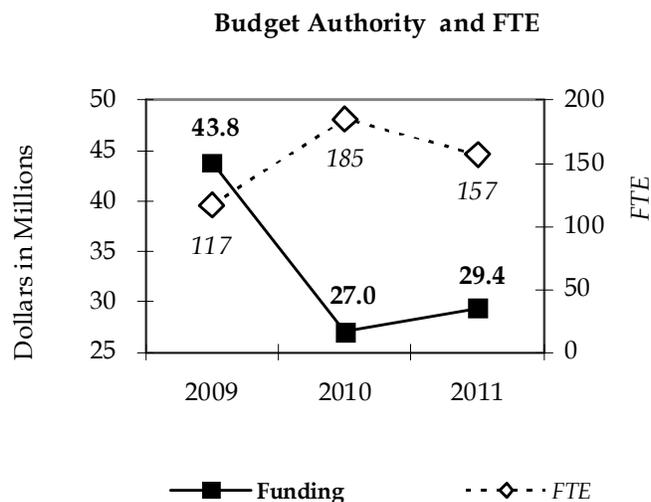


Office of the Inspector General

The Office of the Inspector General (OIG) ensures that Department of Commerce 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 OIG monitors and tracks the use of taxpayer dollars in Federally-funded programs. The OIG's purpose is to keep the heads of the various Department of Commerce bureaus, the Office of the Secretary, and Congress fully and currently informed about issues, problems, and deficiencies relating to the administration of programs and operations and the need for corrective action.

The audit function involves performance and financial audits and attestation engagements. Performance audits address the efficiency, effectiveness, and economy of the Department's programs, activities, and information technology systems. Financial audits focus on compliance with generally accepted accounting principles, internal controls set forth by the Office of Management and Budget, and financial laws and regulations. Attestation engagements utilize agreed-upon procedures to examine and report results on a particular subject matter. Inspections are designed to give agency managers timely and useful information about operations, including current and foreseeable problems. Program evaluations are in-depth reviews of specific management issues, policies, or programs, while systems evaluations focus on system development, acquisitions, operations, and policy of computer systems and other technologies. The investigative function focuses on alleged or suspected improper and illegal activities involving employees, contractors, recipients of financial assistance, and others responsible for handling Federal resources. OIG focuses on programs and operations with the greatest potential for identifying fraud, recovering funds, precluding unnecessary outlays, and improving management.



Summary of Appropriations

Funding Levels	2009	2010	2011	Increase
Appropriation	<u>Actual</u>	<u>Enacted</u>	<u>Estimate</u>	<u>(Decrease)</u>
Inspector General	\$25,800	\$27,000	\$29,394	\$2,394
Recovery Act	6,000			0
	31,800	27,000	29,394	2,394
Transfer from NTIA, Broadband Technology Opportunities Program	10,000			
Transfer from PTO (Reimbursable)	2,000			
Total Budget Authority	43,800	27,000	29,394	2,394
FTE				
Inspector General Direct	112	181	157	(24)
Inspector General Reimbursable	5	4	0	(4)
Total	117	185	157	(28)

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>
2010 Appropriation			181	\$27,000
Adjustments to Base				
Non-recurring costs				
FTEs from Recovery Act Carryover			(36)	
Other Changes				
2010 Pay raise		\$92		
2011 Pay raise		196		
Payment to the Working Capital Fund		9		
Civil Service Retirement System (CSRS)		(96)		
Federal Employees' Retirement System (FERS)		223		
Thrift Savings Plan		27		
Full year cost in 2011 of positions financed part-year in 2010	4	430		
Federal Insurance Contributions Act (FICA) - OASDI		84		
Employees' Compensation Fund		(40)		
Health insurance		89		
Travel:				
Per Diem		6		
Mileage		(2)		
Rent payments to GSA		21		
HCHB Electricity		35		
Other services:				
Working Capital Fund		88		
General Pricing Level Adjustment				
Other Services		17		
Supplies and materials		1		
Equipment		1		
Subtotal, other cost changes			4	1,181
TOTAL, ADJUSTMENTS TO BASE			(32)	1,181
2011 Base			149	28,181
Program Changes			8	1,213
2011 TOTAL			157	29,394
FTEs from Recovery Act Carryover				0
2011 APPROPRIATION			157	29,394

Comparison by Activity

	2010 Currently Avail.		2011 Base		2011 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Inspector General	181	\$44,322 *	149	\$28,181	157	\$29,394	8	\$1,213
TOTAL DIRECT OBLIGATIONS	181	44,322	149	28,181	157	29,394	8	1,213
REIMBURSABLE OBLIGATIONS		8,411 *	0	0	0	3,825	0	3,825
TOTAL OBLIGATIONS	181	52,733	149	28,181	157	33,219	8	5,038
FINANCING								
Unobligated balance, start of year (direct)		(17,322)		0		0	0	0
Unobligated balance, start of year (reimb.)		(2,000)						
Offsetting Collections		(6,411)		0		(3,825)	0	(3,825)
Subtotal, financing	0	(25,733)	0	0	0	(3,825)	0	(3,825)
TOTAL BUDGET AUTHORITY/	181	27,000	149	28,181	157	29,394	8	1,213
APPROPRIATION								

* The 2010 obligations have been adjusted and are different from the levels in the President's Budget.

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Acquisition and contract oversight	149	\$28,181	+8	+\$819

In FY 2011, the OIG requests an increase of \$0.8 million and 8 FTE to provide oversight for Departmental acquisitions and contracts. In FY 2010 the Department plans to spend \$6.4 billion in acquisitions and contracts. Some of these acquisitions and contracts are one-time procurements. Others, such as those for the National Oceanic and Atmospheric Administration (NOAA)'s satellite programs, represent only a small portion of a large, ongoing program. Two satellite programs, by themselves, account for \$1.1 billion in obligations in FY 2010. Other programs, such as the planning for the 2020 Census, will involve large ongoing contracts. Because of statutory mandates and competing priorities, OIG has no personnel available to provide consistent oversight of these expenditures with its existing staffing level.

Council of the Inspectors General on Integrity and Efficiency	0	\$0	0	+\$394
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Also in FY 2011, the OIG requests \$0.4 million to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE). The Inspector General Reform Act of 2008 (P.L. 110-409) established CIGIE to address integrity, economy, and effectiveness issues that transcend individual Government agencies, and 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 the offices of the Inspectors General. The DOC OIG is a member of CIGIE, and the Act authorizes interagency funding of CIGIE and requires that any department, agency, or entity of the executive branch, which has a member on the Council, shall fund or participate in the funding of its activities.

Performance Outcome and Measures

(Dollars reflect obligations in Millions)

OIG performance measures and targets support the Department's strategic goal to "Achieve organizational and management excellence." As the Department works to accomplish its mission, OIG provides a unique, independent voice to the Secretary and other senior DOC managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness, and to prevent and detect waste, fraud, and abuse in Department programs and operations. This work is primarily accomplished through audits, inspections, evaluations, and investigations and related activities. In FY 2010, OIG will continue its efforts to help the Department achieve organizational and management excellence by continuing to:

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

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

	2009 Actual	2010 Enacted/ Targets	2011 Estimate/ Targets
Outcome: Promote improvements to Department programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness, and (2) prevents and detects fraud, waste and abuse	\$28.1	\$52.7	\$33.2
% of OIG recommendations accepted by departmental and bureau management	97%	95%	95%
Dollar value of financial benefits identified by OIG	\$126.9	\$38.0	\$39.0
% of criminal and civil matters that are accepted for prosecution	78%	75%	75%

