

Department of the Treasury
Office of Inspector General

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2021

Table of Contents

Section I – Budget Request	3
A – Mission Statement.....	3
B – Summary of the Request	3
1.1 – Appropriations Detail Table	5
1.2 – Budget Adjustments Table.....	5
C – Budget Increases and Decreases Description.....	5
1.3 – Object Classification (Schedule O) Obligations	6
D – Appropriations Language and Explanation of Changes	7
E – Legislative Proposals.....	7
Section II – Annual Performance Plan and Report	8
A – Strategic Alignment	8
B – Budget and Performance by Budget Activity	13
2.1.1 – Audit Resources and Measures.....	13
Audit Budget and Performance.....	13
2.1.2 – Investigations Resources and Measures.....	14
Investigations Budget and Performance	14
C – Changes in Performance Measures	15
D – Use of Evidence and Evaluation	16
Section III – Additional Information	16
A – Summary of Capital Investments.....	16

Section I – Budget Request

A – Mission Statement

To promote the integrity, efficiency, and effectiveness in programs and operations within the Department of the Treasury and across OIG’s jurisdictional boundaries.

B – Summary of the Request

The FY 2021 request for \$39,335,000 for the OIG will be used to fund audit, investigative, and mission support activities to meet the requirements of the Inspector General Act of 1978, as amended, and other statutes including, but not limited to: the Cybersecurity Act of 2015; Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank); Federal Information Security Modernization Act of 2014 (FISMA); Federal Information Technology Acquisition Reform Act; Government Management Reform Act; Improper Payments Elimination and Recovery Act of 2010 (IPERA); Government Charge Card Abuse Prevention Act of 2012; Digital Accountability and Transparency Act of 2014 (DATA Act); Federal Deposit Insurance Act; Small Business Jobs Act of 2010; and Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE). Specific mandates include: (1) audits of the Department’s financial statements (2) audits or evaluations of the Department’s information systems security program and practices as required by FISMA, (3) assessments of the Department’s cyber security information sharing, (4) audits of improper payments and recoveries under IPERA, (5) risk assessments and audits of charge card programs, (6) material loss reviews of failed insured depository institutions regulated by the Office of the Comptroller of the Currency (OCC), and (7) data quality audits of spending data submitted by the Department to USASpending.gov.

The OIG will also conduct audits of the Department’s highest risk programs and operations, and respond to stakeholder requests for specific work, including: (1) operating in an uncertain environment, (2) cyber threats, (3) Bank Secrecy Act, anti-money laundering, and anti-terrorist financing enforcement, (4) efforts to promote spending transparency and to prevent and detect improper payments, and (5) information technology acquisition and project management.

Within its jurisdictional boundaries, the OIG also conducts audit of the highest risk programs and operations of Gulf Coast Ecosystem Restoration Council (Council) established under RESTORE. The highest risk programs and operations identified as the Council’s management and performance challenge include: (1) Federal statutory and regulatory compliance and (2) grant and interagency agreement compliance monitoring.

The OIG will continue its investigative work to prevent, detect, and investigate complaints of fraud, waste, and abuse impacting Treasury programs and operations. This includes the detection and prevention or deterrence of employee misconduct and fraud.

Through the audit and investigative functions, the OIG supports Treasury’s FY 2018 – 2022 Strategic Plan. The goals are: Goal 1: Boost U.S. Economic Growth; Goal 2: Promote Financial Stability; Goal 3: Enhance National Security; Goal 4: Transform Government-wide Financial Stewardship; and Goal 5: Achieve Operational Excellence. In support of Treasury’s Strategic Plan, the OIG established the following strategic goals:

- Promote the integrity, efficiency, and effectiveness of programs and operations across Treasury OIG's jurisdictional boundaries through audits and investigations
- Proactively support and strengthen the ability of programs across Treasury OIG's jurisdictional boundaries to identify challenges and manage risks
- Fully and currently inform stakeholders of Treasury OIG findings, recommendations, investigative results, and priorities
- Enhance, support, and sustain a workforce and strengthen internal operations to achieve the Treasury OIG mission, vision, and strategic goals

The Budget includes language that would allow, contingent upon enactment of authorizing legislation to transfer the United States Secret Service to Treasury, the Secretary of Homeland Security to transfer amounts from the Department of Homeland Security Office of Inspector General to support the Treasury OIG's oversight of the Secret Service.

Office of Inspector General's FY 2021 Budget Request

In accordance with the requirements of Section 6(f) (1) of the Inspector General Act of 1978, as amended, the Treasury Inspector General submits the following information relating to the OIG's requested budget for FY 2021:

- The aggregate budget request for the operations of the OIG is \$48,335,000 comprised of \$39,335,000 from direct appropriations, and \$9,000,000 from reimbursable collections;
- The portion of this amount needed for OIG training is \$650,000; and
- The portion of this amount estimated in support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is \$92,500.

The amount requested for training satisfies all OIG training needs for FY 2021.

1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2019		FY 2020		FY 2021		FY 2020 to FY 2021	
	Operating Plan		Enacted		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Audit	128	\$28,524	128	\$30,524	136	\$29,524	3.0%	1.1%
Investigations	39	\$8,520	39	\$10,520	44	\$9,811	3.3%	1.8%
Subtotal New Appropriated Resources	154	\$37,044	167	\$41,044	180	\$39,335	7.70%	-4.1%
Other Resources								
Reimbursable	0	\$6,000	0	\$9,000	0	\$9,000	0.0%	100.0%
Subtotal Other Resources	0	\$6,000	0	\$9,000	0	\$9,000	0.0%	100.0%
Total Budgetary Resources	154	\$43,044	167	\$50,044	180	\$48,335	7.70%	-3.4%

Note: FTE = Full-time Equivalent Employment

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	167	\$41,044
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$982
Pay Annualization (2020 3.1% average pay raise)	0	\$237
Pay-Raise (1% average pay raise)	0	\$231
FERS Contribution Increase	0	\$304
Non-Pay	0	\$210
Other Adjustments:	13	\$0
Workforce FTE Adjustment	13	\$0
Subtotal Changes to Base	13	\$982
FY 2021 Current Services	180	\$42,026
Program Changes:		
Program Decreases	-	(\$2,691)
Reduction in Contracts and Absorption of Rent	-	(\$2,691)
Increases		
FY 2021 President's Budget Request	180	\$39,335

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs).....+\$982,000 / +0 FTE

Pay Annualization (3.1%) +\$237,000 / +0 FTE

Funds are requested for annualization of the January 2020 3.1% average pay raise.

Pay Raise (1.0% in 2021) +\$231,000 / +0 FTE

Funds are requested for a 1.0% average pay raise in January 2021.

FERS Contribution Increase +\$304,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

Non-Pay +\$210,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent adjustments, postage, supplies and equipment.

Other Adjustments+\$0 / +13 FTE

Workforce FTE Adjustment +0 / +13 FTE

This adjustment is required to right-size the workforce to the funded FTE level.

Program Decreases-\$2,691,000 / -0 FTE

Reduction in Contracts and Absorption of Rent Increase -\$2,691,000 / -0 FTE

Program decrease in contracts and to accommodate increased administrative costs, including rent.

1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2019 Actual Obligations	FY 2020 Estimated Obligations	FY 2021 Estimated Obligations
11.1 - Full-time permanent	18,989	22,000	20,000
11.3 - Other than full-time permanent	0	10	10
11.5 - Other personnel compensation	1,000	400	900
11.9 - Personnel Compensation (Total)	19,989	22,410	20,910
12.0 - Personnel benefits	6,986	8,000	7,291
13.0 - Benefits for former personnel	0	15	15
Total Personnel and Compensation Benefits	\$26,975	\$30,425	\$28,216
21.0 - Travel and transportation of persons	968	700	700
23.1 - Rental payments to GSA	3,903	4,106	4,306
23.3 - Communications, utilities, and miscellaneous charges	0	900	900
24.0 - Printing and reproduction	0	10	10
25.2 - Other services from non-Federal sources	2,200	2,100	2,300
25.3 - Other goods and services from Federal sources	2,200	2,200	2,300
25.6 - Medical care	0	75	75
25.7 - Operation and maintenance of equipment	0	58	58
26.0 - Supplies and materials	0	200	200
31.0 – Equipment	1,960	250	250
91.0 - Unvouchered	0	20	20
43.0 - Interest and dividends	0	0	0
Total Non-Personnel	\$10,831	\$10,619	\$11,119
Total Obligations	\$37,806	\$41,044	\$39,335
Full-time Equivalents (FTE)	154	167	180

Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers.

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY OFFICE OF INSPECTOR GENERAL <i>Federal Funds</i></p> <p style="text-align: center;">SALARIES AND EXPENSES</p> <p>For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [\$41,044,000]<i>\$39,335,000</i>, including hire of passenger motor vehicles; of which not to exceed \$100,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; of which up to \$2,800,000 to remain available until September 30, [2021]<i>2022</i>, shall be for audits and investigations conducted pursuant to section 1608 of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (33 U.S.C. 1321 note); and of which not to exceed \$1,000 shall be available for official reception and representation expenses. (<i>Department of the Treasury Appropriations Act, 2020.</i>)</p>	

E – Legislative Proposals

The OIG has no legislative proposals.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

Through the audit and investigative functions, the OIG supports the Department of the Treasury’s Strategic Plan for FY 2018-2022 including all objectives under the following goals:

- Goal 1: Boost U.S. Economic Growth
- Goal 2: Promote Financial Stability
- Goal 3: Enhance National Security
- Goal 4: Transform Government-wide Financial Stewardship
- Goal 5: Achieve Operational Excellence

The FY 2021 requested resources will enable the OIG to perform audits and investigations of Treasury programs and operations under its jurisdiction, except for those of the Internal Revenue Service (IRS) and the Troubled Asset Relief Program (TARP), and to keep the Secretary of the Treasury and Congress fully informed of problems, deficiencies, and the need for corrective action. By statute, the OIG also performs oversight of the Gulf Coast Ecosystem Restoration Council, an independent Federal entity.

Major challenges and risks for Treasury:

Operating in an Uncertain Environment

This challenge addresses the external factors and future uncertainties that affect the Department’s programs and operations. Among the most notable are the proposed changes included in the Office of Management and Budget’s (OMB) comprehensive “Government-wide Reform Plan and Reorganization Recommendations” (Government-wide Reform Plan) to reorganize the Executive Branch. Tackling OMB’s proposed reorganizations and other critical matters at hand could be more challenging as Senate confirmed leadership positions and other key senior level positions within the Department remain vacant. Overall, human capital management remains a high risk area as the lengthy security clearance process has hampered the recruitment of cybersecurity personnel and other mission critical positions dealing with programs and materials of the highest sensitivity.

As another complicating factor, Treasury must operate in the repeated cycle of budget and debt ceiling stopgaps. While the debt ceiling has been lifted, through July 31, 2021, it is only temporary. The OIG will assess the Department’s ability to meet new mandates and manage challenges and risks to its programs and operations.

Cyber Threats

Treasury has maintained steady progress in addressing the continual and on-going challenges that the Federal Government and private sector face, including the threat of ransomware and difficulty obtaining cybersecurity personnel. Cyber threats are a persistent concern as Treasury’s information systems are critical to the core functions of government and the Nation’s financial infrastructure. Attempted cyber-attacks against Federal agencies, including Treasury, and financial institutions continue to increase in frequency and severity, in addition to continuously evolving. There are risks that Treasury’s systems and resources already in use, including critical infrastructure, contain components from sources that have yet to be designated as threats.

The Department will need to monitor developments in this area closely and plan for the possibility that its current supply chain may no longer be available in the near future.

In addition to its own networks and systems, the Department must be cognizant of, and mitigate, the risks posed by attacks made against other agencies and Treasury contractors and subcontractors. Furthermore, effective public-private coordination continues to be required to address the cyber threat against the Nation's critical infrastructure. In this regard, Treasury is looked upon to provide effective leadership to financial institutions in particular, and the financial sector in general, to strengthen awareness and preparedness against cyber threats.

As an ongoing challenge, Treasury will need to balance cybersecurity demands while modernizing and maintaining information technology (IT) systems. To this end, Treasury must ensure that cyber security is fully integrated its IT investment decisions. OIG conducts audits of Treasury's information systems and operations. As part of these audits, OIG conducts penetration tests of selected Treasury bureaus and offices to determine whether sufficient protections exist to prevent and detect unauthorized access to Treasury networks and systems.

Anti-Money Laundering/Terrorist Financing and Bank Secrecy Act Enforcement

Identifying, disrupting, and dismantling the financial networks that support rogue regimes, terrorist organizations, transnational criminal organizations, and other threats to the national security of the United States and our allies continues to be challenging as the Office of Terrorism and Financial Intelligence's (TFI) role to counter these financial networks and threats has grown because its economic authorities are key tools to carry out U.S. policy. Effective coordination and collaboration and TFI's ability to effectively gather and analyze intelligence information requires a stable cadre of experienced staff. The security clearance process has significantly impacted Treasury's human capital management and is a systemic issue government-wide. Stability, experienced leadership, and coordination within TFI is imperative to enhance information gathering and intelligence analysis and increase efficiency.

Data security and information sharing are challenges for the Financial Crimes Enforcement Network (FinCEN), which has experienced unauthorized disclosures of Bank Secrecy Act information. The challenge for FinCEN is to ensure the Bank Secrecy Act data remain secure in order to maintain the confidence of the financial sector while meeting the access needs of law enforcement, regulatory, and intelligence partners.

Given the criticality of Treasury's mission, its role to carry out U.S. policy, and resource constraints, the OIG continues to consider anti-money laundering and combating terrorist financing programs and operations as inherently high-risk. Through OIG's ongoing audits and reviews, the OIG monitors this high-risk area closely.

Efforts to Promote Spending Transparency and to Prevent and Detect Improper Payments

Given the broad implications and critical roles assigned to Treasury by the *Digital Accountability and Transparency Act of 2014* (DATA Act), it is considered an ongoing management challenge. The DATA Act requires the Federal Government to provide consistent, reliable, and useful online data about how it spends taxpayer dollars. Given the Department's role in the Government-wide implementation of the DATA Act, Treasury OIG has provided continuous oversight since enactment of the law. While there have been successes to date, there is still much

to do. Concurrent with the work performed by the OIG, the office leads a multi-agency IG community DATA Act Working Group and provides educational oversight ensuring the IG community is carrying out responsibilities under the DATA Act. Reliable and transparent data is critical to the Department ongoing implementation of government-wide reforms for making data accessible and useful for decision-making as authorized by the *Foundations for Evidence-Based Policymaking Act of 2018* (Evidence Act). The OIG will monitor the Department's progress in this area.

The OIG also continues to identify and analyze the risks of improper payments and reviews the controls and safeguards put in place by Treasury to prevent and recover such payments as set forth in the *Improper Payment Elimination and Recovery Act of 2010* (IPERA).

Information Technology Acquisition and Project Management

Government-wide implementation of the *Federal Information Technology Acquisition Reform Act* (FITARA) continues to be an ongoing challenge. FITARA expanded the involvement of Chief Information Officers of Federal agencies in IT decision making, including annual and multi-year planning, programming, budgeting, execution, reporting, management, governance, and oversight functions. Among FITARA specific requirements, the areas that Treasury needs most improvement were enhanced transparency and risk management and improved cybersecurity. Since February 2015, the Government Accountability Office has included the management of IT acquisitions and operations on its high-risk list as cost overruns and schedule delays impact mission related outcomes government-wide. The OIG monitors the Department's progress to fully implement FITARA requirements and management of IT projects.

Non-IT related acquisitions also require attention to ensure timely delivery and minimize cost overruns for achieving cost savings. In this regard, the OIG plans audit oversight of the Bureau of Engraving and Printing's large construction project of a new facility to ensure continuity of operations of the bureau.

Major challenges and risks for the Gulf Coast Ecosystem Restoration Council (Council) *Federal Statutory and Regulatory Compliance*

The Council must ensure that activities and projects funded by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) meet all environmental laws and regulations at the Federal and State level, and must also ensure its compliance with applicable laws and regulations as a Federal entity. The Council is challenged to follow Federal statutory and regulatory compliance requirements related to the DATA Act, IPERA, and the Evidence Act. The Council still faces challenges in meeting these Federal statutory and regulatory compliance stemming from the need for a reliable grants management system among other things. With the uncertainty of a successful transition to a new grants management system expected to be completed in fiscal year 2020, the Council's ability to comply with new as well as existing Federal requirements may be in question. The OIG will continue to focus audits on the Council's continued implementation and compliance with key Federal mandates.

Grant and Interagency Agreement Compliance Monitoring

Given the increase in grants and interagency agreements, the OIG continues to emphasize the necessity to monitor projects and award recipients of RESTORE Act funds. This challenge is further impacted by the Council's transition to a new grants management system during fiscal year 2020. The OIG audits will focus on the Council's monitoring controls in place to ensure projects' and recipients' comply with grant and agency agreements and funds are used as intended.

In the Investigations operational area, OIG has established eight priorities for FY 2020: *Criminal and Serious Employee Misconduct*

The OIG Office of Investigation's highest priority is investigating complaints involving alleged criminal and other serious misconduct by Treasury employees. OIG investigates allegations of: the general crimes enumerated in Title 18 of the U.S. Code, other federal crimes, alleged violations of the Ethics in Government Act, and allegations of serious misconduct prohibited by the Standards of Ethical Conduct for Employees of the Executive Branch. Several Treasury bureaus and offices have additional rules and regulations relating to ethical standards for their own employees, and OIG also investigates complaints of alleged violations of these rules and regulations.

Fraud Involving Contracts, Grants, Guarantees, and Funds

The OIG Office of Investigations conducts investigations into allegations of fraud and other crimes involving Treasury contracts, grants, loan guarantees, and federal funds, including investigations made in accordance with Sections 1602 and 1603 of the Recovery Act. Such allegations often involve contractors, entities, and individuals who are providing or seeking to provide goods or services to the Department. The Office of Investigations receives complaints alleging criminal or other misconduct from employees, contractors, members of the public, and the Congress.

Financial Programs and Operations Crime

Investigations relating to Treasury financial programs and operations that involve Treasury bureaus issuing licenses, providing benefits, and exercising oversight of U.S. financial institutions; frauds involving improper Federal payments such as those involving stolen, counterfeit, altered or fraudulently obtained Treasury checks and ACH payments; frauds involving improper Federal payments such as those involving Treasury checks and the *Check Forgery Insurance Fund*; crimes involving the improperly-redireceted benefits of federal government payees; and false claims of any kind that seek Federal payments, including federal income tax refunds, Social Security benefits, and Department of Veterans' Affairs. These matters require prompt attention to protect the public and the integrity of the department.

Threats Against Treasury Employees and Facilities

Investigative efforts into threats against Treasury employees and facilities are critical in ensuring safety for the Department. These matters require prompt attention and coordination with federal, state, and local authorities in order to protect those involved.

Cyber Threats against Treasury Systems and Cyber Enabled Financial Crimes Fraud

The OIG conducts investigations into Cyber intrusions of Treasury systems, the illicit removal of Treasury protected information from Treasury systems and Cyber enabled criminal activity impacting Treasury programs and operations, such as Business Email Compromise, Personal Email Compromise and other schemes.

Treasury Employee and Bureau Impersonation Scams

Investigations relating to scammers who represent themselves as Treasury employees in order to defraud the citizens of the U.S. and other countries by the impersonation of Treasury employees and/or the fraudulent use of the Treasury and Bureau seals. This is a problem that has significantly increased in the last few years. These matters require prompt attention to protect the public and the integrity of the Department.

Investigating Fraud Related to Persons Representing Themselves as “Sovereign Citizens” Submitting Fictitious Financial Instruments to Treasury, Financial Institutions, and Private Companies

The OIG conducts investigations into criminal activity associated with individuals who attempt to scam the Treasury, financial institutions, private companies, and citizens by submitting fictitious financial instruments purporting to be issued by or drawn on the Treasury or other counterfeit documents to perpetrate a variety of fraud schemes. These matters have become more prevalent and require prompt coordination with Federal, State, and local authorities to protect the targets of the scams.

Identifying and Investigating Fraud Related to the RESTORE Act

The RESTORE Act commits 80 percent of all administrative and civil penalties related to the Deepwater Horizon spill to the Gulf Coast Restoration Trust Fund. It also outlines a structure for using the funds to restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, and economy of the Gulf Coast region. As such, the act assigns Treasury several roles in administering the Trust Fund, including authorizing the Inspector General to investigate projects, programs, and activities funded under the act.

B – Budget and Performance by Budget Activity
2.1.1 – Audit Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request	
Appropriated Resources	\$24,947	\$27,653	\$26,014	\$24,413	\$25,699	\$30,525	\$29,524	
Reimbursable	\$8,525	\$7,299	\$6,726	\$6,116	\$6,236	\$9,000	\$9,000	
Budget Activity Total	\$33,472	\$34,952	\$32,740	\$30,529	\$31,935	\$39,525	\$38,524	
Full-time Equivalents (FTE)	135	137	115	119	128	128	136	
Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Number of Completed Audit Products	75	86	90	91	79	74	82	74
Percent of Statutory Audits Completed by the Required Date	100	100	100	100	100	100	100	100

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents, reimbursables, and user fees.

Audit Budget and Performance

(\$29,524,000 from direct appropriations, and \$9,000,000 from reimbursable resources):

The Office of Audit conducts audits intended to ensure the accountability of resources, protect information, and provide recommendations for improving the integrity, economy, efficiency, effectiveness, of programs and operations within the Department and across OIG’s jurisdictional boundaries, which include those of the Council. The requested funding for FY 2021 is necessary to perform mandated work (including audits/assessments of financial statements, information systems security program and practices, cyber security information sharing, improper payments and recoveries, charge card programs, material loss reviews of failed insured depository institutions regulated by the OCC, and data quality audits of spending data), and to maintain an appropriate level of oversight of programs and operations consistent with the OIG’s responsibilities under the Inspector General Act of 1978, amended. In FY 2021, OIG will also continue to provide oversight of Treasury’s government-wide role and responsibilities under the DATA Act. Reimbursable funding agreements support financial statement audits of Treasury and oversight of the Small Business Lending Fund. Reimbursable funding agreements also support Treasury financial audits for which Treasury OIG is the lead office in selecting and overseeing contractor selection.

Description of Performance

The Office plans to complete 82 audit products in FY 2020, and 74 in FY 2021. The number of audit products was reduced beginning in FY 2019 due to decreased staffing to cover increased administrative costs (rent). In FY 2019, the Office of Audit completed 79 audit products, and met all statutory audit timelines. Audit products included audit reports, evaluation reports, the Inspector General’s Semi-Annual Reports to Congress, and the Inspector General’s annual memoranda to the Secretary of the Treasury and the designated Chairperson of the Gulf Coast

Ecosystem Restoration Council, on the most significant management and performance challenges facing the Department and Gulf Coast Ecosystem Restoration Council, respectively.

Audit products can also include responses to specific information requests by the Congress. By completing independent and timely assessments of programs and operations across its jurisdiction, the Office of Audit supports the OIG’s mission of promoting integrity, efficiency, effectiveness of those programs and operations. The recommendations for improvement in programs and operations noted through OIG’s assessments directly support both the Treasury Department and the Gulf Coast Ecosystem Restoration Council in achieving their strategic goals and meeting their respective missions.

2.1.2 – Investigations Resources and Measures

Dollars in Thousands

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Resource Level	Actual	Actual	Actual	Actual	Actual	Enacted	Request	
Appropriated Resources	\$6,237	\$6,913	\$7,164	\$11,512	\$11,345	\$10,519	\$9,811	
Budget Activity Total	\$6,237	\$6,913	\$7,164	\$11,512	\$11,345	\$10,519	\$9,811	
Full-time Equivalents (FTE)	33	33	43	42	39	39	44	
Performance Measure	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	FY 2020	FY 2021
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Percentage of All Cases Closed During Fiscal Year That Were Referred for Criminal/Civil/Administrative Action.	87	84	84	98	80	74	80	80

The FY 2015 - FY 2019 appropriated resources represents the approved operating plan. The FY 2015 - FY 2019 columns represent realized resources for full-time equivalents, reimbursables, and user fees.

Investigations Budget and Performance

(\$9,811,000 from direct appropriations):

The Office of Investigations prevents, detects, and investigates complaints of fraud, waste, and abuse impacting Treasury programs and operations. This includes the detection and prevention or deterrence of employee misconduct and fraud, or related financial crimes within or directed against Treasury. The Office of Investigations refers its cases to the Department of Justice, state or local prosecutors for criminal prosecution or civil litigation, or to agency officials for corrective administrative action.

With almost \$4 billion in Treasury-related contracts, there is an increased risk of contract fraud across all Treasury bureaus and programs. OI initiated a program of providing integrity briefs to contract personnel notifying them of the responsibilities to report fraud, waste, and abuse within U.S. Treasury contracts and programs. OI works with the U.S. Department of Justice to prosecute False Claims Acts in federal court to recover funds through civil penalties.

Additionally, OI conducts criminal investigations to prosecute contracts engaging in fraudulent activity, such as kickbacks, product substitution, bid manipulation, and many other types of contract fraud. OI continues to work allegations directly impacting the American Reinvestment and Recovery Act and the Gulf Coast Restoration Trust Fund.

OI directs investigative efforts toward those that subvert bank examination processes, and/or perpetrate fraud impacting the Bank Secrecy Act oversight responsibilities of Treasury bureaus, subsequently defrauding the nation's financial infrastructure and eroding the public's trust.

In addition to the grant programs listed above, the Office of Investigations has seen a noted increase in fraud impacting other significant Treasury programs and operations, including leaks of Treasury information, as well as fraud impacting the Treasury payment processing service operated by the Bureau of Fiscal Service. The Office of Investigations remains committed to investigating benefit, improper payment and other monetary fraud associated with the programs and operations of the Treasury Department.

Additionally, the Office of Investigations remains committed to investigating benefit, improper payment and other monetary fraud associated with the programs and operations of the Treasury Department.

Description of Performance

In FY 2019 the Office of Investigations met the Investigative Performance Measure target (Target – 80 percent; Actual – 80 percent), opened 63 new investigations and closed 119 investigations. The OIG also referred 10 investigations that substantiated administrative violations against a Treasury employee to the appropriate regulated bureau for action. In addition, the OIG referred 81 investigations for criminal prosecution and 3 investigations involving 13 entities for civil prosecution. In FY 2019 the Office of Investigations charged and/or indicted 19 subjects. Ongoing investigations resulted in 32 subjects sentenced which resulted in fines, seizures, restitution, penalties and settlements of more than \$29.5 million.

The Office of Investigations continues to support frequent congressional inquiries, sensitive investigative requests from the Council of the Inspectors General on Integrity and Efficiency, and annual peer reviews of other Offices of Inspector General, thus ensuring a high level of professionalism within the Inspector General community.

The Investigative Performance Measure is a percentage of all cases closed by the Office of Investigations during the fiscal year referred to Department Bureaus for administrative action or for criminal or civil prosecution by Federal or local prosecutors. The goal for Office of Investigations is that at least 80 percent of closed cases meet the aforementioned criteria. Meeting or exceeding this goal demonstrates that the Office of Investigations is responsive to allegations and complaints referred to the office and when these referrals require investigation, the cases are timely, thoroughly and accurately reported to assist the Department in maintaining the integrity of its programs and operations, subsequently ferreting out fraud, waste, and abuse. The office is working to meet or exceed this measure in both FY 2020 and FY 2021.

With the publication of the Treasury Strategic Plan for FY 2018-2022, OIG will work this year to baseline its performance against the new strategic objectives. This could result in changes to performance measures in the FY 2021 budget.

C – Changes in Performance Measures

OIG has no changes in performance measures.

D – Use of Evidence and Evaluation

The OIG will be adding a data analysis function to its audits in order to use data to assess risk and feed decisions about programs requiring further evaluation within Treasury. The auditors within the Office of Audit will use this information to assess individual programs and to assess risk on a Treasury-wide level.

Section III – Additional Information

A – Summary of Capital Investments

The OIG has no capital investments. Capital investments that support the OIG are included in the Departmental Offices plan.

A summary of capital investment resources, including major information technology and non-technology investments can be found at: <https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>