

FY 2017
CONGRESSIONAL JUSTIFICATION

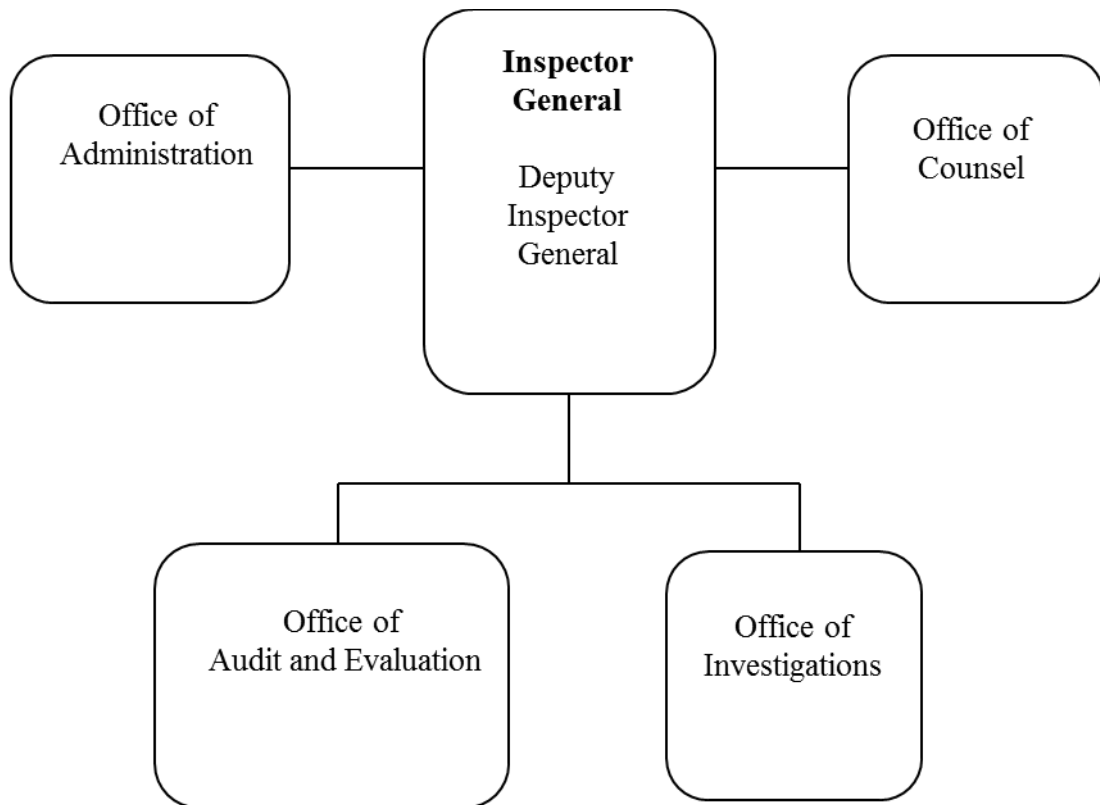
**Department of Commerce
Office of Inspector General
FY 2017 Congressional Justification Submission**

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**Department of Commerce
Office of Inspector General
Current Organizational Chart**



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**Department of Commerce
Office of Inspector General
Budget Estimates, Fiscal Year 2017**

Executive Summary

The Office of Inspector General has the mission of providing a unique, independent voice to the Secretary of Commerce and senior managers, and Congress, in combating fraud, waste, abuse, and mismanagement, and in improving the efficiency, effectiveness, and economy of Department operations. The Office has authority to inquire into all program and administrative activities of the Department, including individuals or organizations performing under contracts, grants, cooperative agreements, and other financial assistance awards. The Inspector General Act of 1978, as amended and other legislation authorizes the specific functions and programs that make up these broad activities.

For FY 2017, OIG will continue to focus its work on the Department's efforts to address the major challenges we have identified, and to continue supporting the Department's strategic goals. For FY 2017, OIG requests \$43.1 million in total funding, \$37.2 million in appropriations and \$5.9 million in transfers. OIG requests inflationary adjustments of \$0.8 million to its base budget in order to continue providing the current level of oversight of Departmental activities and programs.

To support the Department's Data goal, OIG proposes to enhance its oversight of 2020 Census activities, which represent one of the largest data collection operations in the federal government, requesting a transfer increase of \$1.0 million for this purpose. Furthering the Department's Innovation goal, OIG proposes to enhance its oversight of the First Responder Network Authority (\$1.6 million). In support of the Department's Trade and Investment goal, OIG proposes to enhance its oversight of Departmental trade promotion and export control (\$0.9 million). Supporting the Department's Operational Excellence goal, OIG proposes to enhance its oversight of Departmental contracting and acquisitions (\$1.0 million). Finally, in support of all the Department's strategic goals, OIG proposes to increase its oversight of Departmental cybersecurity to protect the Department's critical systems from foreign national attacks (\$1.3 million).

In addition, OIG requests a decrease of \$0.4 million to reflect repriced investments within the Department's Working Capital Fund, and an increase of \$23,000 to provide OIG's share of support for the Council of Inspectors General for Integrity and Efficiency.

These proposed increases are especially important in light of the breadth, complexity, and critical nature of the Department's programs. Working within these constraints, OIG has prioritized its work to meet its mission under the Inspector General Act of 1978, as amended, to promote economy, efficiency, and effectiveness. The requested transfer and program increase support oversight of multibillion dollar programs or activities. The cost of this necessary oversight is modest compared to the risks facing the Department. OIG's oversight has provided a \$5.43 return on investment over the last five years, a strong track record.

(Dollar amounts in thousands)

Appropriation	<u>FY 2016 Enacted</u>		<u>FY 2017 Estimate</u>		<u>Inc. (+) or Dec. (-)</u>	
	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>
Office of Inspector General	177	32,000	221	37,167	44	+5,167
Total, Office of Inspector General	177	32,000	221	37,167	44	+5,167

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS**
(Dollar amounts in thousands)

		Positions		FTE		Budget Authority		Direct Obligations	
FY 2016 Currently Available		177		177		36,853		36,853	
2017 Adjustments to Base									
plus: Inflationary Adjustments		0		0		767		767	
2017 Base		177		177		37,620		37,620	
plus: 2017 Program changes		36		25		4,400		4,400	
plus: 2017 Transfer changes		8		6		1,029		1,029	
2017 Estimate		221		208		43,049		43,049	

		2015 Actual		2016 Currently Available		2017 Base		2017 Estimate		Increase/ (Decrease) Over 2017 Base	
Comparison by program:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Inspector General	Pos./BA	177	35,449	177	36,853	177	37,620	221	43,049	44	5,429
	FTE/Obl.	149	35,832	177	42,906	177	37,620	208	43,049	31	5,429
TOTALS	Pos./BA	177	35,449	177	36,853	177	37,620	221	43,049	44	5,429
	FTE/Obl.	149	35,832	177	42,906	177	37,620	208	43,049	31	5,429
Adjustments to Obligations											
Recoveries		0		0		0		0		0	
Unobligated Balance, start of year		(7,028)		(6,053)		0		0		0	
Unobligated Balance transferred		0		0		0		0		0	
Unobligated Balance, end of year		6,053		0		0		0		0	
Unobligated Balance expiring		592		0		0		0		0	
Financing from transfers:											
Transfer from other accounts (-)		(4,853)		(4,853)		(4,853)		(5,882)		(1,029)	
Transfer to other accounts (+)		0		0		0		0		0	
Appropriation		30,596		32,000		32,767		37,167		4,400	

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF REIMBURSABLE OBLIGATIONS**
(Dollar amounts in thousands)

		2015		2016		2017		2017		Increase	
		Actual		Currently Available		Base		Estimate		(Decrease)	
Comparison by Program		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Inspector General	Pos/BA	6	3,683	6	4,500	6	4,500	2	3,500	-4	(1,000)
	FTE/Obl.	6	3,683	6	4,500	6	4,500	2	3,500	-4	(1,000)
Total	Pos/BA	6	3,683	6	4,500	6	4,500	2	3,500	-4	(1,000)
	FTE/Obl.	6	3,683	6	4,500	6	4,500	2	3,500	-4	(1,000)

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Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	2015 Actual	2016 Currently Available	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
Total Obligations	35,832	42,906	37,620	43,049	5,429
<hr/>					
Offsetting Collections from:					
Federal Funds	0	0	0	0	0
Unobligated balance, start of year	(7,028)	(6,053)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	6,053	0	0	0	0
Unobligated balance expiring	592	0	0	0	0
<hr/>					
Budget Authority	35,449	36,853	37,620	43,049	5,429
 Financing:					
Transfer from other accounts (-)	(4,853)	(4,853)	(4,853)	(5,882)	(1,029)
Transfer to other accounts (+)	0	0	0	0	0
<hr/>					
Appropriation	30,596	32,000	32,767	37,167	4,400

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
JUSTIFICATION FOR ADJUSTMENTS TO BASE
(Dollar amounts in thousands)**

FTE AMOUNT

2017 Pay Raises

533

Annualization of FY 2016 Pay Raise

A pay raise of 1.3% will be effective January 1, 2016

Total cost in FY 2017 of FY 2016 pay raise	405,333
Less amount funded in FY 2016	(304,000)
Amount requested in FY 2017 to provide for full-year cost of FY 2016 pay raise	101,333

FY 2017 Pay Raise and Related Costs

A general pay raise of 1.6% is assumed to be effective January 2017.

Total cost in FY 2017 of January 2017 pay raise	432,000
Payment to Working Capital Fund	0
Amount requested in FY 2017 for FY 2017 pay raises	432,000

Adjustment to base 533,333

Change in Compensable Days

(211)

In 2017 there will be two fewer compensable days over FY 2016. The cost of a compensable day for FY 2017 is calculated by dividing the FY 2016 estimated personnel compensation (\$21,831,000) and applicable benefits (\$5,836,695) by 262, the number of compensable days in FY 2016.

Adjustment to base (211,203)

<u>Full year cost in FY 2017 of positions financed part-year in FY 2016</u>	0	0
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An increase of \$0 is required to fund the full-year cost in FY 2017 of positions financed for part-year in FY 2016. The computation is:

Annual Salary of new positions in 2016	0	0
Plus salary adjusted for 2016 pay raise (0.013 x 0)		0
Less 5% lapse	0	0
Full-year cost of personnel compensation	0	0
Less personnel compensation in 2016	0	0
Cost of personnel compensation in 2016	0	0
Plus adjustment for 2017 pay raise (0.016 x .75 x 0)	0	0
Add'l amount required for personnel compensation	0	0
Plus benefits	0	0
Total adjustment to base	0	0

Civil Service Retirement System (CSRS)

(55)

The number of employees covered by CSRS continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will decrease from 4.2% in FY 2016 to 1% in FY 2017 for regular employees. It will decrease from 11.2% to 1% for law enforcement employees.

The contribution rates will remain at 7% for regular employees and 7.5% for law enforcement employees; OIG has one law enforcement personnel participating in CSRS.

Regular employees:

FY 2017 (\$20,547,882 x 0.01 x 0.07)	14,384
FY 2016 (\$20,547,882 x 0.042 x 0.07)	(60,411)
Subtotal	(46,027)

Law enforcement

FY 2017 (\$1,161,118 x 0.01 x 0.075)	871
FY 2016 (\$1,161,118 x 0.112 x 0.075)	(9,753)
Subtotal	(8,882)

Total adjustment to base	(54,909)
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Federal Employees Retirement System

126

The estimated percentage of payroll for regular employees covered by FERS is 95.8% in FY 2016 and 99% in FY 2017. The estimated percentage of payroll for law enforcement employees covered by FERS will increase from 88.8% to 99% from FY 2016 to FY 2017. The

estimated contribution rate for regular employees will remain unchanged at 13.7% for FY 2017. The estimated contribution rate for law enforcement employees will remain unchanged at 30.1% in FY 2017.

Regular employees:

FY 2017 ($\$20,669,882 \times 0.99 \times 0.137$)	2,803,456
FY 2016 ($\$20,669,882 \times 0.958 \times 0.137$)	(2,712,839)
Subtotal	<u>90,617</u>

Law enforcement employees:

FY 2017 ($\$1,161,118 \times 0.99 \times 0.301$)	346,002
FY 2016 ($\$1,161,118 \times 0.888 \times 0.301$)	(310,353)
Subtotal	<u>35,649</u>

Total adjustment to base	126,266
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Federal Insurance Contributions Act (FICA) – Old Age Survivors and Disability Insurance (OASDI)

77

The OASDI contribution rate will remain at 6.2% for employees in FY 2017. The annual salary subject to the OASDI tax is \$20,669,882 in FY 2017. The OASDI participation rate for regular employees will increase from 95.8% in FY 2016 to 100% in FY 2017, and will increase from 88.8% to 100% for law enforcement employees.

Regular employees:

FY 2017 ($\$20,669,882 \times 1 \times 0.946 \times 0.062$)	1,212,330
FY 2016 ($\$20,669,882 \times 0.958 \times 0.933 \times 0.062$)	(1,145,452)
Subtotal	<u>66,878</u>

Law enforcement employees:

FY 2017 ($\$1,161,118 \times 1 \times 0.946 \times 0.062$)	68,102
FY 2016 ($\$1,161,118 \times 0.888 \times 0.933 \times 0.062$)	(59,643)
Subtotal	<u>8,459</u>

Other salaries

FY 2017 ($\$533,139 \times 1 \times 0.946 \times 0.062$)	31,270
FY 2016 ($\$533,139 \times 0.958 \times 0.933 \times 0.062$)	(29,545)
Subtotal	<u>1,725</u>

Total adjustment to base	77,062
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Thrift Savings Plan

16

The estimated percentage of payroll for regular employees covered by FERS will be 95.8% in FY 2016 and 99% in FY 2017. The percentage for law enforcement employees will be 88.8% for FY 2016 and 99% for FY 2017. The contribution rate for regular and law enforcement employees is 2% in FY 2016 and FY 2017.

Regular employees:

FY 2017 (\$20,669,882 x 0.99 x 0.02)	409,264
FY 2016 (\$20,669,882 x 0.958 x 0.02)	(396,035)
Subtotal	<u>13,229</u>

Law enforcement employees:

FY 2017 (\$1,161,118 x 0.99 x 0.02)	22,990
FY 2016 (\$1,161,118 x 0.888 x 0.02)	(20,621)
Subtotal	<u>2,369</u>

Total adjustments to base.	15,598
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Employee Compensation Fund

0

The Employee Compensation Fund bill for the year ending June 30, 2015, decreased by -\$326.79 from the bill of \$326.79 for the year ending June 30, 2014. Therefore, \$0 in charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.

Adjustments to base	(327)
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Health Insurance

41

The average rate increase for 2017 is expected to be 3.3%. Against estimated health costs for 2016 of \$1,251,687, the additional amount required for 2017 is \$41,306.

Adjustment to base	41,306
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Travel – Per Diem

0

The average rate per diem rate for CONUS travel is expected to remain unchanged for FY 2017. No additional amount will be required.

Adjustment to base	0
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Travel – Mileage 0

The mileage reimbursement rate for privately-owned automobiles remained unchanged for FY 2017 . No additional amount will be required.

Adjustment to base 261

Rental Payments to GSA 65

GSA rental rates are projected to increase 3% in FY 2017. This percentage, applied to the FY 2016 estimate of \$2,169,000, raises the total cost of rental payments to GSA to \$2,234,070 for FY 2017, an increase of \$65,070 over FY 2016.

Adjustments to base 65,070

General Pricing Level Adjustment 51

The federal non-defense, non-pay deflator for FY 2017 is 1.8%. This percentage was applied to the FY 2016 estimates for sub-object cost classes where the prices the government pays are established through the market system. Factors are applied to:

Supplies and materials	1,332
Other services	37,872
Transportation of things	126
Printing	558
Communications and misc. expenses, excluding postage & FTS	4,635
Equipment	<u>6,030</u>

Adjustments to base 50,553

Working Capital Fund 117

An increase of \$117,000 is requested in the payment to the Department's Working Capital Fund as a result of cost increases to the centralized services provided by the Department.

Adjustment to base 117,000

Other Services

Utilities

3

An increase of \$2,835 is required for inflationary changes to utility costs for FY 2017. The computation is:

Water	0
Electricity	2,835
Steam	0
	<hr/>
Adjustment to base	2,835

Federal Protective Service

An increase of \$3,795 is requested for inflationary changes to Federal Protective Service costs for FY 2017.

4

Adjustment to Base	3795
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Total adjustments to base	0	767	

**Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS**
(Dollar amounts in thousands)

Program: Inspector General

		2015 Actual		2016 Currently Available		2017 Base		2017 Estimate		Increase/ (Decrease) Over 2017 Base	
Subprogram:		Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Executive Direction & Counsel	Pos./BA	17	4,206	17	4,372	17	4,463	17	4,594	0	131
	FTE/Obl.	17	4,251	17	5,091	17	4,463	17	4,594	0	131
Audits & Evaluations	Pos/BA	129	24,934	125	25,922	125	26,462	166	31,184	41	4,722
	FTE/Obl.	109	25,204	126	30,180	126	26,462	155	31,184	29	4,722
Investigations	Pos/BA	31	6,309	35	6,559	35	6,695	38	7,271	3	576
	FTE/Obl.	23	6,377	34	7,635	34	6,695	36	7,271	2	576
Total	Pos/BA	177	35,449	177	36,853	177	37,620	221	43,049	44	5,429
	FTE/Obl.	149	35,832	177	42,906	177	37,620	208	43,049	31	5,429

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FY 2017 BASE PROGRAM SUMMARY

Bureau:	Office of Inspector General	
Program:	Office of Inspector General	
Base Resources (including ATBs):	\$37,620,000	FTE: 177

PROGRAM DESCRIPTION

Program Resources Assessment

The Department of Commerce Office of Inspector General (OIG) was established in FY 1979 as an independent oversight agency under the general supervision of the Secretary of Commerce. OIG's mission is to protect the integrity of the Department's programs and operations through independent oversight. OIG achieves its mission by conducting audits, evaluations, and investigations to uncover fraud, waste, and abuse in the Department's programs and activities.

OIG's work provides excellent return on investment. Over the past five years (FY 2011 – 2015), OIG identified \$1.014 billion in financial benefits while receiving \$225.3 million in appropriations and transfers, a return on investment of \$5.43 per dollar invested in OIG.

OIG focuses its oversight efforts on the top management challenges for the Department. These efforts are aligned with the Department's FY 2014-2018 Strategic Plan. OIG has identified the following challenges within each of the plan's goals:

- 1. TRADE AND INVESTMENT: Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs.**
 - *ITA consolidation.* ITA must resolve challenges such as developing revised performance plans and providing appropriate training for affected employees, developing an employee engagement plan, and assessing the level of resources throughout ITA headquarters.
 - *BIS export licensing functions.* BIS had originally planned to decommission its legacy export licensing system, Export Control Automated Support System (ECASS), and migrate to USXPORTS by 2012. BIS opted to enhance an internally developed system for internal export licensing and enforcement functions. However, BIS's plan has created redundancy in its exports control process and does not fulfill BIS's original commitment to use USXPORTS as its system for processing export licenses.
 - *Departmental and bureau grants oversight.* The Department and its bureaus with grant programs must incorporate the Office of Management and Budget's (OMB's) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This went into effect during the first quarter of FY 2015 and mandates how grants are awarded, administered, and audited.

2. INNOVATION: Foster a more innovative U.S. economy—one that is better at inventing, improving, and commercializing products.

- *USPTO patent examinations.* Last year, USPTO temporarily redirected its resources to reduce its backlog of requests for continued examination (RCEs). While USPTO has made progress in reducing the RCE backlog and pendency of unexamined patent applications, it still faces challenges in reducing the patent application backlog and improving patent examination quality.
- *Patent Trial and Appeal Board (PTAB) timeliness and quality.* Since September 2012, PTAB has been increasing the size of its staff to address both the appeals inventory and new proceedings under the America Invents Act. Despite the high rates of increase in PTAB personnel and spending on patent trials and appeals, USPTO is still facing challenges in reducing the ex parte appeal backlog and pendency.
- *FirstNet network implementation.* FirstNet is tasked with implementing a nationwide interoperable public safety broadband network. FirstNet is making progress in establishing an organizational structure and performing consultation and outreach. However, challenges remain concerning the adequacy of funding; statutory requirements for consulting; internal control; and staffing and other organizational issues.

3. ENVIRONMENT: Help communities and businesses prepare for and prosper in a changing environment.

- *NOAA satellite acquisitions.* Acquisition and development delays could lead to gaps in NOAA's satellite coverage, potentially degrading its ability to produce actionable environmental information. The Joint Polar Satellite System (JPSS) program's challenge is to keep the JPSS-1 satellite development on track to meet its launch commitment, while taking steps to implement a newly-proposed Polar Follow-On program. The Department must also ensure that the Geostationary Operational Environmental Satellite-R Series (GOES-R) program continues to meet requirements and manage development challenges. The launch of the first GOES-R satellite has been delayed to a date yet to be determined, increasing the potential for the GOES fleet to be without ensured coverage should an operational satellite fail.
- *NOAA observational data processing.* NOAA may need to defer or even eliminate planned operational capabilities as it completes complex integration testing for the GOES-R and JPSS-1 missions in order to launch both satellites as soon as possible and mitigate potential data gaps. Post-launch test activities, as well as validation of data flows and products, will need to be closely monitored to ensure timely processing for user availability.
- *NOAA Fisheries data.* To increase efficiency and oversight, NOAA Fisheries has considered using emerging electronic technologies, such as video monitoring, to increase coverage and reduce human observer costs, as well as contribute to a more cost-effective and sustainable collection of fishing data. However, NOAA Fisheries has not yet developed a nationwide strategic plan and continues to have each region developing its own plan, with current objectives detailed across multiple policy documents.

4. **DATA: Maximize the positive impacts of Commerce data on Society.**

- *2020 Census quality and cost.* The Bureau continues to face challenges in achieving cost savings goals while fully utilizing resources needed to achieve design decision and research and testing goals. Moreover, the Bureau still needs to develop a defined schedule for achieving key milestones in order to complete the operational development and systems testing phase and begin readiness testing and execution by FY 2019.
- *Other Census Bureau challenges.* One of the Bureau's key challenges in preparation for the 2020 Census has been to effectively record, collect, and use financial data to guide programmatic decisions. Another decennial challenge has been developing, testing, and implementing a cost-effective, secure 2020 Census IT infrastructure.
- *Departmental compliance with the DATA Act.* The DATA Act requires federal agencies to make available detailed information on their spending and use of federal funds and reporting it by specific categories, such as how much funding an agency receives from Congress and how much agencies spend on specific projects and awards. Due to the Department's legacy information systems, providing reliable and consistent agency program information and meeting the goals of the DATA Act will be a significant challenge.

5. **OPERATIONAL EXCELLENCE: Strengthen the Department's capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely products.**

- *The Department's financial systems.* For each of the past 3 years, the independent auditor of the Department's annual financial statements reported general IT controls as a significant deficiency. Despite the Department's ongoing efforts to implement corrective actions, the independent auditor found that weaknesses still exist and require management's attention. In addition, the lack of centralized and integrated financial management systems to replace Commerce Business Solutions creates challenges for the Department. This includes the ability to effectively report financial data and monitor financial activity across its operating units.
- *Department-wide IT security issues.* Addressing persistent IT security issues poses challenges for the Department. These include implementing basic security measures required by NIST's risk management framework; remediating critical and high-risk vulnerabilities as it implements its enterprise cybersecurity monitoring and operations initiative; improving the quality and thoroughness of system security control assessments; and continuing to strengthen its incident detection and response capabilities through its Enterprise Security Oversight Center (ESOC) initiative.
- *Departmental contracts, acquisition workforce, and procurement data.* A government-wide initiative calls for federal agencies to reduce spending on high-risk contract types, such as time-and-materials and labor-hour, cost reimbursement, and noncompetitive contracts. The Department still faces challenges in contract oversight and administration. Also, during FY 2015, the Department enhanced its acquisition workforce recruitment efforts by attending college and job fairs, exploring recruitment incentives, and using special hiring authorities. Despite this aggressive

recruitment effort, the Department still fell short of its staffing goal due to attritions and retirements. Finally, the Department needs to improve its process for entering accurate and reliable data into the Federal Procurement Data System-Next Generation.

- *Department-wide culture of accountability.* One major challenge arises from OIG hotline complaints: detecting and preventing time and attendance abuse, which OIG has investigated at USPTO, Office of General Counsel, Census, and NOAA. Another challenge involves ensuring that OIG independence and access is more strongly supported. To achieve this, the Department's senior leadership must create a culture that supports OIG's oversight function by encouraging all employees to cooperate with OIG audits, inspections, and investigations.

Over the past several years, the Department has experienced many problems as a result of poor internal controls, such as inappropriate acquisition and contracting practices, improper accounting of millions of dollars in reimbursable agreement services, and unjustified use of forfeited assets. To its credit, Department top-level management has issued directives requiring immediate and across-the-board corrective actions when becoming aware of these deficiencies. The Offices of the Chief Financial Officer and Chief Information Officer also took actions to strengthen Department oversight and promulgate consistent practices among bureaus. Commerce leadership must continue showing the way forward to establish an accountability culture with increased transparency, readily available support, and independent validation. This is perhaps the Department's biggest challenge.

OIG remains committed to keeping Department decision makers informed of both long-standing and emerging problems identified through OIG's audits and investigations, so timely corrective actions can be taken. OIG's offices are using base resources to support these current efforts:

Executive Direction and Counsel (\$4.5 million). The primary governing units of OIG are the immediate office of the Inspector General (IG) and the Office of Counsel (OC). The immediate office of the IG provides overall leadership and policy direction for the agency and OC provides legal guidance in support of the agency's mission.

Audit and Evaluation (\$26.5 million). The Office of Audit and Evaluation (OAE) conducts audits and evaluations of programs and operations, providing the Department valuable independent assessments of cost-efficiency and effectiveness. OAE performs work planned and in response to Congressional or Departmental requests, which covers such activities as financial controls, operational efficiencies, information systems, program performance, and major acquisitions.

OAE's work in FY 2015 and early 2016 included a number of recommendations and improvements to the Department's operations, a select number of which are detailed below:

- *FirstNet Financial Disclosures and Contract Monitoring:* In a final report issued December 5, 2014, OIG found that (1) the Department's confidential and public financial disclosure monitoring procedures were inadequate, (2) FirstNet Board members did not file timely public financial disclosure reports, (3) FirstNet Board operational procedures for monitoring potential conflicts of interest need improvement, and (4) FirstNet contracts were awarded

without competition or sufficient oversight of hiring and were not adequately monitored. In other matters, OIG found concerns remain with possible lack of competition and conflicts of interest while awarding FirstNet task orders under the Department's established blanket purchase agreements. The audit findings include potential monetary benefits, in the form of unsupported costs, totaling \$11 million. (December 2014)

- *USPTO Patent Quality Assurance Practices*: OIG audited USPTO's patent quality assurance practices. OIG determined that (1) USPTO's performance appraisal plan and related policies are ineffective at measuring whether examiners are issuing high-quality patents, (2) USPTO's official quality metrics may underrepresent the true error rate, (3) USPTO is not collecting data that could improve patent quality, and (4) USPTO's response to patent mortgaging may not discourage abuse. (April 2015)
- *Geostationary Operational Environmental Satellite–R Series Launch Schedule*: OIG conducted an audit to assess the adequacy of GOES-R development activities as the program completes the ground system and fabrication of flight instruments and the spacecraft, and transitions to system integration and testing. OIG found that (1) a GOES-R launch delay has increased length of potential on-orbit backup satellite gap for the GOES constellation; (2) the ground segment project initially lacked experienced lead engineering managers and consistent contracting office support; and (3) planning and communications deficiencies forced two costly re-plans of core ground system development. (May 2015)
- *Cost Estimates, Long-Term Savings, Milestones, and Enterprise Architecture Policy Are Needed for Common Satellite Ground System Program*: House Report 113 - 448, "Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2015," directed OIG to report to Congress on NOAA's existing satellite ground infrastructure, as well as the agency's plans for implementing a common ground system architecture (enterprise architecture, or EA). It also specified that the report should review the adequacy of NOAA's planning efforts and milestones for achieving a common ground system and the adequacy of its planning with respect to system redundancy, security, and scalability. In our final report to Congress (issued June 11, 2015), OIG found that EA planning is underway—but cost estimates are needed to determine appropriate investment reviews and reporting. OIG also found that planning is following best practices, but return on investment and plans and milestones beyond 2016 are yet to be determined. Finally, OIG found that NOAA's National Environmental Satellite, Data, and Information Service is mostly compliant with EA guidance, but improvements are needed to enhance institutional commitment, quality assurance, information sharing, and IT security planning. (June 2015)
- *EDA Revolving Loan Funds*: OIG audited EDA's Revolving Loan Fund (RLF) program. It found that EDA did not aggressively respond to noncompliant RLFs, exposing agency funds to misuse and economic loss. The agency did not address persistent noncompliance with capital utilization requirements; ensure grantee compliance with semiannual reporting requirements; and require grantees to submit updated RLF plans. OIG also found that inflexibility in current RLF regulations and limited resources reduce EDA's ability to effectively oversee problematic or underutilized RLFs. The audit findings include potential monetary benefits of \$46,458,670 in funds to be put to better use. (June 2015)

- *DOC Premium-class Travel Justification, Approval, and Reporting:* This audit evaluated whether the Department has established effective controls over approval, justification, and documentation of premium-class travel in order to comply with the Federal Travel Regulation (FTR) and applicable laws, regulations, and policies. OIG found that (1) premium-class travel was not always properly supported and/or justified, (2) unauthorized officials approved use of premium-class travel, and (3) premium-class travel reported to the General Services Administration was inaccurate and incomplete. The audit reported \$112,164 in unsupported costs. (August 2015)
- *Audit of FirstNet's Workforce and Recruiting Challenges, Participation at Discretionary Outreach Events, and Internal Control:* OIG initiated this audit to evaluate and assess FirstNet's efforts and progress toward developing the technical design aspect for the Nationwide Public Safety Broadband Network (NPSBN) against key technical requirements and standards, the requirements of the Middle Class Tax Relief and Job Creation Act of 2012, stakeholder requirements, and established performance metrics and milestones. However, after performing its audit procedure of assessing risk, OIG modified its audit objective to assess FirstNet's efforts and progress toward developing the NPSBN—including establishing an organizational structure, conducting initial consultation and outreach, and finalizing a network design. In a final memorandum issued August 14, 2015, OIG found that FirstNet faces hiring challenges and places significant responsibility on a few key individuals, (2) can improve planning for discretionary outreach event participation, and (3) is not consistently executing its established controls. Regarding other matters, OIG also found that (a) FirstNet did not meet its original goal of scheduling initial consultation meetings with jurisdictions and (b) that delays in issuing two critical Requests for Proposals (RFPs) could result in delayed implementation of the NPSBN. (August 2015)

OAE's current ongoing work involves:

- FirstNet Efforts to Address Federal Agency Challenges
- MTdb and LUCA Program Preparation
- NMFS Observer Program
- Polar Satellite Follow-on Planning and JPSS Implementation
- Controls over the NIST Working Capital Fund
- Census Working Capital Fund Budget
- Trademark Activity-Based Costing & Fee Setting
- NOAA At-Sea Monitoring (ASM) program
- NMFS Alaska Office Funding for Personal Services
- Census Unliquidated Obligations
- Census Non-Competitive Contracts
- GOES-R Integration and Test Activities in Preparation for Launch
- Commerce Operations in China
- USPTO's Inventory for Hoteling Employees
- 2015 Census Site Tests
- MAF/TIGER Continuous Updating
- USPTO Non-competitive Contract Awards
- FirstNet Management of Interagency Agreements

- FY 2016 FISMA Compliance Audit
- Denali Commission Inventory Management
- NOAA Real Property Management
- Louisiana Office of Coastal Protection and Restoration Grant
- Intellectual Property Rights Attache Program
- NOAA Fisheries Finance Program
- NIST Unliquidated Obligations
- National Ocean Service Sole-Source Contracts
- NIST Security and Foreign National Access
- National Weather Service Workforce and Contractor Services
- BIS USXPORTS Adoption and CUESS Implementation
- NOAA IT Security

OAE also conducts annual audits of the Department's financial statements and information security program and practices; prepares semiannual reports summarizing OIG activities; completes an annual audit plan prior to the start of the fiscal year, supported by an annual risk assessment of Department offices and programs; and issues an annual report on the Department's top management challenges.

Investigations (\$6.7 million). The Office of Investigations (OI) investigates alleged or suspected fraud, waste, abuse, and misconduct by Commerce employees, contractors, recipients of financial assistance, and others involved in the Department's programs and operations. Such wrongdoing may result in criminal and/or civil prosecution, as well as administrative sanctions for violations of Department regulations and employee standards of conduct. OI's significant areas of criminal work are as follows:

- *Contract and grant fraud*: OI investigates fraudulent activity related to grant awards made by Commerce operating units as well as contracts entered into by the Department and its operating units.
- *Employee misconduct*: OI investigates or assists the Department in handling employee misconduct involving Commerce funds and programs. These cases cover a wide range of improper behavior—from misusing one's official position to stealing government property—that may warrant administrative sanction or criminal prosecution.
- *Support for other law enforcement offices*: OI often partners with other law enforcement agencies to investigate cases involving Commerce employees as victims or perpetrators of crimes not directly related to the business of the Department.

OI's investigative work from October 2014 through December 2016 resulted in several significant achievements, including criminal and administrative actions, public reports and other efforts that led to improvements to the Department's programs and operations. OIG's investigations resulted in 13 indictments, criminal informations, and criminal complaints; 8 guilty pleas and convictions; 3 suspensions/debarments of contractors and grantees; over \$300,000 in restitution, fines, settlements, and other recoveries; and dozens of employee removals, reprimands, counseling or

other actions. In addition, OI identified over \$1.1 million in waste, abuse, and other losses to the federal government in our investigative work.

OI is also continually striving to improve its own processes and operations to bolster operational support to investigators and to make investigations more efficient and effective. For instance, OI is engaged with OIG's statisticians to develop cutting-edge data analysis to identify waste, fraud, and abuse on a macro scale; standing up a fully functional digital analysis group to provide expert forensic analytics on IT-related matters; and the acquisition of a sophisticated e-discovery platform to make the review and categorization of electronic records more efficient in our investigations.

A select number of OIG's recent investigative highlights are noted below.

Former EDA Employee Indicted: In 2015, a federal grand jury indicted a former EDA employee for multiple counts of wire fraud and mail fraud, as well as making false statements in connection with an extensive scheme to fraudulently obtain federal and state benefits in excess of \$250,000. The indictment was returned following a joint investigation by DOC OIG, Social Security OIG and other federal law enforcement groups. A trial is currently scheduled in March 2016.

Member of Congress and Associates Indicted: In July 2015, an OIG investigation resulted in the U.S. Attorney's Office for the Eastern District of Pennsylvania indicting a member of Congress and four of his associates for participating in a racketeering conspiracy. The indictment, which named Congressman Chaka Fattah Sr. and four others, cited 29 counts including bribery, money laundering, bank fraud, and false statements to a financial institution. The indictment alleged that, in connection with his failed 2007 campaign to serve as mayor of Philadelphia, Fattah and certain associates perpetuated several schemes to extinguish campaign debts by issuing sham contracts and grants. One scenario included \$130,000 owed to a political consultant to whom Fattah and his associates allegedly arranged for the award of federal grant funds. According to the allegations in the indictment, Fattah directed the consultant to apply for a \$15 million grant (which ultimately the consultant did not receive) on behalf of a then non-existent nonprofit entity. In exchange for Fattah's efforts to arrange the award of the funds to the nonprofit, the consultant allegedly agreed to forgive the debt owed by the campaign. Another of the five schemes with which Fattah and associates are charged is one OIG discovered and investigated, related to grant fraud involving the Educational Advancement Alliance, a recipient of a NOAA grant. The indictment alleged that the Educational Advancement Alliance obtained \$50,000 in federal grant funds to support a conference on higher education, even though the conference never took place. Instead, the grant funds were used to pay \$20,000 to a political consultant and \$10,000 to an attorney. Other funds were converted for personal use. In addition to being investigated by DOC OIG, this matter was also investigated by the FBI, IRS, and OIGs from the Department of Justice and NASA.

Investigation into Alleged Contracting Misconduct and Exertion of Improper Influence Involving a Senior National Weather Service (NWS) Official: In June 2015, OIG found that a former senior NWS official participated in the creation of his own post-retirement contractor position while still employed at NWS and attempted to influence NWS officials to secure a contract position for his immediate family member after becoming a contractor himself. The report garnered significant media attention and an OIG official testified in a Congressional hearing on the matter.

OIG is seeking suspension and debarment of the former senior official who was the subject of this investigation as well as his former supervisor at the time.

Census Sole Source Award: In June 2015, OIG found that the Census Bureau, in attempting to recruit top talent to fill a critical position at the agency, may have violated the Competition in Contracting Act, the Federal Acquisition Regulation, federal regulations governing the use of commercial recruiting firms in issuing a sole source contract for executive search services, and Department policies prohibiting receiving services from a contractor without a contract in place and using personal email to conduct official government business. OIG found that Census' Acquisition Division failed to perform its oversight function and did not appropriately advise Census officials with respect to the acquisition. OIG recommended that Census take action against the officials involved and made several recommendations to strengthen Census contracting operations.

Apparent Conflict of Interest in Fisheries Commission and Gaps in Relevant Laws: In February 2015, OIG provided a letter to Representative Walter B. Jones regarding a constituent concern about an alleged conflict of interest in the Atlantic States Marine Fisheries Commission, a fishery commission created by interstate compact. OIG found an apparent gap in ethics laws governing the Commission and at least some of its commissioners. OIG also found a lack of clarity between federal conflict-of-interest requirements and a regulation governing federal Fishery Management Councils. OIG also provided this letter to the Senate Committee on Commerce, Science, and Transportation, as well as the House Committee on Natural Resources.

Fraudulent Purchases Involving Government Email Addresses: In June 2015, OIG found, jointly with other agencies, that two individuals committed identity theft and compromised government email accounts, including several from Census employees, and used the accounts, together with fraudulent personal credit cards, to purchase items that were then shipped overseas for sale on the black market. One individual was convicted, sentenced to prison for 36 months, and ordered to pay over \$630,000 restitution to the victims in the case; the other individual remains at large and is presumed to be residing overseas.¹

Grant Recipient Created Fraudulent Entities and Awards them \$320,000 in Contracts: The director of a university technology center created two fraudulent consulting entities and, using grant funds awarded to the center approximately \$320,000 in contracts. The director pled guilty in May 2015 to one count of wire fraud. Furthermore, OIG recommended suspension and debarment actions. In December 2015, the director was sentenced to 27 months in prison followed by three 3 years supervised release and ordered to pay \$336,000 in restitution.

Development District Executives Stole \$300,000 in Federal Funds: OIG found that the director and deputy of a development district created multiple companies in which to funnel government monies received from EDA's Revolving Loan Fund for their personal gain. The deputy director pled guilty to one count of theft of government funds. The director pled guilty to bank fraud and theft of government funds. In September 2015, the deputy director pled guilty and was

¹ The dollar amount represented here is not included in the summary statistics on the previous page as it was claimed by another agency participating in the task force.

scheduled to be sentenced in November 2015. The judge granted a motion to continue his sentencing until after the March 2016 trial of a development district director.

Non-Profit Director Improperly Used Grant Funds for Personal Enrichment: OIG found that the executive director of a sub-recipient of a Broadband Technology Opportunities Program (BTOP) grant received a personal financial benefit from an undisclosed self-dealing office lease. The director established a public computer center on property he owned and may have reported inflated or false usage statistics for the center. The Department is currently processing a debarment for this individual.

NIST Police Officer Sentenced Following Attempt to Manufacture Methamphetamine: In January 2016, the U.S. Attorney's Office for the District of Maryland announced that a former police officer at NIST was sentenced to 41 months in prison for attempting to manufacture methamphetamine in a laboratory room on the NIST campus in Gaithersburg, Maryland, which resulted in an explosion. According to the plea agreement, on July 18, 2015, the officer, a lieutenant with the NIST police force, used equipment to manufacture methamphetamine in a NIST facility. While attempting to produce the substance, the individual caused an explosion that damaged four of the room's windows, which were found at distances ranging from 22 to 33 feet from the building.

Time and Attendance Fraud and Other Misconduct by Employees in the Census Hiring and Employment Check Office: OIG found widespread time and attendance abuse by 40 employees of the Census Hiring and Employment Check (CHEC) Office amounting to a discrepancy of 19,704 hours (or 2,463 full 8-hour work days) between their reported work time and their actual work time. This amounted to a loss of approximately \$1.1 million to the government. OIG also found that one CHEC manager misused his official position by his involvement in the hiring and recommendation of numerous employees and contractors with whom the employee had a personal relationship. Further, OIG found that certain CHEC employees attempted to intimidate witnesses, actively endeavored to interfere with our investigation, and made false statements to OIG. Based on our findings and recommendations, the Bureau is in the process of removing numerous CHEC employees. In addition, the Bureau has made substantial changes to the organization, policies, and internal controls as a result of our investigation.

Misconduct and Waste of Government Resources by a Senior Official: OIG found that a senior official misused government computer equipment by maintaining an excessive amount of government-issued equipment at her private residence, including to view and/or store pornographic material. OIG also found that the senior official abused official travel in order to benefit her personally at an increased cost to the government and had discrepancies in her time and attendance. OIG also concluded that the senior official failed to comply with an OIG preservation order and retaliated against a cooperating witness. Based on our findings and recommendations, DOC is in the process of improving policies and training and the senior official's conduct is being reviewed by DOC for appropriate administrative action.

Investigation Into Environmental Stewardship on A NOAA Research Vessel: In September 2015, OIG issued a report of investigation finding numerous violations by engineering personnel on a NOAA research vessel. The investigation found a general lack of oversight in this area of

operations by several NOAA Commissioned Officer Corps on this ship, as well as a culture that discouraged environmental compliance efforts. Contributing factors to the incidents reported include stagnation and lack of rotation in the engineering staff. OIG's report made a number of recommendations to address OIG findings.

Current OIG Resources

OIG has a base of 177 FTE in FY 2017, and a base funding level of \$37,620,000. This includes a \$2 million transfer from USPTO, a \$1.302 million transfer from NOAA, and a \$1.551 million transfer from Census, which are continued for FY 2017 and assumed in OIG's base funding. OIG's headquarters office is located in Washington, D.C. and field offices are located in Atlanta, Denver, Seattle, and Anchorage.

INCREASE REQUEST

Statement of Need

Because the Department continues to operate in a time of fiscal constraint, the need for OIG oversight is increasing. Program managers primarily focus on achieving their program goals, and during periods of constrained resources they are significantly more likely to ignore internal controls in order to achieve those goals. Further, the Department is standing up two major multi-billion dollar programs over the next several years, the 2020 Decennial Census and FirstNet. OIG requested but did not receive funding for oversight of FirstNet in the Consolidated Appropriations Act, 2016; in addition, OIG will not have the resources to provide adequate oversight of the Decennial Census in support of the Department's Data strategic goal.

OIG has identified five areas of high risk to the Department requiring significant or enhanced oversight that cannot be funded from within OIG's base resources. OIG proposes to close these gaps with this budget. The gaps are:

Census Bureau. OIG has identified significant concerns with the Census Bureau's decennial census project management controls and schedule slippages and, if not overseen in a timely manner, could severely limit the Bureau's ability to use innovative design alternatives to a costly paper-based 2020 Census. The Bureau must remain on track with its own research, testing, and deployment schedule for new cost-saving methods. If it cannot successfully develop new methods, the Bureau will risk wasting billions of dollars in missed savings, as well as the cost of the failed improvements.

FirstNet. FirstNet's efforts to use \$7 billion in spectrum sale proceeds to establish the public safety broadband network (PSBN) are an area requiring substantial OIG oversight, especially as its operations and spending increase. FirstNet has already received significant Congressional and media attention and is the subject of ongoing investigations and audit work.

Cybersecurity. OIG has identified improving cybersecurity as one of the Department's top management challenges. Over the years, OIG's annual assessments under the Federal

Information Security Management Act of 2002 (FISMA) have repeatedly identified significant flaws in basic security measures protecting the Department's IT systems and information. If not addressed in a timely matter, these persistent security deficiencies will continue to make the Department vulnerable to cyber-attacks, potentially resulting in a devastating impact on the Department's missions as demonstrated by the recent NOAA cyber incident.

Acquisitions and Contracts. From 2012 to date, 40% of the contract obligations awarded by the Department have been high-risk obligations with limited cost restrictions unlike those associated with fixed price contracts. Within NOAA alone, 73% of contract obligations at the National Ocean Service (NOS) and 60% of those at the National Environmental Satellite, Data, and Information Services (NESDIS) are considered high-risk. In addition, over 15% of these contract obligations during this period were awarded with either no or limited competition, including 56% of those within NOS. As these conditions exist, NOAA is planning to undertake a new approach to contracting for services (Pro-Tech) requiring significant additional oversight resources.

International Trade, Investment, and Export Control. Increasing international trade and encouraging foreign direct investment are major management challenges for the Department. Both initiatives are Administration priorities that require significant funding and management attention. The success of these initiatives depends on enhanced coordination, both among the bureaus and with other federal agencies, and will require close oversight to ensure this success. However, with its base resources, OIG has been able to complete a total of two audits of ITA and BIS combined since 2007.

FY 2017 Increase Request

For FY 2017, OIG requests an appropriation increase of \$4,400,000 and 31 FTE, of which:

- \$767,000 will fund inflationary increases to ensure that funding provided for OIG oversight is not consumed by the increasing cost of the current level of oversight;
- \$1,329,000 will fund increased oversight of Departmental Cybersecurity;
- \$1,586,000 will fund oversight of FirstNet;
- \$1,026,000 will support increase oversight of Departmental acquisition and contracting;
- \$853,000 will fund increased oversight of Departmental international trade, investment, and export control activities, and
- \$23,000 is to provide support for the Council of Inspectors General for Integrity and Efficiency.
- In addition, OIG requests a decrease of \$417,000 for the Departmental Working Capital Fund.

OIG also requests an increase in the transfer from the Census Bureau of \$1,029,000 for increased oversight of the 2020 Census. OIG's total request for FY 2017 is \$37,167,000 in appropriations and \$5,882,000 in transfers for total new budget authority of \$43,049,000 and 208 FTE.

Significant Adjustments-to-Base (ATBs)

For adjustments to base, OIG requests an increase of \$767,000. This increase will pay increases in FY 2016 and 2017 and inflationary costs, including \$117,000 in cost increases for the Departmental Working Capital Fund.

Funding Requirements	Program Budget Profile (Dollar amounts in thousands)						
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Office of Inspector General	36,853	43,049	43,910	44,788	45,684	46,598	47,530
Total Dollars	36,853	43,049	43,910	44,788	45,684	46,598	47,530
Total FTEs	177	208	213	213	213	213	213

SCHEDULE AND DELIVERABLES

Deliverables & Schedule:

OIG's major deliverables include:

- A report on the top management challenges facing the Department – *published in October*;
- A semiannual report summarizing work OIG completed or initiated in the previous six months – *published in March and September*;
- Reports on audits and evaluations – *performed according to OIG's annual audit plan, which may be modified to address new priorities*;
- Responses to Congressional requests, including testimony – *as necessary*;
- The financial audit report of the Department and its bureaus – *provided in November*;
- Recommendation tracking- ensuring that OIG's recommendations are appropriately implemented by management – *ongoing*;
- Issuance of several public investigative reports – *published throughout the year following OIG's determination about the importance of disclosure of certain matters under investigation*;
- Evaluating and determining how to address approximately 1,200 hotline complaints in a given year—*production is ongoing throughout the year*;
- Conducting casework on over 100 criminal, civil, and administrative investigations and typically initiating and closing about 70 investigations per year—*production is ongoing throughout the year*;
- Annual risk assessment and audit plan – *October*; and
- Department training where OIG provides guidance to program management and grant recipients on implementing effective control – *as necessary*.

PROGRAM PERFORMANCE METRICS AND OUTPUTS

Performance goal:

– 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.

Performance Measures	FY 2015 Actual	FY 2016 Target /4	FY 2017 Target	FY 2018 Target
Measure 1. Percent of OIG recommendations accepted by Departmental and bureau Management. /1	94%	95%	95%	95%
Measure 2. Percent of investigative cases completed within 365 days. /2	56.4%	70%	70%	70%
Measure 3. Dollar value of all financial benefits identified by OIG. /3	\$86.4 M	\$70.0 M	\$70.0 M	\$70.0 M

/1 “Accepted” = OIG has approved the Department or bureau action plan, and the audit, evaluation, or inspection is “resolved.” “Accepted” does not imply that OIG’s report recommendations have been implemented.

/2 During FY 2015, OIG continued its effort to close old cases and address investigations in a timelier manner. However, during FY 2015, OIG finished several complicated and high-profile investigations. The cases that exceeded OIG’s timeliness metric this year included six investigations where reports were released to the public and two matters that were indicted by federal prosecutors. In addition to the resources required to work these cases, several investigators were diverted from working other cases to address the higher-priority matters. To improve operations, OIG has hired additional investigative staff, and will continue to work to meet this metric in FY 16.

/3 Dollar value includes both OAE and OI potential financial benefits.

/4 As of November 2015, FY 2015 OIG financial benefits totaled \$86,361,093.

FY 2017 TRANSFER CHANGE SUMMARY

Transfer
Change: **Increased Oversight of 2020 Decennial Census Activities**

Amount: **+\$1.0 Million** FTE: **+6**

Budget
Activity: **Office of Inspector General**

PPA: **Office of Inspector General**

TRANSFER CHANGE DESCRIPTION

OIG requests an increased transfer of \$1.029 million and 6 FTE for increased oversight of the 2020 Census activities in the Department of Commerce, for a total transfer from the Census Bureau of \$2,580,000.

Business Problem

The Census Bureau's goal, and its challenge, is to implement a Census that maintains quality and costs less per household than the 2010 Census (\$94, adjusted for inflation). The lifecycle cost of the 2010 decennial—originally estimated at more than \$11 billion—exceeded \$12 billion.

The Census Bureau is targeting major design changes in four key areas: new methodologies to conduct address canvassing; options to increase household self-response; the use of administrative records to reduce the nonresponse follow up workload; and reengineering field operations through the use of technology to replace intensive paper processes (such as enumeration, payroll, and training), realigning staff, and reducing the number of field offices. The Bureau announced the preliminary operational plan in December 2015.

The Bureau anticipates saving over \$5 billion (compared with repeating the 2010 design in the 2020 Census) by implementing the following:

- Adding new addresses to the Census Bureau's address frame using geographic information systems and aerial imagery instead of sending temporary employees to walk and physically check 11 million census blocks.
- Encouraging use of the Internet response option to reduce the need for more expensive paper data capture.
- Using data the public has already provided to government and commercial sources to focus efforts on traditionally hard to enumerate households.
- Using systems and technology to efficiently assign work, collect data, and monitor progress.

Leveraging enterprise-shared services is another innovation that will impact the 2020 design and cost. The Census enterprise data collection and processing (CEDCaP) initiative will support significant portions of the 2020 Census.

The 2016 Early Operations Test will determine how one operation affects another, and ensure integration between operations and systems. The Operational Readiness Test, an end-to-end test of operations and systems, will occur in FY 2017, and is the Census Bureau's last chance to make adjustments prior to the 2020 Census. If testing does not go well, the Census Bureau may not have time to mitigate the risk associated with the significant design changes and will likely adopt a more conservative, more expensive approach.

Other key activities occurring in FY 2017 include: opening regional census centers; processing local, state, and tribal government address review; refining the communication/partnership strategy; launching the "Census in Schools" program; finalizing the final field data collection instrument; and finalizing and preparing the various operations associated with: ensuring an accurate address list, enumerating areas that do not receive mail, enumerating group living situations, enumerating transitory locations, and following-up on the people that did not respond to the mailings. All of the above require the Bureau to develop and document the processes, procedures, and controls that will allow it to successfully hire, train, and deploy temporary staff.

Proposed Solution

As the planning for the Census approaches, OIG will need to field two to three more teams with more staff (current audit teams typically have two to three members), expanding the breadth of operational coverage as well as the scope.

The IG's focus of the two or three teams will be on 2017 operational readiness test, high-risk areas resulting from the 2016 operational test, and OIG's assessment of areas not covered by the 2016 and 2017 tests. In 2018 and 2019 OIG will be actively monitoring and reporting on the cost, schedule, and progress of decennial operations.

Base Resources Assessment

Congress provided a \$1.551 million transfer in FY 2015 from the Census Bureau to OIG for activities associated with carrying out investigations and audits related to the Census Bureau.

To oversee 2010 Census operations, OIG was forced to divert almost its entire workforce, including attorneys and administration staff, to census oversight activities. OIG issued 27 reports and testified before Congress six times about the status of the 2010 Census planning and implementation efforts during the decennial life-cycle. In order to provide adequate oversight of the Census Bureau for the 2020 Census, without reducing the level of oversight to other areas of the Department, OIG will require significantly more resources as the decennial census ramps up later in the decade.

SCHEDULE AND DELIVERABLES

Schedule & Milestones:

This funding would provide for three to four audits/evaluations each year for FY 17 – 22, as well as other oversight products.

Deliverables:

The requested resources would fund two teams of auditors for this purpose.

PERFORMANCE METRICS

Performance Goal Performance Measure: # of Audits	FY 17 Target	FY 18 Target	FY 19 Target	FY 20 Target	FY 21 Target	FY 22 Target
With increase	7	7	7	7	7	7
Without increase	4	4	4	4	4	4

Performance Goal Performance Measure: \$ recovered or put to better use.	FY 18 Target	FY 19 Target	FY20 Target	FY 21 Target	FY 22 Target	FY 23 Target
With increase	\$8M	\$11M	\$11M	\$11M	\$11M	\$11M
Without increase	\$5M	\$5M	\$5M	\$5M	\$5M	\$5M

TRANSFER CHANGE PERSONNEL DETAIL

Transfer Change Personnel Detail

Program: Office of Inspector General

Subprogram: Office of Inspector General

Title :	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Sup. Auditor/Program Analyst	Washington	14	2	107,325	214,650
Info. Tech. Specialist	Washington	13	2	90,823	181,646
Auditor/Program Analyst	Washington	13	2	90,823	181,646
Auditor/Program Analyst	Washington	12	1	76,378	76,378
Auditor/Program Analyst	Washington	11	1	63,722	63,722
Total			<u>8</u>		718,042
					0
less Lapse		25%	<u>2</u>		<u>(179,511)</u>
Total full-time permanent (FTE)			<u>6</u>		538,532
2016 Pay Raise of 1.3%					7,001
2017 Pay Raise of 1.6%					8,729
Total					<u>554,261</u>

Personnel Data

Full-Time Equivalent Employment:

Full-time permanent

Other than full-time permanent

Number

6

0

6

Authorized Positions:

Full-time permanent

Other than full-time permanent

Total

8

0

8

Transfer Change Detail by Object Class

Activity: Office of Inspector General

Subactivity: Office of Inspector General

		FY 2017
Object Class		Change (\$000)
11	Personnel compensation	
11.1	Full-time permanent	\$554
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	6
11.9	Total personnel compensation	<u>560</u>
12	Civilian personnel benefits	146
21	Travel and transportation of persons	68
22	Transportation of things	0
23.1	Rental payments to GSA	32
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	24
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	64
25.3	Purchases of goods & services from Gov't accounts	93
26	Supplies and materials	2
31	Equipment	<u>40</u>
99	Total obligations	<u>1,029</u>

FY 17 PROGRAM CHANGE SUMMARY

Program
 Change: **Increased Oversight of Departmental Cybersecurity**

Amount: **\$1.3 Million** FTE: **5**
 Budget

Activity: **Office of Inspector General**

PPA: **Office of Inspector General**

PROGRAM CHANGE DESCRIPTION

OIG requests an increase of \$1.329 million and 5 FTE to provide additional oversight of Departmental cybersecurity.

Business Problem

The Department's 275 information technology (IT) systems process, store, and transmit census, economic, trade, satellite, and weather data, among others, in support of the Department's varied mission. Technological advances have enabled the significant growth of cyberspace and the Department depends on various digital infrastructures, including the Internet to provide services to the country and to interconnect its systems.

Cyber threats and attacks continue to increase every day from a range of sources no longer restricted by geographical boundaries. Attackers have become more sophisticated, launching attacks against systems from virtually anywhere at any time. As a result, cyber security must continually strive to secure systems from attackers. The Administration and Congress have highlighted cyber security as a serious threat to the nation, and the President declared that "cyber threat is one of the most serious economic and national security challenges we face as a nation" and "America's economic prosperity in the 21st century will depend on cyber security."

Assessments by OIG's cybersecurity audit program found persistent security weaknesses with basic security controls and measures, placing Commerce systems and information at a higher risk of compromise. These weaknesses include the presence of high-risk vulnerabilities, deficient patch management, inadequate secure configurations, ineffective vulnerability scanning, and security weaknesses not tracked or remediated expeditiously. OIG's work significantly improved the security posture of the assessed systems and improved the effectiveness of the Department's and its bureaus' cyber security programs. Actions taken as a result of OIG's assessments significantly decreased the likelihood of a successful cyberattack, and increased the likelihood of detecting successful attacks. However, in the last two years, OIG was able to assess only 14 of the Department's mission-critical systems, just five percent of the Department's systems. OIG does not have the base resources to provide adequate oversight of these critical systems.

Proposed Solution

OIG proposes to increase the cybersecurity staff by adding seven technical staff and three criminal investigators with specialized security assessment skills. With the additional personnel we are requesting, we anticipate that an additional 16 to 24 systems will be assessed each year, more than tripling OIG's oversight capacity. These assessments will conduct hands-on evaluations of basic security measures and controls implemented on system components. Also, we will expand our testing of system components to (1) evaluate additional critical security measures and controls, (2) assess for unauthorized communications, (3) detect abnormal system behavior, and (4) conduct penetration assessments on the most critical Department systems. Increasing our cyber security assessment capabilities will result in substantially improving the security posture of the Departments mission-critical systems. In addition, OIG proposes to add three computer forensic criminal investigators to augment OIG's current staff of forensic investigators.

The additional resources will allow us to obtain personnel with specialized skills and experience with tools and methods for network vulnerability assessment, penetration assessment, and assessing compliance with secure configurations. Being able to have an extensive, hands-on test program is essential for obtaining high quality information in order to strengthen and protect the Department's many sensitive systems.

Base Resource Assessment

A staff level of five IT security personnel conducted the last two years of cybersecurity reviews. OIG can only assess approximately seven IT systems each year, less than five percent of the Department's total. This level of resources allows an assessment of each of the Department's IT systems about every 39 years. This assumes that OIG did no reassessments.

Departmental Goals Supported

Increased oversight of Departmental IT systems supports the Department's strategic goal to create a high-performing organization with integrated, efficient, and effective service delivery. Within that goal, the proposed increase supports the Departmental objective to create an IT enterprise architecture that supports mission-critical business and programmatic requirements, including effective management of cyber security threats, as well as the Departmental objective to strengthen financial and non-financial internal controls to maximize program efficiency, ensure compliance with statutes and regulations, and prevent waste, fraud, and abuse of government resources.

SCHEDULE AND DELIVERABLES

Deliverables

This funding would provide for the assessment of an additional 16 to 24 Departmental IT systems and the evaluation of additional critical security controls by performing in-depth hands-on testing each year for FY 2017 – FY 2022.

PERFORMANCE METRICS

Performance Goal:	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
IT Systems assessed	Target	Target	Target	Target	Target	Target
With increase	19	31	31	31	31	31
Without increase	7	7	7	7	7	7

RESOURCE REQUIREMENTS

Program Change Personnel Detail

Program: Office of Inspector General

Subprogram: Office of Inspector General

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Info. Tech. Specialist	Washington DC	14	1	107,325	107,325
Computer Scientist	Washington DC	13	2	90,823	181,646
Criminal Investigator	Washington DC	13	1	113,529	113,529
Criminal Investigator	Washington DC	12	2	95,473	190,946
Computer Scientist	Washington DC	12	2	76,378	76,378
Info. Tech. Specialist	Washington DC	11	2	63,722	63,722
Total			10		733,546
					0
less Lapse		25%	3		183,386
Total full-time permanent (FTE)			7		550,160
2016 Pay Raise of 1.3%					7,152
2017 Pay Raise of 1.6%					8,917
Total					566,229

Personnel Data

	Number
Full-Time Equivalent Employment	
Full-time permanent	7
Other than full-time permanent	0
Total	7

Authorized Positions:

Full-time permanent	10
Other than full-time permanent	0
Total	10

Program Change Detail by Object Class

Activity: Office of Inspector General

Subactivity Office of Inspector General

Object Class		FY 2017 Change (\$000)
11	Personnel compensation	
11.1	Full-time permanent	\$566
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	6
11.9	Total personnel compensation	<u>572</u>
12	Civilian personnel benefits	149
21	Travel and transportation of persons	45
22	Transportation of things	0
23.1	Rental payments to GSA	34
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	23
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	336
25.3	Purchases of goods & services from Gov't accounts	128
26	Supplies and materials	2
31	Equipment	40
99	Total obligations	<u>1,329</u>

FY 2017 PROGRAM CHANGE SUMMARY

Program		
Change:	Oversight of First Responder Network Authority (FirstNet)	
Amount:	\$1.6 Million	FTE: +8
Budget		
Activity:	Office of Inspector General	
PPA:	Office of Inspector General	

PROGRAM CHANGE DESCRIPTION

OIG requests an increase of \$1.586 million, funding an additional 8 FTE, to provide oversight of the First Responder Network Authority (FirstNet).

Business Problem

FirstNet, established by the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), is responsible for the establishment, building, operation and maintenance of a nationwide public safety broadband network. In support of this effort, the National Telecommunications and Information Administration (NTIA) will operate a State and Local Implementation Grant Program (SLIGP) for states to assist state, regional, tribal, and local jurisdictions to plan and implement the most efficient and effective way for those jurisdictions to use and integrate the public safety network equipment and infrastructure. Establishing a nationwide public safety network is a challenge that will require fostering cooperation with public safety agencies, integrating ongoing public safety telecommunications projects, and creating a long-term evolution network.

FirstNet will issue contracts directly with private sector entities for the construction and operation of the network. They will also issue grants for the construction of the public safety network to those states that choose to opt out of the nationwide public safety network as proposed by FirstNet and have their alternate plan approved by the Federal Communications Commission. The \$7 billion to be available for the establishment of the public safety network will come from spectrum auction receipts. In order that FirstNet may proceed prior to receiving the receipts from spectrum auctions which may not occur for a number of years, FirstNet has borrowing authority from the Treasury of up to \$2 billion for the establishment of the public safety network and up to \$135 million for the SLIGP. FirstNet is required to recover the total expenses of operating and maintaining the public safety network and has authority to assess, collect, and spend network user fees, network capacity lease fees, and equipment and infrastructure lease fees in order to do so.

To date, FirstNet has focused on establishing an organizational structure, planning, and performing outreach with its stakeholders. However, FirstNet has already received significant Congressional scrutiny and media attention. OIG conducted a review of the procurement and

potential conflict of interest issues that were also raised by a board member. OIG found that a) the Department's confidential and public disclosure procedures were inadequate; b) board members did not file timely public financial disclosure reports; c) board operational procedures for monitoring potential conflicts of interest need improvement; and d) contracting practices lacked transparent award competition, sufficient oversight of hiring, adequate monitoring, and procedures to prevent payment of erroneous costs.

Proposed Solution

Because of FirstNet's scope, complexity, and financial magnitude, OIG requires additional resources to support its auditing efforts of this new program to ensure that the public receives the best value for its investment, and to reduce the likelihood of waste, fraud, and abuse.

To provide oversight for FirstNet, OIG will require three audit teams. One team will examine the technical aspects of the program, including FirstNet's handling of technology and equipment (vendor) selection, and the integration of four Broadband Technology Opportunities Program (BTOP) public safety projects into FirstNet. This team will later provide oversight of the actual implementation of FirstNet, including construction, maintenance, and operations of the National Public Safety Broadband Network (NPSBN). Another team will provide oversight of the FirstNet startup (e.g., hiring and establishment of internal controls), and the contract process. The third team will provide oversight to the SLIGP, outreach efforts, and the grant process. The teams will need to be supported by a lead investigator to investigate complaints made against the program office and contractors supporting the program.

OIG has experience with the Public Safety Interoperable Communications Grant Program (PSIC) and BTOP, also contained within NTIA, which are somewhat similar to FirstNet in scope and magnitude. PSIC provided over \$968 million in grants to states and territories to fund interoperable public safety communications. OIG received over \$3 million via an interagency agreement with NTIA to provide oversight for this program.

Under BTOP, a program to provide grants for deploying broadband infrastructure and increasing sustainable broadband adoption across the United States, NTIA provided over \$3.8 billion in grants to states and territories. Recognizing that the oversight requirements for such a large program were greatly in excess of what OIG could provide within its base funding, Congress provided \$10 million to OIG in no-year funding specifically for BTOP oversight.

Risk Assessment

The FirstNet program is almost twice the size of BTOP, far broader in scope, substantially more complex, and far longer in term. In addition to the Congressional scrutiny and media attention this program is receiving, state and local governments and public safety officials (i.e. police and fire) are closely tracking its implementation. The breadth of this attention will increase as the program matures and significant spending begins. FirstNet includes the design of a nationally interoperable communications network; a mix of direct contracting and grants; operation, maintenance, and upgrade of the network; and establishment, collection, and spending of fees to offset operational costs. Oversight requirements to ensure successful and efficient establishment

and operation, and to avoid waste, fraud, and abuse, will be similarly greater in scope and complexity.

In order to provide adequate oversight of FirstNet without reducing the level of oversight of other competing priorities and statutory mandates, OIG requires dedicated personnel to provide consistent oversight of these expenditures. Providing adequate oversight of FirstNet within OIG's base resources would require a substantial and significant reduction in oversight of the rest of the Department; attempting to provide oversight of FirstNet without significant impact to OIG's oversight of the rest of the Department would result in much less oversight than, in the opinion of the Inspector General, is necessary for this large and complex program.

Base Resource Assessment

From FY 2014 through FY 2016, OIG and FirstNet entered into MOUs for OIG to provide specific audit and investigative services at the request of FirstNet, for total funding of \$1.4 million over the three-year period. However, OIG cannot perform general oversight of FirstNet via MOU; OIG receives an appropriation for general oversight and entering into an MOU for general oversight would constitute an augmentation of funds. To provide adequate oversight for FirstNet, OIG will require three teams of auditors and a lead investigator.

SCHEDULE AND DELIVERABLES

Schedule & Milestones:

This funding would provide for 6 audits and subsequent reports each year for FY 2017-2022.

Deliverables:

OIG would focus its oversight on the following areas:

- Ensuring FirstNet optimizes available resources through successful outreach;
- Ensuring successful, efficient, and effective design, implementation, and operation of the FirstNet public safety network;
- Ensuring grants and contract are pursued efficiently and effectively;
- Reducing waste, fraud, and abuse in FirstNet grants and procurement; and
- Ensuring FirstNet's acquisition strategies are aligned with its resources, as well as ensuring its general program effectiveness.

Also, OIG anticipates that this large dollar value and high visibility program will generate a number of complaints requiring follow-up. To process these complaints, OIG will maintain a formal complaint process.

PERFORMANCE METRICS

Performance Goal Performance Measure: # of Audits... etc.	FY 17 Target	FY 18 Target	FY 19 Target	FY 20 Target	FY 21 Target	FY 22 Target
With increase	4 audit products	6 audit products	6 audit products	6 audit products	6 audit products	6 audit products
Without increase	0 audit products	0 audit products	0 audit products	0 audit products	0 audit products	0 audit products

Performance Goal Performance Measure: \$ recovered or put to better use	FY 17 Target	FY 18 Target	FY 19 Target	FY 20 Target	FY 21 Target	FY 22 Target
With increase	\$4.0M	\$5.0M	\$5.0M	\$5.0M	\$5.0M	\$5.0M
Without increase	0	0	0	0	0	0

PROGRAM CHANGE PERSONNEL DETAIL

Program Change Personnel Detail

Program: Office of Inspector General

Subprogram: Office of Inspector General

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Senior Auditor/Program Analyst	Washington DC	14	1	107,325	107,325
Telecommunications Advisor	Washington DC	14	1	107,325	107,325
Auditor	Washington DC	13	2	90,823	181,646
Program Analyst	Washington DC	13	2	90,823	181,646
Criminal Investigator	Washington DC	13	1	113,529	113,529
Auditor	Washington DC	12	1	76,378	76,378
Program Analyst	Washington DC	12	2	76,378	152,756
Auditor	Washington DC	11	2	63,722	127,444
Total			12		1,048,049
					0
less Lapse		25%	3		(262,012)
Total full-time permanent (FTE)			8		786,037
2016 Pay Raise of 1.3%					10,218
2017 Pay Raise of 1.6%					12,577
Total					808,832

Personnel Data

Full-Time Equivalent Employment:

Full-time permanent

Other than full-time permanent

Total

Number

8

0

8

Authorized Positions:

Full-time permanent

Other than full-time permanent

Total

12

0

12

Program Change Detail by Object Class

Activity: Office of Inspector General

Subactivity: Office of Inspector General

Object Class		FY 2017 Change (\$000)
11	Personnel compensation	
11.1	Full-time permanent	\$809
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	7
11.9	Total personnel compensation	816
12	Civilian personnel benefits	212
21	Travel and transportation of persons	72
22	Transportation of things	0
23.1	Rental payments to GSA	48
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	36
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	164
25.3	Purchases of goods & services from Gov't accounts	180
26	Supplies and materials	4
31	Equipment	54
99	Total obligations	1,586

FY 2017 PROGRAM CHANGE SUMMARY

Program

Change: Increased Oversight of Departmental Acquisitions and Contracting

Amount: +\$1.0 Million FTE: +7

Budget

Activity: Office of Inspector General

PPA: Office of Inspector General

PROGRAM CHANGE DESCRIPTION

OIG requests a program increase of \$1,026,000 and 7 FTE to provide increased oversight of Departmental acquisitions and contracting. With this increase OIG expects to achieve increased financial benefits of \$20 million in FY 2017 of funds recovered or put to better use, increasing to \$40 million by FY 2020.

Business Problem:

OMB has issued Government-wide goals, requirements, and deadlines for significant acquisition improvements, such as reducing reliance on high-risk contract types and noncompetitive awards, and increasing the effectiveness of the acquisition workforce. Further, the administration's continuing emphasis of sound contracting practices heightens DOC's need to have an effective acquisition function.

Over the past several years, multiple contract obligations awarded by the Department have been high-risk obligations with limited cost restrictions, unlike those associated with fixed price contracts. This includes a large number of high-risk NOAA contract obligations at the National Ocean Service (NOS) and the National Environmental Satellite, Data, and Information Service. A notable number of these contract obligations have also been awarded with either no or limited competition. In this contracting environment, NOAA is undertaking a new approach to contracting for services (Pro-Tech) requiring additional oversight resources. OIG's staffing approach will focus OIG professionals on high risk contracts, noncompetitive contracts and NOAA's multi-billion dollar Pro-Tech initiative to address responsible spending. This approach will improve on OIG's ability to provide oversight to multiple Department acquisition initiatives by allowing OIG to maintain multiple ongoing audits.

Statement of Need and Economic Benefits – Cost Benefit Analysis

Since 2011, our contract audits group have realized significant financial savings and process improvements for DOC. For example, OIG identified \$300.2 million in monetary benefits, an average of \$33.4 million per auditor. Also, our contract audits group has issued 7 audit reports that significantly improved DOC's acquisition operations—DOC has either implemented or agreed to implement all 37 recommendations made in these reports. Furthermore, the ratio of

contract audit staff compared to the DOC budget (\$2.4 billion in direct procurement) shows there is currently one contract auditor for each \$266 million of DOC's procurements.

However, to meet current and future oversight requirements, by fiscal year 2017, our contract audit group will need to increase its personnel by 7 FTEs. This FTE growth will allow the contract audit group to enhance its procurement audit coverage in support of the OIG strategic plan and Top Management Challenges concerning acquisition and contracting; support the increasing demand for OIG's contract/grant fraud investigative capabilities; better keep pace with the evolving DOC acquisition environment and its increasing use of contracts to address mission needs; accommodate the continued growing demand to provide significant technical advice and assistance to other OIG groups; and incorporate congressional requests into our audit plan.

Risk Assessment

A sizeable number of the Department's acquisitions for services are considered to be high-risk because they are designed to reimburse contractors for their total costs, thereby often disincentivizing contractors from controlling costs. While this approach is necessary in certain instances, OIG's audits have shown that inattention to planning and implementation has exposed the Department to unnecessary risks that can be mitigated with improved controls. Increases in the value of services and the growing complexity of federal acquisition vehicles only increase the risks of fraud, waste and abuse associated with contract spending.

Base Resources Assessment

Of the approximately 90 professional staff in OAE, there are nine auditors assigned to acquisition audits. Three of these auditors are managers, six full-time staff fully assigned to acquisition audits. With additional resources, OIG will stand up an additional team of auditors. This approach will more closely align OIG resources with Department resources dedicated to acquisition issues.

SCHEDULE AND DELIVERABLES

Schedule & Milestones:

Additional OIG acquisition audit assignments through FY 2019 would include the following:

- FY 2017
 - NOAA Pro-Tech acquisition planning
 - Surveillance of Joint Polar Satellite System (JPSS) contract documentation
- FY 2018
 - Implementation and surveillance of NOAA's Pro-Tech contract vehicle
 - National Weather Service implementation of contracts for modernization of Advanced Weather Interactive Processing System
- FY 2019
 - JPSS post-launch contract implementation and monitoring
 - Small-business set-asides or sole source procurement practices

PERFORMANCE METRICS

Performance Goal Performance Measure: (# of Audits)	FY 17 Target	FY 18 Target	FY 19 Target	FY 20 Target	FY 21 Target	FY 22 Target
With increase	2	2	3	3	3	3
Without increase	1	1	1	1	1	1

Performance Goal Performance Measure: (\$ recovered or put to better use)	FY 17 Target	FY 18 Target	FY 19 Target	FY 20 Target	FY 21 Target	FY 22 Target
With increase	\$60M	\$80M	\$80M	\$80M	\$80M	\$80M
Without increase	\$40M	\$40M	\$40M	\$40M	\$40M	\$40M

PROGRAM CHANGE PERSONNEL DETAIL

Program Change Personnel Detail

Program: Office of Inspector General

Subprogram: Office of Inspector General

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Lead Auditor-Acquisitions	Washington DC	13	2	90,823	181,646
Auditor-Acquisitions	Washington DC	12	2	76,378	152,756
Data Analytics Specialist	Washington DC	12	1	76,378	76,378
Auditor-Acquisitions	Washington DC	11	2	63,722	127,444
Auditor-Acquisitions	Washington DC	9	2	52,668	105,336
Total			9		561,564
					0
less Lapse		25%	2		(140,391)
Total full-time permanent (FTE)			7		421,173
2016 Pay Raise of 1.3%					5,475
2017 Pay Raise of 1.6%					6,739
Total					433,387

Personnel Data

	Number
Full-Time Equivalent Employment	
Full-time permanent	7
Other than full-time permanent	0
Total	7
Authorized Positions:	
Full-time permanent	9
Other than full-time permanent	0
Total	9

		FY 2017
Object Class		Change (\$000)
11	Personnel compensation	
11.1	Full-time permanent	\$433
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	4
11.9	Total personnel compensation	<u>437</u>
12	Civilian personnel benefits	114
21	Travel and transportation of persons	54
22	Transportation of things	0
23.1	Rental payments to GSA	36
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	27
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	125
25.3	Purchases of goods & services from Gov't accounts	135
26	Supplies and materials	3
31	Equipment	95
99	Total obligations	<u>1,026</u>

FY 2017 PROGRAM CHANGE SUMMARY

Program
 Change: **Oversight of International Trade, Investment, and Export Control Activities**

Amount: **+\$0.9 Million** FTE: **+5**

Budget
 Activity: **Office of Inspector General**

PPA: **Office of Inspector General**

PROGRAM CHANGE DESCRIPTION

OIG requests an increase of \$853,000 and 5 FTE to provide increased oversight of Departmental international trade, investment, and export control activities.

Business Problem

The Department of Commerce lists increasing trade and investment as its first priority goal in its Strategic Plan for FY 2014 through 2018 *America is Open for Business*. The Department provides leadership for NEI-Next, its successor to the National Export Initiative that sought to increase opportunities for U.S. companies by opening markets globally; increase U.S. exports by broadening and deepening the U.S. exporter base, increase high-impact inward foreign direct investment in the United States, and to strengthen fair competition in international trade for U.S. firms and workers by addressing and resolving foreign unfair trade practices and enforcing international trade agreements. In addition, the Department continues to work with federal partners to streamline the nation's export control system to strengthen the international competitiveness of U.S. companies.

For FY 2016, the Department of Commerce was appropriated nearly \$606 million (or more than 7 percent of its total FY 2016 appropriations) to fund direct trade promotion and enforcement activities. This amount is represented by the budgets of the International Trade Administration (ITA) and Bureau of Industry and Security (BIS) whose activities include:

- formulating international policy, goals and strategy, and negotiating agreements;
- representing the United States in bilateral, regional, and multilateral forums;
- promoting U.S. exports and commercial representation abroad;
- combating unfair trade practices;
- regulating trade and investment;
- collecting, analyzing, and disseminating international trade and investment data;
- promoting the international competitiveness of U.S. firms;
- mitigating the adverse effects of international trade on U.S. firms;
- enforcing international law under U.S. treaty obligations; and
- administering and enforcing U.S. export control laws and regulations.

Increasing international trade and encouraging foreign direct investment represent major management challenges for the Department. Over the past few years, both ITA and BIS have undergone significant organizational and programmatic changes. ITA reorganized from four business units to three to better assist U.S. exporters and encourage foreign direct investment. BIS has extensively revised its export control list as a result of Export Control Reform, and created new programs to improve its licensing and enforcement functions.

Proposed Solution

OIG requests dedicated resources to oversee these high-visibility, high priority functions performed by the Department in the area of international trade and export control. For example, in November 2015, the U.S. exported \$182.2 billion in goods and services. If OIG audits lead to improvements in the regulatory processes involved in international trade by even .01 percent, the impact would be over \$18 million of increased exports a month.

In response to congressional requests, OIG in 2012 through 2014 assessed ITA's recent consolidation and BIS's existing efforts to implement export control reforms. The success of these initiatives depends on enhanced coordination and communication among the bureaus involved, with other federal agencies, and with U.S. companies who stand to benefit from improved trade opportunities and streamlined export controls. Effective OIG oversight is needed to assess whether the goals of these Department bureaus are being met and their programs are operating efficiently and effectively.

Base Resources Assessment

This work represents an area of expansion in OIG's current audit process. Since FY 2012, OIG has initiated and completed only two ITA program inspections and one BIS audit,² two of which were based on Congressional requests. In recent years, OIG has been able to conduct just one audit per year, generally alternating between ITA and BIS. OIG's FY 2016 audit plan calls for conducting one audit on BIS operations. With additional funding, OIG could perform two concurrent audits per fiscal year, with one team focusing on ITA and the other on BIS. OIG's recent budget increases for oversight of USPTO, Census, and NOAA satellite activities have come in the form of directed transfers for specific areas of oversight, and are not available for oversight of trade promotion, investment, and export control. Nor do the recent budget increases free up funding for other oversight activities, because prior to receiving them OIG's budget was sufficient only to provide statutorily-mandated activities, criminal investigations, and audits specifically requested by Congress or Departmental leadership.

² U.S. Export Assistance Centers Could Improve Their Delivery of Client Services and Cost Recovery Efforts, issued 11/30/2012; BIS' Implementation of Export Control Reform Requires Several Improvements to Address Challenges, issued September 4, 2014; ITA Management Should Address Significant Challenges Related to Its Recent Consolidation, issued March 25, 2015.

SCHEDULE AND DELIVERABLES

Schedule & Milestones:

This funding would provide for one additional audit product in 2017, increasing to two to three audit products annually in FY 2018.

Deliverables:

The potential OIG reviews in the following areas would support the Department's mission:

- Ensuring that the Department's export-promotion strategy maximizes scarce resources.
- Improving intra-agency and interagency coordination on international trade issues, in particular trade enforcement.
- Ensuring the effectiveness of SelectUSA, the Department's strategy for promoting foreign direct investment in the United States.
- Assessing the effectiveness of new BIS programs to implement export control reform changes.

PERFORMANCE METRICS

Performance Measure: Number of audits issued:	FY 17 Target	FY 18 Target	FY 19 Target	FY 20 Target	FY 21 Target	FY 22 Target
With increase	2	3	2	3	2	3
Without increase	1	1	1	1	1	1

Performance Measure: Dollar Value of Financial Benefits Identified by OIG (\$ in millions)	FY 17 Target	FY 18 Target	FY 19 Target	FY 20 Target	FY 21 Target	FY 22 Target
With increase	\$1.5	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Without increase	\$0	\$0	\$0	\$0	\$0	\$0

PROGRAM CHANGE PERSONNEL DETAIL

Program Change Personnel Detail

Program: Office of Inspector General

Subprogram: Office of Inspector General

Title:	Location	Grade	Number of Positions	Annual Salary	Total Salaries
Auditor/Program Analyst	Washington DC	13	1	90,823	90,823
Auditor/Program Analyst	Washington DC	12	3	76,378	229,134
Data Analytics Specialist	Washington DC	12	1	76,378	76,378
Auditor/Program Analyst	Washington DC	11	2	63,722	127,444
Total			<u>7</u>		<u>523,779</u>
less Lapse		25%	<u>2</u>		<u>(130,945)</u>
Total full-time permanent (FTE)			5		392,834
2016 Pay Raise of 1.3%					5,107
2017 Pay Raise of 1.6%					6,285
Total					<u>404,226</u>

Personnel Data	Number
Full-Time Equivalent Employment	
Full-time permanent	5
Other than full-time permanent	0
Total	<u>5</u>
Authorized Positions:	
Full-time permanent	7
Other than full-time permanent	0
Total	<u>7</u>

PROGRAM CHANGE DETAIL BY OBJECT CLASS

Program Change Detail by Object Class

Activity: Office of Inspector General

Subactivity: Office of Inspector General

Object Class	FY 2017 Change (\$000)	
11	Personnel compensation	
11.1	Full-time permanent	\$404
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	4
11.9	Total personnel compensation	408
12	Civilian personnel benefits	106
21	Travel and transportation of persons	42
22	Transportation of things	0
23.1	Rental payments to GSA	28
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	21
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	96
25.3	Purchases of goods & services from Gov't accounts	115
26	Supplies and materials	2
31	Equipment	35
99	Total obligations	853

FY 2017 PROGRAM CHANGE SUMMARY

Program
Change: **Council of Inspectors General for Integrity and Efficiency**

Amount: **+\$0.02 Million** FTE: **0**

Budget
Activity: **Office of Inspector General**

PPA: **Office of Inspector General**

PROGRAM CHANGE DESCRIPTION

OIG requests an increase of \$23,000 to support the Council of Inspectors General for Integrity and Efficiency (CIGIE) for a total funding level of \$131,000. OIG, along with other the Inspectors General, request an amount equivalent to 0.3 percent of their budget to pay for services provided by CIGIE.

Base Resources Assessment

The President requested \$108,000 for OIG to support CIGIE for FY 2016.

PROGRAM CHANGE DETAIL BY OBJECT CLASS (DIRECT)

Program Change Detail by Object Class

Activity: Office of Inspector General

Subactivity: Office of Inspector General

Object Class	FY 2017 Change (\$000)
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	<u>0</u>
12 Civilian personnel benefits	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	0
25.3 Purchases of goods & services from Gov't accounts	23
26 Supplies and materials	0
31 Equipment	<u>0</u>
99 Total obligations	23

FY 2017 PROGRAM CHANGE SUMMARY

Program
Change: **Reduced costs within the Working Capital Fund**

Amount: **-\$0.4 Million** FTE: **0**

Budget
Activity: **Office of Inspector General**

PPA: **Office of Inspector General**

PROGRAM CHANGE DESCRIPTION

OIG requests a program decrease of \$417,000 and 0 FTE to take into account program cost decreases for OIG's share of the Department's Working Capital Fund (WCF). A full discussion of all WCF program changes is in the WCF section of the Departmental Management OMB Submission document.

PROGRAM CHANGE DETAIL BY OBJECT CLASS (DIRECT)

Program Change Detail by Object Class

Activity: Office of Inspector General

Subactivity: Office of Inspector General

Object Class	FY 2017 Change (\$000)
11 Personnel compensation	
11.1 Full-time permanent	\$0
11.3 Other than full-time permanent	0
11.5 Other personnel compensation	0
11.9 Total personnel compensation	0
12 Civilian personnel benefits	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	0
23.2 Rental Payments to others	0
23.3 Communications, utilities and miscellaneous charges	0
24 Printing and reproduction	0
25.1 Advisory and assistance services	0
25.2 Other services	0
25.3 Purchases of goods & services from Gov't accounts	(417)
26 Supplies and materials	0
31 Equipment	0
99 Total obligations	(417)

Summary of Transfer and Program Change Object Class Totals

Program: Office of Inspector General

Subprogram: Office of Inspector General

		FY 2017
Object Class		Change (\$000)
11	Personnel compensation	
11.1	Full-time permanent	2,766
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	27
11.9	Total personnel compensation	<u>2,793</u>
12	Civilian personnel benefits	727
21	Travel and transportation of persons	281
22	Transportation of things	0
23.1	Rental payments to GSA	178
23.2	Rental Payments to others	0
23.3	Communications, utilities and miscellaneous charges	131
24	Printing and reproduction	0
25.1	Advisory and assistance services	0
25.2	Other services	785
25.3	Purchases of goods & services from Gov't accounts	258
26	Supplies and materials	13
31	Equipment	<u>264</u>
99	Total obligations	<u>5,429</u>

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Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	2015 Actual	2016 Currently Available	2017 Base	2017 Estimate	Increase/ (Decrease) Over 2017 Base
11.0 Personnel compensation	\$16,677	25,506	22,230	24,996	2,766
11.1 Full-time permanent- non wage	0	0	0	0	0
11.3 Other than full-time permanent	236	142	122	122	0
11.5 Other personnel compensation	582	434	373	400	27
11.9 Total personnel compensation	17,495	26,083	22,725	25,518	2,793
12.1 Civilian personnel benefits	5,778	7,190	6,381	7,108	727
13.0 Benefits to former personnel	150	0	0	0	0
21.0 Travel and transportation of persons	364	617	530	811	281
22.0 Transportation of things	9	8	7	7	0
23.1 Rental payments to GSA	2,010	2,525	2,234	2,412	178
23.2 Rental payments to others	0	0	0	0	0
23.3 Commun., util., misc. charges	444	551	478	609	131
24.0 Printing and reproduction	10	36	32	32	0
25.1 Advisory and Assistance Services	2,049	0	0	0	0
25.2 Other services	1,792	2,450	2,149	2,934	785
25.3 Purchase of goods and services from gov't accounts	3,828	2,970	2,668	2,926	258
26.0 Supplies and materials	95	86	75	88	13
31.0 Equipment	1,504	390	341	605	264
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.0 Total Direct Obligations	35,528	42,906	37,620	43,049	5,429
Less prior-year recoveries	0	0	0	0	0
Less Transfers	(4,853)	(4,853)	(4,853)	(5,882)	(1,029)
Less unobligated balance from prior years	(7,028)	(6,053)	0	0	0
Plus unobligated balance, expiring	594	0	0	0	0
Plus unobligated balance, end of year	6,053	0	0	0	0
Total Appropriation	30,294	32,000	32,767	37,167	4,400
Personnel Data					
Full-Time Equivalent Employment:					
Full-time permanent	149	177	177	208	31
Other than full-time permanent	0	0	0	0	0
Total	149	177	177	208	31
Authorized Positions:					
Full-time permanent	177	177	177	221	44
Other than full-time permanent	0	0	0	0	0
Total	177	177	177	221	44

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**Department of Commerce
Office of Inspector General**

Salaries and Expenses

APPROPRIATION LANGUAGE AND CODE CITATION

Appropriation: Office of Inspector General

For necessary expenses of the Office Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$37,167,000.

5 U.S.C. App.1-11, as amended by P.L. 100-504 and P.L. 110-354.

Section 2 of the Inspector General Act of 1978 (5 U.S.C. App.3), as amended, provides that “In order to create independent and objective units – (1) to conduct and supervise audits and investigations relating to programs and operations of the establishments listed in section 11(2)...there is hereby established in each of such establishments an Office of Inspector General.” Section 11(2) of the Act reads, “the term ‘establishment’ means the Department of Commerce”

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**Department of Commerce
Office of Inspector General**

Salaries and Expenses

ADVISORY AND ASSISTANCE SERVICES
(Obligations in thousands)

	2015 Actual	2016 Enacted	2017 Estimate
Management and professional support services	\$302	\$0	\$0
Studies, analyses and evaluations	263	0	0
Engineering and technical services	<u>1,483</u>	<u>1,000</u>	<u>1,000</u>
Total	\$2,048	\$1,000	\$1,000

Note:

1. The Inspector General Act of 1978 authorizes the Office of Inspector General to obtain such temporary technical assistance as needed to carry out the requirements of the Act.

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**Department of Commerce
Office of Inspector General**

Salaries and Expenses

PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
(Obligations in thousands)

	2015 <u>Actual</u>	2016 <u>Enacted</u>	2017 <u>Estimate</u>
Periodicals.....	\$ 32	\$32	\$32
Pamphlets.....	0	0	0
Audiovisuals	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 \$ 32	 \$32	 \$32

*Pursuant to the Inspector General Act of 1978 (P.L. 95-452), the Inspector General shall prepare semiannual reports summarizing the activities of the office during the 6-month periods ending March 31 and September 30. According to the Act, these reports shall include details of major problems, abuses, and deficiencies identified during the previous 6 months, together with recommendations for corrective action. The reports must cite any recommendations reported earlier that have not been acted upon, describe any OIG requests for information assistance that were unreasonably refused, and show the amount of funds recovered as a result of audit recommendations. The Department head may provide comments but may not change these semiannual reports.

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**Department of Commerce
Office of Inspector General**

Salaries and Expenses

AVERAGE GRADE AND SALARIES

	2015 Actual	2016 Enacted	2017 Estimate
Number of SES	6	7	10
Average SES Grade*	NA	NA	NA
Average GS/GM Grade	13	13	13
Average GS/GM Salary	\$93,957	\$102,588	\$105,470

*The Senior Executive Service (SES) new Performance Appraisal System went into effect September 30, 2004 and eliminated level/grades for SES positions. The current SES Pay System includes minimum and maximum dollar amounts for those agencies with OPM-certified performance appraisal systems and minimum and maximum dollar amounts for those without OPM-certified performance appraisal programs. Because of this change, it is not possible to calculate average SES grade.

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**Department of Commerce
Office of Inspector General
INSPECTOR GENERAL REFORM ACT OF 2008 REPORTING REQUIREMENTS**

In accordance with the requirements of Section 6(f)(3) of the Inspector General Act of 1978, as amended, OIG submits the following information related to its requested budget for FY 2016:

OIG FY 2017 Request to Department of Commerce: \$43,197,000
 Department of Commerce FY 2017 Allowance to OIG: \$43,569,000

Dollar amounts in thousands					
	2015 Actual	2016 Currently Available	2017 Base	2017 Estimate	Increase/ (Decrease)
	BA	BA	BA	BA	BA
Aggregate Funding	35,449	36,853	37,620	43,049	5,429
OIG Funding	35,449	36,853	37,620	43,049	5,429

Amounts provided for training and for support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) are as follows:

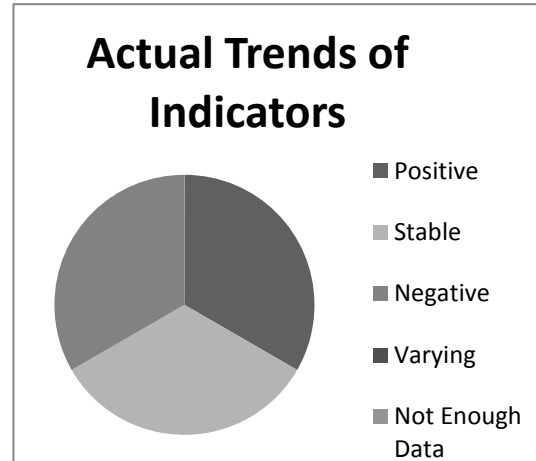
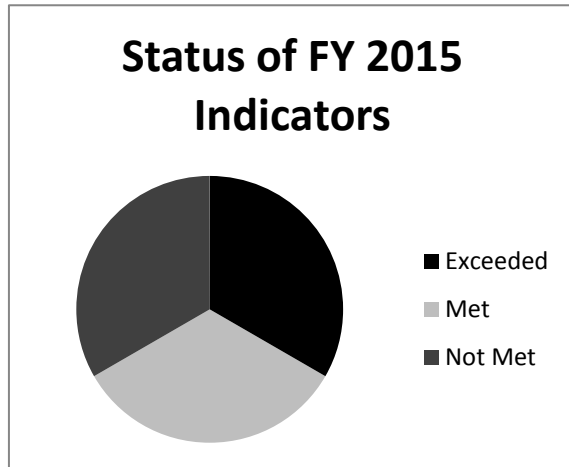
Dollar amounts in thousands					
	2015 Actual	2016 Currently Available	FY 2017 Base	FY 2017 Estimate	Increase/ (Decrease)
Training	298	352	355	355	0
Amounts for support of CIGIE	27	108	108	131	23

OIG certifies that the training amount for FY 2017 listed above represents the total training requirement for OIG.

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FY 2017 Performance Planning and FY 2015 Reporting Backup

(Office of Inspector General)



Performance Indicator Information

Summary of Performance

The Office of the Inspector General (OIG) has a total of three indicators. One indicator exceeded the target (33.33%), one indicator was met (33.33%), and one indicator was not met (33.33%). All three indicators or 100% of our indicators had trends with more than three years of historical data. Of those indicators with trends, one indicator had a positive trend (33.33%), one indicator had a stable trend (33.33%), and one indicator had a negative or varying trend (33.33%).

Summary of Indicator Performance

Indicator	Target	Actual	Status	Trend
Percent of OIG recommendations accepted by Departmental and bureau management (OIG)	95%	94%	Met	Stable
% of investigative cases completed within 365 days (OIG)	70%	56.4%	Not Met	Negative
Dollar value of financial benefits identified by OIG (millions)	\$70	\$86.4	Exceeded	Positive

Detailed Indicator Plans and Performance

Recurring Indicators

Strategic Goal	Operational Excellence: Strengthen the Department’s capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service							
Objective 5.3	Manage for results							
Indicator	Percent of OIG recommendations accepted by Departmental and bureau management (OIG)							
Category	Supporting (Non-Strategic Plan)							
Type	Outcome							
Description	Many improvements to Commerce operations and programs come through recommendations made in various OIG work products. A measure of OIG’s effectiveness is the extent to which it offers useful, practical recommendations for improvements. A measure of the usefulness and practicality of OIG’s recommendations is the extent to which they are accepted by Commerce management.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	90%	90%	90%	95%	95%	95%	95%	95%
Actual	100%	94%	96%	96%	100%	94%		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Met		
Trend	12 years of data, trendline indicates performance is stable.							
Explanation (if not met in FY 2015)	Not Applicable since target was met.							
Actions to be taken / Future Plans	Continue collecting data							
Adjustments to targets	None							
Notes	None							
Information Gaps	None							

Strategic Goal	Operational Excellence: Strengthen the Department’s capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service							
Objective 5.3	Manage for results.							
Indicator	% of investigative cases completed within 365 days (OIG)							
Category	Supporting (Non-Strategic Plan)							
Type	Process							
Description	Mean and median number of days it took Office of Investigations to complete a case.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target			70%	70%	70%	70%	70%	70%
Actual			58%	53%	48%	56.4%		
Status			Not Met	Not Met	Not Met	Not Met		
Trend	Varying							
Explanation (if not met in FY 2015)	During FY 2015, OIG continued its effort to close old cases and address investigations in a timelier manner. However, during FY 2015, OIG finished several complicated and high-profile investigations. The cases that exceeded OIG’s timeliness metric this year included six investigations where reports were released to the public and two matters that were indicted by federal prosecutors. In addition to the resources required to work these cases, several							

	investigators were diverted from working other cases to address the higher-priority matters. To improve operations, OIG has hired additional investigative staff, and will continue to work to meet this metric in FY 16.
Actions to be taken / Future Plans	Complete implementation of new case management system; resolve and close old cases; replace estimates with actuals.
Adjustments to targets	None
Notes	None
Information Gaps	None

Strategic Goal	Operational Excellence: Strengthen the Department's capacity to achieve its objectives, maximize return on program investments, and deliver quality, timely service							
Objective 5.3	Manage for results							
Indicator	Dollar value of financial benefits identified by OIG (millions)							
Category	Supporting (Non-Strategic Plan)							
Type	Outcome							
Description	A key measure of the value of OIG's work is its dollar return on investment. Financial benefits include: (1) questioned costs agreed to by management, (2) funds put to better use, and (3) administrative, civil, and criminal recoveries.							
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	\$30	\$30	\$30	\$30	\$70	\$70	\$70	\$70
Actual	\$47.8	\$33.5	\$175.8	\$361.5	\$181.7	\$86.4		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		
Trend	12 years of data, trendline indicates performance is positive.							
Explanation (if not met in FY 2015)	Not Applicable since target was exceeded.							
Actions to be taken / Future Plans	Continue collecting data							
Adjustments to targets	The target was adjusted for FY 2014 and later years to reflect OMB's preference that targets be more aggressive rather than easily attainable.							
Notes	None							
Information Gaps	None							

Resource Requirements Table

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Base	Increase / Decrease	FY 2017 Request
Goal 5: Operational Excellence Objective 5.3: Manage for results										
Office of Inspector General										
Total Funding										
Direct	31,137	33,580	33,580	31,040	30,199	35,449	36,853	37,620	5,429	43,049
Reimbursable	5,108	4,165	4,165	3,661	1,775	4,500	4,500	4,500	(1,000)	3,500
Total	36,245	37,745	37,745	34,701	31,974	39,949	41,353	42,120	4,429	46,549
Total FTE	120	161	176	169	138	149	177	177	31	208