albuquerque.....	2,913	3,965	4,232	267	6.7%
Full Time Equivalents.....	24	29	29	0	0.0%
Total, Albuquerque Operations Office.....	3,520	4,783	5,109	324	6.8%
Total, Full Time Equivalents	29	35	35	0	0.0%
Chicago Operations Office					
Argonne					
Salaries and Benefits.....	467	612	632	20	3.3%
Travel.....	26	41	35	-6	-14.6%
Support Services.....	96	126	169	43	34.1%
Other Related Expenses.....	17	41	41	0	0.0%
Subtotal, Argonne.....	606	820	877	57	7.0%
Full Time Equivalents.....	5	6	6	0	0.0%
Princeton					
Salaries and Benefits.....	467	510	526	16	3.1%
Travel.....	26	35	29	-6	-17.1%
Support Services.....	96	105	141	36	34.3%
Other Related Expenses.....	18	35	34	-1	-2.9%
Subtotal, Princeton.....	607	685	730	45	6.6%
Full Time Equivalents.....	5	5	5	0	0.0%
Total, Chicago Operations Office.....	1,213	1,505	1,607	102	6.8%
Total, Full Time Equivalents	10	11	11	0	0.0%

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<sup>a</sup> On December 20, 2002, the National Nuclear Security Administration (NNSA) disestablished the Albuquerque, Oakland, and Nevada Operations Offices, renamed existing area offices as site offices, established a new Nevada Site Office, and established a single NNSA Service Center to be located in Albuquerque. Other aspects of the NNSA organizational changes will be phased in and consolidation of Service Center in Albuquerque will be completed by September 30, 2004. For budget display purposes, DOE is displaying non-NNSA budgets by site in the traditional pre-NNSA organizational format.

(dollars in thousands, whole FTEs)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
<b>Golden Field Office</b>					
Western Area Power Administration					
Salaries and Benefits.....	933	1,017	1,053	36	3.5%
Travel.....	53	69	58	-11	-15.9%
Support Services.....	192	210	281	71	33.8%
Other Related Expenses.....	36	68	68	0	0.0%
Total, Western Area Power Administration.....	1,214	1,364	1,460	96	7.0%
Full Time Equivalents.....	10	10	10	0	0.0%
<b>Idaho Operations Office</b>					
Idaho Falls					
Salaries and Benefits.....	467	510	526	16	3.1%
Travel.....	26	35	29	-6	-17.1%
Support Services.....	96	105	141	36	34.3%
Other Related Expenses.....	18	35	34	-1	-2.9%
Total, Idaho Operations Office.....	607	685	730	45	6.6%
Full Time Equivalents.....	5	5	5	0	0.0%
<b>National Energy Technology Laboratory</b>					
Pittsburgh					
Salaries and Benefits.....	1,027	1,121	1,158	37	3.3%
Travel.....	58	76	64	-12	-15.8%
Support Services.....	211	231	309	78	33.8%
Other Related Expenses.....	40	74	75	1	1.4%
Total, National Energy Technology Laboratory.....	1,336	1,502	1,606	104	6.9%
Full Time Equivalents.....	11	11	11	0	0.0%
<b>Nevada Operations Office</b>					
Las Vegas					
Salaries and Benefits.....	653	815	842	27	3.3%
Travel.....	37	55	46	-9	-16.4%
Support Services.....	134	168	225	57	33.9%
Other Related Expenses.....	25	55	54	-1	-1.8%
Total, Nevada Operations Office.....	849	1,093	1,167	74	6.8%
Full Time Equivalents.....	7	8	8	0	0.0%
<b>Oakland Operations Office</b>					
Livermore					
Salaries and Benefits.....	1,120	1,427	1,474	47	3.3%
Travel.....	63	97	81	-16	-16.5%
Support Services.....	230	294	393	99	33.7%
Other Related Expenses.....	44	97	95	-2	-2.1%
Total, Oakland Operations Office.....	1,457	1,915	2,043	128	6.7%
Full Time Equivalents.....	12	14	14	0	0.0%

(dollars in thousands, whole FTEs)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
<b>Oak Ridge Operations Office</b>					
Oak Ridge					
Salaries and Benefits.....	2,800	3,261	3,369	108	3.3%
Travel.....	158	221	186	-35	-15.8%
Support Services.....	575	673	899	226	33.6%
Other Related Expenses.....	109	218	217	-1	-0.5%
<b>Total, Oak Ridge Operations Office.....</b>	<b>3,642</b>	<b>4,373</b>	<b>4,671</b>	<b>298</b>	<b>6.8%</b>
Full Time Equivalents.....	30	32	32	0	0.0%
<b>Richland Operations Office</b>					
Richland					
Salaries and Benefits.....	1,120	1,223	1,263	40	3.3%
Travel.....	63	83	70	-13	-15.7%
Support Services.....	230	252	337	85	33.7%
Other Related Expenses.....	44	81	81	0	0.0%
<b>Total, Richland Operations Office.....</b>	<b>1,457</b>	<b>1,639</b>	<b>1,751</b>	<b>112</b>	<b>6.8%</b>
Full Time Equivalents.....	12	12	12	0	0.0%
<b>Savannah River Operations Office</b>					
Savannah River					
Salaries and Benefits.....	1,307	1,427	1,474	47	3.3%
Travel.....	74	97	81	-16	-16.5%
Support Services.....	268	294	393	99	33.7%
Other Related Expenses.....	51	96	95	-1	-1.0%
<b>Total, Savannah River Operations Office.....</b>	<b>1,700</b>	<b>1,914</b>	<b>2,043</b>	<b>129</b>	<b>6.7%</b>
Full Time Equivalents.....	14	14	14	0	0.0%
<b>Washington Headquarters</b>					
Salaries and Benefits.....	3,637	3,873	3,998	125	3.2%
Travel.....	207	261	220	-41	-15.7%
Support Services.....	747	800	1,068	268	33.5%
Other Related Expenses.....	776	845	625	-220	-26.0%
<b>Total, Washington Headquarters.....</b>	<b>5,367</b>	<b>5,779</b>	<b>5,911</b>	<b>132</b>	<b>2.3%</b>
Full Time Equivalents.....	39	38	38	0	0.0%
<b>Field Services Activities in Washington, D.C.</b>					
Salaries and Benefits.....	3,080	3,363	3,474	111	3.3%
Travel.....	174	228	191	-37	-16.2%
Support Services.....	632	694	927	233	33.6%
Other Related Expenses.....	654	741	545	-196	-26.5%
<b>Total, Field Services Activities.....</b>	<b>4,540</b>	<b>5,026</b>	<b>5,137</b>	<b>111</b>	<b>2.2%</b>
Full Time Equivalents.....	33	33	33	0	0.0%
<b>D.C. Field Sites</b>					
Salaries and Benefits.....	3,733	4,077	4,211	134	3.3%
Travel.....	211	276	232	-44	-15.9%
Support Services.....	766	841	1,124	283	33.7%
Other Related Expenses.....	793	897	660	-237	-26.4%
<b>Total, D.C. Field Sites.....</b>	<b>5,503</b>	<b>6,091</b>	<b>6,227</b>	<b>136</b>	<b>2.2%</b>
Full Time Equivalents.....	40	40	40	0	0.0%

**Office of Inspector General  
Program Direction**

**FY 2004 Congressional Budget**

(dollars in thousands, whole FTEs)					
	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Total Inspector General					
Salaries and Benefits.....	23,518	26,803	27,685	882	3.3%
Travel..... <sup>b</sup>	1,328	1,815	1,525	-290	-16.0%
Support Services.....	4,829	5,529	7,391	1,862	33.7%
Other Related Expenses.....	2,730	3,524	2,861	-663	-18.8%
Subtotal, Program Direction.....	32,405	37,671	39,462	1,791	4.8%
Appropriation Transfer.....	0	0	0	0	0.0%
Total, Program Direction.....	32,405	37,671	39,462	1,791	4.8%
Additional net budget authority to cover the cost of fully accruing retirement (non-add)	(1,426)	(1,201)	(1,201)	(0)	(0)
Full Time Equivalent.....	250	263	263	0	0.0%

<sup>b</sup> The OIG's portion of the Federal Administrative and Travel Expenses rescission (Section 1403 of H.R. 4775), in the amount of \$25,000, was taken from travel.



## Detailed Program Justification

(dollars in thousands)

FY 2002	FY 2003	FY 2004
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**Salaries and Benefits.....** **23,518**    **26,803**    **27,685**

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. This line item also includes costs associated with compensation and medical expenses of two former OIG employees receiving long term benefits. This reimbursement will be an annual requirement, and could potentially include other employees. Additionally, this line item includes costs associated with Permanent Change of Station moves to relocate staff to sites with critical needs, and the Transit Subsidy Program. 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 and payments for professional credentials (estimated at \$60,000 in FY 2004).

**Travel.....** **1,328**    **1,815**    **1,525**

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.

**Support Services.....** **4,829**    **5,529**    **7,391**

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.

**Other Related Expenses.....** **2,730**    **3,524**    **2,861**

Funding is required for the OIG's share of the DOE Working Capital Fund and basic support needs (e.g., information technology hardware/software maintenance and employee relocation expenses). Funding is required for replacement purchases of computer hardware and software which varies by cycle. 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. This line item also includes funds for miscellaneous supplies, materials, publications, and other services.

<b>Total, Program Direction.....</b>	<b>32,405</b>	<b>37,671</b>	<b>39,462</b>
	<b>32,405</b>	<b>37,671</b>	<b>39,462</b>

## Explanation of Funding Changes from FY 2003 to FY 2004

FY 2004 vs. FY 2003 (\$000)
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### Salaries and Benefits

Salaries/Benefits increase is due to the civilian pay raise and associated benefits increase .....+882

### Travel

Travel decrease is due primarily to an increase of OIG employees located at key Department field sites. This has resulted in better site coverage thereby reducing the frequency of travel.....-290

### Support Services

Support Services increase is primarily due to an anticipated cost increase associated with the award of a new contract supporting the Financial Statement Audit. Additionally, the Financial Statement Audit will require initial internal control testing on the I-Manage System .....+1,862

### Other Related Expenses

Other Related Expenses decrease due primarily to minimal information technology computer replacement purchase requirements. Mandatory training and Working Capital Fund estimates remain generally the same.....-663

**Total Funding Change, Program Direction** .....+1,791

## Support Services

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Management Support Services					
Consulting Services.....	4,409	5,100	7,021	1,921	37.7%
ADP Support.....	420	429	370	-59	-13.8%
Administrative Support Services.....	0	0	0	0	0%
Total, Management Support Services.....	4,829	5,529	7,391	1,862	33.7%
Use of Prior-Year Balances.....	0	0	0	0	0%
Total, Support Services.....	4,829	5,529	7,391	1,862	33.7%

## Other Related Expenses

(dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Working Capital Fund.....	1,840	1,708	1,781	73	4.3%
Training.....	85	418	392	-26	-6%
Other <sup>a</sup> .....	805	1,398	688	-710	-50.8%
Subtotal, Other Related Expenses.....	2,730	3,524	2,861	-663	-18.8%
Use of Prior-Year Balances.....	0	0	0	0	0%
Total, Other Related Expenses.....	2,730	3,524	2,861	-663	-18.8%

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<sup>a</sup> Includes ADP hardware and software, contract close-out costs, employee relocations, office supplies, etc.

