



BUDGET The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information
Fiscal Year 2013

OFFICE OF INSPECTOR GENERAL

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees.

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**OFFICE OF INSPECTOR GENERAL
FOR THE
UNITED STATES DEPARTMENT OF THE INTERIOR**

FISCAL YEAR 2013 BUDGET REQUEST

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**OFFICE OF INSPECTOR GENERAL
FOR THE
UNITED STATES DEPARTMENT OF THE INTERIOR**

Total 2013 Budget Request (Dollars in Thousands)			
Budget Authority	2011 Actual	2012 Enacted	2013 President's Budget
Salaries and Expenses			
Discretionary	48,493	49,392	48,493
Total	48,493	49,392	48,493
<i>FTEs</i>	276	288	267

EXECUTIVE SUMMARY

The mission of the Office of Inspector General (OIG) is to provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of the Department of the Interior (DOI). With less than 300 employees and a budget that is one-fourth of one percent of DOI's total budget authority, the OIG must use its resources wisely to cover the vast mission and activities in the Department. In addition, the OIG continues to stand ready to assist with national crises, such as the Deepwater Horizon oil spill.

DOI is a large, decentralized agency with more than 69,700 employees and more than 300,000 volunteers located at approximately 2,400 operating locations across the United States, Puerto Rico, U.S. territories and freely associated states with an annual operating budget of approximately \$12.0 billion. DOI is responsible for 500 million acres of America's public land, or about one-fifth of the land in the United States, and 55 million acres of Indian Trust lands.

DOI also has responsibility for a variety of water and underwater resources, including 476 dams and 348 reservoirs and oil and gas leases on the Outer Continental Shelf. Approximately 30 percent of the nation's energy production comes from projects on DOI-managed lands and offshore areas. DOI scientists conduct a wide range of research on biology, geology, and water to provide land and resource managers with critical information for sound decision-making. DOI lands also provide outstanding recreational and cultural opportunities to numerous visitors worldwide.

The budget request for the Office of Inspector General is \$48,493,000, a decrease of \$899,000 from the 2012 President's Budget request. The request includes an increase of \$649,000 for fixed costs and proposes net program reductions totaling \$1,548,000. The program changes include an increase of \$13,000 for the Council of Inspectors General on Integrity and Efficiency (CIGIE) and \$1,561,000 for staffing decreases of 11 FTE, to be accomplished through attrition.

The OIG goals and objectives support several of the Department's own strategic and priority goals, as well as the President's six performance strategies. Additionally, to make a positive contribution to DOI's mission, the OIG believes it must not only report on deficiencies and document problems but also educate and inform the workforce in order to promote efficiency and foster prevention. OIG products and services provide DOI and its bureaus thoughtful recommendations and examples of best practices for addressing management and program challenges. The OIG best influences programmatic and systemic changes when the products and services lead the Department to take prompt and constructive action, an example of which is the response to Deepwater Horizon.

Deepwater Horizon Support

The sinking of the Deepwater Horizon and the oil spill that resulted from that incident highlighted the importance of proactive oversight and enforcement efforts. The Department of Justice (DOJ) and the Secretary of the Interior requested the DOI OIG investigate the circumstances surrounding the Deepwater Horizon incident. The OIG has taken a leadership role on the DOJ task force due to exceptional performance and knowledge obtained in previous investigations of the former Minerals Management Service. This criminal investigation is the largest the OIG has ever undertaken, and it will take years to resolve. The OIG's Office of Investigations currently has 18 employees assigned full-time to the criminal investigation with an additional 8 employees providing regular support. In addition, the Office of Investigations has three investigators working with three auditors from the Office of Audits, Inspections, and Evaluations dedicated to working with DOJ's Civil Division to pursue civil remedies regarding the Deepwater incident.

DOI Strategic Plan

The FY 2011-2016 DOI Strategic Plan, in compliance with the principles of the GPRA Modernization Act of 2010, provides a collection of mission objectives, goals, strategies and corresponding metrics that provide an integrated and focused approach for tracking performance across a wide range of DOI programs. While the DOI Strategic Plan for FY 2011 – FY 2016 is the foundational structure for the description of program performance measurement and planning for the FY 2013 President's Budget, further details for achieving the Strategic Plan's goals are presented in the DOI Annual Performance Plan and Report (APP&R). Bureau and program specific plans for FY 2013 are fully consistent with the goals, outcomes, and measures described in the FY 2011-2016 version of the DOI Strategic Plan and related implementation information in the Annual Performance Plan and Report (APP&R).

The OIG responds to the significant challenges of the Department by ensuring our customers are provided with information on which they can act. These reports target categories of work where the OIG will have the most significant and immediate impact on the Department. Several of our targeted issue areas for investigations and audits in 2013 support the Department's High Priority Performance Goals including climate change, energy revenues, scientific integrity, and water. Other targeted areas are: asset protection and preservation; DOI business processes and operations; ethical violations; Indian and Insular Areas; procurement fraud; and, public corruption. The OIG also focuses on preventative activities, such as fraud awareness briefings, which have been successful in avoiding rather than merely reporting on the consequences of fraud and mismanagement.

Our Strategic Plan also advances the Federal Government's performance strategies and the Department's management goals by using technology to reduce travel costs, enacting hiring reforms, and reducing high-risk acquisitions through the use of Strategic Sourcing Blanket Purchase Agreements (BPA).

Campaign to Cut Waste

Over the last two years, the Administration has implemented a series of management reforms to curb uncontrolled growth in contract spending, terminate poorly performing information technology projects, deploy state of the art fraud detection tools, focus agency leaders on achieving ambitious improvements in high priority areas, and open Government up to the public to increase accountability and accelerate innovation.

In November 2011, President Obama issued an Executive Order reinforcing these performance and management reforms and the achievement of efficiencies and cost-cutting across the government. This Executive Order identifies specific savings as part of the Administration's Campaign to Cut Waste to achieve a 20 percent reduction in administrative spending from 2010 to 2013. Each agency is directed to establish a plan to reduce the combined costs associated with travel, employee information technology devices, printing, executive fleet efficiencies, and extraneous promotional items and other areas.

The Department of the Interior's goal is to reduce administrative spending by \$207 million from 2010 levels by the end of 2013. To meet this goal, the Department is leading efforts to reduce waste and create efficiencies by reviewing projected and actual administrative spending to allocate efficiency targets for bureaus and Departmental offices to achieve the 20 percent target. Additional details on the Campaign to Cut Waste can be found at <http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending>.

Management Support Services Reductions

As part of the Administration's Campaign to Cut Waste, the Department has established a goal of reducing spending on management support service contracts by 15% by the end of FY 2012 and continuing into 2013. The focus of these efforts is to reduce spending for Automated Data Processing (ADP) systems development services, automated information system services, ADP backup and security services, ADP acquisition support services, program management support services, specifications development services, systems engineering services, intelligence services, engineering and technical services, personal services, and management services for contract and procurement support. The OIG will reduce spending on management support service contracts by \$2,142 in 2012.

BUDGET AT A GLANCE

Office of Inspector General	2011 Actual	2012 Enacted	Program Changes	Fixed Costs	Internal Transfers	2013 President's Budget
Audits, Inspections, and Evaluations	21,185	21,398	(522)	309	(2,900)	18,285
Investigations	17,615	17,743	(407)	206	0	17,541
Mission Support	9,693	10,252	(618)	134	2,900	12,667
Total	48,493	49,392	(1,548)	649	0	48,493

The OIG's request includes a net decrease of \$899,000 for the following changes:

- Increase of \$649,000 for fixed costs
- Decrease of \$1,548,000 in program changes
 - Increase of \$13,000 for the Council of Inspectors General on Integrity and Efficiency
 - Decrease of \$1,561,000 for the reduction of 11 FTE

SUMMARY OF REQUIREMENTS

	2011 Actual		2012 Enacted		<i>Fixed Costs</i>	<i>Internal Transfers</i>	Program Changes(+/-)		2013 President's Budget		Changes from 2012	
	<i>Total FTE</i>	<i>Amount</i>	<i>Total FTE</i>	<i>Amount</i>			<i>FTE</i>	<i>Amount</i>	<i>Total FTE</i>	<i>Amount</i>	<i>FTE</i>	<i>Amount</i>
Salaries and Expenses												
Audit, Inspections, & Evaluations	103	21,185	110	21,398	+309	-2,900	-22	-522	88	18,285	-22	-3,113
Investigations	100	17,615	105	17,743	+206		-3	-407	102	17,541	-3	-202
Mission Support	63	9,693	63	10,252	+134	2,900	+14	-618	77	12,667	+14	2,415
American Reinvestment & Recovery Act	10	0	10	0			-10				-10	
TOTAL, OIG	276	48,493	288	49,392	+649	0	-21	-1,548	267	48,493	-21	-899

FIXED COSTS AND RELATED REQUIREMENTS

Office of Inspector General
 Justification of Fixed Costs and Related Changes
(Dollars in Thousands)

Pay Raise and Pay-Related Changes	2011	2012 Change	2013 Change
Calendar Year 2010 Quarter 4	179	[checkered]	[checkered]
Calendar Year 2011 Quarters 1-3	0	[checkered]	[checkered]
Calendar Year 2011 Quarter 4	[checkered]	+0	[checkered]
Calendar Year 2012 Quarters 1-3	[checkered]	+0	[checkered]
Calendar Year 2012 Quarter 4	[checkered]	[checkered]	+0
Calendar Year 2013 Quarters 1-3	[checkered]	[checkered]	+133
Non-Foreign Area COLA Adjustment to Locality Pay	0	+32	[checkered]
Change in Number of Paid Days	[checkered]	[checkered]	+145
Employer Share of Federal Health Benefit Plans	113	+235	+124

Other Fixed Cost Changes and Projections	2011	2012 Change	2013 Change
Worker's Compensation Payments	+39	+18	+9
<p>The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2013 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b)</p>			
Unemployment Compensation Payments	0	0	0
<p>The adjustment is for projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to 5 U.S.C. 8147(b)</p>			
GSA Rental Payments	+43	+388	+197
<p>The adjustment is for changes in the costs payable to General Services Administration (GSA) and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.</p>			
Departmental Working Capital Fund	+28	+138	+41
<p>The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.</p>			

Internal Realignments and Non-Policy/Program Changes (Net-Zero)	2013 (+/-)
Internal Realignment	
Audits, Inspections and Evaluations	-2,900
Mission Support	+2,900

APPROPRIATION LANGUAGE CITATION

Office of Inspector General

For necessary expenses of the Office of Inspector General, 5 U.S.C. Appendix 3.

5 U.S.C. Appendix 3 provides for the establishment of the Office of Inspector General as an independent and objective unit within the Department of the Interior to conduct and supervise audits and investigations related to Departmental programs and operations.

Proposed appropriations language changes

For necessary expenses of the Office of Inspector General, \$48,493,000.

BUDGET IMPACTS

Office of Inspector General

The 2013 budget request for OIG is \$48,493,000 and 267 FTEs, a net program change of -\$899,000. This reduction of OIG budget authority will result in a reduction of 11 FTE within the OIG. The OIG will fully fund fixed costs of \$649,000.

Over the past several years the OIG has undertaken careful workload and workforce analysis to efficiently plan, manage, and use resources effectively. These plans have resulted in the closure of four office locations, the decision to consolidate IT resources with the Department, and the reduction of travel expenditures.

In these times of economic challenges, the OIG provides valuable opportunities to identify cost savings and eliminate waste, fraud, and redundancies while working closely with the Department. The OIG is the only departmental office whose primary purpose is the collection of fines, penalties, and incorrect payments through investigations, audits and evaluations, which provide additional resources to the U.S. Treasury.

With increasing complexity and longer times to complete audits and investigations, there has been a decrease in the overall number of cases investigated and audits performed. The OIG has refocused its efforts and placed an emphasis on high priority, high impact programs and activities. This strategy allows for attention to be concentrated where the highest risks lie.

Key Accomplishments

- The OIG's robust suspension and debarment program received recognition in a GAO report which cited the organization for implementing best practices.
- Co-lead the Deepwater Horizon civil and criminal investigations.
- Completed a review of the Outer Continental Shelf (OCS) and provided recommendations to improve the management and oversight of oil and gas operations in the OCS. The review team received a 2011 Council of Inspector's General on Integrity and Efficiency Award.
- Initiated Revenue Enhancement Audits for 10 DOI programs responsible for billions of dollars
- Performed investigations that prevented construction of a road to a casino and construction of a swimming pool thereby preventing improper use of ARRA funding.
- Provided advisories regarding OST and BIA coordination and communication as well as recommending new tools such as a mass appraisal systems and centralized tracking for the historic \$1.9 billion settlement to assist with Indian land consolidation.
- BLM received the largest civil penalty in the bureau's history, \$2.1 million, as a result of a joint investigative effort with the OIG into deceptive practices by oil companies.
- Reorganized the Hawaii field office to leverage investigative and audit resources with those of the Insular Areas Public Auditors to capitalize on efficiencies gained through collaboration.
- Added proactive education program for Interior contractors to improve corporate compliance and ethics programs as a fraud prevention initiative.

Office of Audits, Inspections and Evaluations (OAIE)

	2011 Actual	2012 Enacted	2013				Change From 2012 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Internal Transfers	Budget Request	
Audits, Inspections and Evaluations	21,185	21,398	309	-522	-2,900	18,285	-3,113
<i>FTE</i>	<i>110</i>	<i>110</i>	<i>0</i>	<i>-4</i>	<i>-18</i>	<i>88</i>	<i>-22</i>

Summary of 2013 Program Changes for OAIE

Request Component	(\$000)	FTE
Program Changes		
Reduction of FTEs	-522	-4
Total Program Changes	-522	-4

Justification

Program Reduction (-\$522,000/-4 FTE)

The 2013 budget request for the Office of Audits, Inspections and Evaluations (OAIE) is \$18,285,000 and 88 FTEs, a program decrease of -\$522,000 and 4 FTEs from the 2012 Budget.

The Office of Audits, Inspections, and Evaluations (AIE) conducts independent audits and evaluations, which measure Department of the Interior programs and operations against best practices and objective criteria to determine if the programs and operations are effective and efficient, achieve the desired results, and operate in accordance with laws and regulations.

The reduction of staffing will be achieved as a result of a greater focus on the use of cross-functional teams and consolidation of headquarters functions. Positions that have been targeted for elimination, once vacated, will maximize the efficient use of available funds.

Internal Realignment (-\$2,900,000/-18 FTE)

Several functions are being centralized into Mission Support. For example, the staff preparing reports will be consolidated to provide writing and editing support to the entire OIG. Using shared, centralized resources in this manner is much more efficient than having writer/editors isolated in various units. The

writer/editors in the centralized unit can spend their time working with reports in the Office of Audits, Inspections, and Evaluations, the Office of Investigations, the Office of Information Technology, the Office of Management, and the Immediate Office of the IG. Besides using resources more efficiently, this approach allows for standardization of report editing processes and enhanced quality control. The FOIA staff responds to requests and supports the entire organization.

The staff working on strategic objectives is another group that provides services to the entire OIG and will receive clear benefit from centralization within Mission Support. Besides working on strategic initiatives, they can use a centralized position within Mission Support to identify the most troublesome processes within the OIG and manage projects to redesign those processes.

Office of Investigations (OI)

	2011 Actual	2012 Enacted	2013				Change From 2012 (+/-)
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Internal Transfers	Budget Request	
Investigations	17,615	17,743	206	-407	0	17,541	-202
<i>FTE</i>	<i>100</i>	<i>105</i>	<i>0</i>	<i>-3</i>	<i>0</i>	<i>102</i>	<i>-3</i>

Summary of 2013 Program Changes for OI

Request Component	(\$000)	FTE
Program Changes		
· Reduction of FTEs	-407	-3
Total Program Changes	-407	-3

Justification

Program Reduction (-\$407,000/-3 FTE)

The 2013 budget request for Office of Investigations (OI) is \$17,541,000 and 102 FTEs, a program decrease of -\$407,000 and 3 FTEs from the 2012 Budget.

The OI conducts civil, criminal, and administrative investigations. At times these investigations result in recoveries and restitutions of millions of dollars to the government. Most recently, in April 2011, after a joint investigation with the Bureau of Land Management, there was a historic \$2.1 million civil penalty settlement.

The Deepwater Horizon incident requires the OIG's investigative staff to lead those civil and criminal investigations and forgo examining other allegations. This is due to the unique experience and expertise of the OIG's audit and investigative staff with oil and gas related cases compared with all other federal government agencies. Nearly 25% of the existing staff is dedicated solely to these investigations. This requires that Investigators, which typically work on four to eight cases each fiscal year, manage their workload strategically. This will include a combination of increased case assignments per investigator and focusing on responding to allegations in the areas with the highest risk, impact, and priority. The OIG focuses on prevention as a significant part of its oversight role but problems and fraud occur nonetheless. Providing advice about best practices and warnings about vulnerabilities benefits Department programs and serves to limit future OIG actions. Technical assistance, training, and outreach efforts are further areas that have benefits throughout the DOI. Increased awareness and need for internal controls results in employees understanding their responsibilities better and leads to increased reporting of irregularities to our hotline.

Approximately 30 percent of the Nation's energy production comes from projects on DOI-managed lands and offshore areas. The Deepwater Horizon investigation, along with other open investigations,

demonstrates the need for investigators that have the specialized skills and training necessary to conduct complex energy investigations. The changing needs of DOI call for a continued focus in OIG oversight.

Mission Support

Summary of 2013 Program Changes for Mission Support

	2011 Actual	2012 Enacted	2013				
			Fixed Costs & Related Changes (+/-)	Program Changes (+/-)	Internal Transfers	Budget Request	Change From 2012 (+/-)
Mission Support	9,693	10,252	134	-618	2,900	12,667	+2,415
<i>FTE</i>	63	63	0	-4	+18	77	+14

<u>Request Component</u>	<u>(\$000)</u>	<u>FTE</u>
Program Changes		
· Reduction of FTEs	-631	-4
· Council of Inspectors General on Integrity and Efficiency	+13	0
Total Program Changes	-618	-4

Justification

The 2013 budget request for Mission Support Office is \$12,667,000 and 77 FTEs, a net program change of -\$618,000 and 4 FTEs from the 2012 Budget. The request includes an increase of \$13,000 for the Council of Inspectors General for Integrity and Efficiency and staffing reductions totaling -\$631,000.

Program Reduction (-\$618,000/-4 FTE)

Mission Support makes it possible for the OIG to perform audits and investigations by providing mission essential services to the operational staff. These include payroll, human resources, legal analysis, travel, budget, financial analysis and control, information technology, telecommunications, procurement, reporting, planning and facilities support. Mission Support also includes the Immediate Office of the Inspector General. These services are critical for any organization to function. Larger organizations have specialists or teams assigned to classification, benefits, and employee relations; or finance, budget formulation and budget execution. The OIG must have multi-talented staff members that can do it all. Through years of experience and training, support staff help operational staff navigate the confusing appropriations laws, federal acquisitions regulations, personnel practices, travel regulations, etc. in order to achieve the mission.

The Council of Inspectors General for Integrity and Efficiency's mission is to address integrity, economy, and effectiveness issues that transcend individual Government agencies; and increase the professionalism

and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General. The OIG share of the total cost will increase by \$13,000 to \$468,000 for 2013.

Internal Realignment (+\$2,900,000/+18 FTE)

The OIG is centralizing several functions into Mission Support. For example, the Communications and Reports Unit will be designed to provide writing and editing support to the entire OIG. Using shared, centralized resources in this manner is much more efficient than having writer/editors isolated in various units. The writer/editors in the centralized unit can spend their time working with reports in the Office of Audits, Inspections, and Evaluations, the Office of Investigations, the Office of Information Technology, the Office of Management, and the Immediate Office of the IG. Besides using resources more efficiently, this approach allows for standardization of report editing processes and enhanced quality control.

The Strategy Management Office and the FOIA unit are other groups that provide services to the entire OIG will receive clear benefit from centralization within Mission Support. Besides working on strategic initiatives, the Strategy Management Office can use its centralized position within Mission Support to identify the most troublesome processes within the OIG and manage projects to redesign those processes.

GOAL PERFORMANCE TABLE

	2009 Actual	2010 Actual	2011 Actual	2012 Estimate	2013 Estimate	Change from 2012 Estimate to 2013	Long-Term Estimate 2018
Percent of completed audits with recommendations resulting in a notice of finding	81%	75%	81%	75%	75%	0%	70%
Percent of investigations resulting in a management advisory	9%	5%	4%	5%	5%	0%	5%
Percent of cases resulting in criminal conviction, civil or administrative action, or other appropriate resolution	93%	93%	91%	90%	90%	0%	90%

MAX TABLES – BUDGET SCHEDULES

Treasury Account ID: 14-0104

(Dollars in Millions)

		2011	2012	2013
		Actual	Estimate	Estimate
Program and Financing				
	Obligations by program activity			
0.01	Direct Program	48	49	48
0.02	Recovery Act activities	4	5	0
9.01	Reimbursable Program	4	4	4
10	Total new obligations	56	58	52
	Budgetary resources available for obligation			
21.4	Unobligated balance carried forward, start of year	9	5	0
22	New budget authority (gross)	49	49	48
23.9	Total budget resources available for obligation	62	58	52
23.95	Total new obligations	56	58	52
24.4	Unobligated balance carried forward, end of year	5	0	0
	New budget authority (gross), detail:			
40	Appropriation	49	49	48
58	Spending authority from offsetting collections	4	4	4
70	Total new budget authority (gross)	53	53	52
	Change in obligated balances:			
72.4	Obligated balance, start of year	6	6	11
73.1	Total new obligations	57	58	52
73.2	Total outlays (gross)	-55	-53	-52
74.4	Obligated balance, end of year	6	11	11
	Outlays (gross), detail:			
86.9	Outlays from new discretionary authority	46	48	47
86.93	Outlays from discretionary balances	9	5	5
87	Total outlays (gross)	55	53	52
	Offsets:			
88	Offsetting collections from Federal sources	-4	-4	-4
	New budget authority and outlays:			
89	Budget authority	49	49	48
90	Outlays	51	49	48
95.02	Unpaid obligation, end of year	6	6	11

Treasury Account ID: 14-0104

(Dollars in Millions)

		2011 Actual	2012 Estimate	2013 Estimate
Object Classification				
	Direct Obligations:			
	Personnel compensation			
11.11	Personnel compensation: Full-time permanent	32	33	31
11.21	Civilian personnel benefits	10	10	9
12.1	Travel and transportation of persons	2	2	2
12.31	Rental payments to GSA	3	4	4
12.52	Other services	2	2	1
12.53	Other purchases of goods and services from Government accounts	3	3	1
19.9	Subtotal, obligations, Direct obligations	52	54	48
	Reimbursable Obligations:			
22.52	Other services	4	4	4
29.9	Subtotal, obligations, Reimbursable obligations	4	4	4
99.99	Total new obligations	56	58	52

		2011 Actual	2012 Estimate	2013 Estimate
	Personnel Summary			
FTE	Civilian full-time equivalent employment	276	288	267

EMPLOYEE COUNT BY GRADE

Office of Inspector General

**Employee Count by Grade
(Total Employment)**

	Prior Year Actuals	Current Year Estimate	Budget Year Estimate
Executive Level V	1	1	1
SES	10	10	10
Subtotal	11	11	11
SL - 00	0	0	0
ST - 00	0	0	0
Subtotal	0	0	0
GS/GM -15	38	41	35
GS/GM -14	67	69	66
GS/GM -13	97	100	94
GS -12	16	18	16
GS -11	13	13	13
GS -10	5	9	5
GS -9	15	16	15
GS -8	2	3	3
GS -7	4	4	4
GS -6	0	0	0
GS -5	2	2	2
GS -4	1	1	1
GS -3	0	0	1
GS -2	1	1	1
GS -1	0	0	0
Subtotal	261	277	256
Other Pay Schedule Systems	0	0	0
Total employment (actuals & estimates)	272	288	267

SECTION 405

OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT

The 2006 Interior and Related Agencies Appropriations Act include the following requirement for disclosure of overhead, administrative, and other types of spending:

SEC.405. Estimated overhead charges, deductions, reserves or holdbacks from programs, projects, activities, and subactivities to support government-wide, departmental, agency or bureau administrative functions or headquarters, regional or central operations shall be presented in annual budget justifications and subject to approval by the Committees on Appropriations. Changes to such estimates shall be presented to the Committees on Appropriations for approval.

External Administrative Costs (Dollars in thousands)			
Department's Working Capital Fund	FY 2011	FY 2012 Estimate	FY 2013 Estimate
Centralized Billings	1,390	1,515	1,539
Fee for Services	417	478	450

OIG pays external administrative costs through the Working Capital Fund and through separate 'Fee for Service' agreements with the Department

OIG Billing for Reimbursable Work (Dollars in thousands)			
	FY 2011	FY 2012 Estimate	FY 2013 Estimate
Reimbursable Work	4,500	4,000	4,000

PROGRAM PERFORMANCE

Audit Activities
(Dollars in millions)

Below are statistics that were reported in the 2008, 2009, 2010, and 2011 OIG Semiannual Reports to the Congress, as mandated by the Inspector General Act of 1978, as amended. This information highlights some OIG activities and outputs and their potential impact on the Department’s programs and operations.

Description	2008 Actual	2009 Actual	2010 Actual	2011 Actual
Audit Reports Issued or Reviewed				
Internal Audits, Contracts & Grant Audits	90	69	61	58
Single Audit Desk Reviews	116	144	143	-
Single Audit Quality Control Reviews	4	1	1	4
Total Audit Reports Issued or Processed	210	214	205	62
<u>Impact of Audit Activities:</u> (Dollars in millions)				
Lost or Potential Additional Revenues	\$252.9	\$34.9	-	-
Questioned Costs	\$6.0	\$2.7	\$39.6	\$15.4
Recommendations That Funds Be Put To Better Use	\$10.8	\$3.0	\$13.2	\$.112
Wasted funds	\$7.4	-	-	-
Total Monetary Impact	\$277.1	\$40.6	\$52.8	\$15.5
Internal Audit Recommendations Made	517	430	324	358
Internal Audit Recommendations Resolved	430	277	625	420

Investigative Activities
(Dollars in millions)

Description	2008 Actual	2009 Actual	2010 Actual	2011 Actual
<u>Investigative Activities:</u>				
Cases Opened	371	519	558	540
Closed	431	487	575	495
Hotline Complaints Received	152	243	283	275
<u>Impact of Investigative Activities:</u>				
Indictments/Information	26	36	20	20
Convictions	39	29	30	18
Sentencings	52	34	20	28
Jail (Months)	1,109	396	159	1,187
Probation/Supervised Release (Months)	2,034	1,063	306	275
Community Service (Hours)	4,050	2,080	240	120
Criminal Judgments/Restitutions	\$6.1	\$2.4	\$.34	\$22.13
<u>Criminal Investigative Activities:</u>				
Criminal Matters Referred for Prosecution	68	54	42	23
Criminal Matters Declined	47	36	22	12
<u>Civil Investigative Activities:</u>				
Referrals	12	8	11	5
Declinations	9	6	8	5
Civil Recoveries	\$0.3	\$2.6	\$30.9	\$.131
<u>Administrative Investigative Activities:</u>				
Administrative Actions	51	104	86	104
Administrative Recoveries/Restitutions	\$0.03	\$0.3	\$0.3	\$2.21
Contractor Suspensions	-	4	3	3
Contractor Debarments	-	3	40	36
Contract Terminations	-	1	-	-

OIG MANDATORY ACTIVITIES

- Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act of 1994 require that Inspectors General audit or arrange for annual audits of agency financial statements.
- The Single Audit Act of 1984, as amended, requires that Inspectors General review the quality of single audit reports of certain state, local, and Indian tribal governments and nonprofit organizations and the conformity of the audit reports with the Act.
- The No Child Left Behind Act of 2001 requires that the Inspector General (IG) for the Department of the Interior (DOI) establish a system to ensure that financial and compliance audits are conducted of each Bureau of Indian Affairs school at least once every three years.
- The Insular Areas Act of 1982 requires the DOI OIG to establish "an organization which will maintain a satisfactory level of independent audit oversight" in the Insular Areas of Guam, American Samoa, the U. S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
- The Superfund Amendments and Reauthorization Act of 1986 requires Inspectors General to audit Environmental Protection Agency Superfund monies that are directly apportioned to the Department and those monies received through interagency agreements.
- The General Accounting Office Act of 1996 requires the DOI OIG to audit the Central Utah Project Cost Allocation. (This audit is a one-time effort that will be conducted when the allocation is finalized).
- The Office of National Drug Control Policy Reauthorization Act of 1998 requires Inspectors General to authenticate the detailed accounting of all funds expended by the Department for National Drug Control Program activities during the previous year. (Note: the Department has not reached the program funding threshold for which OIG authentication is required).
- The Federal Information Security Act of 2002 requires that Inspectors General perform annual evaluations of agency information security programs.
- The Fish and Wildlife Programs Improvement and National Wildlife Refuge System Centennial Act of 2000 requires the DOI OIG to procure biennial audits of the expense incurred by the Fish and Wildlife Service (FWS) for administering the Sport Fish and Wildlife Restoration Acts.
- The Consolidated Appropriations Act of 2000 requires Inspectors General to report quarterly on the promptness of their agency's payments of their water and sewer bills to the District of Columbia Water and Sewer Authority.
- The Consolidated Appropriations Resolution of 2003 requires the Inspector General of each department to submit a report to the Committees on Appropriations detailing the department's policies and procedures to give first priority to the location of new offices and other facilities in rural areas, in accordance with the Rural Development Act of 1972, as amended.

THE INSPECTOR GENERAL REFORM ACT

THE INSPECTOR GENERAL REFORM ACT OF 2008 REQUIREMENTS:

As required by the Inspector General Reform Act of 2008 (Pub. L. 110-409), the budget for the Office of Inspector General must specify the amount initially requested to the Department of the Interior, the President's Budget request, the funding required for training, and any resources necessary to support the Council of the Inspectors General on Integrity and Efficiency. The President's Budget request is \$48,493,000 and includes \$850,000 in base funding for the training needs of the Office for the fiscal year. The OIG will receive a request from the Council of Inspectors General on Integrity and Efficiency for \$468,000.