
Inspector General

**Office of the Inspector General
(\$K)**

FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted
86,000	90,000	77,400	-12,600

Proposed Appropriation Language

For expenses necessary for the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, \$77,400,000, to remain available until September 30, 2028.

Overview

The Office of the Inspector General (OIG) is dedicated to its mission to strengthen the integrity, economy, and efficiency of the Department of Energy's (Department) programs and operations.

The FY 2027 budget request would decrease the OIG's base budget to \$77,400,000. The OIG's request for funding reflects efficiencies within the operations of the OIG and will allow continued independent oversight of high-risk areas managed by the Department. This oversight includes focusing on

- The Loan Programs Office (LPO).
- Intellectual property and research impacting national security.
- New and expanding artificial intelligence program.
- Contract administration and subcontract management, which is especially important given approximately 90 percent of the Department's budget is distributed to contractors, 30-50 percent of which is further disbursed to subcontractors.
- The National Nuclear Security Administration (NNSA) stockpile stewardship.
- The Department's \$538,604,000,000 environmental liability.
- Major planned construction and infrastructure upgrade projects.

In FY 2025, the OIG issued 36 audit and inspection reports aimed at improving the management and performance of programs across the Department. These reports not only identified opportunities for Agency operational efficiencies but also offered actionable recommendations to strengthen internal controls and improve outcomes. Additionally, the OIG issued 73 investigative reports to the Department as a result of multiple investigations into allegations of fraud and misconduct, reinforcing accountability and trust in public service.

Highlights of the FY 2027 Budget Request

The OIG will utilize these resources to detect and deter fraud, waste, and abuse and to enhance the efficiency and effectiveness of the Department's programs and operations. The OIG's focus includes:

- **Data Analytics.** The OIG will continue to expand its utilization of data analytics. The OIG will strengthen investments in human capital, technical infrastructure, policy and stakeholder engagement, data acquisition, and data management and integration, to support scaling data analytics capabilities, including integration of artificial intelligence (AI).
- **Cybersecurity Oversight Efforts.** The OIG is responsible for the audit and evaluation of the Department's unclassified systems. The Department has experienced substantial problems with

cybersecurity. As the Department continues to expend taxpayer funds, it remains important to secure its systems from vulnerabilities that could result in the loss of billions of dollars' worth of innovative or sensitive technologies developed using taxpayer dollars. This request will allow the OIG to focus on a true and timely view of the Department's cybersecurity posture; maintain oversight into operational technology and the Energy Security space; continue collaboration with the Department's Office of Enterprise Assessments; and deconflict and conduct risk-based discretionary jobs in this area.

- **Investigations.** Over recent years, the OIG experienced a substantial increase in a variety of criminal investigations, particularly related to cybercrimes, child exploitation, and Pandemic Relief fraud. In addition, the OIG will continue its focus on contract and grant fraud investigations throughout the Department. The Office of Investigations' work and partnerships with other law enforcement entities resulted in significant cost savings to the Department and funds put to better use, as well as recoveries from contract fraud investigations and civil settlements, returning more than \$17,000,000 to the Treasury in FY 2025. We expect these trends to continue into FY 2027 as the OIG continues its proactive case work in fraud detection and information sharing with Data Analytics.
- **NNSA Modernization Efforts.** NNSA has undertaken a modernization effort that involves major projects such as the weapons complex transformation. The OIG will conduct audits, inspections, reviews, and assessments to identify opportunities to improve the efficiency and effectiveness of these modernization efforts.
- **Environmental Management.** The Department's environmental cleanup and disposal liabilities of \$538,604,000,000 remains on the Government Accountability Office's Biennial High Risk List. The OIG will continue its efforts to review the efficacy of the Department's environmental programs to prevent fraud, waste, and abuse.
- **Incurred Cost Audits of Management and Operating (M&O) Contracts.** The OIG will continue conducting, independent incurred cost audits of the Department's M&O Contracts, valued at \$32,300,000,000 as of FY 2024. Additionally, the OIG will continue to conduct Disclosure Statement compliance audits and will begin conducting real time testing for labor and materials in support of this effort.
- **Audits.** The OIG performs audits on Departmental programs and operations, focused on providing reliable and credible financial and performance information. The scope of this work is determined through a risk-based approach focused on areas of greatest risk to the Department. Audits provide substantial deterrence and detection capabilities over taxpayer funds and give Departmental management and Congress a well-informed perspective.

**Program Direction
(\$K)**

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	FY 2027 Request vs FY 2026 Enacted	
				\$	%
Salaries and Benefits	62,801	62,801	52,044	-10,757	-17%
Travel	2,619	2,619	1,200	-1,419	-54%
Support Services	9,439	10,242	8,955	-1,287	-13%
Other Related Expenses	11,141	14,338	15,201	+863	+6%
Total, Program Direction	86,000	90,000	77,400	-12,600	-14%
Management Support	8,634	9,428	8,141	-1,287	-14%
Federal Information Security Modernization Act (FISMA)	805	814	814	-	-
Total, Support Services	9,439	10,242	8,955	-1,287	-13%
Council of the Inspectors General on Integrity and Efficiency (CIGIE)	283	360	310	-50	-14%
Information Technology	2,672	4,593	9,554	+4,961	+108%
Infrastructure	2,000	2,357	50	-2,307	-98%
Training	1,656	1,656	605	-1,051	-63%
Working Capital Fund	3,173	4,015	4,182	+167	+4%
Other Related Expenses	1,357	1,357	500	-857	-63%
Total, Other Related Expenses	11,141	14,338	15,201	+863	+6%
Federal FTEs	355	272	237	-35	-13%

**Program Direction
Activities and Explanation of Changes
(\$K)**

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
Program Direction		
90,000	77,400	-12,600
<i>Salaries and Benefits</i>		
<i>62,801</i>	<i>52,044</i>	<i>-10,757</i>
Funding supports 272 Federal staff with specialized skill sets (e.g., Certified Public Accountants, Cyber, Data Analytics, Technology Crime Investigators, and Certified Fraud Examiners) who identify significant Departmental program and operational challenges.	Funding supports 237 Federal staff with specialized skill sets (e.g., Certified Public Accountants, Cyber, Data Analytics, Technology Crime Investigators, and Certified Fraud Examiners) who identify significant Departmental program and operational challenges.	The funding reflects a reduction in FTE to 237, that will provide oversight of the Department’s increasing risks, and the independent incurred cost audit program. Assumes a zero percent pay increase in civilian salaries, FERS increase, and supplemental funds for performance award pool increase in FY 2027.
<i>Travel</i>		
<i>2,619</i>	<i>1,200</i>	<i>-1,419</i>
Funding supports travel to provide oversight at the Department’s 25 geographically dispersed facilities.	Funding supports travel to provide oversight at the Department’s 25 geographically dispersed facilities.	Funding reflects reduced travel for operational and support personnel in direct support of the OIG’s mission.
<i>Support Services</i>		
<i>10,242</i>	<i>8,955</i>	<i>-1,287</i>
Funding directly reflects interagency support services and contracts necessary to support the independent incurred cost audit program, the work related to the Federal Information Security Modernization Act of 2014 (FISMA) audit, and annual independent evaluations to determine whether the Department of Energy’s unclassified cybersecurity program adequately protected its data and information systems.	Funding continues the interagency support services and contracts necessary to support the independent incurred cost audit program, the work related to the Federal Information Security Modernization Act of 2014 (FISMA) audit, and annual independent evaluations to determine whether the Department of Energy’s unclassified cybersecurity program adequately protected its data and information systems.	The funding reflects reduced resources needed for interagency support services, including the DOI IBC. Includes funding for contracts necessary to support the independent incurred cost audit program within the OIG. The funding also includes support for the FISMA audit and the audit of the Department’s unclassified cybersecurity program.

FY 2026 Enacted	FY 2027 Request	Explanation of Changes FY 2027 Request vs FY 2026 Enacted
<i>Other Related Expenses</i>		
<i>14,338</i>	<i>15,201</i>	<i>+863</i>
<p>Funding includes critical training for the OIG staff to maintain required levels of proficiency and comply with the Inspector General Act. Funding also supports forensic hardware and software requirements needed to accomplish investigative responsibilities.</p> <p>Funds are included for mandatory support for Council of the Inspectors General on Integrity and Efficiency (CIGIE) and to fund OIG's share of the Department's Working Capital Fund and Energy IT Services.</p>	<p>The request supports the OIG's training, information technology needs, and other requirements in the performance of the OIG duties.</p> <p>In accordance with the Inspector General Act, 5 U.S.C. CH. 4 § 406(g)(1), the Inspector General has certified that the amount requested for required training of its staff, including amounts designated for the statutorily required training would satisfy all the OIG's fiscal year 2027 training requirements.</p>	<p>The requested funding supports the OIG's current forensic efforts, training support, personnel security investigations, cloud technology, forensic hardware, and software to sustain the data analytics program, cyber, and technical crimes capabilities. The increase is due to a realignment of OIG resources and the consolidation of IT within the OIG's Office of Management.</p>

DEPARTMENT OF ENERGY
Funding by Site Detail
TAS_0236 - Inspector General - FY 2027
(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request
Washington Headquarters			
Program Direction - Office of Inspector General	86,000	90,000	77,400
Total Washington Headquarters	86,000	90,000	77,400
Total Funding by Site for TAS_0236 - Inspector General	86,000	90,000	77,400