

FY 2022 Congressional Justification

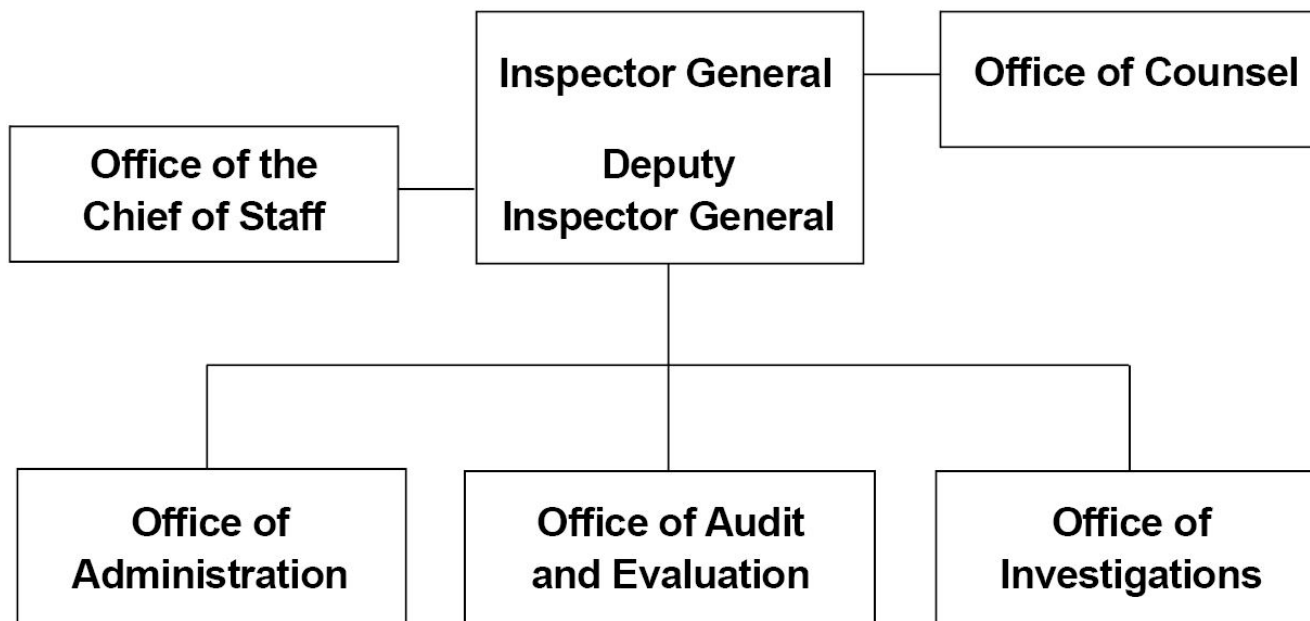
**DEPARTMENT OF COMMERCE
OFFICE OF INSPECTOR GENERAL
Budget Estimates, Fiscal Year 2022
Congressional Submission**

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**Department of Commerce
Office of Inspector General**



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**Department of Commerce
Office of Inspector General
Budget Estimates, Fiscal Year 2022**

Executive Summary

The Office of Inspector General's (OIG's) fiscal year (FY) 2022 budget request is \$46.6 million, of which \$37.1 million are direct appropriations and \$9.6 million are from transfers. The request includes inflationary increases of \$1.8 million and a program increase of \$1.3 million for seven new positions to provide increased oversight of the National Institute of Standards and Technology's investments in research laboratories and grant programs, research facility construction, and industry services.

OIG's mission is to improve the programs and operations of the Department of Commerce through independent and objective oversight. OIG keeps the Secretary, Deputy Secretary, and Congress informed of serious problems and deficiencies relating to the administration of the Department's programs and operations, recommends corrective actions, and reports on the progress made in implementing corrective actions. OIG has authority to inquire into all program and administrative activities of the Department, including those performing under contracts, grants, cooperative agreements, and other financial assistance awards. The Inspector General Act of 1978 (P.L. 95-452), as amended, and other legislation authorizes the specific functions and programs that make up these activities.

OIG's resources support an oversight program that focuses on the most serious management and performance challenges facing the Department. OIG's most recent [Top Management And Performance Challenges Facing the Department of Commerce](#) report identified the 2030 Census, environmental satellite programs (current and future), Nationwide Public Safety Broadband Network deployment, intellectual property rights, cybersecurity, trade enforcement, and the management of acquisitions and grants as the most serious management and performance challenges facing the Department.

OIG's FY 2022 budget request includes the following resources:

Direct Appropriation—\$37 million. These funds will support OIG's consolidated audit, evaluation, and investigative activities to promote effectiveness, efficiency, economy, and integrity in the management and administration of Departmental programs and operations, including those performed by its contractors and grantees. OIG conducts audits based on risk analysis of the Department's operations, as well as audits and evaluations initiated in response to Congressional requests, both by committees and individual members, and as required by statute. OIG also performs annual audits of the Department's financial statements pursuant to the Chief Financial Officers Act of 1990 (P.L. 101-576) and information security reviews as required by the Federal Information

Security Management Act of 2002 (P.L. 107-347). OIG investigates alleged or suspected fraud, waste, abuse, and misconduct by the Department's employees, contractors, recipients of financial assistance, and others involved in the Department's programs and operations. Such wrongdoing may result in criminal or civil prosecution, as well as administrative sanctions for violations of Department regulations and employee standards of conduct.

OIG's FY 2022 budget request also includes the following transfers totaling \$9.6 million:

First Responder Network Authority (FirstNet) - \$2 million. OIG receives a \$2 million appropriation from the Public Safety Trust Fund to provide audit oversight of FirstNet's efforts to oversee the development and operation of a nationwide broadband network linking first responders as they work to save lives and protect U.S. communities.

U.S. Patent and Trademark Office (USPTO) - \$2 million. OIG receives a transfer of \$2 million from USPTO to provide oversight of USPTO's operations, including examining patent and trademark applications, granting patents, registering trademarks, and guiding domestic and international policy to protect U.S. intellectual property.

Census Bureau - \$3.6 million. OIG receives a transfer of \$3.6 million from the Census Bureau to provide oversight of the Bureau, including efforts to report on the decennial census results and begin planning for the next decennial census. The final cost of the decennial census just completed is expected to exceed \$14 billion.

NOAA Satellites - \$2 million. OIG receives a transfer of \$2 million from NOAA to provide oversight of NOAA's acquisition and development of its major environmental satellites. These systems, which consume nearly a quarter of NOAA's annual budget and with life-cycle costs of nearly \$30 billion, are critical to NOAA's mandate to provide timely weather forecasts, including prediction, tracking, and warning of severe weather events such as hurricanes, tornados, blizzards, and floods.

Performance: For current GPRA targets, please see the FY 2022/2020 Annual Performance Plan and Report.

Technical Transfer: The Department of Commerce (DOC) is proposing to transfer two projects and funding out of the Working Capital Fund and the Advances and Reimbursements account to the Departmental Management Salaries and Expense account as part of its annual review to properly align and account programs and costs. This transfer executes OIG's portion of the DOC transfer. For more information regarding the specific projects and funding transfers for the Department of Commerce, please refer to Exhibit 3 of the Departmental Management FY 2022 Congressional Submission.

**Department of Commerce
Office of Inspector General
Salaries and Expenses
TRANSFER CHANGE DETAIL BY OBJECT CLASS**
(Direct Obligations amounts in thousands)

Activity: Office of Inspector General

OC	Object Class	2021 Enacted	2022 Transfer	2022 Base
11.1	Full-time permanent compensation	0	0	0
11.3	Other than full-time permanent	0	0	0
11.5	Other personnel compensation	0	0	0
11.9	Total personnel compensation	0	0	0
12	Civilian personnel benefits	0	0	0
13	Benefits for former personnel	0	0	0
21	Travel and transportation of persons	0	0	0
22	Transportation of things	0	0	0
23	Rent, communications, and utilities			
23.1	Rental payments to GSA	0	0	0
23.2	Rental payments to others	0	0	0
23.3	Communications, utilities, and misc. charges	0	0	0
24	Printing and reproduction	0	0	0
25.1	Advisory and assistance services	0	0	0
25.2	Other services from non-Federal sources	0	0	0
25.3	Other goods and services from Federal sources	(31)	(3)	(3)
26	Supplies and materials	0	0	0
31	Equipment	0	0	0
42	Insurance claims and indemnities	0	0	0
99	Total Direct Obligations	(31)	(3)	(3)

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**Department of Commerce
Office of Inspector General
FY 2022 PROGRAM INCREASES / DECREASES / TERMINATIONS**
(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

Increases

Page No.	Appropriation	Budget Program	Title of Increase	Positions	Budget Authority
OIG-33	Office of Inspector General	Salaries and Expenses	Increased Oversight of the National Institute of Standards and Technology	7	1,304
Total, Increases				7	1,304

Decreases

Page No.	Appropriation	Budget Program	Title of Decrease	Positions	Budget Authority
N/A	N/A	N/A	N/A	N/A	N/A
Total, Decreases				N/A	N/A

Terminations

Page No.	Appropriation	Budget Program	Title of Termination	Positions	Budget Authority
N/A	N/A	N/A	N/A	N/A	N/A
Total, Terminations				N/A	N/A

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**Department of Commerce
Office of Inspector General
FY 2022 TRANSFER SUMMARY TABLE**
(Dollar amounts in thousands)
(Grouped by Title of Transfer, Largest to Smallest)

Page No.	Budget Program	Appropriation	Title of Transfer	Positions	Budget Authority
OIG - 7	Salaries and Expenses	Office of Inspector General	OIG Transfer to Departmental Management Salary and Expenses Account	0	(3)
		Total, Transfers		0	(3)

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)**

	Positions	FTE	Budget Authority	Direct Obligations
Appropriation Available, 2021	140	123	34,000	34,000
2022 Adjustments to Base				
Plus: 2022 Transfers	58	58	9,556	9,556
Plus: Inflationary adjustments to base	0	0	1,786	1,786
Less: Technical transfer	0	0	(3)	(3)
2022 Base	198	181	45,339	45,339
Plus: 2022 Program changes	7	5	1,304	1,304
2022 Estimate	205	186	46,643	46,643

Comparison by activity / subactivity with totals by activity		2020		2021		2022		2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	134	32,900	140	34,000	140	35,783	147	37,087	7	1,304
	FTE/Obl.	111	32,900	123	34,000	123	35,783	128	37,087	5	1,304
Transfers ¹	Pos./BA	40	8,858	49	9,556	49	9,556	49	9,556	0	0
	FTE/Obl.	38	9,629	54	15,428	49	9,556	49	9,556	0	0
Disaster Supplemental Appropriations Act, 2018 (P.L. 115-56)	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	1	161	0	40	0	0	0	0	0	0
Additional Supplemental Appropriation, Disaster Relief Act, 2019 (P.L. 116-20)	Pos./BA	4	0	4	0	0	0	0	0	0	0
	FTE/Obl.	2	303	2	697	0	0	0	0	0	0
CARES Act, 2020 (P.L. 116-136) ²	Pos./BA	3	3,000	9	0	9	0	9	0	0	0
	FTE/Obl.	1	150	9	1,237	9	1,613	9	1,613	0	0
Total	Pos./BA	181	44,758	202	43,556	198	45,339	205	46,643	7	1,304
	FTE/Obl.	153	43,143	188	51,402	181	46,952	186	48,256	5	1,304

¹ Includes transfers of \$2 million from FirstNet, \$2 million from USPTO, \$3.556 million from Census, and \$2 million from NOAA Satellites.

² Obligations for CARES Act do not match the information in the Appendix to the President's Budget as the database for the Appendix closed before the necessary adjustments to OIG's audit plan were finalized.

	2020 Actual		2021 Enacted		2022 Base		2022 Estimate		Increase/Decrease from 2022 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Adjustments for										
Recoveries		0		0		0		0		0
Unobligated balance, start of year		(7,844)		(9,459)		(1,613)		(1,613)		0
Unobligated balance transferred		0		0		0		0		0
Unobligated balance, end of year		9,459		1,613		0		0		0
Unobligated balance expiring		0		0		0		0		0
Financing from transfers:										
Transfer from other accounts (-)		(11,858)		(9,556)		(9,556)		(9,556)		0
Transfer to other accounts (+)		0		0		0		0		0
Appropriation		32,900		34,000		35,783		37,087		1,304

**Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF REIMBURSABLE OBLIGATIONS**
(Dollar amounts in thousands)

Comparison by Activity		2020		2021		2022		2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	0	2,683	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.	0	2,683	1	3,500	1	3,500	1	3,500	0	0
Total	Pos./BA	0	2,683	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.	0	2,683	1	3,500	1	3,500	1	3,500	0	0

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)**

	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
Office of Inspector General	35,583	37,500	39,283	40,587	1,304
Transfers*	9,629	15,428	9,556	9,556	0
Disaster Supplemental Appropriations Act, 2018 (P.L. 115-56)	161	40	0	0	0
Additional Supplemental Appropriation, Disaster Relief Act, 2019 (P.L. 116-20)	303	697	0	0	0
CARES Act, 2020 (P.L. 116-136)	150	1,237	1,613	1,613	0
Total Obligations	45,826	54,902	50,452	51,756	1,304
Offsetting collections from:					
Federal funds	(2,683)	(3,500)	(3,500)	(3,500)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	0	0	0	0
Restoration of Recoveries					
Unobligated balance, start of year	(7,844)	(9,459)	(1,613)	(1,613)	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	9,459	1,613	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	44,758	43,556	45,339	46,643	1,304
Financing:					
Transfer from other accounts (-)	(11,858)	(9,556)	(9,556)	(9,556)	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	32,900	34,000	35,783	37,087	1,304

* FY 2021 transfers include \$2 million from FirstNet, \$2 million from USPTO, \$3.556 million from Census, and \$2 million from NOAA Satellites; and \$5,872 of carryover from FY 2020.

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)**

	Positions	Amount
Transfers of Estimates		(3)
Adjustments		0
Financing		0
	0	(3)
Other Changes:		
2021 Pay raise		51
2022 Pay raise		429
Awards		0
Full-year cost in 2022 of positions financed for part-year in 2021		0
Change in compensable days		0
Civil Service Retirement System (CSRS)		10
Federal Employees Retirement System (FERS)		188
Thrift Savings Plan		408
Federal Insurance Contribution Act (FICA) - OASDI		36
Health insurance		82
Employees Compensation Fund		83
Travel:		
Mileage		0
Per diem		0
Rental payments to GSA		98
GSA Furniture and IT Program (FIT)		200
Working Capital Fund, Departmental Management		124
National Archives and Records Administration (NARA)		0
General Pricing Level (GPL) Adjustment		69
Continuous Diagnostics and Mitigation Charges		11
Enterprise Services		0
Telecommunications Services - Enterprise Infrastructure Services (EIS)		0
Commerce Business System (CBS)		0
Federal Protective Service		(3)
Other changes unique to certain bureaus (e.g., grants, ship and aircraft costs)		0
Subtotal, other changes		1,786
Total, adjustments to base	0	1,783

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Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Office of Inspector General

Line Item		2020 Actual		2021 Enacted		2022 Base		2022 Estimate		Increase/Decrease from 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction & Counsel	Pos./BA	17	3,589	17	3,604	17	3,627	17	3,627	0	0
	FTE/Obl.	15	3,451	15	4,112	15	3,692	15	3,692	0	0
Audits & Evaluations	Pos./BA	127	32,298	145	31,240	141	32,644	147	33,762	6	1,118
	FTE/Obl.	106	31,063	135	37,010	128	34,031	132	35,149	4	1,118
Investigations	Pos./BA	37	8,871	40	8,712	40	9,068	41	9,254	1	186
	FTE/Obl.	32	8,629	38	10,280	38	9,229	39	9,415	1	186
Total	Pos./BA	181	44,758	202	43,556	198	45,339	205	46,643	7	1,304
	FTE/Obl.	153	43,143	188	51,402	181	46,952	186	48,256	5	1,304

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS**
(Dollar amounts in thousands)

Activity: Office of Inspector General

Line Item	2020		2021		2022		2022		Increase/Decrease		
	Actual		Enacted		Base		Estimate		from 2022 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Office of Inspector General	Pos./BA	0	2,683	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.	0	2,683	1	3,500	1	3,500	1	3,500	0	0
Total	Pos./BA	0	2,683	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.	0	2,683	1	3,500	1	3,500	1	3,500	0	0

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Department of Commerce
Office of Inspector General
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE
(Dollar amounts in thousands)

Activity: Office of Inspector General

The Department of Commerce Office of Inspector General (OIG) was established by the Inspector General Act of 1978 (P.L. 95-452), as amended, as an independent oversight agency under the general supervision of the Secretary of Commerce.

Goal Statement

OIG's mission is to improve the programs and operations of the Department of Commerce through independent and objective oversight. OIG keeps the Secretary, Deputy Secretary, and Congress informed of serious problems and deficiencies relating to the administration of the Department's programs and operations, recommends corrective actions, and reports on the progress made in implementing corrective actions. OIG has a Whistleblower Protection Coordinator Program, established by the Whistleblower Protection Enhancement Act of 2012 and revised by the Whistleblower Protection Coordinator Act.

Base Program

OIG's current resources support an oversight program focusing on the Department's top management and performance challenges. OIG's most recent report identified the following seven challenges: 1) establishing a solid foundation for 2030 Decennial research and testing and ensuring that the Census Bureau adequately vets candidates for employment, 2) addressing risks and progressing toward a new architecture for NOAA satellite systems, 3) deploying a Nationwide Public Safety Broadband Network, 4) strengthening confidence in intellectual property rights, 5) continuing to improve the Department's cybersecurity posture, 6) refining processes for trade remedies against imports that threaten to impair national security, and 7) improving management and oversight of contracts and grants.

OIG's base funding level for FY 2022 is \$45.339 million, of which \$35.783 million is for general oversight activities. This funding also includes transfers of \$3.556 million from the Census Bureau, \$2 million from NOAA, and \$2 million from USPTO; an appropriation transfer of \$2 million from the Public Safety Trust Fund for FirstNet oversight; and inflationary increases of \$1.783 million. It also includes a technical transfer reflecting a realignment of two projects from the Department's Working Capital Fund

and its Advancements and Reimbursements account to the Departmental Management appropriation account. OIG's share of this realignment is \$3 thousand.

Statement of Operating Objectives

OIG's independent oversight helps the Department improve the integrity of its operations and programs; ensures their efficient and effective operation; provides stakeholders with independent assessments of those operations and identifies the need for corrective action; and combats waste, fraud, and abuse. OIG provides the results of that oversight to stakeholders such as the Secretary of Commerce, the Department's senior leaders, Congress, and the American taxpayers.

Explanation and Justification

OIG's work is primarily people-driven, with 73 percent of its resources dedicated to personnel-related costs. OIG is headquartered in Washington, DC, and operates three field offices in Atlanta, Denver, and Seattle.

General Oversight Activities (\$35.783 million).

Audits and Evaluations OIG supervises and conducts independent and objective audits and other reviews of Commerce programs and activities to ensure they operate economically, efficiently, and effectively. OIG performs work both planned and in response to Congressional or Departmental requests – covering such areas as financial controls, operational efficiencies, information systems, program performance, and major acquisitions.

Investigations OIG investigates alleged or suspected fraud, waste, abuse, and misconduct by Departmental employees, contractors, recipients of financial assistance, and others involved in the Department's programs and operations. OIG's most significant areas of criminal investigation are contract and grant fraud, employee misconduct, and support for other law enforcement offices.

Hotline and Whistleblower Protection OIG maintains a Hotline for receiving allegations of fraud, waste, abuse, and gross mismanagement in Departmental programs or operations, including any organization or entity receiving Departmental funds. Allegations may be reported 24 hours a day, 7 days a week by employees, contractors, or the public.

OIG's major deliverables include:

- A report on the top management and performance challenges facing the Department—*published in October*;
- A semiannual report summarizing the audit and investigative work OIG completed or initiated in the

previous 6 months—*posted publicly on the OIG website in May and November;*

- Reports on audits and evaluations—*performed according to OIG’s annual audit plan, which may be modified to address Congressional requests from committees and individual members, statute, or other changes to oversight priorities;*
- Responses to Congressional requests, including testimony—*as necessary;*
- An annual audit of the Department’s compliance with the Federal Information Security Modernization Act of 2014;
- Biennial audits of the Department’s Digital Accountability and Transparency Act of 2014 (DATA Act) submissions;
- Biennial audits of the Department’s compliance with the Geospatial Data Act of 2018;
- Biennial audits of the Department’s compliance with the Cybersecurity Information Sharing Act of 2015;
- A financial audit report of the Department and its bureaus, to include a separate USPTO report—provided in November; and
- Recommendation tracking, ensuring that OIG’s recommendations are appropriately implemented by Departmental management—ongoing.

OIG focuses its oversight efforts on the Department’s top management and performance challenges. These include the following:

Census (\$3.556 million). The U.S. Census Bureau is responsible for conducting a decennial census as mandated by the United States Constitution to ensure an accurate count of the U.S. population. Data collected during a decennial census are used to apportion the number of seats each state will have in the U.S. House of Representatives, to define congressional districts, and to distribute billions of dollars in federal funds for social services programs and infrastructure projects such as highways, hospitals, and schools. The Census program carries extra concern for OIG due to its potential vulnerabilities to fraud, waste, abuse, and mismanagement. Planning for a decennial census begins before the prior census concludes. The current funding level provides OIG the capacity to identify problems in the 2030 decennial process and make recommendations sufficiently early that the problems may be dealt with while minimizing budget and schedule impacts. Ongoing work includes:

- Ensuring lessons learned from the 2020 Census are fully captured;
- Ensuring effective planning, budgeting, and scheduling for the 2030 Census; and
- Continuing criminal investigations of data collection and contract fraud.

NOAA Environmental Satellite Programs (\$2 million). Satellite data and imagery are essential to NOAA's capability to understand, predict, and track weather and other environmental phenomena. NOAA's primary sources for these observations are satellites in geostationary and polar orbits. With life-cycle costs of nearly \$30 billion, strong management and close oversight of these programs are needed to manage risks that could lead to cost overruns, schedule delays, and coverage gaps in the critical capabilities these programs provide. OIG recently provided recommendations to better manage the Joint Polar Satellite System (JPSS) program's spacecraft and instrument development efforts. Although these programs are well established, they face significant challenges related to complex and costly systems acquisition and development. OIG's ongoing focus areas include:

- Meeting launch readiness challenges of next-in-series polar and geostationary satellites;
- Making progress toward a next-generation satellite system architecture;
- Managing spectrum risks to observations, operations, and communications; and
- Establishing the Department's role in space traffic management.

First Responder Network Authority (FirstNet) (\$2 million). The Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) established FirstNet as an independent authority within the National Telecommunications and Information Administration to build, deploy, and operate a Nationwide Public Safety Broadband Network (NPSBN) dedicated to first responders. In 2017, FirstNet entered into a 25-year contract with AT&T for the construction and operation of the NPSBN. FirstNet's partnership with AT&T involves (a) an initial obligation of up to \$6.5 billion in funds to the private company to deploy the network, (b) AT&T's use of dedicated broadband spectrum, and (c) payments from AT&T to FirstNet over the life of the contract. FirstNet will use these proceeds, which will exceed \$17 billion over the life of the NPSBN contract, to support its operations and to fund future upgrades to the network. OIG recently reported on control weaknesses in FirstNet's fee collection process and has initiated an ongoing review of FirstNet's process for making reinvestments to upgrade the network. OIG will continue to monitor:

- FirstNet security architecture and risks;
- FirstNet's reinvestment process;
- FirstNet's oversight of its contract with AT&T; and
- FirstNet Authority's engagement with the Public Safety Community.

United States Patent and Trademark Office (USPTO) (\$2 million). USPTO faces the challenge of issuing timely and reliable patents. Innovators and creators must have confidence that they will receive a decision on their application in a reasonable amount of time, and a rigorous examination that results in quality patents. As noted by stakeholders, patentability concerns will deteriorate

innovators' confidence in the U.S. patent system, stifle innovation, and weaken the value of U.S. intellectual property rights. OIG recently found major deficiencies in USPTO's data recovery and contingency planning processes. OIG will continue to monitor:

- Patent Trial and Appeal Board operations;
- USPTO's efforts to improve the accuracy of the trademark register;
- USPTO's patent application examination process; and
- USPTO's efforts to retire legacy IT systems.

Other Top Management Challenges:

- **Cybersecurity.** The U.S. Department of Commerce has been tasked with enhancing cybersecurity awareness and protections, maintaining public safety, and supporting economic and national security. However, it continues to face significant challenges to improving and maintaining its own enterprise cybersecurity posture. This was particularly true in FY 2021 after the Department was hit by successful attacks across several of its bureaus, most critically the SolarWinds breach. The prevalence, sophistication, and damage of attacks are increasing, leading to an urgency for the Department to address its challenges around safeguarding decennial census data, securing its legacy systems, ensuring the security of the First Responders Network, and consistently implementing its IT security policies and procedures.
- **Trade Enforcement and Promotion.** Among the federal government's leading trade enforcement and promotion agencies, the Department faces the challenge of helping U.S. companies be more competitive abroad while simultaneously protecting U.S. national security interests. The Department's trade enforcement and promotion responsibilities primarily reside with the International Trade Administration, which enforce U.S. trade laws and agreements and assist U.S. exporters to sell their products overseas, and the Bureau of Industry and Security, which administers and enforces U.S. export control laws and regulations to support U.S. national security interests.
- **The Department's Management of Acquisitions and Grants.** A continuing challenge for the federal government generally, and the Department specifically, is spending taxpayer dollars wisely and protecting them from waste and abuse.

Acquisitions. In FY 2020, the Department awarded various types of contracts—totaling \$6 billion—for goods and services related to satellite acquisitions, support for intellectual property operations, management of coastal

and ocean resources, IT, and construction and facilities management. Consequently, it is imperative that these funds result in the best value for the taxpayer. OIG audits have identified a number of areas where the Department can better manage and oversee contracts to improve program performance, achieve cost savings, and help prevent fraud, waste, and abuse.

Pandemic Relief Assistance Funding. The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) provided \$1.5 billion to the Economic Development Administration (EDA) for economic development assistance programs to help communities prevent, prepare for, and respond to coronavirus. OIG received \$3 million for oversight of EDA's CARES Act spending. OIG's prior work can help EDA to effectively and efficiently respond to COVID-19—and minimize the shortcomings in stimulus program implementation and possible misuse of funds resulting from rapid fund deployment.

Disaster Assistance Funding. According to NOAA, the United States experienced 14 separate billion-dollar disaster events in 2019 and 22 in 2020, including severe weather, hurricanes, flooding, and wildfires. The Bipartisan Budget Act of 2018 (Bipartisan) Act (P.L. 115-123) and the Additional Supplemental Appropriations for Disaster Relief Act (P.L. 116-20) provided approximately \$1.6 billion in disaster relief funds to the EDA and NOAA. EDA received \$1.2 billion and NOAA received \$350 million. OIG has a critical oversight role in ensuring the efficient and effective use of these funds and the avoidance of fraud, waste, and abuse. OIG received \$1 million in FY 2018 and \$1 million in FY 2019 for its oversight efforts of the EDA funds.

Work Completed by OIG in FY 2020

In FY 2020, OIG published 22 audit, inspection, and evaluation products, made 126 recommendations for improvements to Departmental programs, issued 12 management alerts, and identified \$332.9 million of monetary benefits from its work. In addition to these results, recent OIG efforts found that:

- The Department's Enterprise Services program failed to perform adequate contract oversight to avoid delays and errors in processing employees' pay and benefits.
- USPTO needs to improve acquisition planning and management of vendor performance to avoid delays and unnecessary costs to its \$236 million Software Development and Integration – Next Generation contract.
- The Census Bureau could not ensure that only those people with a need to know had access to sensitive background investigation data. In addition, OIG issued a series of Alert memorandums identifying significant risks to achieving an accurate and timely count of the population during the COVID-19 pandemic.

- EDA was not ensuring that all disaster relief applications were clearly linked with disaster recovery or resiliency, did not consistently use a priority order for disaster funding recommendations, and was not meeting its own internal review goals.
- FirstNet still has not fully mitigated issues from a 2019 management alert regarding non-contracting officers making unauthorized and/or unfunded alterations to contract requirements. Also, FirstNet was not responsive to OIG requests for documentation related to an audit of subcontractor oversight.
- Cost growth and schedule delay of a key JPSS instrument acquisition highlight the need for closer attention to contractor oversight.
- The Department faces a major management challenge ensuring that pandemic funds are timely and appropriately spent.

OIG's direct investigative work resulted in the following results:

- Dealt with 1,437 Hotline contacts related to the Department and its programs;
- Referred 796 Hotline issues to Departmental and bureau management for further investigation and resolution;
- Opened 48 investigations;
- Closed 42 Investigations; and
- Referred 17 cases to the U.S. Department of Justice or state/local prosecutors.

In addition, cases pursued by OIG resulted in one conviction, the indictment of six individuals, six suspensions/debarments, and five disciplinary actions, including personnel actions and recovery of federal funds and overpayments.

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM CHANGE FOR 2022**
(Dollar amounts in thousands)

		2022 Base		2022 Estimate		Increase/Decrease from 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	140	35,783	147	37,087	7	1,304
	FTE/Obl.	123	35,783	128	37,087	5	1,304

Increased Oversight of the National Institute of Standards and Technology (+\$1,304, 5 FTE/7 Positions) – This request will enable OIG to conduct audits and evaluations of National Institute of Standards and Technology (NIST) investments in research laboratories and grant programs, research facility construction, and industry services by providing \$1.304 million and 7 positions. In addition, OIG will conduct criminal, civil, and administrative investigations as necessary.

As the lead national laboratory, NIST spends up to \$900 million annually to support research into leading-edge technology such as artificial intelligence, quantum information science, 5G and advanced communications, advanced manufacturing, microelectronics, and biotechnology, areas that are critical to the Nation's technological competitiveness and economic security. Additionally, NIST assists private sector initiatives to capitalize on advanced technology through cooperative efforts with industry, academia, and other governmental entities by pooling skills to accelerate development. These initiatives not only strengthen manufacturing processes, but also ensure that the U.S. maintains its global edge on developing and utilizing emerging technologies.

NIST also spends over \$100 million annually on the maintenance, repair, and construction of its research facilities, many of which rely on infrastructure that was constructed in the 1950s and 1960s and are in dire condition. Per NIST, over half of their facilities nationwide have not been renovated in over 20 years and their facilities have a maintenance backlog of nearly \$835 million. For NIST to advance innovation, enhance job creation, and strengthen U.S. economic security, it must use its resources as effectively as possible.

NIST’s costly and complex investments provide significant opportunities for mismanagement, waste, and fraud. OIG lacks the staffing capacity and specialized technical expertise to provide ongoing, in-depth analysis into these critical program areas. On those occasions when OIG has been able to conduct individual audits and investigations, OIG found deficiencies in NIST’s oversight of construction contracts, inadequate documentation of contract actions, and inadequate controls for monitoring Research & Development grants and cooperative agreements. Grants are particularly susceptible to fraud and OIG’s limited investigations found grantees fraudulently obtaining grants by giving false information, misappropriating funds for personal and other uses, fraudulently soliciting matching funds, and falsifying claims for in-kind services. OIG also found false invoices and double billings from contractors, as well as instances of foreign influence tied to the theft of intellectual property from NIST’s scientific and technical programs.

OIG will use the additional resources to develop a small, dedicated cadre of engineers, physical scientists, computer scientists, and auditors to conduct ongoing oversight of critical NIST investments, as well as a criminal investigator to focus on illegal activity within NIST programs. The establishment of a dedicated NIST oversight team would ensure that NIST leverages its resources to fulfil its mission and provide value to its public and private sector customers.

Performance Measures	2022	2023	2024	2025	2026
Number of audits/products without increase	0	0	0	0	0
Number of audits/products with increase	1	2	2	2	2
Dollars recovered or put to better use without increase	\$0	\$0	\$0	\$0	\$0
Dollars recovered or put to better use with increase	\$36,000	\$73,000	\$73,000	\$73,000	\$73,000

**Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL**

Activity: Office of Inspector General
 Program Change: Oversight of the National Institute of Standards and Technology

<u>Full-time permanent</u>					
Title		Grade	Number	Annual Salary	Total Salaries
Supervisory Auditor		14	1	138,866	138,866
Computer Scientist/Auditor		13	1	117,516	117,516
Engineer/Physical Scientist		13	1	117,516	117,516
Computer Scientists/Auditors		12	3	98,827	296,481
Criminal Investigator		13	1	141,019	141,019
Total			7		811,398
Less Lapse	25.00%		(2)		(202,850)
Total full-time permanent (FTE)			5		608,549
2022 pay adjustment (2.7%)					16,431
					624,979

<u>Personnel Data Summary</u>					
<u>Full-Time Equivalent Employment (FTE)</u>					
Full-time permanent			5		
Part-time permanent			0		
Full-time temporary			0		
Part-time temporary			0		
Total FTE			5		
<u>Authorized Positions</u>					
Full-time permanent			7		
Part-time permanent			0		
Full-time temporary			0		
Part-time temporary			0		
Total Positions			7		

Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct Obligations amounts in thousands)

Activity: Office of Inspector General

Object Class	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
11.0 Personnel compensation					
11.1 Full-time permanent compensation	18,356	23,036	23,628	24,253	625
11.3 Other than full-time permanent	109	202	175	175	0
11.5 Other personnel compensation	1,032	1,178	1,204	1,204	0
11.9 Total personnel compensation	19,497	24,416	25,007	25,632	625
12.1 Civilian personnel benefits	7,151	9,119	9,880	10,099	219
13.0 Benefits for former personnel	(2)	0	0	0	0
21.0 Travel and transportation of persons	167	257	687	697	10
22.0 Transportation of things	15	15	15	15	0
23.1 Rental payments to GSA	1,968	2,164	2,404	2,404	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	672	650	612	620	8
24.0 Printing and reproduction	2	3	3	3	0
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-Federal sources	7,043	7,813	1,293	1,593	300
25.3 sources	4,793	5,110	5,161	5,282	121
26.0 Supplies and materials	56	76	77	78	1
31.0 Equipment	1,781	1,779	1,813	1,833	20
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.9 Total Obligations	43,143	51,402	46,952	48,256	1,304

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Department of Commerce
Office of Inspector General
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Direct amounts in thousands)

Object Class	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
11.1 Full-time permanent compensation	13,223	15,194	15,538	16,163	625
11.3 Other than full-time permanent	109	172	175	175	0
11.5 Other personnel compensation	996	1,126	1,136	1,136	0
11.9 Total personnel compensation	14,328	16,492	16,849	17,474	625
12.1 Civilian personnel benefits	5,264	6,088	7,016	7,235	219
13.0 Benefits for former personnel	(2)	0	0	0	0
21.0 Travel and transportation of persons	146	200	627	637	10
22.0 Transportation of things	15	15	15	15	0
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	1,968	2,164	2,404	2,404	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	672	650	612	620	8
24.0 Printing and reproduction	2	3	3	3	0
25 Other contractual services					
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-Federal sources	3,885	2,541	1,249	1,549	300
25.3 Other goods and services from Federal sources	4,789	4,003	5,129	5,250	121
26.0 Supplies and materials	56	68	69	70	1
31.0 Equipment	1,777	1,776	1,810	1,830	20
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.9 Total obligations	32,900	34,000	35,783	37,087	1,304

	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
Less prior year recoveries	0	0	0	0	0
Restoration of recoveries	0	0	0	0	0
Less transfers	0	0	0	0	0
Less prior year unobligated balance	0	0	0	0	0
Total Budget Authority	32,900	34,000	35,783	37,087	1,304

Personnel Data

Full-Time Equivalent Employment:

Full-time permanent	110	122	122	127	5
Other than full-time permanent	1	1	1	1	0
Total	111	123	123	128	5

Authorized Positions:

Full-time permanent	133	139	139	146	7
Other than full-time permanent	1	1	1	1	0
Total	134	140	140	147	7

Department of Commerce
Office of Inspector General
Transfers and Other Appropriations
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Direct amounts in thousands)

Object Class	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
11.0 Personnel compensation					
11.1 Full-time permanent compensation	5,133	7,842	8,090	8,090	0
11.3 Other than full-time permanent	0	30	0	0	0
11.5 Other personnel compensation	36	52	68	68	0
11.9 Total personnel compensation	5,169	7,924	8,158	8,158	0
12.1 Civilian personnel benefits	1,887	3,031	2,864	2,864	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	21	57	60	60	0
22.0 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	0	0	0	0	0
24.0 Printing and reproduction	0	0	0	0	0
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-Federal sources	3,158	5,272	44	44	0
25.3 Other goods and services from Federal sources	4	1,107	32	32	0
26.0 Supplies and materials	0	8	8	8	0
31.0 Equipment	4	3	3	3	0
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.9 Total obligations	10,243	17,402	11,169	11,169	0

Exhibit 16

	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
Less prior year recoveries	0	0	0	0	0
Restoration of recoveries	0	0	0	0	0
Less transfers	(11,858)	(9,556)	(9,556)	(9,556)	0
Less prior year unobligated balance	(7,844)	(9,459)	(1,613)	(1,613)	0
Unobligated balance, end of year	9,459	1,613	0	0	0
Total Budget Authority	0	0	0	0	0

Personnel Data:

Full-Time Equivalent Employment:

Full-time permanent	42	65	58	58	0
Other than full-time permanent	0	0	0	0	0
Total	42	65	58	58	0

Authorized Positions:

Full-time permanent	47	62	58	58	0
Other than full-time permanent	0	0	0	0	0
Total	47	62	58	58	0

**Department of Commerce
Office of Inspector General
Salaries and Expenses
APPROPRIATION LANGUAGE AND CODE CITATION**

Appropriation: Office of Inspector General

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. App.), \$37,087,000: *Provided*, That notwithstanding section 6413 of the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96), an additional \$2,000,000, to remain available until expended, shall be derived from the Public Safety Trust Fund for activities associated with carrying out investigations and audits related to the First Responder Network Authority (FirstNet).

5 U.S.C. App. §1-12, as amended.

Section 2 of the Inspector General Act of 1978 (5 U.S.C. App.), as amended, provides that “In order to create independent and objective units – (1) to conduct and supervise audits and investigations relating to programs and operations of the establishments listed in section 12...there is established in each of such establishments an Office of Inspector General.” Section 12(2) defines "establishment" to include the Department of Commerce.

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Department of Commerce
Office of Inspector General
Salaries and Expenses
ADVISORY AND ASSISTANCE SERVICES
(Dollar amounts in thousands)

	2020 Actual	2021 Enacted	2022 Estimate
Consulting Services	0	0	0
Management and professional services	0	0	0
Special studies and analyses	0	0	0
Management and support services for research and development	0	0	0
Total	0	0	0

The Inspector General Act of 1978 (P.L. 95-452) authorizes the Office of Inspector General to obtain such temporary technical assistance as needed to carry out the requirements of the Act. OIG does not project a requirement for these services in FY 2022.

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS**
(Dollar amounts in thousands)

	2020 Actual	2021 Enacted	2022 Estimate
Periodicals	2	3	3
Pamphlets	0	0	0
Audiovisuals	0	0	0
Total	2	3	3

Printed materials also include limited copies of published audit reports.

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
AVERAGE GRADES AND SALARIES**

	2020 Actual	2021 Enacted	2022 Estimate
Average ES Salary & Benefits	\$234,504	\$252,140	\$258,960
Average GS/GM Grade	13	13	13
Average GS/GM Salary & Benefits	\$180,350	\$179,873	\$175,990

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**Department of Commerce
Office of Inspector General
INSPECTOR GENERAL REFORM ACT OF 2008 REPORTING REQUIREMENTS**

In accordance with the requirements of Section 6(g)(1) of the Inspector General Act of 1978, as amended, OIG is required to report the following in its budget submission:

OIG 2022 Request to Department of Commerce	\$54,344,000
Department of Commerce 2022 President's Budget Allowance to OIG	\$44,378,000

Dollar amounts in thousands

	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Aggregate Funding	44,858	46,556	45,339	46,643	1,304
OIG Funding	44,858	46,556	45,339	46,643	1,304

Amounts provided for training and for support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) are as follows:

Dollar amounts in thousands

	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Training	401	402	402	402	0
Amounts for Support of CIGIE	109	121	168	168	0

OIG certifies that the training amount for 2022 listed above represents the total training requirements for OIG.

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
IMPLEMENTATION STATUS OF GAO AND OIG RECOMMENDATIONS**

31 U.S.C. § 720, as amended January 3, 2019, requires the head of a federal agency to submit a written statement of the actions taken or planned in response to Government Accountability Office (GAO) recommendations to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 180 calendar days after the date of the report.

The Good Accounting Obligation in Government Act (GAO-IG Act), passed on January 3, 2019, (P.L. 115-414) requires each agency to include, in its annual budget justification, a report that identifies each public recommendation issued by GAO and the agency's OIG which has remained unimplemented for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR).

Section 1. Recommendations for which action plans were finalized since the last appropriations request.

Nothing to report.

Section 2. Implementation of GAO public recommendations issued no less than one year ago that are designated by GAO as 'Open' or 'Closed-Unimplemented.'

Nothing to report.

Section 3. Implementation of OIG public recommendations issued no less than one year for which Final Action has not been Taken or Action Not Recommended has been Taken

Nothing to report.

Section 4. Discrepancies between this report and the semiannual reports submitted by the Commerce Office of Inspector General or reports submitted by the GAO

Nothing to report.

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**Annual Performance Plan and Report Backup
Office of Inspector General**

Overview of OIG Accomplishments - An overview of OIG accomplishments appears in Exhibit 12.

Planned Actions for FY 2022 - OIG will continue to develop its staff to meet the oversight requirements of the Department.

Analysis of Performance Indicators -

Explanation of trends – More than 73 percent of OIG’s funding goes to payroll and benefits. As such, changes in funding levels directly affect OIG’s ability to perform its mission and achieve its performance targets.

Explanation of Targets for FY 2021 and FY 2022 – Requested funding is roughly the same as prior years, adjusted for inflation; therefore, targets anticipate no improvement.

Progression of the Performance Indicators – OIG continues to examine alternatives to current measures to more closely align measures with desired outcomes.

Performance Data Validation and Verification – OIG obtains data through its audit reports, management responses, Department of Justice databases, and OIG’s Case Management System.

Class	Strategic Objective	Performance Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Current/Recurring	5.3	Percent of OIG recommendations accepted by Departmental and bureau management	100%	95%	100%	100%	100%	95%	95%
Current/Recurring	5.3	Percent of investigative cases completed within 365 days (OIG)	62%	70%	59%	72%	75%	70%	70%
Current/Recurring	5.3	Dollar value of financial benefits identified by OIG (millions)	\$86.4	\$56.4	\$10.5	\$291.1	\$332.9	\$70.0	\$70.0

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**Department of Commerce
Office of Inspector General
American Rescue Plan Act of 2021
SUMMARY OF RESOURCE REQUIREMENTS – MANDATORY APPROPRIATIONS
(Dollar amounts in thousands)**

	Positions	FTE	Budget Authority	Direct Obligations
Appropriation Available, 2021	0	2	3,000	352
2022 Adjustments to Base				
Plus: 2022 Transfers	0	0	0	0
Plus: Inflationary adjustments to base	0	0	0	0
2022 Base	0	2	3,000	352
Plus: 2022 Program changes	4	14	(3,000)	2,296
2022 Estimate	4	16	0	2,648

Comparison by activity / subactivity with totals by activity		2020		2021		2022		2022		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
American Rescue Plan Act of 2021*	Pos./BA	0	0	0	3,000	4	0	4	0	0	0
	FTE/Obl.	0	0	2	352	16	2,648	16	2,648	0	0
Total	Pos./BA	0	0	0	3,000	4	0	4	0	0	0
	FTE/Obl.	0	0	2	352	16	2,648	16	2,648	0	0
Adjustments for											
Recoveries			0		0		0		0		0
Unobligated balance, start of year			0		0		(2,648)		(2,648)		0
Unobligated balance transferred			0		0		0		0		0
Unobligated balance, end of year			0		2,648		0		0		0
Unobligated balance expiring			0		0		0		0		0
Financing from transfers:											
Transfer from other accounts (-)			0		0		0		0		0
Transfer to other accounts (+)			0		0		0		0		0
Appropriation			0		3,000		0		0		0

* Obligations for American Rescue Plan Act do not match the information in the Appendix to the President's Budget as the database for the Appendix closed before the necessary adjustments to OIG's audit plan were finalized.

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Department of Commerce
Office of Inspector General
American Rescue Plan Act of 2021
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS – MANDATORY APPROPRIATIONS
(Dollar amounts in thousands)

Activity: Office of Inspector General

Line Item		2020 Actual		2021 Enacted		2022 Base		2022 Estimate		Increase/Decrease from 2022 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction & Counsel	Pos./BA	0	0	0	106	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	106	0	0	0	(106)
Audits & Evaluations	Pos./BA	0	0	0	2,629	4	0	4	0	0	0
	FTE/Obl.	0	0	2	352	15	2,277	15	0	0	(2,277)
Investigations	Pos./BA	0	0	0	265	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	1	265	1	0	0	(265)
Total	Pos./BA	0	0	0	3,000	4	0	4	0	0	0
	FTE/Obl.	0	0	2	352	16	2,648	16	0	0	(2,648)

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**Department of Commerce
Office of Inspector General
American Rescue Plan Act of 2021
JUSTIFICATION OF PROGRAM AND PERFORMANCE – MANDATORY APPROPRIATIONS
(Dollar amounts in thousands)**

Activity: Office of Inspector General

The Department of Commerce Office of Inspector General (OIG) was established by the Inspector General Act of 1978 (P.L. 95-452), as amended, as an independent oversight agency under the general supervision of the Secretary of Commerce.

Goal Statement

OIG will provide oversight of activities supported with funds appropriated to the Department of Commerce to prevent, prepare for, and respond to COVID-19.

Base Program

OIG received \$3 million, available through FY 2022, to provide oversight of the Department's efforts to implement the American Rescue Plan (ARP) Act of 2021 (P.L. 117-2). As part of this oversight, OIG will review a sample of grants, cooperative agreements, other federal financial assistance awards, and associated expenditures under various bureau programs that received funds to provide pandemic assistance. OIG's review will include the following:

- Implementation – application review, award process, and funds disbursement;
- Award Oversight – compliance with award policies and procedures;
- Funds Oversight – appropriate use of funds; and
- Closeout – compliance with closeout procedures.

The Department's implementation of the ARP will benefit from the oversight provided by OIG for the Department's prior COVID-19 response efforts (funded via the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and the Consolidated Appropriations Act, 2021 (P.L. 116-260), increasing efficiency and minimizing shortcomings in program implementation and the possible misuse of funds stemming from the urgency to distribute grants and other assistance.

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Department of Commerce
Office of Inspector General
American Rescue Plan Act of 2021
SUMMARY OF REQUIREMENTS BY OBJECT CLASS – MANDATORY APPROPRIATIONS
(Direct amounts in thousands)

Object Class	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
11.0 Personnel compensation					
11.1 Full-time permanent compensation	0	261	1,961	1,961	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	0	0	0	0	0
11.9 Total personnel compensation	0	261	1,961	1,961	0
12.1 Civilian personnel benefits	0	91	687	687	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	0	0	0	0	0
22.0 Transportation of things	0	0	0	0	0
23.1 Rental payments to GSA	0	0	0	0	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	0	0	0	0	0
24.0 Printing and reproduction	0	0	0	0	0
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-Federal sources	0	0	0	0	0
25.3 Other goods and services from Federal sources	0	0	0	0	0
26.0 Supplies and materials	0	0	0	0	0
31.0 Equipment	0	0	0	0	0
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.9 Total obligations	0	352	2,648	2,648	0

Exhibit 16

	2020 Actual	2021 Enacted	2022 Base	2022 Estimate	Increase/Decrease from 2022 Base
Less prior year recoveries	0	0	0	0	0
Restoration of recoveries	0	0	0	0	0
Less transfers	0	0	0	0	0
Less prior year unobligated balance	0	0	(2,648)	(2,648)	0
Unobligated balance, end of year	0	2,648	0	0	0
Total Budget Authority	0	3,000	0	0	0
<u>Personnel Data:</u>					
<u>Full-Time Equivalent Employment:</u>					
Full-time permanent	0	2	16	16	0
Other than full-time permanent	0	0	0	0	0
Total	0	2	16	16	0
<u>Authorized Positions:</u>					
Full-time permanent	0	0	4	4	0
Other than full-time permanent	0	0	0	0	0
Total	0	0	4	4	0