

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

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
86,000	86,000	90,000	+4,000

Proposed Appropriation Language

Base Funding as Proposed by the President's Budget

For expenses necessary for the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, [\$86,000,000] \$90,000,000, to remain available until September 30, [2026] 2027 expended.

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.

FY 2026 President's Funding Request for the DOE OIG

The FY 2026 budget request would increase the OIG's base budget to \$90 million. The OIG's request for funding helps ensure sufficient independent oversight of the numerous high-risk areas managed by the Department. This oversight includes focusing on:

- The Loan Program Office (LPO).
- Intellectual property and research impacting national security.
- New and expanding artificial intelligence program.
- Contract administration and subcontract management [especially important given approximately 90% of the Department's budget is distributed to contractors, 30-50% of which is further disbursed to subcontractors]
- The National Nuclear Security Administration (NNSA) stockpile.
- The \$544.5 billion environmental liability.
- Major planned construction and infrastructure upgrade projects.

In the prior year, OIG appropriations funded the oversight of approximately 6 percent of the Department's identified universe of 419 programs/activities. This resulted in a lack of independent oversight into numerous high-risk areas.

At the end of FY 2024, the OIG also had 227 criminal, civil, and administrative investigative cases ongoing.

Additionally, numerous OIG recommendations regarding cybersecurity remained open and absent the Department addressing these cyber weaknesses, additional work is needed in this area.

From FY 2023 to 2024, the OIG also experienced a:

- 113% increase in outreach to the hotline.
- 34% increase in hotline complaints received.
- 27% increase in the number of audits, inspections and investigations requiring data analytics support.

Highlights of the FY 2026 Budget Request

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

- *Investigations.* The OIG's Investigative function focuses on the detection and investigation of improper and illegal activities involving programs, personnel, and operations. The Office of Investigations projects to surpass its prior years' casework in FY25, with a noted increase in criminal investigations particularly related to grant fraud, contract fraud and cybercrimes. The Office of Investigations' work and partnerships with other law enforcement entities over the past year has resulted in significant cost savings to the Department and funds put to better use, as well as the return of over \$130 million to the Department. The OIG expects these trends to continue in FY26 as well as the significant outcomes of our criminal investigations. Our criminal investigations have led to a significant increase in sentencings and punishments for offenders, including a cybercrimes investigation involving a former Senior Executive Service employee being sentenced in a U.S. District Court to 10 years' incarceration for violations

of Coercion and Enticement of a Minor. The Office of Investigations continues its proactive case work in fraud detection and information sharing with Data Analytics, as well as collaborating with Departmental partners. The Office of Investigations will also continue to address allegations received through the OIG's Hotline and Whistleblower Investigations section, which have increased significantly in the last four years.

- **Audits.** The OIG performs audits of Departmental programs and operations that help identify and support recommendations for corrective actions to address management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, abuse or violations of law. The OIG's audit coverage includes financial, technology, cybersecurity, and program and operational performance, as well as the cost incurred under the Department's management and operating contracts. Audits provide substantial deterrence and detection capabilities over taxpayer funds and give Departmental management and Congress a well-informed perspective.
 - *Cybersecurity Oversight Efforts.* The OIG is responsible for the audit and evaluation of the Department's systems. The Department's unclassified cybersecurity environment includes over 450 systems, including several high value assets used to manage areas such as the Department's adjudication of security clearance, as well as the transmission of electricity within the bulk electric system. Annually, the OIG's evaluation of the cybersecurity program touches less than 10% of the total systems within the unclassified environment. In prior years, not only has the Department experienced substantial problems with cybersecurity, but the OIG's reviews have uncovered significant weaknesses. As the Department reorganizes critical agency functions, it will become increasingly 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; impact the refurbishment of the nuclear stockpile; or impact customers receiving electricity from the various Power Marketing Administrations. The Department is also responsible for managing a classified network. The OIG will undertake efforts to assess the need for additional oversight in this area.
 - *Incurred Cost Audits of Management and Operating (M&O) Contracts.* The OIG will continue conducting audits of incurred costs for Department M&O contracts, which were valued at approximately \$32.3 billion in FY 2024. These audits will include real-time testing of labor costs and reviews to ensure the adequacy of Disclosure Statements. The OIG will also begin conducting audits to verify compliance of Disclosure Statements and real-time testing of material costs.
 - *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 over \$544,500,000,000 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.
- **Technology/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). In FY 2026, the OIG plans to build a high side data analytics capability for more efficient oversight of the Department's classified programs and operations. Additionally, the OIG continues to address information technology solutions to the problem of the OIG operating on a multitude of networks, resulting in delays, missed communications, and a daily loss of productivity in OIG operations.
- **Facilities.** The OIG has moved forward with a full-time in Office presence for its employees. The OIG will continue its efforts to assess strategic locations at Department sites to ensure sufficient oversight presence as provided by the OIG's auditors, investigators, analysts, and other support staff. Additionally, the OIG will continue working to acquire the necessary sensitive compartmented information facility.

Office of the Inspector General (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Office of the Inspector General/Program Direction					
Salaries and Benefits	62,801	62,801	62,801	0	0%
Travel	2,619	2,619	2,619	0	0%
Support Services	9,439	9,439	10,242	+803	9%
Other Related Expenses	11,141	11,141	14,338	+3,197	29%
Total, Office of the Inspector General/ Program Direction	86,000	86,000	90,000	+4,000	5%
Federal FTEs	355	355	272	-83	-23%
Support Services					
Management Support	8,634	8,634	9,428	+794	9%
Federal Information Security Modernization Act (FISMA)	805	805	814	+9	1%
Total, Support Services	9,439	9,439	10,242	+803	9%
Other Related Expenses					
Council of the Inspectors General on Integrity and Efficiency (CIGIE)	283	283	360	+77	27%
Information Technology	2,672	2,672	4,593	+1,921	72%
Infrastructure	2,000	2,000	2,357	+357	18%
Training	1,656	1,656	1,656	+0	0%
Working Capital Fund	3,173	3,173	4,015	+643	19%
Other Related Expenses	1,357	1,357	1,357	+0	0%
Total, Other Related Expenses	11,141	11,141	14,338	+3,197	29%

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

FY 2025 Enacted	FY 2026 Request	Explanation of Changes FY 2026 Request vs FY 2025 Enacted
Program Direction		
\$86,000	\$90,000	+\$4,000
<i>Salaries and Benefits</i>		
\$62,801	\$62,801	\$-
Funding supports 355 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 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.	The funding reflects FTE usage at 272 FTEs, that will enable OIG to provide additional oversight of the Department's increasing risks, and the independent incurred cost audit program. Assumes 0 percent pay increase in civilian salaries, FERS increase, and supplemental funds for performance award pool increase in FY 2026.
<i>Travel</i>		
\$2,619	\$2,619	\$0
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 personnel and workload, the expansion of audits, analytics, cyber, and forensic efforts in direct support of the OIG's mission.
<i>Support Services</i>		
\$9,439	\$10,242	+\$803
Funding directly reflects interagency support services and contracts necessary to support the independent incurred cost 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 incurred cost audit program. Continued support for independent annual evaluations in accordance with FISMA.	Funding increase directly reflects an increase in interagency support services and contracts necessary to support the increased staffing for the independent incurred cost audit program within the OIG. The funding also includes increased FISMA support.

<i>Other Related Expenses</i>		
	<i>\$11,141</i>	<i>\$14,338</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 DOE Working Capital Fund and Energy IT Services.</p>	<p>Increased support to training, information technology needs, secure infrastructure, and other requirements in the performance of the OIG duties. 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 2026 training requirements.</p>	<p>The funding increase reflects increased 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.</p>