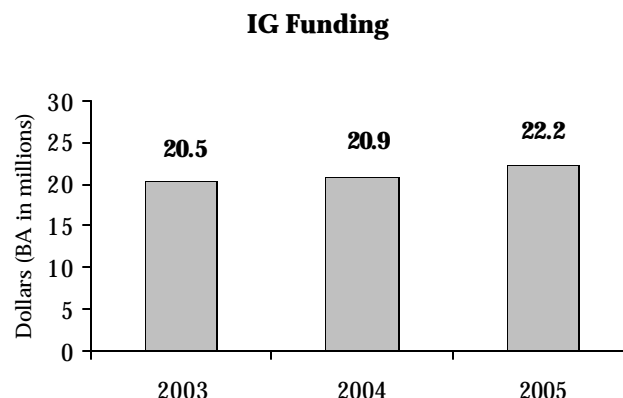


## Office of the Inspector General

Public officials and others entrusted with public resources are responsible for applying those resources economically, efficiently, and effectively to achieve established goals. The Office of the Inspector General is responsible for ensuring government employees and others managing federal resources comply with applicable laws and regulations and actively work to prevent fraud, waste, and abuse in program operations. Through audits, inspections, evaluations, and investigations, the Office of Inspector General monitors and tracks the use of taxpayer dollars in federally funded programs. Our purpose is to keep the head of the various Commerce units, the Office of the Secretary, and Congress fully and currently informed about issues, problems and deficiencies relating to administration of programs and operations and the need for corrective action.



The audit function provides for internal audits (performance and financial statements audits) and external audits (contracts, grants, and other financial assistance agreements). Internal audits review and evaluate facets of agency operations. Contract audits provide advice to agency contracting officials and managers on accounting and financial matters related to the negotiation, award, administration, pricing and settlement of contracts. Inspections provide timely insight and detailed evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. The OIG concentrates on programs and operations that have the greatest potential for identifying fraud, recovering funds, precluding unnecessary outlays, and improving management.

## Summary of Appropriations

### Funding Levels

Appropriation	2003	2004	2005	Increase (Decrease)
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	
Inspector General	\$20,501	\$20,894	\$22,249	\$1,355
<b>FTE</b>				
Inspector General	137	140	147	7

## Highlights of Budget Changes

### Appropriation: Office of the Inspector General

#### Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<b>2004 Appropriation</b>			140	\$20,894
<b>Adjustments to Base</b>				
<b>Other Changes</b>				
2004 Pay raise		\$421		
2005 Pay raise		177		
Within-grade step increases		126		
Change in compensable day		(59)		
Civil Service Retirement System (CSRS)		(12)		
Federal Employees' Retirement System (FERS)		14		
Thrift Savings Plan		23		
Federal Insurance Contributions Act (FICA) -OASDI		8		
Health insurance		81		
Employees' Compensation Fund		6		
Travel: Per Diem		6		
Rent payments to GSA		55		
Other services: Working Capital Fund		113		
General Pricing Level Adjustment				
Communications, Utilities, & misc.		1		
Other services		13		
Supplies and materials		1		
Adjustment for NIST accounting bill		(122)		
Subtotal, other cost changes			0	852
Less amount absorbed			0	(126)
<b>TOTAL, ADJUSTMENTS TO BASE</b>			<b>0</b>	<b>726</b>
<b>2005 Base</b>			140	21,620
Program Changes			7	629
<b>2005 APPROPRIATION</b>			<b>147</b>	<b>22,249</b>

**Comparison by Activity**

	2004 Currently Avail.		2005 Base		2005 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>DIRECT OBLIGATIONS</b>								
Inspector General	140	\$20,894	140	\$21,620	147	\$22,249	7	\$629
<b>TOTAL DIRECT OBLIGATIONS</b>	140	20,894	140	21,620	147	22,249	7	629
REIMBURSABLE OBLIGATIONS		2,794		200		200	0	0
<b>TOTAL OBLIGATIONS</b>	140	23,688	140	21,820	147	22,449	7	629
<b>FINANCING</b>								
Offsetting collections from:								
Federal funds		(2,794)				(200)		
<b>TOTAL BUDGET AUTHORITY /</b>	140	20,894			147	22,249		
<b>APPROPRIATION</b>								

**Highlights of Program Changes**

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Enhance the Office of Investigation's Ability to Protect the Department's Resources and Ensure Program Integrity	22	\$3,183	+5	+\$379

OIG has statutory responsibility for detecting and preventing fraud, waste, and abuse in Commerce programs and operations. The Department and its diverse programs are geographically dispersed in more than 1,000 domestic and foreign locations and are dependent upon tens of thousands of federal employees, contractors, grantees, and recipients of federal financial assistance to fulfill its mission. This requested program increase of \$379 and 5 FTEs will be used to recruit talented individuals with the skills, competency, and experience needed to conduct investigations throughout the Department of Commerce and its diverse operating units. As OIG expands its outreach efforts it is anticipated it will allow the OIG to enhance its ability to detect and prevent fraud.

Improve Planning and Cost Control through Early and Continuing Oversight of the 2010 Decennial Census	2	\$250	+2	+\$250
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The Department of Commerce, through the Census Bureau, is responsible for conducting the nation's decennial census, which for 2010 is currently projected to cost more than \$11 billion. Early involvement by OIG in the 2010 census will enable it to provide insight into the evolving plan, thereby giving it a greater opportunity to effect constructive change and positive outcomes. This request for \$250 and 2 FTEs will provide the OIG with needed resources and expertise, particularly in the areas of statistics and systems evaluations.

## OIG Performance Measures

OIG performance measures and targets focus on Commerce's diverse mission and critical programs and operations that are administered in a dynamic environment -- one that is greatly influenced by ever-changing conditions. As the Department works to accomplish its mission, OIG provides a unique, independent voice to the Secretary and other senior Commerce managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness; and prevent and detect waste, fraud, and abuse in Department programs and operations. This work is primarily accomplished through audits, inspections, evaluations, and investigations and a variety of activities geared toward averting problems. Moreover, in FY 2005, OIG will continue to move its efforts forward to help achieve organization and management excellence by continuing to:

- Perform high quality, timely work,
- Concentrate its efforts on the Department's most critical programs, operations, challenges, and vulnerabilities, and,
- Achieve results that allow government funds to be put to better use and address criminal, civil, and other wrongdoing.

The following table shows the measures that OIG uses to gauge its performance. A more detailed description of these goals and measures is in the OIG section of the Department of Commerce budget.

### Performance Goal (Obligations) and Measures (Targets)

(Dollars in millions)

	2003 <u>Actual</u>	2004 Estimate / <u>Target</u>	2005 Estimate / <u>Target</u>
<b>Goal: Promote improvements to Commerce programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness and (2) prevents and detects fraud, waste and abuse</b>	<b>\$22.2</b>	<b>\$23.7</b>	<b>\$22.4</b>
% of Commerce's management challenges, stakeholder concerns and other critical issues addressed by OIG work products	58%	51%	60%
% of OIG recommendations accepted by departmental and bureau management	97%	90%	90%
Dollar value of financial benefit identified by OIG	\$42.0	\$20.0	\$22.0
% of criminal and civil matters that are accepted for prosecution	50%	50%	52%

Note: Total obligations may differ from the reports in the other tables in this section and Congressional Justification exhibits due to the inclusion of prior year funds in the amounts cited above.