

Department of the Treasury
Office of Inspector General

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2025

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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 OIG’s jurisdictional boundaries.

B – Summary of the Request

The FY 2025 request for \$50,174,000 for the OIG will be used to support ongoing 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); Government Charge Card Abuse Prevention Act of 2012; Federal Deposit Insurance Act; Small Business Jobs Act of 2010; Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE); the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); 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 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 support programs; 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 anti-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 audits of the highest risk programs and operations of the Gulf Coast Ecosystem Restoration Council (Council) established under RESTORE. 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.

Office of Inspector General's FY 2025 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 2025:

- The aggregate budget request for the operations of the OIG is \$50,174,000 in direct appropriations.
- The portion of this amount needed for OIG training is \$667,000; and
- The portion of this amount estimated in support the Council of the Inspectors General on Integrity and Efficiency (CIGIE) is \$19,720.

The amount requested for training satisfies all OIG training needs for FY 2025.

1.1 Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2023		FY 2024		FY 2025		FY 2024 to FY 2025	
	Operating Plan		Annualized CR		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Audit	159	\$35,853	159	\$35,853	159	\$36,839	0.0%	2.8%
Investigations	51	\$13,025	51	\$13,025	51	\$13,335	0.0%	2.4%
Subtotal New Appropriated Resources	210	\$48,878	210	\$48,878	210	\$50,174	0.0%	2.7%
Other Resources								
Reimbursables - Annual	0	\$7,000	0	\$12,000	0	\$12,000	NA	0.0%
Resources from Other Accounts	31	\$14,000	0	\$11,000	0	\$9,000	NA	-18.2%
Subtotal Other Resources	31	\$21,000	0	\$23,000	0	\$21,000	NA	-8.7%
Total Budgetary Resources	241	69,878	210	\$71,878	210	\$71,174	0.0%	-1.0%

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 SSBCI Reimbursable Authority (Supporting the Small Business Jobs Act of 2010).

1.2 Budget Adjustments

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR Amount	210	\$48,878

Changes to Base:

2025 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
FY 2025 Current Services	210	\$50,174
FY 2025 President's Budget Request	210	\$50,174

C – Budget Increases and Decreases Description

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.

1.3 Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2023 Actual Obligations	FY 2024 Estimated Obligations	FY 2025 Estimated Obligations
11.1 - Full-time permanent	29,000	29,000	29,000
11.3 - Other than full-time permanent	0	0	0
11.5 - Other personnel compensation	2,000	2,000	2,000
11.9 - Personnel Compensation (Total)	31,000	31,000	31,000
12.0 - Personnel benefits	12,000	12,000	11,000
Total Personnel and Compensation Benefits	\$43,000	\$43,000	\$42,000
21.0 - Travel and transportation of persons	1,000	1,000	1,000
23.1 - Rental payments to GSA	3,000	3,000	3,000
23.3 - Communications, utilities, and miscellaneous charges	1,000	1,000	1,000
25.2 - Other services from non-Federal sources	5,000	4,000	4,000
25.3 - Other goods and services from Federal sources	6,000	5,000	5,000
25.7 - Operation and maintenance of equipment	1,000	1,000	1,000
26.0 - Supplies and materials	1,000	1,000	1,000
31.0 - Equipment	1,000	1,000	1,000
Total Non-Personnel	\$19,000	\$17,000	\$17,000
Total Obligations	\$62,000	\$60,000	\$59,000
Full-time Equivalents (FTE)	241	257	244

Note:

Resources from Other Accounts include Pandemic Funds and FY 2023 Full-time Equivalents reflect actuals.

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 SSBCI Reimbursable Authority (Supporting the Small Business Jobs Act of 2010).

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><i>For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, \$50,174,000, 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, 2026, 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></p> <p><i>Note.--A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.</i></p>	

E – Legislative ProposalsSec. 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 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.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

This year, through the audit and investigative functions the OIG is working to align budget activities and performance measures to the 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.

The FY 2025 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 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.

B – Major challenges and risks for Treasury

New Initiatives and Operating in an Uncertain Environment

While Treasury continues implementing new initiatives and programs such as a comprehensive action plan to address the catastrophic impacts of climate change, other critical matters such as the budget and debt ceiling stopgaps continue to be more challenging. The impact of these challenges and the uncertainties requires the Department to continue to focus its resources on programs that are in the highest need to citizens and/or where there is a unique federal role. It is essential that new initiatives, programs, and reforms be managed and communicated effectively for achieving performance and accountability. 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 challenge in recruiting and retaining 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. 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.

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 is needed 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 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. This is critical, especially since the COVID-19 pandemic shifted a portion of the Federal workforce to remote work status, which increases the opportunities for cyber-attacks. With remote work, long-standing cyber threats pose increased risks to networks and information systems as more opportunities are

available for bad actors to stage cyber-attacks. As the tools used to perpetrate cyber-attacks become easier to use and more widespread, less technological knowledge and fewer resources are needed to launch successful attacks of increasing sophistication. To this end, Treasury must ensure that cyber security is fully integrated in 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. TFI's counter-terrorism designations disrupt the financial networks that support terrorist organizations. Disrupting terrorist financing depends on a whole-of-government approach and requires collaboration and coordination within Treasury and with other federal agencies. Effective collaboration and coordination are key to successfully identifying and disrupting terrorists' financial networks and meeting TFI's mission.

Data privacy 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 to maintain the confidence of the financial sector while meeting the access needs of law enforcement, regulatory, and intelligence partners. Another challenge for FinCEN is to develop and implement a new secure database for small businesses to report their beneficial ownership information.

Given the criticality of Treasury's mission and its role to carry out U.S. policy, 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.

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 agency Chief Information Officer authority enhancements. 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.

Pandemic Relief Programs

The COVID-19 pandemic affected the health and economic stability of communities nationwide. Congress passed a series of legislation to address the COVID-19 health crisis and the economic fallout affecting individuals, businesses, and other industry sectors. Treasury has been instrumental in implementing and supporting other Federal agencies in implementation of economic relief provisions of the CARES Act, the Consolidated Appropriations Act, 2021, and the American Rescue Plan. While the COVID-19 pandemic national emergency declaration ended in May 2023, short-term and long-term challenges lay ahead for both the Department and OIG.

Treasury must continue to address reporting and data quality issues and intensify efforts to reduce improper payments. Reliable and transparent data is critical to the Department's 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 *Payment Integrity Information Act of 2019 (PIIA)*.

Along with administering and delivering economic relief, Treasury must manage the unprecedented oversight required by the aforementioned legislation. In addition, Treasury must carry the administrative and monitoring responsibilities in its new role resolving Single Audit findings and potentially serving as cognizant agency for a significant number of entities. In the context of these overarching challenges, OIG recognizes the breadth and scope of Treasury's responsibilities as it impacts programs, operations, and activities regardless of jurisdictional oversight boundaries. While Treasury has leveraged its existing workforce, hired contractors, and obtained detailees from other Federal agencies to address the demands of the pandemic programs, it continues to face future funding challenges to carry out its expansive administrative and compliance monitoring role. Going forward, Treasury may experience difficulties in balancing its ongoing pandemic oversight responsibilities and workloads while managing several ongoing challenges as described throughout this document.

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 required to follow Federal statutory and regulatory compliance requirements related to the DATA Act, PIIA, and the GREAT 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 costs and resources to make desired modifications to its grants management system, 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. Council officials acknowledge that adequate oversight of grants is an ongoing challenge. As part of its Enterprise Risk Management profile, the Council continues to identify oversight and monitoring of grant recipients among its top critical risks. In its effort to improve compliance monitoring, the Council implemented an ongoing improvement process to focus on improving their efficiencies and effectiveness. 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.

Recruiting and Retaining a Highly Skilled Workforce

Over the past few years, the OIG has addressed the loss of key leadership positions. While senior leader vacancies were filled, the OIG continues to note organizational changes related to departures of retiring staff. Even though the Council opted to hire/promote staff members with Council operations experience, there is still operational risk from loss of institutional knowledge due to impending retirements. Since the Council is a small agency that needs to maintain a highly skilled workforce, any turnover significantly impacts staff workload and institutional knowledge. Because the Council anticipates more turnover of retirement-eligible employees, the loss of institutional knowledge will continue to be a challenge. Therefore, as individuals move into new roles, effective internal and external communications, as well as adequate continuity of operations planning, will be critical to the Council's success and productivity. The OIG, while conducting audits and evaluations, will review the Council's organizational structure for effective administration of programs.

In the Investigations operational area, OIG has established eight priorities for FY 2024:

Threats Against Treasury Employees and Facilities

OIG's highest priority is investigating threats against Treasury employees and facilities. These efforts are critical in ensuring safety for the Department and require prompt attention and coordination with Federal, State, and local authorities.

Criminal and Serious Treasury Employee Misconduct

OIG investigates complaints involving alleged criminal and other serious misconduct by Treasury employees. OIG also 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 investigates complaints of alleged violations of these rules and regulations.

Cyber Threats Against Treasury Systems and Cyber Enabled Financial Crimes Fraud
OIG conducts investigations into 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.

Identifying and Investigating Fraud Related to Pandemic Related Acts, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021

OIG conducts inquiries and investigations of waste, fraud, and abuse related to Title V of the CARES Act, which established the Coronavirus Relief Fund for State, Local, and Tribal governments, U.S territories, and the District of Columbia. OIG also conducts investigations related to the Emergency Rental Assistance Program, Homeowner Assistance Fund, Coronavirus State and Local Recovery Funds, State Small Business Credit Initiative (SSBCI), Air Carrier Payroll Support Programs, Coronavirus Economic Relief for Transportation Services, Emergency Capital Investment Fund, and the Community Development Financial Institutions Fund Emergency Support.

Fraud Involving Treasury Contracts, Grants, Guarantees, and Federal Funds

OIG conducts investigations into allegations of fraud and other crimes involving Treasury contracts, grants, loan guarantees, and Federal funds. Such allegations often involve contractors, entities, and individuals who provide or seek to provide goods or services to the Department. OIG receives complaints alleging criminal or other misconduct from employees, contractors, members of the public, and Congress. OIG also investigates criminal activity associated with improper payments made due to false claims to the Treasury in relation to grant programs, such as the American Recovery and Reinvestment Act of 2009 and pandemic programs.

Treasury Financial Programs and Operations Crime

OIG conducts and supervises criminal investigations related to Treasury financial programs and operations, including the issuance of licenses, payments and benefits, and oversight of U.S. financial institutions. OIG investigates criminal activity associated with improper payments made due to false claims to the Treasury and stolen, altered, counterfeit, and fraudulently obtained and/or redirected Treasury payments. OIG also investigates financial institution employee obstruction of the examination process and bank fraud, wire fraud, embezzlement, and other crimes affecting the oversight of Office of the Comptroller of the Currency (OCC) regulated financial institutions as well as the Bank Secrecy Act/Anti-Money Laundering program overseen by OCC and the Financial Crimes Enforcement Network (FinCEN).

Investigating Fraud Related to Criminals Impersonating Treasury Agents and Employees

OIG conducts investigations into criminal activity associated with individuals who attempt to scam citizens by fraudulently purporting to be Treasury agents or employees. These matters have become more prevalent and require prompt coordination with Federal, State, and local authorities to protect the targets of the scams.

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

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.

C – Budget and Performance by Budget Activity

2.1.1 Audit Resources and Measures

Dollars in Thousands

Resource Level	FY2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Request	FY 2025 Request
Appropriated Resources	\$25,699	\$30,524	\$30,524	\$31,095	\$35,853	\$35,853	\$36,839
Reimbursable and other Resources	\$6,236	\$9,000	\$8,261	\$22,122	\$22,122	\$22,122	\$19,000
Budget Activity Total	\$31,935	\$39,524	\$38,785	\$53,217	\$57,975	\$57,975	\$55,839
Full-time Equivalents (FTE)	119	128	136	144	159	159	159

Performance Measure	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
Number of Completed Audit Products	79	85	80	74	82	82	82
Percent of Statutory Audits Completed by the Required Date	100	100	100	100	100	100	100

Key: DISC - Discontinued; B - Baseline; I - Indicator

Audit Budget and Performance

(\$36,839,000 from direct appropriations, and \$19,000,000 from reimbursable and other resources):

The Office of Audit (OA) 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 within OIG’s jurisdictional boundaries, which include those of the Council. The requested funding for FY 2025 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, and material loss reviews of failed insured depository institutions regulated by the OCC, 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, as amended. In FY 2025, OIG will also continue to provide oversight of Treasury’s Government-wide role and responsibilities under the CARES Act, FY 2021 Consolidated Appropriations Act, and ARP. Reimbursable funding agreements support financial statement audits of Treasury and oversight of the State Small Business Credit Initiative and 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

In FY 2023, OA issued 94 products, exceeding the performance goal of 82. OA plans to complete 82 audit products in FY 2024, and 82 in FY 2025. Audit products include audit reports, evaluation reports, desk reviews, 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.

2.1.2 Investigations Resources and Measures

Dollars in Thousands

Resource Level	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Request	FY 2025 Request
Appropriated Resources	\$11,344	\$10,520	\$10,520	\$11,180	\$13,025	\$13,025	\$13,335
Reimbursable	0	0	0	0	0	0	0
Budget Activity Total	\$11,344	\$10,520	\$10,520	\$11,180	\$13,025	\$13,025	\$13,335
Full-time Equivalents (FTE)	39	39	44	44	51	51	51

Performance Measure	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Target	FY 2024 Target	FY 2025 Target
Percentage of All Cases Closed During the Fiscal Year That Were Referred for Criminal/Civil/Administrative Action	80	91	100	100	100	80	80

Key: DISC - Discontinued; B - Baseline; I - Indicator

Investigations Budget and Performance

(\$13,335,000 from direct appropriations):

The Office of Investigations (OI) 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. OI 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 \$3 billion in U.S. Treasury related contracts, there is an increased risk of contract fraud across all U.S. 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 contractors 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, and the Pandemic Programs within Treasury OIG's jurisdiction.

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 OI 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. OI remains committed to investigating benefit, improper payment and other monetary fraud associated with the programs and operations of the Treasury Department. The Pandemic Response Accountability Committee (PRAC) established a Fraud Task Force to serve as a resource for the Inspectors General (IG) community by merging investigative resources into those areas where the need is the greatest, currently pandemic loan fraud. Agents from Offices of Inspectors General (OIG) across the Government are detailed to work on Task Force cases. These agents have partnered with prosecutors at the Department of Justice's Fraud Section and at United States Attorneys' Offices across the country.

Treasury OIG has four special agents who are assigned to the PRAC Fraud Task Force on a part-time basis. The agents are assigned Paycheck Protection Program cases while continuing to work their existing Treasury OIG caseload. This initiative allows Treasury OIG to make a broader contribution to the IG community by assisting with investigations that might otherwise remain unstaffed.

Description of Performance

The Investigations performance measure is a percentage of all cases closed by OI 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 OI is that at least 80 percent of closed cases meet the aforementioned criteria. Meeting or exceeding this goal demonstrates that OI 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 2024 and FY 2025.

In FY 2023, OI exceeded the 80 percent target for Investigations 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.

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>