

Department of the Treasury
Special Inspector General for
Pandemic Recovery

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2022

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Section I – Budget Request

A – Mission Statement

To ensure that the American taxpayer gets the best return on investment by promoting the economy, efficiency, effectiveness, and integrity of Coronavirus Relief and Economic Security (CARES) Act¹ funds and programs.

B – Summary of the Request

The Special Inspector General for Pandemic Recovery (SIGPR) received an initial appropriation of \$25 million derived from amounts made available under Section 4027 of the CARES Act. The Budget proposes appropriations language to provide SIGPR an additional \$25 million in 2022 from unobligated balances that remain available under Section 4027, the Economic Stabilization Fund. This funding is critical in ensuring that SIGPR's audit and investigative services have the necessary resources to protect the integrity of CARES Act funds.

SIGPR's Fiscal Year (FY) 2022 budget request of \$25,000,000 will enable SIGPR to conduct critical audit, investigative, and inspection and evaluation services to protect the integrity of the covered funds under the CARES Act. SIGPR's FY 2021 Full-time equivalent (FTE) projection is 66. In accordance with the requirements of section 6(g)(1) of the Inspector General Act of 1978 (as amended),² SIGPR submits the following information in support of its appropriations request for FY 2022 operations:

- The aggregate budget request for the operations of SIGPR is \$25,000,000;
- The portion of this amount needed for SIGPR training is \$500,000; and
- The portion of this amount estimated in support the Council of Inspectors General on Integrity and Efficiency (CIGIE) is estimated to be \$60,000.

The amount requested for training satisfies all SIGPR training needs for FY 2022.

1.1 – Appropriations Detail

Dollars in Thousands

Appropriated Resources	FY 2020		FY 2021		FY 2022		FY 2021 to FY 2022	
	Operating Plan		Operating Plan		Request *		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Audit	2	\$15,000	0	\$0	38	\$12,500	NA	NA
Investigations	0	\$10,000	0	\$0	38	\$12,500	NA	NA
Subtotal New Appropriated Resources	2	\$25,000	0	\$0	76	\$25,000	NA	NA
Other Resources								
Unobligated Balances from Prior Years	0	\$0	66	\$24,000	0	\$0	-100.0	NA
Subtotal Other Resources	0	\$0	66	\$0	0	\$0	-100.0	NA
Total Budgetary Resources	2	\$25,000	66	\$24,000	76	\$25,000	-100.0	NA

In FY 2020, \$25M in appropriated no-year resources were provided to establish SIGPR under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

*Includes funding for administrative, information technology, counsel, and external affairs to support the mission of the Office of Audits and the Office of Investigations.

¹ Pub. L. 116-136, 134 Stat. 281 (2020).

² 5 U.S.C. app. 3 § 6(g)(1); cf. 15 U.S.C. § 9053(c)(1) (directing SIGPR to perform enumerated duties “in accordance with” the Inspector General Act of 1978).

1.2 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 20: Actual Obligations	FY 2021 Estimated Obligations	FY 2022 Estimated Obligations *
11.1 - Full-time permanent	0	6,000	12,000
11.9 - Personnel Compensation (Total)	0	6,000	12,000
12.0 - Personnel benefits	0	2,000	5,000
Total Personnel and Compensation Benefits	\$0	\$8,000	\$17,000
23.1 - Rental payments to GSA	0	0	2,000
25.3 - Other goods and services from Federal sources	1,000	8,000	6,000
Total Non-Personnel	\$1,000	\$8,000	\$8,000
Total Obligations	\$1,000	\$16,000	\$25,000
Full-time Equivalents (FTE)	2	66	76

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C – Appropriations Language

Of amounts appropriated by section 4027(a) of the CARES Act (15 U.S.C. § 9061) that are available for obligation as a result of the deobligation of amounts that were, as of January 9, 2021, obligated for the credit subsidy cost of loans, loan guarantees, or other investments that the Secretary of the Treasury had committed to make under paragraphs (1) through (3) of subsection 4003(b) of the CARES Act (15 U.S.C. § 9042(b)(1)-(3)), \$25,000,000 shall be available to the Special Inspector General for Pandemic Recovery to carry out section 4018 of the CARES Act (15 U.S.C. § 9053): *Provided*, That such funds shall be available in addition to any other amounts available for that purpose.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

SIGPR, an independent office within the Department of the Treasury (Treasury), was established by section 4018 of the CARES Act in 2020. It provides oversight of Treasury activities under the CARES Act by conducting independent audits, investigations, and inspections and evaluations necessary to prevent and detect waste, fraud, and abuse in programs and operations. SIGPR conducts audits of these Treasury programs, investigates fraud by recipients of CARES Act funds, and makes recommendations designed to improve the administration of pandemic recovery programs. SIGPR also conducts criminal investigations into allegations of waste, fraud, and abuse while helping to ensure that SIGPR protects and secures taxpayer data.

In accordance with the *Government Performance and Results Act Modernization Act (GPRAMA)* of 2010, 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. SIGPR published a Strategic Plan for FY 2021 - 2023 and will publish a new component plan that aligns bureau activities and priorities to the Department’s in 2022.

Priority 1: High Impact Work

SIGPR offices of audit and investigations deliver timely, relevant, and high impact results.

SIGPR’s objectives are to identify risk and weaknesses in program areas within SIGPR’s jurisdiction and recommend solutions that help mitigate fraud, waste, abuse, and mismanagement. In doing so, SIGPR employs risk-based approaches to prioritize and target audits and investigations in areas that provide the greatest impact and address the highest risks.

SIGPR achieves these objectives through several strategies. SIGPR provides timely information, conclusions, and recommendations to SIGPR stakeholders for appropriate action and resolution. The offices of audit and investigations design and implement a comprehensive process that identifies, prioritizes, and assesses risks. Both offices develop and implement a process for proactive efforts that focus on high dollar loans or high impact projects. SIGPR leverages data analytics to identify meaningful indicators of fraud or misuse of CARES Act funds. Finally, SIGPR allocates resources to projects that address the highest risk and most vulnerable areas.

Priority 2: Integrity in Oversight Work

SIGPR offices of audits and investigations delivers accurate, professional, independent, and actionable work products.

SIGPR’s objective is to employ work processes that drive the timely completion of accurate, relevant, and impactful projects that adhere to professional standards.

To do so, SIGPR develops policies, processes, and procedures to ensure that SIGPR work complies with the quality standards used in the federal inspector general community. The offices of audit and investigations ensure that projects and work products comply with professional standards, including, but not limited to the Government Auditing Standards and Quality

Standards for Investigations. Finally, SIGPR participates in the CIGIE audit and investigation external peer review process.

Priority 3: Inclusiveness and Innovation

SIGPR promotes a diverse and inclusive culture that is innovative, high performing, and engaged.

SIGPR's objectives are to recruit and retain diverse, high-performing talent; to use innovative techniques and approaches that improve efficiency and effectiveness; and to promote transparent and timely communications and inclusiveness.

SIGPR employs several strategies to do so. SIGPR develops a recruitment strategy that targets the knowledge and skills necessary to meet the mission critical needs of the organization and provides opportunities for continuous development and professional growth to meet current and future needs of the organization. SIGPR provides a work environment that promotes a positive work-life balance. SIGPR provides data analytic capabilities to support projects. SIGPR also collaborates with other agencies to leverage best practices, tools, data, and technologies.

Priority 4: Effective Collaboration and Outreach

SIGPR will work with oversight partners and others to ensure efficiency, effectiveness, and transparency in SIGPR's work.

SIGPR's objective is to leverage strategic communications to expand outreach to and collaboration with SIGPR's stakeholders and partners, as well as to communicate SIGPR's findings to Executive Branch leaders, Congress, and the public.

To do so, SIGPR builds strong relationships with internal and external partners and stakeholders to identify emerging trends of fraud, waste, and abuse and share best practices. SIGPR develops a communications plan for outreach and collaboration and reports on SIGPR findings and activities. Finally, SIGPR tracks, analyzes, and reports on Department of the Treasury CARES Act relief.

B – Budget and Performance by Budget Activity

Audit Budget and Performance

(\$12,500,000 from direct appropriations):

SIGPR's Office of Audit (OA) conducts audits, reviews, and evaluations of loans, loan guarantees, and other investments made by Treasury under programs established under the CARES Act as well as Treasury's management of programs established under the CARES Act. The Office of Audits takes an analytic approach to auditing CARES Act programs and has populated databases with CARES Act funding recipient information. The office is calculating individual risk scores to pinpoint where auditing resources can be best applied. The office also refers instances of suspected abuse to other SIGPR offices and outside entities.

The most recent highlights include:

- Compiled and developed a data set including more than 50 million rows of data, covering more than \$150 billion in CARES Act funding; and

- Initiated three new projects about the Direct Loan Program, the Main Street Lending Program, and the CARES Act funds given to the U.S. Postal Service.

Investigations Budget and Performance

(\$12,500,000 from direct appropriations):

SIGPR's Office of Investigations prevents, detects, and investigates allegations of fraud, abuse, or misconduct involving CARES Act funds and programs within SIGPR's jurisdiction. In addition, the office manages SIGPR's hotline. The office receives complaints, conducts investigations, and works in partnership with U.S. Attorneys' Offices on these matters. These investigations relate to activities that, in the aggregate, potentially represent millions of dollars of questionable expenditures related to funds distributed under the CARES Act.

The Office of Investigations also participates in several working groups. These include the CIGIE Financial Oversight Assistant Inspector General for Investigations Working Group and federal Office of Inspector General Investigation COVID-19 working groups, including subcommittees of the Pandemic Response Accountability Committee. The Office of Investigations has also formed new referral protocols with the Office of Compliance Inspections and Examinations (OCIE) of the Securities and Exchange Commission (SEC) and Treasury's suspension and debarment unit in the Office of the Procurement Executive. These new referral protocols have already produced referrals to SIGPR. The office also continues to coordinate closely with other law-enforcement agencies with the goal of forming law-enforcement partnerships, including task-force relationships, across the federal government.

The most recent highlights include:

- Assisted the U.S. Attorney's Office for the District of South Dakota in a recently indicted case involving multiple fraud counts regarding pandemic relief programs;
- Uncovered and developed 35 new investigative leads relating to suspected fraud under various CARES Act programs; and
- Received and vetted 363 hotline complaints during the second quarter.

SIGPR is developing performance measures for the Audits and Investigations programs.

C – Evidence-Building Activity

The Foundations for Evidence-Based Policymaking Act of 2018³ emphasizes collaboration to advance data and evidence-building function in the Federal Government by statutorily mandating Federal evidence-building activities, open government data, confidential information protection, and statistical efficiency.

SIGPR supports Treasury's efforts to use data and evidence for decision-making about program operations, policy, and regulations. As described above, SIGPR supports these efforts through data-driven decision-making when selecting which audits and investigations to pursue that have the most significant impact on detecting fraud, waste, and abuse in CARES Act programs. Additionally, refer to the Executive Summary for a discussion of Treasury-wide evidence-building functions.

³ Pub. L. 115-435, 132 Stat. 5529 (2018).

Section III – Additional Information

A – Summary of Capital Investments

SIGPR has no capital investments. Capital investments that support SIGPR 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>