

FY 2024 Congressional Submission

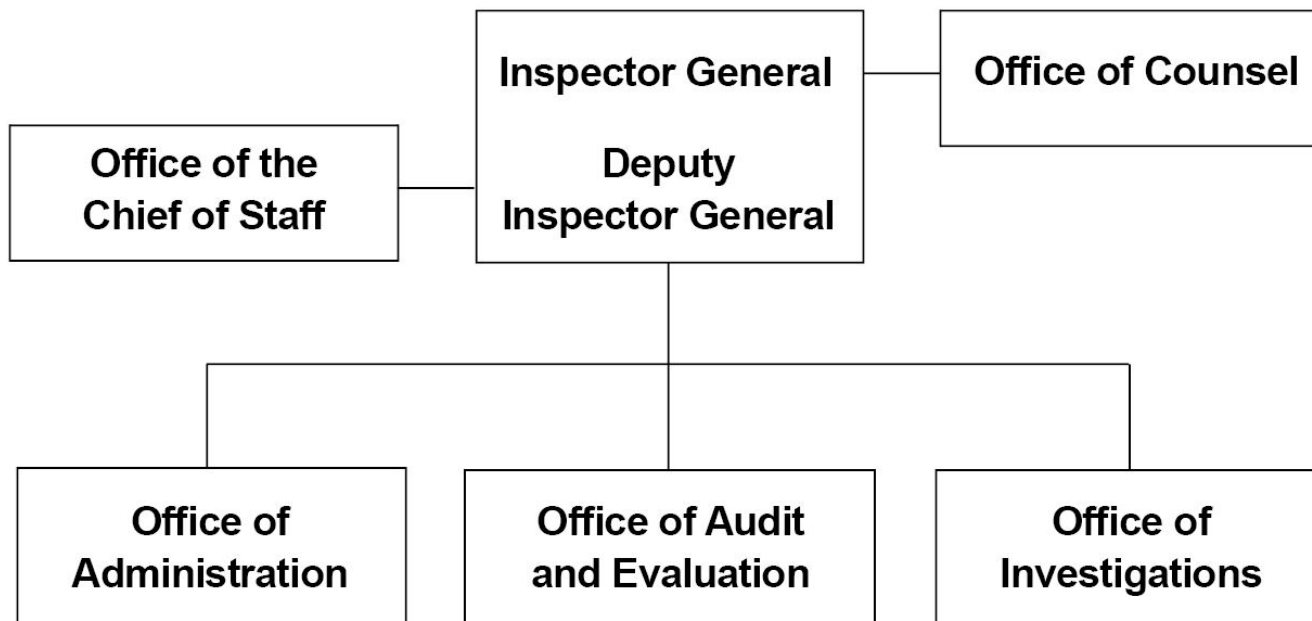
**DEPARTMENT OF COMMERCE
OFFICE OF INSPECTOR GENERAL
Budget Estimates, Fiscal Year 2024
Congressional Submission**

Table of Contents

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
1	Table of Contents	OIG – 1
2	Organization Chart	OIG – 3
3	Executive Summary	OIG – 5
4A	Program Increases / Decreases / Terminations	OIG – 7
5	Summary of Resource Requirements: Direct Obligations	OIG – 9
6	Summary of Reimbursable Obligations	OIG – 11
7	Summary of Financing.....	OIG – 13
8	Adjustments to Base	OIG – 15
10	Program and Performance: Direct Obligations	OIG – 17
11	Program and Performance: Reimbursable Obligations	OIG – 19
12	Justification of Program and Performance	OIG – 21
13	Program Change for 2024 (Proactive Targeting of Contract and Grant Fraud)	OIG – 27
14	Program Change Personnel Detail (Proactive Targeting of Contract and Grant Fraud)	OIG – 29
15	Program Change Detail by Object Class (Proactive Targeting of Contract and Grant Fraud)	OIG – 31
16	Summary of Requirements by Object Class (Salaries and Expenses).....	OIG – 33
16	Summary of Requirements by Object Class (Transfers and Other Appropriations)	OIG – 35
33	Appropriation Language and Code Citation	OIG – 37

34	Advisory and Assistance Services.....	OIG – 39
35	Periodicals, Pamphlets, and Audiovisual Products	OIG – 41
36	Average Grades and Salaries.....	OIG – 43
40	Inspector General Reform Act of 2008 Reporting Requirements	OIG – 45
41	Implementation Status of GAO and OIG Recommendations	OIG – 47
42	Description of Tribal Consultations	OIG – 49
APPR	Annual Performance Plan and Report Backup	OIG – 51
5	Summary of Resource Requirements (Mandatory Appropriations).....	OIG – 53
10	Program and Performance (Mandatory Appropriations).....	OIG – 55
12	Justification of Program and Performance (Mandatory Appropriations)	OIG – 57
16	Summary of Requirements by Object Class (Mandatory Appropriations).....	OIG – 59

**Department of Commerce
Office of Inspector General**



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**Department of Commerce
Office of Inspector General
Budget Estimates, Fiscal Year 2024**

Executive Summary

The Office of Inspector General's (OIG's) fiscal year (FY) 2024 budget request is \$55.776 million and 223 positions, of which \$53.326 million and 211 positions are from direct appropriations and \$2.45 million and 12 positions are from a transfer from the U.S. Patent and Trademark Office (USPTO). Additionally, in FY 2024 OIG will receive a \$1 million transfer and 14 positions from NTIA for oversight of Digital Equity programs established by the Infrastructure Investment & Jobs Act (P.L. 117-58, discretionary funds) and a \$5 million transfer and 11 positions from the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Fund to oversee expenditures from the Fund (mandatory funds), as well as \$2 million and 4 positions made available for oversight of NTIA's Public Wireless Supply Chain Innovation (mandatory funds).

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 performed 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 cybersecurity, environmental data and weather and climate services, information technology (IT) investments, broadband infrastructure, trade enforcement, Nationwide Public Safety Broadband Network deployment, management of acquisitions and grants, the 2030 Census, and intellectual property rights as the most serious management and performance challenges facing the Department.

OIG's FY 2024 budget request includes the following resources:

Direct Appropriation—\$53.326 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.

Transfer—\$2.45 million. OIG's FY 2024 budget request also includes a transfer of \$2.45 million from USPTO. These funds will support OIG's 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.

Inflationary Adjustments

OIG's FY 2024 base funding level includes a total of \$2.36 million and 17 full-time equivalents for the inflationary adjustments to current programs. This includes annualization of the FY 2023 pay raise, the FY 2024 pay raise of 5.2 percent, the full-year cost in FY 2024 of positions financed for a part-year in FY 2023, inflationary increases for labor and non-labor activities, and a zero-dollar realignment from the Working Capital Fund into salaries and benefits to restore funding for 14 positions in FY 2024 that were transferred into the OIG base in FY 2023 and funded with carryover balances.

Program Increase

The enormous growth in the Department's contract and grant funding over the past several years has significantly increased both the Department's vulnerability to fraud and the need for OIG to be more proactive in detecting and defeating it. In addition, over the last decade law enforcement and investigative work has become increasingly technical and the need for enhanced technical support in the areas of cyber, digital forensics, data analytics, forensic accounting, and investigative analysis has risen dramatically. OIG's small team of investigative support specialists, needed to drive proactive fraud investigations, has been quickly overwhelmed by the workload generated by the Department's increased contract and grant activity. To provide effective oversight of the Department's activities, OIG requires more people with these specialized skills. OIG proposes to create 15 new investigative and audit positions that will enable OIG to provide oversight of the Department's most vulnerable program areas to detect fraud earlier, as well as detect fraud that might have gone unreported.

**Department of Commerce
Office of Inspector General
FY 2024 PROGRAM INCREASES / DECREASES / TERMINATIONS**
(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

<u>Increases</u>					
Page No. In CJ	Appropriation	Budget Program	Title of Increase	Positions	Budget Authority
OIG-27	Office of Inspector General	Salaries and Expenses	Proactive Targeting of Contract and Grant Fraud	15	2,966
Total, Increases				15	2,966
<u>Decreases</u>					
Page No. In CJ	Appropriation	Budget Program	Title of Increase	Positions	Budget Authority
N/A	N/A	N/A	N/A	N/A	N/A
Total, Decreases				N/A	N/A
<u>Terminations</u>					
Page No. In CJ	Appropriation	Budget Program	Title of Increase	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
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)**

	Positions	FTE	Budget Authority	Direct Obligations
Appropriation Available, 2023	196	161	48,000	48,000
2024 Adjustments to Base				
Plus: 2024 Transfers	12	12	2,450	2,450
Plus: Inflationary adjustments to base	0	17	2,360	2,360
2024 Base	208	190	52,810	52,810
Plus: 2024 Program changes	15	11	2,966	2,966
2024 Estimate	223	201	55,776	55,776

**Comparison by activity / subactivity
with totals by activity**

		2022		2023		2024		2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	136	35,783	196	48,000	196	50,360	211	53,326	15	2,966
	FTE/Obl.	118	35,584	161	48,000	178	50,360	189	53,326	11	2,966
Transfer from the Census Bureau	Pos./BA	18	3,556	0	0	0	0	0	0	0	0
	FTE/Obl.	17	5,411	6	1,226	0	0	0	0	0	0
Transfer from the Public Safety Trust Fund (FirstNet)	Pos./BA	8	2,000	0	0	0	0	0	0	0	0
	FTE/Obl.	12	2,515	5	962	0	0	0	0	0	0
Transfer from NOAA (Satellites/Vessels)	Pos./BA	9	3,000	0	0	0	0	0	0	0	0
	FTE/Obl.	9	2,139	10	2,444	0	0	0	0	0	0
Transfer from NOAA (National Weather Service)	Pos./BA	0	750	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	2	750	0	0	0	0	0	0
Transfer from USPTO	Pos./BA	7	2,000	12	2,450	12	2,450	12	2,450	0	0
	FTE/Obl.	9	1,864	10	2,650	12	2,450	12	2,450	0	0

Exhibit 5

		2022		2023		2024		2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Disaster Supplemental Appropriations Act, 2018 (P.L. 115-56)	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	40	0	0	0	0	0	0	0	0
Additional Supplemental Appropriation, Disaster Relief Act, 2019 (P.L. 116-20)	Pos./BA	2	0	0	0	0	0	0	0	0	0
	FTE/Obl.	2	301	0	18	0	0	0	0	0	0
CARES Act, 2020 (P.L. 116-136)	Pos./BA	1	0	0	0	0	0	0	0	0	0
	FTE/Obl.	7	1,345	0	0	0	0	0	0	0	0
Infrastructure Investment & Jobs Act (P.L. 117-58)	Pos./BA	5	14,000	14	1,000	14	1,000	14	1,000	0	0
Transfers from NTIA (non-add FY 2024) [*]	FTE/Obl.	1	99	8	1,500	14	3,000	14	3,000	0	0
Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328)	Pos./BA	0	0	0	2,000	0	0	0	0	0	0
	FTE/Obl.	0	0	0	50	4	975	4	975	0	0
Total	Pos./BA	186	61,089	222	53,450	222	53,810	237	56,776	15	2,966
	FTE/Obl.	175	49,298	202	57,600	208	56,785	219	59,751	11	2,966
Adjustments for											
Recoveries			(6)		0		0		0		0
Unobligated balance, start of year			(7,911)		(19,501)		(15,351)		(15,351)		0
Unobligated balance transferred			0		0		0		0		0
Unobligated balance, end of year			19,501		15,351		12,376		12,376		0
Unobligated balance expiring			207		0		0		0		0
Financing from transfers:											
Transfer from other accounts (-)			(25,306)		(5,450)		(3,450)		(3,450)		0
Transfer to other accounts (+)			0		0		0		0		0
Appropriation			35,783		48,000		50,360		53,326		2,966

^{*} Funds appropriated to NTIA in FY 2022, but not available to OIG until FY 2024, per the IJA.

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

Comparison by Activity		2022 Actual		2023 Enacted		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	1	2,991	0	3,500	0	3,500	0	3,500	0	0
	FTE/Obl.	1	2,991	0	3,500	0	3,500	0	3,500	0	0
Total	Pos./BA	1	2,991	0	3,500	0	3,500	0	3,500	0	0
	FTE/Obl.	1	2,991	0	3,500	0	3,500	0	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)**

	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase/Decrease from 2024 Base
Office of Inspector General	38,575	51,500	53,860	56,826	2,966
Transfers*	11,929	8,032	2,450	2,450	0
Disaster Supplemental Appropriations Act, 2018 (P.L. 115-56)	40	0	0	0	0
Additional Supplemental Appropriation, Disaster Relief Act, 2019 (P.L. 116-20)	301	18	0	0	0
CARES Act, 2020 (P.L. 116-136)	1,345	0	0	0	0
Infrastructure Investment & Jobs Act (P.L. 117-58)	99	1,500	3,000	3,000	0
Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-338)	0	50	975	975	0
Total Obligations	52,289	61,100	60,285	63,251	2,966
Offsetting collections from:					
Federal funds	(2,991)	(3,500)	(3,500)	(3,500)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(6)	0	0	0	0
Restoration of Recoveries					
Unobligated balance, start of year	(7,911)	(19,501)	(15,351)	(15,351)	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	19,501	15,351	12,376	12,376	0
Unobligated balance expiring	207	0	0	0	0
Budget Authority	61,089	53,450	53,810	56,776	2,966
Financing:					
Transfer from other accounts (-)	(25,306)	(5,450)	(3,450)	(3,450)	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	35,783	48,000	50,360	53,326	2,966

* FY 2023 obligations include carryover balances of \$1.227 million from Census, \$3.193 million from NOAA, \$962 thousand from FirstNet, and \$200 thousand from USPTO; and a \$2.45 million transfer from USPTO.

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

	<u>Positions</u>	<u>Amount</u>
Transfers of Estimates		0
Adjustments		0
Financing - Restoration of salaries, benefits, and other costs by object classes	14	3,300
	<u>14</u>	<u>3,300</u>
Other Changes:		
2023 Pay raise		489
2024 Pay raise		1,246
Awards		0
Full-year cost in 2024 of positions financed for part-year in 2023	3	498
Change in compensable days		124
Civil Service Retirement System (CSRS)		(3)
Federal Employees Retirement System (FERS)		(10)
Thrift Savings Plan		(7)
Federal Insurance Contribution Act (FICA) - OASDI		(28)
Health insurance		43
Employees Compensation Fund		0
Travel:		
Mileage		0
Per diem		3
Rental payments to GSA		0
GSA Furniture and IT Program (FIT)		(203)
Postage (included in GPL adjustment)		0
Working Capital Fund, Departmental Management*		(3,300)
National Archives and Records Administration (NARA)		0
General Pricing Level (GPL) Adjustment		131
Cyber Security		103
Enterprise Services		0
Telecommunications Services - Enterprise Infrastructure Services (EIS)		(26)
HCHB Utilities		(188)
Commerce Business System (CBS)		0
Federal Protective Service		188
Other changes unique to certain bureaus (e.g., grants, ship and aircraft costs)		0
Subtotal, other changes	<u>3</u>	<u>(940)</u>
Total, adjustments to base	17	2,360

*This amount represents a decrease due to OIG's relocation out of the Herbert C. Hoover Building in FY 2023. OIG's WCF bill in FY 2023 was \$4.197 million. For FY 2024, OIG's WCF bill is \$897 thousand. OIG has realigned this \$3.3 million cost avoidance into salaries and benefits to restore funding for 14 positions in FY 2024 that were transferred into the OIG base in FY 2023 and funded with carryover balances.

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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		2022 Actual		2023 Enacted		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction & Counsel	Pos./BA	17	4,152	17	4,276	17	4,292	17	4,292	0	0
	FTE/Obl.	17	4,152	17	4,276	17	4,292	17	4,292	0	0
Audits & Evaluations	Pos./BA	134	44,980	154	36,880	154	37,177	162	38,737	8	1,560
	FTE/Obl.	125	35,665	139	39,993	144	39,408	150	40,968	6	1,560
Investigations	Pos./BA	35	11,957	51	12,294	51	12,341	58	13,747	7	1,406
	FTE/Obl.	33	9,481	46	13,331	47	13,085	52	14,491	5	1,406
Total	Pos./BA	186	61,089	222	53,450	222	53,810	237	56,776	15	2,966
	FTE/Obl.	175	49,298	202	57,600	208	56,785	219	59,751	11	2,966

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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	2022 Actual		2023 Enacted		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
	Office of Inspector General	Pos./BA	1	2,991	0	3,500	0	3,500	0	3,500	0
	FTE/Obl.	1	2,991	0	3,500	0	3,500	0	3,500	0	0
Total	Pos./BA	1	2,991	0	3,500	0	3,500	0	3,500	0	0
	FTE/Obl.	1	2,991	0	3,500	0	3,500	0	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 nine challenges: 1) improving the Department's cybersecurity effectiveness through Zero Trust, 2) ensuring continuity of environmental data from satellites, ships, aircraft, and ground-based systems and improving weather and climate services, 3) managing IT investments and improving supported operations, 4) ensuring prudent financial management and oversight of broadband infrastructure funding, 5) enforcing fair and secure trade and implementing export controls, 6) deploying a Nationwide Public Safety Broadband Network, 7) improving management and oversight of contracts and grants to ensure responsible spending, 8) establishing a strong framework with adequate resources to support the 2030 Census planning efforts and enhancing overall survey quality, and 9) strengthening U.S. leadership in intellectual property.

OIG's base funding level for FY 2024 is \$55.776 million, of which \$53.326 million is for general oversight activities. This funding also includes a transfer of \$2.45 million from USPTO.

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 80 percent of its resources dedicated to personnel-related costs. OIG is headquartered in the Washington, DC area, and operates three field offices in Atlanta, Denver, and Seattle.

Oversight Activities (\$55.776 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, civil, and administrative investigations are related to contract fraud, grant fraud, public corruption, and senior-level employee misconduct.

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 also investigates allegations of whistleblower retaliation taken against Department employees, contractors, and grantees.

OIG's major deliverables include:

- A report on the top management and performance challenges facing the Department—*published in October*;
- Reports on audits and evaluations—*performed according to OIG's annual audit plan, which may be modified to address Congressional requests, statute, or other changes to oversight priorities*;
- Semiannual reports 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*;
- Semiannual reports 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*;
 - 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 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 timely and appropriately implemented by Departmental management—ongoing.

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

Cybersecurity. To combat ever-increasing cyberthreats, the President issued Executive Order 14028 in May 2021, moving the government toward zero-trust cybersecurity principles. Implementing the new security requirements will be particularly challenging. The Department must implement zero-trust principles while simultaneously addressing longstanding cybersecurity weaknesses. Cybersecurity will remain a challenge until the information technology (IT) security program is consistently implemented across all the Department’s bureaus and systems.

NOAA Environmental Data and Weather and Climate Services. NOAA’s satellite systems, ships, aircraft, and ground-based systems provide environmental data that are critical inputs to weather and climate forecasts provided by the National Weather Service. NOAA is currently investing in the next generation of its satellites to maintain their long-term continuity. However, OIG’s work has identified weaknesses in requirements management that present risks to future satellite systems’ architecture, design, and implementation efforts. To address its aging ships and aircraft, NOAA’s Office of Marine and Aviation Operations (OMAO) is recapitalizing its assets through multi-year acquisitions requiring effective planning, execution, and oversight to ensure maximum benefit to the agency and the taxpayer. However, OMAO has not yet produced an updated plan for its fleet recapitalization, putting hundreds of millions of dollars at risk.

Information Technology Investments. The Department seeks to acquire two enterprise IT solutions. The first is the Business Applications Solution (BAS) program, which will provide a new financial system for the Department by replacing legacy systems with

commercial off-the-shelf applications. The second is the Grants Enterprise Management Solution (GEMS), which will replace three legacy grant management systems. BAS costs have increased due to a 1-year delay in implementation and the program faces challenges in coordinating with other ongoing projects, implementing and testing security controls, and managing custom code modules. GEMS' success is critical to the Department in light of the billions of dollars in grant funds the Department received in the Infrastructure Investment and Jobs Act (P.L. 117-58) and the CHIPS and Science Act (P.L. 117-167). GEMS' deployment was delayed by 9 months due to BAS schedule delays and the Department needs to carefully monitor GEMS risks—particularly BAS dependencies, the continued use of alternative software, and data migration challenges—that could continue to affect GEMS' cost, schedule, and performance.

Broadband Infrastructure. The Infrastructure Investment and Jobs Act, 2022 (P.L. 117-58) provided NTIA more than \$48 billion to implement three broadband infrastructure programs: Broadband Equity, Access, and Deployment; Digital Equity; and Middle Mile Deployment and added funding to the Tribal Broadband Connectivity Program. Implementing these new programs will place heavy demands on NTIA's existing workforce, oversight processes, business practices, and financial management systems to ensure proper oversight and use of the funds. Shortages of experienced staff with the right skills and abilities, exacerbated by the challenge of attracting and retaining experienced professionals, could contribute to delays in the deployment of these new programs.

Trade Enforcement. The Department's ability to combat unfair trade practices by resolving trade barriers and enforcing U.S. trade agreements continues to be a challenge. These challenges are compounded by the Department's critical role in combating China's military-civil fusion strategy, which seeks to acquire foreign technology through both licit and illicit means for China's military modernization and ensuring proper implementation of export controls related to Russia's invasion of Ukraine.

Nationwide Public Safety Broadband Network (NPSBN). The Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) established the First Responder Network Authority (FirstNet) to build, deploy, and operate an NPSBN dedicated to first responders. The NPSBN contract requires AT&T to make payments to FirstNet Authority over 25 years totaling \$18 billion, of which FirstNet will use approximately \$15 billion to maintain and improve the network. FirstNet's decision-making process must be sound for FirstNet to select the best investment opportunities to support the evolving mission and needs of public safety. Also, appropriate oversight is imperative to monitor the execution of the NPSBN contract, to ensure that FirstNet is paying only for services provided. OIG has identified significant issues with the reinvestment process for the FirstNet Authority's initial two investments as well as persistent issues with FirstNet's contract oversight.

The Department's Management of Contracts and Grants. The Department faces ongoing challenges with proper contract and grant oversight and management. In FY 2022, the Department obligated approximately \$4.4 billion for contractual goods

and services as well as approximately \$6.8 billion in grants and other financial assistance awards. It is critical that the Department place sustained focus on its contract and grant awards and oversight to ensure that recipients spend these funds efficiently and effectively, and that the awards result in the expected quality of services, products, and performance.

Census. FY 2024 marks the third year in the 2030 Census lifecycle. Lessons from the previous census are becoming available, and effective planning now by Census can help avoid costly mistakes in the run-up to the 2030 Census. Census must continue its program of research and testing centered on developing a 2030 Census design that enhances the accuracy and reliability of the Census Bureau's address list and ensures that data products provide timely, reliable, and quality data to stakeholders.

Intellectual Property. USPTO continues to face challenges with issuing timely and reliable patents and trademarks. Innovators and creators must have confidence that they will receive both a decision on their application in a reasonable amount of time, and a rigorous examination that results in quality intellectual property. Timeliness for both patents and trademarks remains a concern. For patents, the average amount of time for a first office action still exceeds the 14-month goal by more than two months as of January 2023. Trademark first action pendency exceeded eight months at the end of the first quarter of FY 2023, more than double historical levels. USPTO continues to face challenges regarding fraudulent or inaccurate trademark applications, as well as with improving quality and customer perception.

Work Completed by OIG in FY 2022

In FY 2022, OIG published 36 audit, inspection, and evaluation products, made more than 105 recommendations for improvements to Departmental programs, issued one management alert, and identified \$22.4 million of monetary benefits from its work. Recent OIG efforts found that:

- Effective reviews are needed to enhance the security posture of the Department's Active Directories.
- Simulated internal cyber attack gained control of critical Census Bureau systems.
- Missing security controls put the Department's cloud-based high value assets at risk.
- The Department mismanaged, neglected, and wasted money on the implementation of IT security requirements for its National Security Systems.
- The success of NOAA's next-generation satellite system architecture depends on sound requirements management practices.
- The Business Applications Solution program needs to increase attention to business process reengineering and improve program management practices.

- Bureau of Industry and Security's law enforcement oversight policies and procedures need improvement.
- FirstNet Authority failed to provide adequate contract oversight for its initial two reinvestment task orders.
- FirstNet Authority could not demonstrate investment decisions were the best use of reinvestment funds or maximized the benefits to public safety.
- FirstNet Authority did not have reliable cost estimates to ensure it awarded two reinvestment task orders at fair and reasonable prices.
- The Census Bureau can improve processes to promote transparency of cooperative agreements.
- The Census Bureau needs to improve management and oversight of vetting employees to avoid hiring unsuitable individuals for Federal employment.
- USPTO should strengthen its planning and oversight of patent data capture contracts to manage risks and prevent unnecessary costs.
- USPTO needs to improve its cost estimating, scheduling, and agile practices to timely retire patent legacy systems.
- The Department needs to improve its metadata processes under the Geospatial Data Act.

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

- Dealt with 446 Hotline contacts related to the Department and its programs;
- Referred 241 Hotline issues to Departmental and bureau management for further investigation and resolution, as appropriate;
- Opened 47 investigations (whistleblower reprisal, preliminary, or full field investigations) and 11 requests for assistance, totaling 58 investigative actions;
- Closed 54 investigations and 18 requests for assistance; and
- Referred 23 cases to the U.S. Department of Justice or state/local prosecutors that were accepted for prosecution.

In addition, cases pursued by OIG resulted in three convictions, the indictment of seven individuals, six suspensions/debarments, two disciplinary actions, and monetary recoveries totaling \$4.1 million.

**Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM CHANGE FOR 2024
(Dollar amounts in thousands)**

		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	196	50,360	211	53,326	15	2,966
	FTE/Obl.	178	50,360	189	53,326	11	2,966

Proactive Targeting of Contract and Grant Fraud (+\$3.0 million, 11 FTE/15 Positions) – This request will enable OIG to transition from relying on external complaints to detect contract and grant fraud to proactively seeking out fraud in high-risk contracts and grants in the Department’s base programs.

OIG’s Office of Investigations (OI) has traditionally relied on external reports of fraud such as Hotline calls to initiate cases. If a complaint met a minimum investigative threshold, OI opened an investigation. The enormous growth in contract and grant funding over the past several years (a tenfold increase from FY 2020 to FY 2023) has significantly increased the Department’s vulnerability to fraud and the need for OI to be more proactive in detecting and defeating it. Further, over the last decade, law enforcement and investigative work has become highly technical, and the need for enhanced support in the areas of cyber, digital forensics, data analytics, forensic accounting, and investigative analysis has risen dramatically. OI’s small team of investigative support specialists that drive proactive fraud investigations has been quickly overwhelmed by the additional workload, and OIG requires more people with these specialized skills.

OIG will hire four investigative analysts, one for each of OI’s four investigative teams; a digital forensic specialist; a forensic accountant; and a criminal investigator. OIG’s Office of Audit and Evaluation will establish a Special Review Team consisting of an auditor team lead, an information technology specialist, and an auditor that will integrate the team’s efforts with OI to help identify potential fraud indicators. The Office of Audit and Evaluation will also add an audit team that will expand its focus on grants, hiring a senior supervising auditor, a supervising auditor, and three grant auditors. With these new positions, OIG will be able to investigate the Department’s most vulnerable program areas to detect fraud earlier and detect fraud that might have gone unreported.

To further strengthen its work to detect and reduce fraud, OIG will conduct an outreach campaign to increase fraud awareness among government stakeholders, as well as contract and grant recipients and sub-recipients around the country.

Performance Measures	2024	2025	2026	2027	2028
Number of audits/products with increase	6	11	11	11	11
Number of audits/products without increase	2	2	2	2	2
Dollars recovered or put to better use with increase	\$9,000	\$17,000	\$17,000	\$17,000	\$17,000
Dollars recovered or put to better use without increase	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000

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

Activity: Office of Inspector General
 Program Change: Proactive Targeting of Contract and Grant Fraud

Full-time permanent					
Title		Grade	Number	Annual Salary	Total Salaries
Criminal Investigator (OI)		13	1	158,686	158,686
Investigative Analyst (OI)		13	4	126,949	507,796
Digital Forensic Specialist (OI)		13	1	139,644	139,644
Forensic Accountant (OI)		13	1	126,949	126,949
Auditor Team Lead (SRT)		14	1	150,016	150,016
Information Technology Specialist (SRT)		13	1	139,644	139,644
Auditor (SRT)		13	1	126,949	126,949
Supervisory Auditor (Grants)		15	1	176,458	176,458
Supervisory Auditor (Grants)		14	1	150,016	150,016
Auditor (Grants)		13	3	126,949	380,847
Total			15		2,057,005
Less Lapse*	25.00%		(4)		(514,251)
Total full-time permanent (FTE)			11		1,542,754
2024 pay adjustment (5.2%)					80,223
					1,622,977

<u>Personnel Data Summary</u>					
Full-Time Equivalent Employment (FTE)					
Full-time permanent			11		
Part-time permanent			0		
Full-time temporary			0		
Part-time temporary			0		
Total FTE			11		
<u>Authorized Positions</u>					
Full-time permanent			15		
Part-time permanent			0		
Full-time temporary			0		
Part-time temporary			0		
Total Positions			15		

**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	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase/Decrease from 2024 Base
11.1 Full-time permanent compensation	15,355	22,464	26,408	28,005	1,597
11.3 Other than full-time permanent	91	78	82	82	0
11.5 Other personnel compensation	1,423	1,426	1,587	1,670	83
11.9 Total personnel compensation	16,869	23,968	28,077	29,757	1,680
12.1 Civilian personnel benefits	6,697	9,062	10,605	11,277	672
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	281	367	370	445	75
22.0 Transportation of things	17	285	291	291	0
23.1 Rental payments to GSA	2,296	1,651	1,256	1,256	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	367	523	511	535	24
24.0 Printing and reproduction	3	2	2	2	0
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-Federal sources	2,337	3,065	3,126	3,463	337
25.3 Other goods and services from Federal sources	4,641	6,398	3,389	3,389	0
26.0 Supplies and materials	81	80	82	84	2
31.0 Equipment	1,993	2,599	2,651	2,827	176
42.0 Insurance claims and indemnities	2	0	0	0	0
99.9 Total Obligations	35,584	48,000	50,360	53,326	2,966

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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	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase/Decrease from 2024 Base
11.1 Full-time permanent compensation	15,355	22,464	26,408	28,005	1,597
11.3 Other than full-time permanent	91	78	82	82	0
11.5 Other personnel compensation	1,423	1,426	1,587	1,670	83
11.9 Total personnel compensation	16,869	23,968	28,077	29,757	1,680
12.1 Civilian personnel benefits	6,697	9,062	10,605	11,277	672
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	281	367	370	445	75
22.0 Transportation of things	17	285	291	291	0
23 Rent, communications, and utilities					
23.1 Rental payments to GSA	2,296	1,651	1,256	1,256	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Communications, utilities, and misc. charges	367	523	511	535	24
24.0 Printing and reproduction	3	2	2	2	0
25 Other contractual services					
25.1 Advisory and assistance services	0	0	0	0	0
25.2 Other services from non-Federal sources	2,337	3,065	3,126	3,463	337
25.3 Other goods and services from Federal sources	4,641	6,398	3,389	3,389	0
26.0 Supplies and materials	81	80	82	84	2
31.0 Equipment	1,993	2,599	2,651	2,827	176
42.0 Insurance Claims and Indemnities	2	0	0	0	0
99.9 Total obligations	35,584	48,000	50,360	53,326	2,966

Exhibit 16

	2022 Enacted	2023 President's Budget	2024 Base	2024 Estimate	Increase/Decrease from 2024 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
Unobligated balance, expiring	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0
Total Budget Authority	35,584	48,000	50,360	53,326	2,966

Personnel Data

Full-Time Equivalent Employment:

Full-time permanent	118	161	178	189	11
Other than full-time permanent	0	0	0	0	0
Total	118	161	178	189	11

Authorized Positions:

Full-time permanent	136	196	196	211	15
Other than full-time permanent	0	0	0	0	0
Total	136	196	196	211	15

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

Object Class	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase/Decrease from 2024 Base
11.0 Personnel compensation					
11.1 Full-time permanent compensation	7,611	5,731	4,466	4,466	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	194	89	76	76	0
11.9 Total personnel compensation	7,805	5,820	4,542	4,542	0
12.1 Civilian personnel benefits	2,998	2,185	1,760	1,760	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	14	65	71	71	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	226	15	22	22	0
25.3 Other goods and services from Federal sources	2,453	1,498	28	28	0
26.0 Supplies and materials	5	3	2	2	0
31.0 Equipment	213	14	0	0	0
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.9 Total obligations	13,714	9,600	6,425	6,425	0

Exhibit 16

	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase/Decrease from 2024 Base
Less prior year recoveries	(6)	0	0	0	0
Restoration of recoveries	0	0	0	0	0
Less transfers	(25,306)	(5,450)	(3,450)	(3,450)	0
Less prior year unobligated balance	(7,911)	(19,501)	(15,351)	(15,351)	0
Unobligated balance, expiring	8	0	0	0	0
Unobligated balance, end of year	19,501	15,351	12,376	12,376	0
Total Budget Authority	0	0	0	0	0
<u>Personnel Data:</u>					
<u>Full-Time Equivalent Employment:</u>					
Full-time permanent	57	41	30	30	0
Other than full-time permanent	0	0	0	0	0
Total	57	41	30	30	0
<u>Authorized Positions:</u>					
Full-time permanent	50	26	26	26	0
Other than full-time permanent	0	0	0	0	0
Total	50	26	26	26	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.), \$53,326,000.

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)

	2022 Actual	2023 Enacted	2024 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

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

	2022 Actual	2023 Enacted	2024 Estimate
Periodicals	2	2	2
Pamphlets	0	0	0
Audiovisuals	0	0	0
Total	2	2	2

OIG no longer prints audit reports and other summary products such as the Semiannual Report to Congress. These reports and products are now published electronically.

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

	2022 Actual	2023 Enacted	2024 Estimate
Average ES Salary & Benefits	\$254,523	\$266,231	\$280,075
Average GS/GM Grade	13	13	13
Average GS/GM Salary & Benefits	\$184,929	\$193,436	\$203,494

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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 2024 Request to Department of Commerce	\$55,457,000
Department of Commerce 2024 President’s Budget Allowance to OIG	\$55,457,000

Dollar amounts in thousands

	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Aggregate Funding	68,089	60,221	52,810	55,776	2,966
OIG Funding	68,089	60,221	52,810	55,776	2,966

Amounts for Council of the Inspectors General on Integrity and Efficiency (CIGIE) funding support as provided by the Inspector General Reform Act of 2008 are as follows:

Dollar amounts in thousands

	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Training	402	462	484	484	0
Amounts for Support of CIGIE	170	188	222	222	0

OIG certifies that the training amount for 2024 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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**Department of Commerce
Office of Inspector General
Salaries and Expenses
Description of Tribal Consultations**
(Dollar amounts in thousands)

Applicable Programs: No tribal consultations were required.

Summary Description of Tribal Consultations: No tribal consultations were required.

Summary Description of Tribal Input: No tribal consultations were required.

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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 2024 - OIG will continue to develop its staff to meet the oversight requirements of the Department.

Analysis of Performance Indicators -

Explanation of trends – 80 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.

Progression of the Performance Indicators – OIG will discontinue one existing performance indicator in FY 2024 and will add three new performance indicators to align measures more closely 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Target	FY 2024 Target	Explanation of historical data changes
Current/Recurring	5.3	Percent of OIG recommendations accepted by Departmental and bureau management	100%	100%	100%	100%	100%	95%	95%	N/A
Discontinued	5.3	Percent of investigative cases completed within 365 days (OIG)	59%	70%	75%	48%	63%	70%	DISC	
Current/Recurring	5.3	Dollar value of financial benefits identified by OIG (millions)	\$10.5	\$291.1	\$333.0	\$108.5	\$26.5	\$70.0	\$70.0	Dollar value can vary depending on nature of audit and programs examined
Current/Recurring	5.3	Percent of audits and evaluations initiated during the fiscal year focused on Top Management Challenges	N/A	N/A	N/A	65%	81%	70%	70%	
Current/Recurring	5.3	Percent of investigative cases referred for criminal, civil, or administrative action	N/A	N/A	N/A	85%	77%	75%	75%	
Current/Recurring	5.3	Percent of Hotline contacts related to DOC that are evaluated and referred for appropriate action within 45 days	N/A	N/A	N/A	92%	96%	85%	85%	

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

	Positions	FTE	Budget Authority	Direct Obligations
Appropriation Available, 2023	15	5	7,000	1,000
2024 Adjustments to Base				
Plus: 2024 Transfers	0	0	0	0
Plus: Inflationary adjustments to base	0	0	0	0
2024 Base	15	5	7,000	1,000
Plus: 2024 Program changes	0	10	0	2,250
2024 Estimate	15	15	7,000	3,250

Comparison by activity / subactivity with totals by activity		2022		2023		2024		2024		Increase/Decrease	
		Actual		Enacted		Base		Estimate		from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
American Rescue Plan Act of 2021 (P.L. 117-2)	Pos./BA	2	0	0	0	0	0	0	0	0	0
	FTE/Obl.	9	2,870	0	0	0	0	0	0	0	0
Creating Helpful Incentives to Produce Semiconductors for America Act of 2022 (P.L. 117-167)	Pos./BA	0	7,000	15	7,000	15	7,000	15	7,000	0	0
	FTE/Obl.	0	10	5	1,000	15	3,250	15	3,250	0	0
Total	Pos./BA	2	7,000	15	7,000	15	7,000	15	7,000	0	0
	FTE/Obl.	9	2,880	5	1,000	15	3,250	15	3,250	0	0
Adjustments for											
Recoveries			0		0		0		0		0
Unobligated balance, start of year			(2,870)		(6,990)		(12,990)		(12,990)		0
Unobligated balance transferred			0		0		0		0		0
Unobligated balance, end of year			6,990		12,990		16,740		16,740		0
Unobligated balance expiring			0		0		0		0		0
Financing from transfers:											
Transfer from other accounts (-)			(7,000)		(7,000)		(7,000)		(7,000)		0
Transfer to other accounts (+)			0		0		0		0		0
Appropriation			0		0		0		0		0

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**Department of Commerce
Office of Inspector General
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS – MANDATORY APPROPRIATIONS**
(Dollar amounts in thousands)

Activity: Office of Inspector General

Line Item		2022 Actual		2023 Enacted		2024 Base		2024 Estimate		Increase/Decrease from 2024 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction & Counsel	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	0
Audits & Evaluations	Pos./BA	2	6,067	13	6,067	13	6,067	13	6,067	0	0
	FTE/Obl.	8	2,710	5	866	13	2,815	13	2,815	0	0
Investigations	Pos./BA	0	933	2	933	2	933	2	933	0	0
	FTE/Obl.	1	170	0	134	2	435	2	435	0	0
Total	Pos./BA	2	7,000	15	7,000	15	7,000	15	7,000	0	0
	FTE/Obl.	9	2,880	5	1,000	15	3,250	15	3,250	0	0

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Department of Commerce
Office of Inspector General
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 under the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022 (P.L. 117-167).

Base Program

The CHIPS and Science Act of 2022 provided OIG with \$5 million each year from FY 2022 through FY 2026 to provide oversight of the CHIPS for America Fund and an additional \$2 million per year from FY 2022 through FY 2032 to provide oversight of the Public Wireless Supply Chain Innovation Fund. OIG will review samples of the Department's loans, grants, cooperative agreements, other federal financial assistance awards, and associated expenditures under these programs. 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.

In addition to audits and evaluations, OIG will conduct criminal, civil, and administrative investigations as necessary.

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**Department of Commerce
Office of Inspector General
SUMMARY OF REQUIREMENTS BY OBJECT CLASS – MANDATORY APPROPRIATIONS**
(Direct amounts in thousands)

Object Class	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase/Decrease from 2024 Base
11.0 Personnel compensation					
11.1 Full-time permanent compensation	1,124	662	2,228	2,228	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	27	18	36	36	0
11.9 Total personnel compensation	1,151	680	2,264	2,264	0
12.1 Civilian personnel benefits	461	262	883	883	0
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	0	5	15	15	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	8	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	11	20	74	74	0
25.3 Other goods and services from Federal sources	1,241	4	12	12	0
26.0 Supplies and materials	0	1	2	2	0
31.0 Equipment	16	20	0	0	0
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.9 Total obligations	2,880	1,000	3,250	3,250	0

Exhibit 16

	2022 Actual	2023 Enacted	2024 Base	2024 Estimate	Increase/Decrease from 2024 Base
Less prior year recoveries	0	0	0	0	0
Restoration of recoveries	0	0	0	0	0
Less transfers	(7,000)	(7,000)	(7,000)	(7,000)	0
Less prior year unobligated balance	(2,870)	(6,990)	(12,990)	(12,990)	0
Unobligated balance, end of year	6,990	12,990	16,740	16,740	0
Total Budget Authority	0	0	0	0	0
<u>Personnel Data:</u>					
<u>Full-Time Equivalent Employment:</u>					
Full-time permanent	9	5	15	15	0
Other than full-time permanent	0	0	0	0	0
Total	9	5	15	15	0
<u>Authorized Positions:</u>					
Full-time permanent	2	15	15	15	0
Other than full-time permanent	0	0	0	0	0
Total	2	15	15	15	0