

**Office of Inspector General
Proposed Appropriation Language**

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [\$42,120,000]\$39,868,000, to remain available until September 30, [2015]2016.

Explanation of Changes

No change.

Public Law Authorizations

- 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 Systems Management Act (FISMA) of 2002"
- Public Law 111-5, "American Recovery & Reinvestment Act (ARRA) of 2009"
- Public Law 112-194, "Government Charge Card Abuse Prevention Act of 2012"
- Public Law 112-199, "Whistleblower Protection Enhancement Act of 2012"
- Public Law 112-239, "National Defense Authorization Act for Fiscal Year 2013"

Office of Inspector General

(\$K)			
FY 2013 Current	FY 2014 Enacted	FY 2014 Current	FY 2015 Request
39,803	42,120	42,120	39,868

Overview

The Office of Inspector General's (OIG's) mission is to strengthen the integrity, economy and efficiency of the Department's programs and operations. In doing this, the OIG strives to be a highly effective organization that promotes positive change. The OIG 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. The OIG also serves to provide the Secretary of Energy with an impartial set of "eyes and ears" to evaluate management practices. As a result of its work, the OIG provides a positive return on its investment. Over the last five years, the OIG's average return on investment was in excess of \$5 for every dollar appropriated.

The OIG focuses its efforts to enhance the efficiency and effectiveness of Department's programs and operations in the following key areas:

- **Support Costs.** OIG assists in identifying potential costs savings in areas such as the estimated \$3.5B spent each year on National Laboratory support costs.
- **Key Programs and Projects.** OIG evaluates the efficacy of the Department's management of key programs and projects such as the environmental program, which annually expends approximately \$6B, and the \$12.9B Hanford Waste Treatment Plant.
- **NNSA Modernization Efforts.** NNSA is undertaking a massive modernization effort that involves major projects (e.g., weapons complex transformation) that benefit from OIG reviews to proactively identify efficient and effective operations.
- **Loan Guarantee Programs.** The implementation phase of the Loan Guarantee programs will most likely require that the OIG hire experts to assist with reviews. Most agreements extend well into the future and will require reviews to confirm compliance with loan terms and conditions to protect taxpayer interests. In addition, new projects are soon to be issued by the Program, actions that will further extend the necessity for such experts/in-depth reviews.
- **Cost Accounting Standards (CAS).** OIG provides reviews of Department contractors' incurred costs and compliance with Cost Accounting Standards.
- **Contract Review.** OIG assesses the Department's administration of approximately \$25B in contracts.

Highlights of the FY 2015 Budget Request

In FY 2012 and FY 2013, the OIG expended more funds to perform required reviews and oversight than it received and expects this trend to continue in FY 2014, FY 2015, and beyond. The OIG's authorized FTE level is 279. The salaries and benefits associated with 279 employees account for 94 percent of the OIG's prior annual appropriations. The OIG is reducing discretionary spending and making use of carryover funds to ensure that the organization can maintain current operational levels in FY 2015. This will allow the OIG to continue to review the Department's efforts in the following critical areas:

- Project management;
- Cyber security;
- Nuclear life extension projects;
- Weapons complex modernization; and
- Cost reduction.

**Program Direction
Funding (\$K)**

FY 2013 Current	FY 2014 Enacted	FY 2014 Current	FY 2015 Request	FY 2015 vs FY 2014 Enacted
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Program Direction Summary

Washington Headquarters

Salaries and Benefits	37,600	39,334	39,334	40,690	+1,356
Travel	1,634	1,661	1,661	1,690	+29
Support Services	569	750	750	758	+8
Other Related Expenses	—	7,079	7,079	7,150	+71
Subtotal, Program Direction	39,803	48,824	48,824	50,288	+1,464
Use of Prior Year Balances ¹	—	—	-6,704	-10,420	-3,716
Total, Program Direction	39,803	42,120	42,120	39,868	-2,252
Federal FTEs	279	279	279	279	—

Support Services and Other Related Expenses

Support Services

Management Support					
FISMA	569	750	750	758	+8
Total, Support Services	569	750	750	758	+8

Other Related Expenses

CIGIE	—	97	97	423	+326
Information Technology	—	2,400	2,400	1,543	-857
Training	—	414	414	420	+6
Working Capital Fund	—	2,994	2,994	3,090	+96
Other Related Expenses	—	1,174	1,174	1,674	+500
Total, Other Related Expenses	—	7,079	7,079	7,150	+71

¹ The OIG will expend more prior year funds in FY 2015 than it did in FY 2014 to meet anticipated mission requirements.

Program Direction

Activities and Explanation of Changes

FY 2014 Enacted	FY 2015 Request	Explanation of Changes FY 2015 vs FY 2014 Enacted
Salaries and Benefits		
<p>Funding supports Federal staff with specialized skill sets (e.g., Certified Public Accountants, Technology Crime Investigators, Certified Fraud Examiners) who identify significant Departmental program and operational challenges.</p> <p>The OIG will use \$6,704 in prior year balances to support salaries and benefits for staff.</p>	<p>Continue to identify significant Departmental challenges.</p> <p>The OIG will use \$10,420 in prior year balances to support salaries and benefits for staff.</p>	<p>The funding change of +\$1,356 assumes an increase in salaries and benefits due to career ladder promotions and pay raises.</p> <p>The OIG will use \$10,420 in prior year balances to offset salaries and benefits for staff in FY 2015.</p>
Travel		
<p>Extensive travel is required to make first-hand observations of conditions and to review original records at DOE sites; conduct interviews; follow-up on leads; meet with subjects, witnesses, and U.S. Attorneys; and appear in court.</p>	<p>Continue to travel as required in the performance of OIG duties. OIG will use Video Teleconference, conference calls, and other cost saving measures when feasible.</p>	<p>The funding change of +\$29 is due to an increase of costs associated with modes of travel. The increased level remains below the ceiling established in accordance with the Secretarial initiative to reduce travel costs.</p>
Support Services		
<p>The OIG will use the financial statement audit contract to perform FISMA work for DOE and FERC.</p>	<p>Continue performing FISMA work for DOE and FERC.</p>	<p>The funding change of +\$8 is due to an increase in contract costs.</p>
Other Related Expenses		
<p>This funding includes training, which is critical for OIG staff in order 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 DOECO.</p>	<p>Continue to support training, information technology needs, and other requirements in the performance of OIG duties.</p>	<p>The funding change of +\$71 is due to an increase in Working Capital Fund, DOECO, and other operating costs.</p>

Department Of Energy
 FY 2015 Congressional Budget
 Funding By Appropriation By Site
 (\$K)

	FY 2013 Current	FY 2014 Enacted	FY 2015 Request
Office of the Inspector General			
Chicago Office			
Office of the Inspector General			
Office of the Inspector General	1,135	1,082	0
Total, Chicago Office	1,135	1,082	0
Idaho Operations Office			
Office of the Inspector General			
Office of the Inspector General	1,262	1,353	0
Total, Idaho Operations Office	1,262	1,353	0
National Energy Technology Lab			
Office of the Inspector General			
Office of the Inspector General	2,777	2,977	0
Total, National Energy Technology Lab	2,777	2,977	0
Nevada Site Office			
Office of the Inspector General			
Office of the Inspector General	885	947	0
Total, Nevada Site Office	885	947	0
NNSA Albuquerque Complex			
Office of the Inspector General			
Office of the Inspector General	6,822	7,847	0
Total, NNSA Albuquerque Complex	6,822	7,847	0
Oak Ridge Office			
Office of the Inspector General			
Office of the Inspector General	5,559	5,277	0
Total, Oak Ridge Office	5,559	5,277	0
Richland Operations Office			
Office of the Inspector General			
Office of the Inspector General	1,011	1,894	0
Total, Richland Operations Office	1,011	1,894	0
Savannah River Operations Office			
Office of the Inspector General			
Office of the Inspector General	1,642	1,760	0
Total, Savannah River Operations Office	1,642	1,760	0
Washington Headquarters			
Office of the Inspector General			
Office of the Inspector General	16,562	16,819	39,868
Total, Washington Headquarters	16,562	16,819	39,868

Department Of Energy
FY 2015 Congressional Budget
Funding By Appropriation By Site
 (\$K)

Office of the Inspector General	FY 2013 Current	FY 2014 Enacted	FY 2015 Request
Western Area Power Administration			
Office of the Inspector General			
Office of the Inspector General	2,148	2,164	0
Total, Western Area Power Administration	2,148	2,164	0
Total, Office of the Inspector General	39,803	42,120	39,868