

Office of Inspector General

Dollars in Thousands

Budget Activity	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
	Operating Plan	Operating Plan2	Request	\$ Change	% Change
Audit	\$30,524	\$30,524	\$31,182	\$658	2.16%
Investigations	\$10,520	\$10,520	\$11,180	\$660	6.27%
Subtotal, Organization Title	\$41,044	\$41,044	\$42,362	\$1,318	3.21%
Offsetting Collections - Reimbursable	\$9,000	\$9,000	\$9,000	\$0	0.00%
Total Program Operating Level	\$9,000	\$9,000	\$9,000	\$0	100.00%
Direct FTE	167	180	190	10	5.56%
Total Full-time Equivalents (FTE)	167	180	190	10	5.56%

FY 2020 Other Resources and Full-time Equivalents (FTE) reflect actuals.

In FY 2021 additional appropriated resources were provided by the Consolidated Appropriations Act of 2021 (CAA) and the American Rescue Plan Act of 2021 (ARP) which are not included above:

1. \$3 Million for oversight of the Emergency Rental Assistance program (ARP).
2. \$6.5 million for oversight of the Emergency Rental Assistance program (CAA).
3. \$2.6 million for oversight of the Homeowner Assistance Fund (ARP).
4. \$35 million for oversight of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Summary

The FY 2022 request for \$42,362,000 for the Office of Inspector General (OIG) will be used to fund critical 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; 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 FY 2021 Consolidated Appropriations Act; 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, and (6) 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) operating in an uncertain environment; (2) cyber threats; (3) Bank Secrecy Act, anti-money laundering, and and-terrorist financing enforcement; (4) efforts to promote spending transparency and to prevent and detect improper payments; (5) information technology acquisition and project management; and (6) 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) Loss of Key Leadership Over Administration of Gulf Coast Restoration Activities.

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.

In accordance with the *Government Performance and Results Act Modernization Act (GPRAMA)* of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President’s Budget to reflect new Departmental strategic goals and objectives. The OIG will publish a component plan that aligns bureau activities and priorities to the Department’s by early spring 2022.

FY 2022 Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	180	\$41,044
Changes to Base:		
Maintaining Current Levels (MCLs):	0	1,258
Pay Annualization (1.0% average pay raise)	0	75
Pay Raise (2.7% average pay raise)	0	677
FERS Contribution Increase	0	284
Non-Pay	0	222
FY 2022 Current Services	180	\$42,302
Program Changes:		
Program Decreases	0	(1,709)
Reduction in Contracts and Absorption of Rent		
Increase	0	(1,709)
Program Increases:	10	1,769
Workforce FTE Adjustment	10	1,709
Electric Vehicles and Associated Infrastructure	0	60
Subtotal Program Changes	10	\$60
FY 2022 President's Budget Request	190	\$42,362

FY 2022 Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs)..... +\$1,258,000 / +0 FTE

Pay Annualization (1.0%) +\$75,000 /+0 FTE

Funds are requested for annualization of the January 2021 1.0% average pay raise.

Pay Raise (2.7% in 2022) +\$677,000 / +0 FTE

Funds are requested for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +\$284,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +\$222,000 / +0 FTE

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

Program Decreases..... -\$1,709,000 / -0 FTE

Reduction in Contracts and Absorption of Rent Increase -\$1,709,000 /-0 FTE

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

Program Increases..... +\$1,769,000 / +10 FTE

Workforce FTE Adjustment +\$1,709,000 / +10 FTE

This adjustment is required to right-size the workforce for increased audit and investigative oversight and to provide necessary support staff.

Electric Vehicles and Associated Infrastructure +\$60,000 / +0 FTE

For FY 2022, the OIG requests \$60,000 to fund the eventual conversion of its fleet to Electronic Vehicles (EVs). Of that money, a to-be-determined amount will be allocated to support the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program.

Explanation of Budget Activities

Audit \$31,182,000 from direct appropriations, \$9,000,000 from reimbursable

The Office of Audit conducts audits to ensure the accountability of resources, protect information, and provide recommendations for improving the economy, efficiency, effectiveness, and integrity of programs and operations across its jurisdictional boundaries, which include those of Treasury and the Gulf Coast Ecosystem Restoration Council (Council). The requested funding for FY 2022 is necessary to perform mandated work and maintain an appropriate level of oversight of these programs and operations consistent with its responsibilities under the Inspector General Act, as amended. The OIG also responds to requests by Treasury and Council officials and the Congress for specific work. In FY 2022, the OIG will continue to provide oversight of Treasury's government-wide role and responsibilities under the CARES Act, FY 2021 Consolidated Appropriations Act, and American Rescue Plan. Reimbursable funding supports agreements for contracted financial statement audits as well as oversight of the Small Business Lending Fund and State Small Business Credit Initiative program.

Investigations \$11,180,000 from direct appropriations

The Office of Investigations (OI) prevents, detects, and investigates complaints of fraud, waste, and abuse. 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 \$4 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.

OI directs investigative efforts toward those that subvert bank examination processes and/or perpetrate fraud affecting 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, 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 the 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 OIG conducts inquiries and investigations of waste, fraud, and abuse related to Title V of the CARES Act, which established the Coronavirus Relief Fund, as well as the Emergency Rental Assistance program (ERA/ERA2), the Homeowner Assistance Fund (HAF), American Rescue Plan Act of 2021 (ARPA), and the State Small Business Credit Initiative (SSBCI). Since the inception of the CARES Act in March 2020, the Office of Investigations has increased its caseload by 25 percent for investigations that involve potential misappropriated funds of state, local, and tribal governments.

Legislative Proposals

The OIG has no legislative proposals.

Performance Highlights

Budget	Performance Measure	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		Actual	Actual	Actual	Target	Target
Audit	Number of Completed Audit Products	91	79	85	74	74
Audit	Percent of Statutory Audits Completed by the Required Date	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	98	80	91	80	80

Description of Performance

The Office of Audit completed 85 audit products in FY 2020 and expects to complete 74 in FY 2021. In FY 2020, OA met its mandated audit requirements and identified \$93.4 million of questioned costs.

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 2020 the OIG exceeded the Investigative Performance Measure target, opened 76 new investigations, and closed 107 investigations. The OIG also referred 13 investigations that

substantiated administrative violations against a Treasury employee to the appropriate regulated bureau for action. In addition, the OIG referred 119 investigations for criminal prosecution and 3 investigations for civil prosecution. In FY 2020 the Office of Investigations charged and/or indicted 41 subjects. Ongoing investigations resulted in 23 subjects sentenced which resulted in fines, seizures, restitution, penalties and settlements of more than \$15.6 million.

The OIG received investigative referrals regarding potential criminal misconduct that occurred prior to, or during bank failures, and has worked on criminal investigations with the Federal Deposit Insurance Corporation Office of Inspector General, the National Credit Union Administration Office of Inspector General regarding potential prosecution of acts which may have contributed to the bank failures. Additionally, the OIG continues to receive investigative referrals from Treasury bureaus, law enforcement agencies, and other sources regarding fraud impacting Treasury programs and operations and routinely conducts independent and joint investigations into these matters.

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.