

Department of the Treasury
Office of Inspector General

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2027

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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 the Office of Inspector General’s (OIG) jurisdictional boundaries.

B – Summary of the Request

The FY 2027 request for \$43,550,000 for the OIG will be used to support ongoing audit, investigative, and mission support activities and pandemic relief programs. The request maintains current services (including data analytics and information technology support staff) and supports Coronavirus State and Local Recovery Funds (SLFRF) oversight.

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 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; and the 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 PIIA; (5) risk assessments and audits of charge card programs; and (6) material loss reviews of failed insured depository institutions regulated by the Office of the Comptroller of the Currency.

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 such as artificial intelligence adoption; (2) cyber threats; (3) Bank Secrecy Act, anti-money laundering, and anti-terrorist financing enforcement; and (4) crypto and digital assets.

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 2027 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 2027:

- The aggregate budget request for the operations of the OIG is \$43,550,000 in direct appropriations.
- The portion of this amount needed for OIG training is \$500,000 and
- The portion of this amount estimated in support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) is \$174,200

The amount requested for training satisfies all OIG training needs for FY 2027.

1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2025 Operating Plan		FY 2026 Enacted		FY 2027 Request		FY 2026 to FY 2027 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources								
Audit	154	\$35,462	144	\$35,462	132	\$33,664	-8.3%	-5.1%
Investigations	49	\$12,927	39	\$12,927	37	\$9,886	-5.1%	-23.5%
Subtotal New Appropriated Resources	203	\$48,389	183	\$48,389	169	\$43,550	-7.7%	-10.0%
Other Resources								
Reimbursables - Annual	13	\$12,000	13	\$12,000	13	\$12,000	0.0%	0.0%
Resources from Other Accounts	21	\$7,000	0	\$0	0	\$0	NA	NA
Subtotal Other Resources	34	\$19,000	13	\$12,000	13	\$12,000	0.0%	0.0%
Total Budgetary Resources	237	\$67,389	196	\$60,389	182	\$55,550	-7.1%	-8.0%

FY 2025 Other Resources and Full-time Equivalents (FTE) reflect actuals.

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2026 Enacted	183	\$48,389
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$88
Pay Annualization (FY 2026 1.0% average pay raise)	0	\$88
Subtotal Changes to Base	0	\$88
FY 2027 Current Services	183	\$48,477
Program Changes:		
Program Efficiencies	(14)	(\$4,927)
Workforce Reshaping	(14)	(\$3,633)
Expanded Use of Data Analytics Tools	0	(\$1,294)
Subtotal Program Changes	(14)	(\$4,927)
FY 2027 President’s Budget Request	169	\$43,550

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs)+\$88,000 / +0 FTE

Pay Annualization (1.0% in 2026) +\$88,000 / +0 FTE

Funds are requested for annualization of the January 2026 1.0% average pay raise.

Program Efficiencies-\$4,927,000 / -14 FTE
Workforce Reshaping -\$3,633,000 / -14 FTE

OIG’s workforce reshaping efforts are supported by several operational efficiencies that reduce resource requirements while maintaining mission delivery. These include: (1) organizational restructuring to consolidate functions, eliminate duplicative activities, and optimize supervisory spans of control; and (2) relocation of the OIG headquarters to a lower cost leased facility, generating savings in rent and associated overhead expenditures.

Expanded Use of Data Analytics -\$1,294,000 / -0 FTE

OIG will continue Treasury OIG’s data literacy program to expand the use of data analytics across audit and investigative operations. Increased integration of analytics will streamline workflows, automate manual data collection and testing, and accelerate identification of risks and anomalies. These efficiencies will reduce labor-intensive tasks, shorten project timelines, and allow staff to focus on higher-value analytical and oversight activities. These combined initiatives enable OIG to operate more efficiently and effectively, thereby supporting the proposed staffing reductions.

1.3 – Object Classification (Schedule O) Obligations Table

Dollars in Thousands

Object Classification	FY 2025 Actual Obligations	FY 2026 Estimated Obligations	FY 2027 Estimated Obligations
11.1 - Full-time permanent	28,000	25,000	22,000
11.5 - Other personnel compensation	2,000	2,000	2,000
11.9 - Personnel Compensation (Total)	30,000	27,000	24,000
12.0 - Personnel benefits	12,000	9,000	8,000
Total Personnel and Compensation Benefits	\$42,000	\$36,000	\$32,000
21.0 - Travel and transportation of persons	1,000	1,000	1,000
23.1 - Rental payments to GSA	2,000	2,203	2,000
23.3 - Communications, utilities, and miscellaneous charges	0	1,000	1,000
25.2 - Other services from non-Federal sources	3,000	2,829	3,000
25.3 - Other goods and services from Federal sources	4,000	5,357	5,000
31.0 - Equipment	1,000	0	0
Total Non-Personnel	\$11,000	\$12,389	\$12,000
Total Obligations	\$53,000	\$48,389	\$44,000
Full-time Equivalents (FTE)	203	183	169

Amounts reflect obligations of annually appropriated resources.

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 chapter 4 of title 5, United States Code, \$43,550,000, 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, 2028, 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>	

E – Legislative Proposals

OIG has no legislative proposals.

Section II – Annual Performance Plan and Report

A – Budget and Performance

Treasury carries a great responsibility for fostering prosperity and security for the American people. We play a critical role both in the U.S. economy and globally to meet the needs of the nation. The [Treasury Strategic Plan 2026–2030](#) charts a course to guide meeting the responsibilities to the public. As the Bureau Strategic Plans are finalized, more information on measures such as validation and verification of data and explanations of results will be developed.

2.1 – Budget Activities Table

Dollars in Thousands

Resource Level	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Enacted	FY 2027 Request
Office of Audit	\$38,785	\$53,217	\$57,975	\$48,878	\$41,000	\$48,389	\$45,664
Appropriated Resources	\$30,524	\$31,095	\$35,853	\$35,853	\$32,000	\$35,462	\$33,664
Reimbursable	\$8,261	\$22,122	\$22,122	\$13,025	\$9,000	\$12,927	\$12,000
Office of Investigations	\$10,520	\$11,180	\$13,025	\$13,025	\$13,000	\$12,000	\$9,886
Appropriated Resources	\$10,520	\$11,180	\$13,025	\$13,025	\$13,000	\$12,000	\$9,886
Budget Activity Total	\$49,305	\$64,397	\$71,000	\$61,903	\$54,000	\$60,389	\$55,550
Full-time Equivalents (FTE)	180	188	210	210	203	183	169

2.2 – Performance Measures Table

Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2025 Target	FY 2026 Target	FY 2027 Target
Number of Completed Audit Products	80	74	82	82	82	82	70	50
Percent of Statutory Audits Completed by the Required Date	100	100	100	100	100	100	100	100
Percentage of All Cases Closed During the Fiscal Year That Were Referred for Criminal/Civil/Administrative Action	100	100	100	100	100	100	100	100

2.3 – Performance Summary

Office of Audit

In FY 2025, the Office of Audit (OA) staff decreased by approximately 33 percent. Despite staffing challenges, OA issued 94 audit products, exceeding its target of 82, identified \$1.9 billion in questioned costs, and recouped approximately \$4 million in pandemic funds. OA was able to accomplish its results by reprioritizing work, focusing on mandated and highest risk projects; shifting resources to mitigate the staffing shortage; and terminating multiple audits. This trend will continue into FY 2026.

OA plans to meet its FY 2026 and FY 2027 targets of 70 and 50 audit products, respectively, by focusing on mandates, prioritizing highest risk work, shifting resources as needed, training, and incorporating technology where feasible to improve efficiency. For FY 2026, OA expects to maintain its current staffing level, and anticipates a reduction in staffing for FY 2027.

In addition, OA will continue Treasury OIG's data literacy program efforts to integrate data analytics into daily operations. OA will also continue collaboration with Treasury's recently established Data Literacy Campaign.

Office of Investigations

In FY 2025, the Office of Investigations (OI) opened 55 new investigations and closed 85 investigations. OI referred 11 investigations that substantiated administrative violations against a Treasury employee to the appropriate regulated bureau for action. In addition, OI referred 53 investigations for criminal prosecution and 2 investigations for civil prosecution. In FY 2025, OI charged and/or indicted 45 subjects and contributed to 22 subjects convicted for a combined total of 1,413 months of prison time, 706 months of probation, and ordered to pay fines, restitution, settlements, and court fees totaling more than \$180 million. Towards the latter half of FY 2025, OI began to see a shift in focus to cyber-related fraud allegations.

For FY 2026 and FY 2027, OI continues to focus its priorities 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 or related financial crimes within or directed against Treasury. OI has identified an increase in cyber-related fraud allegations and has subsequently increased its cyber training requirements for all OI investigative cadre to become more knowledgeable about such trends and investigative techniques as well enhanced their Forensic Cyber Lab capabilities to continue to address this ever-dynamic threat.

OI refers cases to the Department of Justice, state or local prosecutors for criminal prosecution or civil litigation, or to agency officials for corrective administrative action. OI measures its performance based upon the percentage of all cases closed 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 and when necessary, conduct timely, thorough, and accurate investigations that are reported to the adjudicating officials. This very thorough process assists the Department in maintaining the integrity of its programs and operations thus subsequently reducing fraud, waste, and abuse. In FY 2025, OI exceeded the 80 percent target by referring 100 percent of their investigations for criminal, civil, and/or administrative action. OI is working to meet or exceed this measure in both FY 2026 and FY 2027.

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 nontechnology investments can be found at:

<https://www.treasury.gov/about/budgetperformance/Pages/summary-of-capital-investments.aspx>.