

**Office of the Inspector General
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, [57,739,000] \$106,808,000 to remain available until September 30, [2023] 2024.

Public Law Authorizations

- Public Law 95-452, “Inspector General Act of 1978”
- Public Law 103-356, “Government Management Reform Act (GMRA) of 1994”
- Public Law 106-531, “Reports Consolidation Act of 2000”
- Public Law 107-347, “Federal Information Security Modernization Act (FISMA) of 2014”
- Public Law 111-5, “American Recovery & Reinvestment Act (ARRA) of 2009”
- Public Law 111-258, “Reducing Over-Classification Act”
- Public Law 112-194, “Government Charge Card Abuse Prevention Act of 2012”
- Public Law 112-199, “Whistleblower Protection Enhancement Act of 2012”
- Public Law 113-6, “Consolidated and Further Continuing Appropriations Act of 2013/2014 Omnibus Appropriations Act”
- Public Law 113-101, “Digital Accountability and Transparency Act”
- Public Law 114-117, “Grants Oversight and New Efficiency Act”
- Public Law 115-53, “Cybersecurity Act of 2015”
- Public Law 114-261, “To Enhance Whistleblower Protection for Contractor and Grantee Employees”
- Public Law No. 116-117, “The Payment Integrity Information Act of 2019 (PIIA)”

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

FY 2021 Enacted	FY 2022 Annualized CR	FY 2023 Request
57,739	57,739	106,808

Overview

The Office of the Inspector General (OIG) is dedicated to its mission to strengthen the integrity, economy, and efficiency of the Department’s programs and operations. The OIG can accomplish its mission effectively, in part, because it has the authority to inquire into all Department programs and activities as well as the related activities of persons or parties associated with Department grants, contracts, or other agreements.

Highlights of the FY 2023 Budget Request

The OIG focuses its efforts to enhance the efficiency and effectiveness of the Department’s programs and operations by:

- **Incurred Cost Audits of Management and Operating Contracts.** The OIG will conduct independent incurred cost audits of the Department’s Management and Operating Contracts, valued at over \$17,000,000,000. In addition, audits of M&O contractors’ Disclosure Statements will become an integral part of the newly implemented independent audit strategy for M&O contractors’ incurred costs.
- **Data Analytics.** The OIG’s Data Analytics program has developed novel insights into DOE spending and anomalies. With a 30% increase in the number of audits, inspections and investigations requiring the support of data analytics, the OIG will leverage its novel insights into DOE spending and anomalies and seek to expand the use of analytic tools to identify trends or provide indications of fraud.
- **Inspections, Intelligence Oversight, and Special Projects.** OIG’s Inspections team will continue to focus on intelligence oversight, special inquiries raised by Congress or senior departmental officials, and allegations received from OIG’s Hotline. Since December 2019, the OIG Hotline experienced a 25% increase in complaints. Likewise, over the same period, whistleblower investigations increased more than 70% since 2019. The OIG expects this growth to continue and, as a result, will direct additional resources to perform appropriate oversight.
- **Investigations.** In recent years, the Department experienced an 18% increase in contract and grant fraud cases, an 18% increase in cases involving integrity of government officials, and a 60% increase in national security and intellectual property cases. This additional work by our Office of Investigations resulted in a 36 percent increase in the number of criminal investigations and a substantial increase in the dollar value of contractor fraud cases. The increased level of enhanced information sharing and collaboration within the department, other federal agencies, data analytics, and incurred cost audits has increased OI’s workload and demand for federal investigators. In addition, the OIG seeks to expand its focus on high priority, high value areas including subcontract awards that account for several billion dollars each year, anti-trust violations, public corruption, and fraud in the areas of grants, loans, and other DOE programs. Furthermore, the OIG will continue to utilize Special Assistant United States Attorneys to increase criminal prosecutions.
- **Audits.** OIG performs audits on Department 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. The OIG seeks to increase oversight of key DOE program areas such as Power Marketing Administrations, Environmental Safety and Health, clean energy, national security, and other high-risk areas identified by the Department’s Administration and GAO.
- **Subcontract Oversight.** The OIG continues to assess the Department’s contract award and administration process to its subcontractors. Approximately ninety percent of the Department’s annual budget is spent on contracting, with thirty to fifty percent of that amount being dispersed to subcontractors. To date, OIG work has resulted in sizeable settlements with subcontractors; therefore, the OIG plans to direct additional resources to the oversight of subcontract administration.

- **Cybersecurity Oversight Efforts.** Over the past year, the OIG has detected a 70% increase in the number of cybersecurity weaknesses identified, an alarming increase in vulnerabilities within the DOE IT environment. Additionally, hacks and breaches have become more sophisticated and ubiquitous. For example, the Solarwinds hack led to the infiltration of at least 18,000 government and private networks, including DOE. Consequently, the OIG seeks to expand the range and frequency of its penetration testing and other security testing measures to minimize risk to DOE systems.
- **NNSA Modernization Efforts.** NNSA has undertaken a modernization effort that involves major projects (e.g., weapons complex transformation). OIG will conduct reviews that will proactively seek to identify opportunities to improve the efficiency and effectiveness of these operations.
- **Environmental Management.** The Department's environmental liability of \$512,257,000,000 remained on the Government Accountability Office's Biennial High Risk List in 2021. The OIG will continue to review the efficacy of the Department's environmental programs.
- **Clean Energy and IT Modernization.** The OIG will expand its oversight into these, and other emerging priority areas for the Department, to help to prevent fraud, waste, and abuse in these new and expanding programs.
- **New Offices/Classified Space.** OIG will continue its efforts to open offices in strategic locations and acquire access to a sensitive compartmented information facility, pursuant to the Department's ability to provide additional space and support OIG's mission.

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

	FY 2021 Enacted	FY 2022 Annualized CR	FY 2023 Request	FY 2023 Request vs FY 2021 Enacted (\$)	FY 2023 Request vs FY 2021 Enacted (%)
Washington Headquarters					
Salaries and Benefits	46,958	46,958	81,270	+34,312	73%
Travel	2,444	2,444	2,619	+175	7%
Support Services	757	757	9,439	+8,682	1,147%
Other Related Expenses	7,580	7,580	13,480	+5,900	78%
Total, Program Direction	57,739	57,739	106,808	+49,069	85%
Federal FTEs	303	303	428	+125	41%
Support Services					
Management Support			8,634	+8,634	
Federal Information Security Modernization Act (FISMA)	757	757	805	+48	6%
Total, Support Services	757	757	9,439	8,682	1,147%
Other Related Expenses					
Council of the Inspectors General on Integrity and Efficiency (CIGIE)	190	190	351	+161	85%
Information Technology	1,537	1,537	4,943	+3,406	222%
Infrastructure			2,000	+2,000	
Training	1,443	1,443	1,656	+213	15%
Working Capital Fund	3,173	3,173	3,240	+67	2%
Other Related Expenses	1,237	1,237	1,290	+53	4%
Total, Other Related Expenses	7,580	7,580	13,480	+5,900	78%

OIG FY 2024 – FY 2027 Focus

- Continuation of FY 2023 Activities
- Expanded Data Analytics Capabilities
- Expanded Cybersecurity oversight
- Expanded contract and grant fraud cases
- Expanded Hotline and Whistleblower Activities
- Expanded Oversight of Independent Incurred Cost Audits
- Expanded Oversight of Intelligence and Counterintelligence
- Increased IT Independence

Office of Inspector General

Activities and Explanation of Changes

FY 2021 Enacted	FY 2023 Request	Explanation of Changes FY 2023 Request vs FY 2021 Enacted
Program Direction \$57,739,000	\$106,808,000	+\$49,069,000
Salaries and Benefits \$46,958,000	\$81,270,000	+\$34,312,000
Funding supports 303 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.	Continue the transition to an independent audit program and the identification of significant Departmental challenges with Full-Time Equivalent (FTE) level of 428.	The funding increase reflects an increase in FTE usage by 93 FTEs. Additional FTEs will enable OIG to provide additional support for the independent audit program. Assumes 4.6 percent pay increase in civilian salaries, FERS increase, and supplemental funds for performance award pool increase in FY 2023.
Travel \$2,444,000	\$2,619,000	+\$175,000
Funding supports travel to provide oversight at DOE's 25 geographically dispersed facilities.	Continue to perform audits, inspections, and investigations across the DOE complex.	Funding directly reflects support for increased personnel and workload, the expansion of audits, analytics, cyber, and forensic efforts in direct support of OIG's mission.
Support Services \$757,000	\$9,439,000	+\$8,682,000
Funding directly reflects interagency support services and contracts necessary to support the implementation of the independent audit program. Provides support for the Federal Information Security Modernization Act of 2014 (FISMA). Annual independent evaluations to determine whether the Department of Energy's unclassified cybersecurity program adequately protected its data and information systems.	Increased management support to the independent audit program. Continued support for independent annual evaluations in accordance with FISMA.	Funding increase directly reflects interagency support services and contracts necessary to support the independent audit program as we transition to performing more of this work within the OIG. The funding also includes FISMA support.
Other Related Expenses \$7,580,000	\$13,480,000	+\$5,900,000
This funding includes critical training for 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. 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 DOE Working Capital Fund and Energy Information Technology Services.	Continue to support training, information technology needs, secure infrastructure, and other requirements in the performance of OIG duties.	The funding increase reflects forensic efforts, training support, personnel security investigations, and building a secure infrastructure. The OIG will also need to increase its investments in cloud technology, forensic hardware, and software to sustain the data analytics program, cyber, and technical crimes capabilities.

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**Bipartisan Infrastructure Legislation
(\$K)**

FY 2022 Enacted	FY 2023 Enacted
18,686	13,100

**Total Funding
(\$K)**

FY 2021	FY 2022	FY 2023
57,739	76,425	119,908