

FY 2026 Congressional Submission

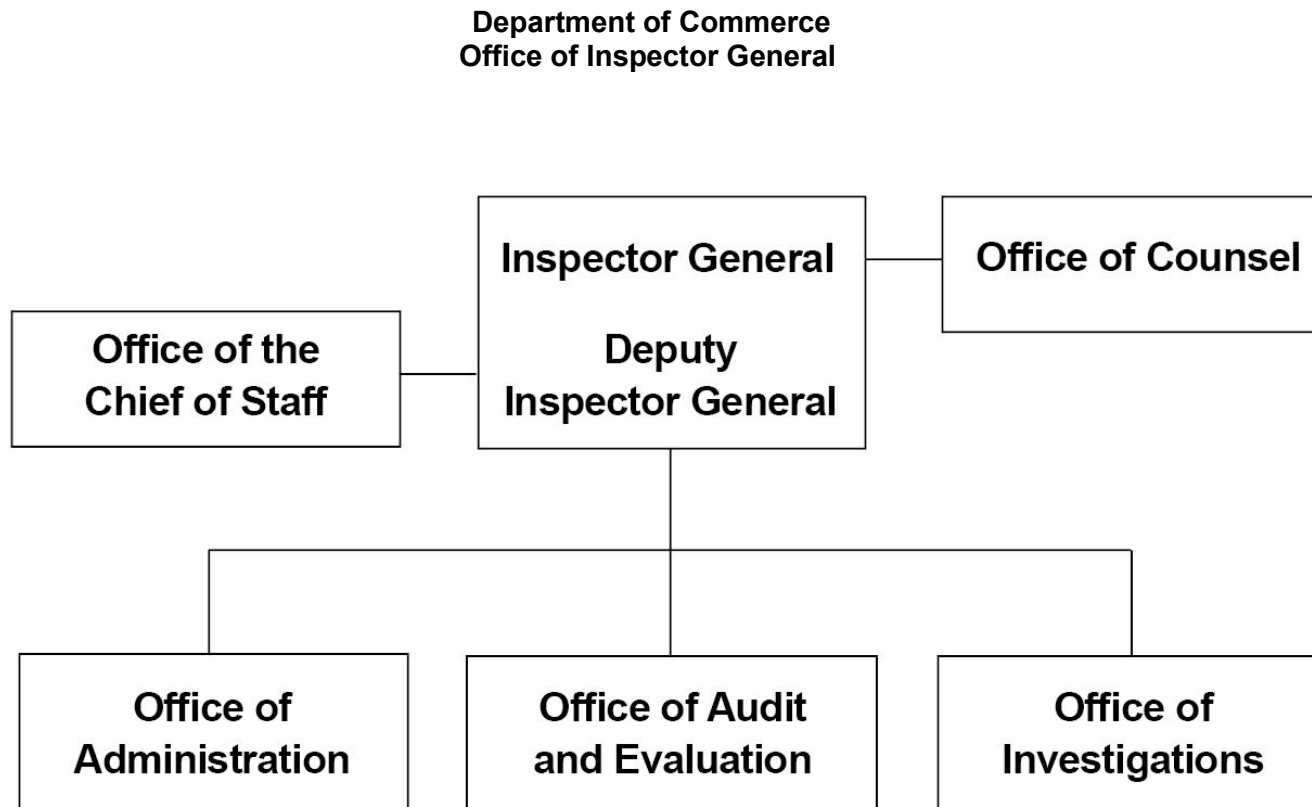
Exhibit 1

**DEPARTMENT OF COMMERCE
OFFICE OF INSPECTOR GENERAL
Budget Estimates, Fiscal Year 2026
Congressional Submission**

Table of Contents

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Page Number</u>
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
12	Justification of Program and Performance	OIG – 11
13	Program Change for 2026	OIG – 19
33	Appropriation Language and Code Citation	OIG – 21
40	Inspector General Reform Act of 2008 Reporting Requirements	OIG – 23
41	Implementation Status of GAO and OIG Recommendations	OIG – 25
42	Description of Tribal Consultations	OIG – 27
5	Summary of Resource Requirements (Mandatory Appropriations)	OIG – 29
12	Justification of Program and Performance (Mandatory Appropriations)	OIG – 31
42	Description of Tribal Consultations (Mandatory Appropriations)	OIG – 33

This page was intentionally left blank.



This page was intentionally left blank.

**Department of Commerce
Office of Inspector General
Budget Estimates, Fiscal Year 2026**

Executive Summary

The Office of Inspector General's (OIG's) fiscal year (FY) 2026 budget request is \$50.45 million and 186 positions, of which \$48 million and 175 positions are funded from direct appropriations and \$2.45 million and 11 positions are funded from a transfer from the U.S. Patent and Trademark Office (USPTO). Additionally, in FY 2026 OIG was appropriated a \$5 million transfer and 7 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 7 positions for oversight of NTIA's Public Wireless Supply Chain Innovation Fund (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 oversee 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 directs its oversight to the Department's most serious management and performance challenges. OIG's most recent [*Top Management And Performance Challenges Facing the Department of Commerce*](#) identified cybersecurity, information technology (IT) security and modernization, integration of artificial intelligence (AI) and other emerging technologies, international trade, NOAA operations and services, intellectual property and innovation, U.S. population data, spending oversight, the Hollings Manufacturing Extension Partnership (MEP), broadband grant programs, CHIPS funding, the Nationwide Public Safety Broadband Network, and NIST facility improvement project contracts as the Department's most pressing challenges.

OIG's FY 2026 budget request includes the following resources:

Direct Appropriation—\$48 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 and evaluations based on risk analyses of

the Department's programs and operations. These analyses consider a range of issues, including, for example, congressional and other stakeholder inquiries. OIG also performs audits and evaluations as required by statute. These include 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 2026 budget request includes a transfer of \$2.45 million from USPTO. These funds will support OIG's oversight of USPTO's operations, including its operations that focus on examining patent and trademark applications, granting patents, registering trademarks, and guiding domestic and international policy to protect U.S. intellectual property.

Department of Commerce
Office of Inspector General
FY 2026 PROGRAM INCREASES / DECREASES / TERMINATIONS
(Dollar amounts in thousands)
(By Appropriation, Largest to Smallest)

Increases

Page No. In CJ	Appropriations	Budget Program	Title of Increase	Positions	Budget Authority
N/A	N/A	N/A	N/A	N/A	N/A
	Total, Increases			N/A	N/A

Decreases

Page No. In CJ	Appropriations	Budget Program	Title of Decrease	Positions	Budget Authority
OIG-19	Office of Inspector General	Salaries and Expenses	Reductions in Oversight of the Department of Commerce	(21)	0
	Total, Decreases			(21)	0

Terminations

Page No. In CJ	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

This page was intentionally left blank.

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, 2024		196	173	48,000	48,000
Plus: Transfers		11	11	2,450	2,450
Plus: Program changes		(21)	(3)	0	0
2026 Estimate		186	181	50,450	50,450

		2024 Enacted		2026 Estimate		Increase/Decrease from 2026 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	196	48,000	175	48,000	(21)	0
	FTE/Obl.	173	48,000	170	48,000	(3)	0
Transfer from USPTO	Pos./BA	12	2,450	11	2,450	(1)	0
	FTE/Obl.	12	3,019	11	2,450	(1)	(569)
Infrastructure Investment & Jobs Act (P.L. 117-58) Transfers from NTIA (non-add FY 2024)	Pos./BA	18	1,000	15	0	(3)	(1,000)
	FTE/Obl.	18	3,500	16	3,300	(2)	(200)
Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328)	Pos./BA	0	0	0	0	0	0
	FTE/Obl.	2	400	2	430	0	30
Disaster Relief Supplemental Appropriations Act, 2025 (P.L. 118-158)	Pos./BA	0	0	4	0	4	0
	FTE/Obl.	0	0	2	400	2	400
Total	Pos./BA	226	51,450	205	50,450	(21)	(1,000)
	FTE/Obl.	205	54,919	201	54,580	(4)	(339)

	2024 Enacted		2026 Estimate		Increase/Decrease from 2026 Base	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Adjustments for						
Recoveries		0		0		
Unobligated balance, start of year		(16,211)		(18,220)		
Unobligated balance transferred		0		0		
Unobligated balance, end of year		12,742		14,090		
Unobligated balance expiring		0		0		
Financing from transfers:						
Transfer from other accounts (-)		(3,450)		(2,450)		
Transfer to other accounts (+)		0		0		
Appropriation		48,000		48,000		

**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.

Program Activities

OIG's resources support an oversight program focusing on the Department's top management and performance challenges. As examples, OIG's most recent report identified the following 12 challenges: 1) maximizing cybersecurity and IT security, 2) modernizing IT systems and operations, 3) integrating artificial intelligence and other emerging technologies safely, 4) ensuring secure, fair international trade, 5) maintaining and improving NOAA operations and services, 6) safeguarding intellectual property and fostering innovation, 7) ensuring quality population data, 8) strengthening oversight of contracts and grants in response to dramatic growth, 9) strengthening oversight of the Hollings MEP, 10) managing major broadband grant programs, (11) overseeing the National Public Safety Broadband Network, and (12) overseeing NIST facility improvement project contracts.

OIG's budget request for FY 2026 is \$50.45 million, of which \$48 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 public.

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 Arlington, VA, and operates two field offices in Denver, CO and Seattle, WA.

Oversight Activities (\$48 million).

Audits and Evaluations OIG supervises and conducts independent and objective audits and other reviews of the Department's programs and activities to ensure they operate economically, efficiently, and effectively. OIG performs work that is part of its annual work planning process as well as in response to Congressional or Departmental requests. This oversight work addresses areas such as financial controls, operational efficiencies, information systems, program performance, major acquisitions, and grant operations.

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—*typically published in October*;
- Reports on audits and evaluations—*performed according to OIG's annual audit plan, which may be modified to address emerging issues, stakeholder requests, statutory updates, or other changes to oversight priorities*;

- Semiannual reports summarizing the audit and investigative work OIG completed or initiated in the previous 6 months—*posted on the OIG website in May and November*;
- Responses to Congressional requests (for example, testimony or briefings)—*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, including 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. As set forth in the most recent report issued in October 2024, these include the following:

Maximizing Cybersecurity and IT Security. To combat ever-increasing cyberthreats, the Federal government moved toward zero-trust cybersecurity principles. Fully implementing these security requirements has been 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.

Modernizing IT Systems. The Department has several challenging IT modernization efforts planned or underway. Notably, the Department is implementing the Business Applications Solution (BAS) program, its new financial system. The Department has transitioned NOAA's financial operations to BAS and must incorporate lessons learned from the NOAA transition into the Census and NIST transitions. The Department is also implementing the Grants Enterprise Management Solution (GEMS) to replace the separate systems used by its bureaus. However, immediate needs and unique requirements have led some bureaus to use alternative grants management software, presenting challenges with systems and records integration, data migration, security and privacy requirements, and additional costs.

Artificial Intelligence (AI). As of May 2024, the Department listed 52 use cases of AI across 9 bureaus. AI can bring many benefits, such as using natural language processing to interpret and help classify survey input and improve searches of the Department's

public data and using machine learning algorithms to identify dangerous rip currents from shoreline web camera footage. Department leadership must ensure that AI systems perform as expected, create reproducible results, can be independently verified, and meet all mission requirements. In April 2025, OMB issued separate guidance memos on accelerating federal use of AI and driving efficient acquisition of AI in government. To implement this guidance the Department must develop strategies for AI innovation, share agency data and AI assets, enable an AI-ready workforce, improve AI governance, and make various improvements to AI-related acquisition policies and procedures.

Ensuring Secure, Fair International Trade. 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 lawful and unlawful means for China's military modernization and ensuring proper implementation of export controls related to Russia's invasion of Ukraine.

Improving NOAA Operations and Infrastructure. Improving the accuracy and timeliness of the National Weather Service's (NWS') weather forecasts requires complex improvements to infrastructure and technology at a time when the bureau faces intensifying demands on its capabilities. Workforce recruitment, retention, and burnout continue to be issues the agency must manage. In addition, NOAA's satellite systems, ships, aircraft, and ground-based systems provide environmental data that are critical inputs to forecasts and warnings provided by the NWS. NOAA is currently investing in the next generation of its satellites to maintain the long-term continuity of critical observations. 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. OIG has identified potential concerns associated with this fleet recapitalization and the need for an updated recapitalization plan, which implicates hundreds of millions of dollars, as well as potential issues associated with the service lives of OMAO's hurricane hunter aircraft and the availability of replacement aircraft in the coming hurricane seasons.

Safeguarding Intellectual Property and Fostering Innovation. USPTO faces significant challenges in granting quality intellectual property rights in a timely manner. The time for a first office action on a patent application has increased by over 50 percent in the last five years and trademark first office action pendency remains well above historical levels. These challenges are compounded by threats to the integrity of patent and trademark proceedings. USPTO has grappled with evolving tactics by fraudulent trademark filers, including many applications originating outside the United States. Together, these challenges threaten confidence in USPTO by intellectual property stakeholders and affect applicants' ability to make business decisions. USPTO is challenged to adapt to the adoption of artificial intelligence, both as a legal matter for patent applications and internally as enhancements to its business

processes. As OIG has reported previously, mission-critical functions such as acquisition practices and IT improvements remain challenges as well.

Ensuring Quality U.S. Population Data. FY 2026 marks the fifth 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.

Strengthening Oversight in Response to Dramatic Growth. The Department faces ongoing challenges with proper contract and grant oversight and management. In FY 2024, the Department awarded approximately \$21.7 billion in contracts and grants, almost double the \$10.6 billion awarded in FY 2023. 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.

Manufacturing Extension Partnerships (MEP). MEP's appropriations have steadily increased through FY 2025, but NIST's inadequate oversight has placed the program and its funding at risk. In 2023, OIG found that NIST did not ensure that centers used all funds to further MEP's mission, allowing centers to use millions of dollars for their own purposes without accountability. Also, NIST did not examine centers' executive salaries, resulting in excessive personnel costs. Finally, centers did not disclose potential conflicts of interest to NIST. Most recently, in September 2024 we found that NIST publicly reported unreliable economic impact data, and overstated MEP's return on investment from FYs 2020 through 2023. NIST reports this data in many contexts, ranging from its public-facing website to budget justifications. This data is key information for many potential decision makers and is NIST's primary means of evaluating centers' performance for continued federal funding. NIST's reliance on this data may have caused it to provide funding to centers that overstated their performance.

Broadband Access. The Infrastructure Investment and Jobs Act, 2022 (P.L. 117-58) and Consolidated Appropriations Act, 2021 (P.L. 116-260) provided NTIA with more than \$49.7 billion to implement six broadband infrastructure programs: Broadband Equity, Access, and Deployment Program; Digital Equity Act Programs; Middle Mile Grant Program; Tribal Broadband Connectivity Program; Connecting Minority Communities Pilot Program; and the Broadband Infrastructure Program. Implementing these new programs is placing 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.

Overseeing the 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 with FirstNet's contract oversight.

Overseeing NIST Facility Improvement Project Contracts. NIST's inadequate facilities threaten its mission performance by causing substantive delays in key national security deliverables, scientific research, and services to U.S. industry customers. The facilities' poor state has also led to costly equipment damage, estimated in the millions of dollars. NIST will face significant pressure to quickly address the poor condition of its facilities, but NIST must practice prudent financial management and adequately oversee its funds.

Work Completed by OIG in FY 2024

OIG's audit work produced the following results:

- Published 35 audit, inspection, and evaluation products;
- Made 127 recommendations for improvements to Departmental programs; and
- Identified \$2.486 billion of monetary benefits.

In particular, OIG reported that:

- A lack of program management controls and attention to IT security threatens the success of NOAA's efforts to implement a cloud-based common ground system.
- The Department needs to fully implement strong multifactor authentication for its high value assets to protect them from cyberattacks.
- The Department needs to improve oversight to ensure the success of its financial system modernization.
- BIS's export license approval process reduces risk of threats from China's military-civilian fusion strategy, but BIS should

take additional steps to mitigate risks of unauthorized technology release to China's military.

- ITA did not effectively resolve foreign trade barriers.
- The decision to exclude deemed exports and reexports from 15 C.F.R. § 742.6(a)(6) could pose a significant risk of unauthorized technology release to China's military.
- NOAA must take action to address significant ship fleet recapitalization risks.
- NOAA's Office of Space Commerce efforts to provide space situational awareness services have been delayed and need a realistic schedule.
- The Department needs to strengthen its ethics oversight for USPTO patent examiners.
- USPTO must improve acquisition planning to ensure efficient and competitive procurements.
- A 3-year exposure of Privacy Act-protected data revealed USPTO mismanagement in safeguarding the sensitive PII of trademark filers.
- The Census Bureau did not effectively manage and monitor contractor performance for paid advertising in the 2020 Census Integrated Communications Contract.
- The Puerto Rico Department of Natural and Environmental Resources needs to fully comply with procurement regulations when executing NOAA awards.
- NIST overstated MEP's economic impact to Congress and other stakeholders.
- NTIA's award processes leave tribal broadband grants vulnerable to fraud and duplication.
- NIST surpassed hiring goals for CHIPS but did not develop a comprehensive workforce plan.
- February 2024 FirstNet Authority's NPSBN outage raised a significant risk to the readiness of First Responders across the country.
- FirstNet Authority's lack of contract oversight for device connection targets puts the NPSBN at risk of impacting First Responders' use of the network.
- FirstNet Authority's lack of NPSBN contract oversight for coverage puts at risk First Responders' ability to serve the public effectively.
- FirstNet Authority did not ensure the Nation's First Responders' needs were continuing to be met timely when modifying key

objectives of the NPSBN Contract.

- The NPSBN Band 14 signal strength does not consistently provide adequate Band 14 service for First Responders.
- The Department can improve processes to ensure locality pay is accurate.
- The Bureaus are resolving single audit findings, but the Department and bureaus need to update their single audit resolution policies.

OIG's direct investigative work produced the following results:

- Addressed 543 Hotline contacts related to the Department and its programs;
- Referred 320 Hotline issues to Departmental and bureau management for further investigation and resolution, as appropriate;
- Opened 67 investigations (whistleblower reprisal, preliminary, or full field investigations) and 30 requests for assistance, totaling 97 investigative actions;
- Closed 58 investigations and 27 requests for assistance; and
- Referred 36 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 9 convictions, the indictment of 7 individuals, 11 suspension/debarment, 4 disciplinary actions, and monetary recoveries totaling \$32.9 million.

**Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM CHANGE FOR 2026**
(Dollar amounts in thousands)

		2024 Enacted		2026 Estimate		Increase/Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA	196	48,000	175	48,000	(21)	0
	FTE/Obl.	173	48,000	170	48,000	(3)	0

Reductions in Oversight of the Department of Commerce (\$0 thousand, -3 FTE/-21 Positions) – This request will reduce OIG's audit, investigative, and support staffing through a combination of strategies including the Deferred Resignation Program, Voluntary Early Retirement Authority, and Voluntary Separation Incentive Payments, as well as through natural attrition.

This page was intentionally left blank.

**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 (codified at 5 U.S.C. Chapter 4), \$48,000,000.

5 U.S.C. §§ 401, *et seq.*

Section 402 provides that, “in each of the establishments listed in section 401(1) of this title, there is established an Office of Inspector General ... 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 401(1).” Section 401(1) defines "Establishment" to include the Department of Commerce.

This page was intentionally left blank.

**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 2026 Request to Department of Commerce	\$60,958,000
Department of Commerce 2026 President's Budget Allowance to OIG	\$55,350,000

Dollar amounts in thousands

	2024 Actual	2025 Enacted	2026 Base	2026 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Aggregate Funding	50,450	50,450	50,450	50,450	0
OIG Funding	50,450	50,450	50,450	50,450	0

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

	2024 Actual	2025 Enacted	2026 Base	2026 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Training	316	380	400	400	0
Amounts for Support of CIGIE	192	192	192	192	0

OIG certifies that the training amount for 2026 listed above represents the total training requirements for OIG.

This page was intentionally left blank.

**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.

This page was intentionally left blank.

**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.

This page was intentionally left blank.

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, 2025	14	16	7,000	3,700
2026 Adjustments to Base				
Plus: 2026 Transfers	0	0	0	0
Plus: Inflationary adjustments to base	0	0	0	0
2026 Base	14	16	7,000	3,700
Plus: 2026 Program changes	0	2	0	350
2026 Estimate	14	18	7,000	4,050

Comparison by activity / subactivity with totals by activity		2024 Actual		2025 Enacted		2026 Base		2026 Estimate		Increase/Decrease from 2026 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Creating Helpful Incentives to Produce	Pos./BA	12	7,000	14	7,000	14	7,000	14	7,000	0	0
Semiconductors for America Act of 2022 (P.L. 117-167)	FTE/Obl.	12	2,707	16	3,700	18	4,050	18	4,050	0	0
Total	Pos./BA	12	7,000	14	7,000	14	7,000	14	7,000	0	0
	FTE/Obl.	12	2,707	16	3,700	18	4,050	18	4,050	0	0
Adjustments for											
Recoveries			0		0		0		0		0
Unobligated balance, start of year			(13,345)		(17,638)		(20,938)		(20,938)		0
Unobligated balance transferred			0		0		0		0		0
Unobligated balance, end of year			17,638		20,938		23,888		23,888		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

This page was intentionally left blank.

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).

Program Activities

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's most recent [Top Management And Performance Challenges Facing the Department of Commerce](#) report identified challenges in managing and overseeing CHIPS funding. Congress passed the CHIPS and Science Act to promote long-term growth in domestic semiconductor manufacturing and research in support of national and economic security. The scale and complexity of the program increases the risk of operational inefficiencies and compliance issues. If recipients of CHIPS Act funds mismanage them, the Department could fail to achieve the legislation's goals. Moreover, failure to implement adequate internal controls and oversight could lead to errors, fraud, waste, and abuse. As of March 29, 2024, the CHIPS program office decided to delay funding for the construction, modernization, or expansion of semiconductor research and development facilities in the United States. According to the program office, this was due to overwhelming demand for funding and changes in the FY 2024 appropriations law, which reprogrammed \$3.5 billion of the program office's incentive program to create secure facilities.

OIG anticipates reviewing 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.

Department of Commerce
Office of Inspector General
DESCRIPTION OF TRIBAL CONSULTATIONS – MANDATORY APPROPRIATIONS
(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.