

## Office of Inspector General

### Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023 Operating Plan	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025	
				\$ Change	% Change
Audit	\$35,853	\$35,853	\$36,839	\$986	3%
Investigation	\$13,025	\$13,025	\$13,335	\$310	2%
<b>Subtotal, OIG</b>	<b>\$48,878</b>	<b>\$48,878</b>	<b>\$50,174</b>	<b>\$1,296</b>	<b>3%</b>
Offsetting Collections - Reimbursable	\$7,000	\$12,000	\$12,000	\$0	0%
Resources from Other Accounts	\$14,000	\$11,000	\$9,000	(\$2,000)	-18%
<b>Subtotal Other Resources</b>	<b>\$21,000</b>	<b>\$23,000</b>	<b>\$21,000</b>	<b>(\$2,000)</b>	<b>-9%</b>
<b>Total Budgetary Resources</b>	<b>\$69,878</b>	<b>\$71,878</b>	<b>\$71,174</b>	<b>\$704</b>	<b>1%</b>
FTE	241	210	210	0	0%
<b>Total Full-time Equivalents (FTE)</b>	<b>241</b>	<b>210</b>	<b>210</b>	<b>0</b>	<b>0%</b>

FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals, including 31 for Pandemic Funding.

FY 2024 does not include 44 Pandemic funded FTEs and 3 Annual Reimbursable FTEs.

FY 2025 does not include 21 Pandemic funded FTEs and 13 Annual Reimbursable FTEs.

Appropriated resources were provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021.

1. \$6.5 million for oversight, monitoring, and recoupment of the Emergency Rental Assistance program.
2. \$3 million for oversight of the Emergency Rental Assistance program.
3. \$2.6 million for oversight of the Homeowner Assistance Fund.
4. \$35 million for oversight of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Funding received in FY 2020)
5. Offsetting Collections includes \$1 million for SSBCE Reimbursable Authority (Supporting the Small Business Jobs Act of 2010).

### Summary

The FY 2025 request for \$50,174,000 for the Office of Inspector General (OIG) will be used to support ongoing critical audit, investigative, and mission-support activities and pandemic relief programs. The request maintains current services, building on the increased FY 2023 funding OIG received to support unfunded Coronavirus State and Local Recovery Funds (SLFRF) oversight and data analytics and information technology support staff.

The request also funds 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; Payment Integrity Information Act of 2019 (PIIA); Federal Deposit Insurance Act; Small Business Jobs Act of 2010; the Government Charge Card Abuse Protection Act of 2012; Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act); the Coronavirus Aid, Relief, and Economic Security Act (CARES); the Consolidated Appropriations Act, 2021; and the American Rescue Plan Act (ARP). Specific mandates include (1) audits of the Department's financial statements, (2) audits and/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 PIIA, (5) risk assessments and audits of charge card programs, (6) audits of air carrier pandemic payroll, and (7) material loss reviews of failed

insured depository institutions regulated by the Office of the Comptroller of the Currency (OCC). 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) new initiatives and operating in an uncertain environment; (2) cyber threats; (3) Bank Secrecy Act, anti-money laundering, and and-terrorist financing enforcement; (4) information technology acquisition and project management; and (5) certain Treasury Pandemic Relief programs.

Within its jurisdictional boundaries, the OIG also conducts audit of the highest risk programs and operations of the Gulf Coast Ecosystem Restoration Council (Council) established under the RESTORE Act. The highest risk programs and operations identified as the Council’s management and performance challenges include: (1) Federal Statutory and Regulatory Compliance (2) Grant and Interagency Agreement Compliance Monitoring, and (3) Recruiting and Retaining a Highly Skilled Workforce.

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.

This year, the OIG is working to align budget activities and performance measures to the new objectives in the Treasury FY 2022 – 2026 Strategic Plan. This work will include benchmarking performance and may result in changes to performance measures in the FY 2025 Budget.

***Budget Highlights***

Dollars in Thousands

	FTE	Amount
<b>FY 2024 Assumed Enacted</b>	<b>210</b>	<b>\$48,878</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$1,296
Pay Annualization (2024 5.2% average pay raise)	0	\$532
Pay Raise (2025 2.0% average pay raise)	0	\$455
Non-Pay (2025 2.2% non-pay inflation)	0	\$309
<b>FY 2025 Current Services</b>	<b>210</b>	<b>\$50,174</b>
<b>FY 2025 President's Budget Request</b>	<b>210</b>	<b>\$50,174</b>

***Budget Adjustments***

**Maintaining Current Levels (MCLs) .....+\$1,296,000 / 0 FTE**

Pay Annualization (5.2% in 2024) +\$532,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +\$455,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +\$309,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

## ***Legislative Proposals***

### **Sec. 128 of Treasury Administrative Provisions**

“Amounts made available under section 601(f)(3) of the Social Security Act 42 (U.S.C. 801(f)(3)) shall be available for any necessary expenses of the Department of the Treasury Office of Inspector General with respect to section 601 of that Act, subtitle A of title V of division N of the Consolidated Appropriations Act of 2021, or section 3201 of the American Rescue Plan Act of 2021, in addition to amounts otherwise available for such purposes.”

### **Justification:**

Treasury OIG is requests authority to use unobligated CARES Act Coronavirus Relief Fund (CRF) oversight funding, available until expended, for oversight of the Emergency Rental Assistance (ERA) program, which was authorized in the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act. OIG received a total of \$9.5 million in mandatory funding for oversight of the Emergency Rental Assistance Program, however, that funding is insufficient to cover OIG’s workload around ERA. OIG projects more than sufficient funding from the \$35 million to execute its CRF oversight mission, but requires more resources than currently available to execute its ERA oversight mission.

In addition, the volume and complexity of complaints received relating to the ERA program requires more staffing to fully address the issues, and the expenditure rate experienced in the past two and a half years makes it clear that the dedicated funding will not last through the expected end of the OIGs oversight in fiscal year 2027.

Of the \$35 million provided to OIG for CRF oversight, \$21 million has been expended through November 2023, and \$14 million remains available for use. Based on the OIG’s oversight activities and expenditures to date, and its projections of future oversight expenditures through fiscal year 2025 to completion of the OIG’s responsibilities, it is expected that funds will be available to supplement needs under the ERA program. Of the \$9.5 million provided to OIG for ERA oversight, \$6 million has been expended through August 2023, and \$3.5 million remains available for use. The volume and complexity of complaints related to ERA disbursements indicates that at current and projected spending rates the OIG will run out of ERA-dedicated oversight funding well before its oversight obligations terminate at the end of fiscal year 2027. Accordingly, the OIG seeks authority to use funds from the CARES Act CRF oversight for ERA oversight, as needed through the end of fiscal year 2027.

## ***Performance Highlights***

Budget Activity	Performance Measure	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
		Actual	Actual	Actual	Actual	Target	Target
Audit	Number of Completed Audit Products	85	80	74	82	82	82
Audit	Percent of Statutory Audits Completed by the Required Date	100	100	100	100	100	100
Investigations	Percentage of All Cases Closed During the Fiscal Year That Were Referred for Criminal/Civil Prosecution or Treasury Administrative Action	91	100	100	100	80	80

### ***Description of Performance***

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The Office of Audit (OA) completed 94 audit products in FY 2023, exceeding its target of 82. In FY 2023, OA also met its mandated audit requirements. OA expects to complete 82 audit products in FY 2024 and FY 2025. In keeping with the OIG's strategy to maintain a highly skilled and motivated workforce, the OIG plans and executes a meaningful body of work designed to help ensure the integrity, efficiency, and effectiveness of programs and operations across OIG's jurisdiction while looking for opportunities to improve them.

In FY 2023, Office of Investigations (OI) exceeded the 80 percent target for Investigative Performance Measure by referring 100 percent of investigations for criminal/civil/administrative action. OI opened 91 new investigations and closed 83 investigations. The OIG also referred 12 investigations that substantiated administrative violations against a Treasury employee to the appropriate regulated bureau for action. In addition, the OIG referred 87 investigations for criminal prosecution and 9 investigations for civil prosecution. In FY 2023, OI charged and/or indicted 20 subjects and contributed to 36 subjects convicted. Ongoing investigations resulted in 3 subjects sentenced which resulted in fines, seizures, restitution, penalties, and settlements of more than \$16.8 million.

OI 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.