

FY 2021 Congressional Justification

**Department of Commerce
Office of Inspector General
FY 2021 Congressional Justification**

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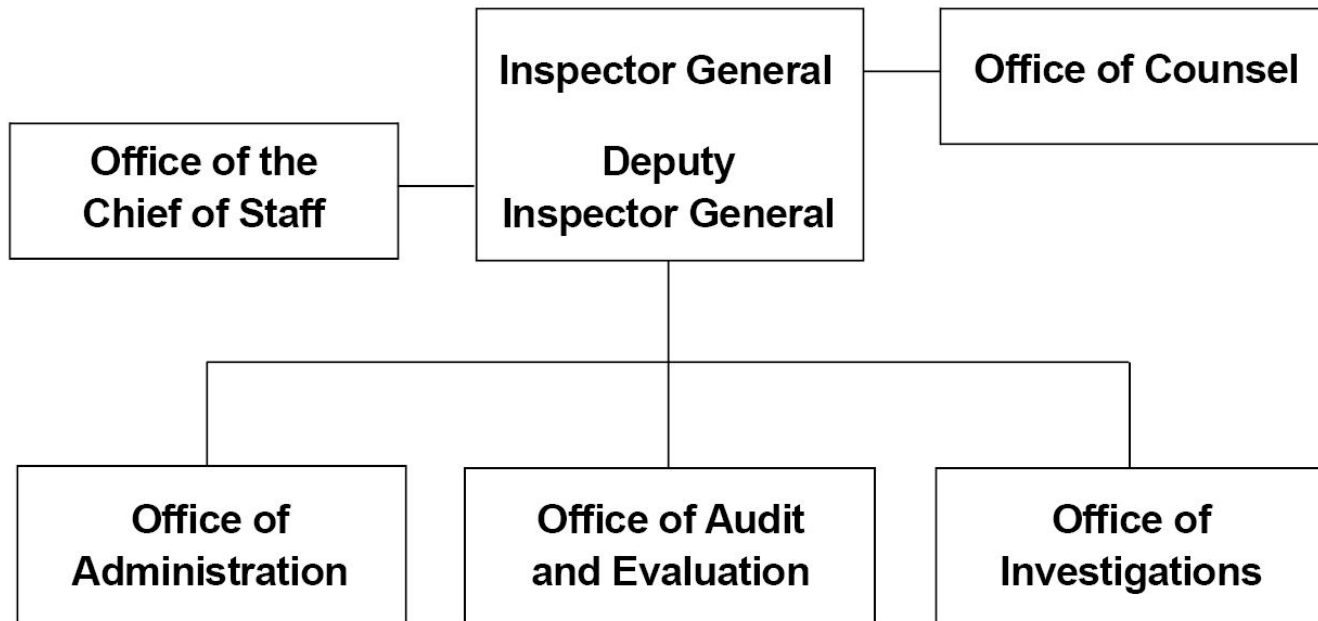
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**Department of Commerce
Office of Inspector General
Current Organizational Chart¹**



¹ The Budget assumes the establishment of the Office of the Chief of Staff as an office under the Inspector General. This office will consolidate functions, such as writer/editor assistance and statistical analysis, used by the Office of Audit and Evaluation, Office of Investigations, and Office of Administration, but here-to-fore retained in the Office of Audit and Evaluation. The change will facilitate the use of these functions by the other offices.

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**Department of Commerce
Office of Inspector General
Budget Estimates
Fiscal Year 2021**

Executive Summary

The Office of Inspector General's (OIG's) fiscal year (FY) 2021 budget request is \$44.4 million, of which \$35.5 million are direct appropriations and \$8.9 million are from transfers. OIG requests a program increase of \$1 million for 6 new positions in support of oversight of the Department's cybersecurity posture, information technology acquisitions, and trade enforcement efforts.

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

OIG's resources support an oversight program that focuses on the most serious management and performance challenges facing the Department. OIG's most recent [*Top Management And Performance Challenges Facing the Department of Commerce*](#) report identified the 2020 Census, current and future satellite programs, deployment of the Nationwide Public Safety Broadband Network, intellectual property rights, cybersecurity, trade enforcement, oversight of disaster relief funding, and acquisition management.

In 2019, OIG conducted a workforce planning effort to identify mission-critical skills gaps and emerging requirements. To close these gaps, OIG developed a staffing plan that increases its staffing level from 180 positions in FY 2020 to 200 positions in FY 2021, including the program increase of 6 positions. This growth is funded in large part by reallocating resources from contract support to OIG personnel.

OIG's FY 2021 budget request includes the following resources:

Direct Appropriation—\$35.5 million. These funds will support OIG's consolidated audit and evaluation activities monitoring Departmental operations, and external activities funded by the Department through contracts or financial assistance (loans, grants, and cooperative agreements). Audits and evaluations may be prompted by Congressional requests, from committees and individual

members, or 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. The request includes \$33 million for general oversight activities, inflationary increases of \$1.5 million, and the program increase of \$1 million noted above.

OIG's FY 2021 budget request also includes the following transfers totaling \$8.9 million:

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

U.S. Patent and Trademark Office (USPTO)—\$2 million. OIG receives a transfer of \$2 million from USPTO to provide oversight of the USPTO as it examines and grants patents and registers trademarks, providing protection to U.S. intellectual property.

Census Bureau—\$3.6 million. OIG receives a transfer of \$3.6 million from the Census Bureau to provide oversight of the Bureau's efforts to conduct the decennial census, report on the results, and begin planning for the next decennial census. The total cost for the 2020 Census alone is expected to exceed \$14 billion.

NOAA Satellites - \$1.3 million. OIG receives a transfer of \$1.3 million from NOAA to provide oversight of NOAA's acquisition and operation of its major environmental satellites. These systems comprise a quarter of NOAA's FY 2020 \$4.6 billion budget, and have life-cycle costs of nearly \$30 billion, and are critical to NOAA's efforts to provide timely weather forecasts, including prediction, tracking, and warning of severe weather events such as hurricanes, tornados, blizzards, and floods.

Technical Transfer: The Department of Commerce (DOC) is proposing to transfer nine projects and funding out of the Working Capital Fund and the Advances and Reimbursements account to the Departmental Management Salaries and Expense account as part of its annual review to properly align and account programs and costs. This transfer executes OIG's portion of the DOC transfer. For more information regarding the specific projects and funding transfers for the Department of Commerce please refer to Exhibit 3 of the Departmental Management FY 2021 Congressional Justification Budget.

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

Activity: Office of Inspector General

Object Class	2020 Enacted	2021 Transfer	2021 Base
11.0 Personnel compensation	0	0	0
11.1 Full-time permanent- non wage	0	0	0
11.3 Other than full-time permanent	0	0	0
11.5 Other personnel compensation	0	0	0
11.9 Total personnel compensation	0	0	0
12.1 Civilian personnel benefits	0	0	0
13.0 Benefits to former personnel	0	0	0
21.0 Travel and transportation of persons	0	0	0
22.0 Transportation of things	0	0	0
23.1 Rental payments to GSA	0	0	0
23.2 Rental payments to others	0	0	0
23.3 Commun., util., misc. charges	0	0	0
24.0 Printing and reproduction	0	0	0
25.1 Advisory and Assistance Services	0	0	0
25.2 Other services	0	0	0
25.3 Purchase of goods and services from gov't accounts	0	(31)	(31)
26.0 Supplies and materials	0	0	0
31.0 Equipment	0	0	0
42.0 Insurance Claims and Indemnities	0	0	0
99.0 Total Direct Obligations	0	(31)	(31)
Less prior-year recoveries	0	0	0
Less Transfers	0	0	0
Less unobligated balance from prior years	0	0	0
Plus unobligated balance, expiring	0	0	0
Plus unobligated balance, end of year	0	0	0
Total Appropriation	0	(31)	(31)

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**Department of Commerce
Office of Inspector General
FY 2021 PROGRAM INCREASES / DECREASES / TERMINATIONS**
(Dollar amounts in thousands)

Increases

Page No.	Appropriation	Budget Program	Title of Increase	Positions	Budget Authority
OIG – 33	OIG	OIG	Increased Oversight of Critical DOC Vulnerabilities	6	1,000
Subtotal, Increases				6	1,000

Decreases

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

Terminations

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

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**Department of Commerce
Office of Inspector General
FY 2021 TRANSFER SUMMARY TABLE**
(Dollar amounts in thousands)
(Grouped by Title of Transfer, Largest to Smallest)

Transfers

Page No.	Budget Program	Appropriation	Title of Transfer	Positions	Budget Authority
OIG – 6	Salaries and Expenses	OIG	OIG Transfer to Departmental Management Salary and Expenses Account	0	(31)
Total, Transfers				0	(31)

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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
Enacted Budget, FY 2020	180	157	33,000	33,000
2021 Adjustments to Base				
Plus: FY 2020 Transfers			8,858	8,858
Plus: Shift resources from contract support to regrow government workforce. ¹	14	26	0	0
Plus: Inflationary adjustments to base	0	0	1,551	1,551
Less: Technical transfer			(31)	(31)
2021 Base	194	183	43,378	43,378
Plus: FY 2021 Program changes	6	5	1,000	1,000
Plus: FY 2021 Transfer changes	0	0	0	0
2021 Estimate	200	188	44,378	44,378

		2019 Actual		2020 Enacted		2021 Base		2021 Estimate		Increase/Decrease from 2021 Base	
Comparison by program:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Inspector General	Pos./BA	174	42,102	180	41,858	194	43,378	200	44,378	6	1,000
	FTE/Obl.	146	40,171	157	49,702	183	43,378	188	44,378	5	1,000
TOTALS	Pos./BA	174	42,102	180	41,858	194	43,378	200	44,378	6	1,000
	FTE/Obl.	146	40,171	157	49,702	183	43,378	188	44,378	5	1,000

¹ In 2019, OIG conducted a workforce planning effort to identify mission-critical skills gaps and emerging requirements. To close these gaps, OIG developed a staffing plan that increases its base staffing level from 180 positions in FY 2020 to 194 positions in FY 2021. This growth is funded in large part by reallocating resources from contract support to OIG personnel.

Exhibit 5

	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase/ Decrease from 2021 Base
Adjustments for					
Recoveries	0	0	0	0	0
Unobligated Balance, start of year	(5,965)	(7,844)	0	0	0
Unobligated Balance, transferred	0	0	0	0	0
Unobligated Balance, end of year	7,844	0	0	0	0
Unobligated Balance, expiring	52	0	0	0	0
Financing from transfers:					
Transfer from other accounts (-)	(9,358)	(8,858)	(8,858)	(8,858)	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	32,744	33,000	34,520	35,520	1,000

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

		2019 Actual		2020 Enacted		2021 Base		2021 Estimate		Increase/Decrease from 2021 Base	
Comparison by Activity		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Inspector General	Pos/BA	1	2,890	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.		2,890		3,500		3,500		3,500		
Total	Pos/BA	1	2,890	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.	0	2,890		3,500		3,500		3,500		

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

	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase/Decrease from 2021 Base
Total Obligations	43,061	53,202	46,878	47,878	1,000
Offsetting Collections from:					
Federal funds	(2,890)	(3,500)	(3,500)	(3,500)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	0	0	0	0	0
Unobligated balance, start of year	(5,965)	(7,844)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	7,844	0	0	0	0
Unobligated balance expiring	52	0	0	0	0
Budget Authority	42,102	41,858	43,378	44,378	1,000
Financing:					
Transfer from other accounts (-)	(9,358)	(8,858)	(8,858)	(8,858)	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	32,744	33,000	34,520	35,520	1,000

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

	FTE	Amount
Technical transfer		(31)
Adjustment ¹	26	0
Financing		N/A
Other Changes:		
Annualization of 2020 Pay Raise		634
2021 Pay Raise		190
Change in compensable days		(108)
Awards		210
Civil Service Retirement System (CSRS)		(10)
Federal Employees Retirement System (FERS)		401
Thrift Savings Plan		4
Federal Insurance Contribution Act (FICA) – OASDI		35
Health insurance		62
Employees Compensation Fund		0
Travel:		
Mileage		0
Per diem		5
Rental payments to GSA		5
Postage		0
Utilities		4
Other services:		
Working Capital Fund		93
General Pricing Level Adjustment		12
Continuous Diagnostics and Mitigation Charges		14
Enterprise Services		0
Total, adjustments to base	26	1,520

¹ In 2019, OIG conducted a workforce planning effort to identify mission-critical skills gaps and emerging requirements. To close these gaps, OIG developed a staffing plan that increases its base staffing level from 180 positions in FY 2020 to 194 positions in FY 2021. This growth is funded in large part by reallocating resources from contract support to OIG personnel.

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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		2019 Actual		2020 Enacted		2021 Base		2021 Estimate		Increase/Decrease from 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction & Counsel	Pos/BA	17	2,459	17	2,531	17	2,595	17	2,595	0	0
	FTE/Obl.	15	2,257	15	4,492	15	2,595	15	2,595	0	0
Audits & Evaluations	Pos/BA	125	29,411	128	28,793	137	29,983	143	30,983	6	1,000
	FTE/Obl.	100	28,260	106	34,205	130	29,983	135	30,983	5	1,000
Investigations	Pos/BA	32	10,232	35	10,534	40	10,800	40	10,800	0	0
	FTE/Obl.	31	9,654	36	11,005	38	10,800	38	10,800	0	0
Total	Pos/BA	174	42,102	180	41,858	194	43,378	200	44,378	6	1,000
	FTE/Obl.	146	40,171	157	49,702	183	43,378	188	44,378	5	1,000

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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		2019 Actual		2020 Enacted		2021 Base		2021 Estimate		Increase/Decrease from 2021 Base	
		FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Inspector General	Pos/BA	1	2,890	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.	1	2,890	1	3,500	1	3,500	1	3,500	0	0
Total	Pos/BA	1	2,890	1	3,500	1	3,500	1	3,500	0	0
	FTE/Obl.	1	2,890	1	3,500	1	3,500	1	3,500	0	0

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

Activity: Office of Inspector General

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

Goal Statement

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

Base Program

OIG's current resources support an oversight program that focuses on the Department's top management and performance challenges. OIG's most recent report identified the following eight challenges: the 2020 Census, NOAA's environmental satellites, the Nationwide Public Safety Broadband Network, USPTO's management of intellectual property rights, Departmental cybersecurity, trade enforcement, EDA disaster assistance funding, and the Department's acquisitions. OIG's funding level for FY 2021 is \$43.378 million, of which \$33 million is for general oversight activities. This funding also includes transfers of \$3.556 million from the Census Bureau, \$1.302 million from NOAA, and \$2 million from USPTO; an appropriation transfer of \$2 million from the Public Safety Trust Fund for FirstNet oversight; and inflationary increases of \$1.551 million. It also includes a technical transfer reflecting a realignment of nine projects from the Department's Working Capital fund and its Advancements and Reimbursements account to the Departmental Management appropriation account. OIG's share of this realignment is \$31 thousand.

OIG recently conducted a comprehensive workforce planning effort to identify mission-critical skills gaps and emerging requirements. To close these gaps, OIG developed a staffing plan that increases its staffing levels from the 180 positions

funded in FY 2020 to a total of 194 positions in FY 2021. This growth is funded in large part by reallocating resources from contract support to government salaries and benefits.

OIG has experienced high personnel turnover rates over the past several years, but is taking aggressive action to re-grow its workforce. This includes leveraging available hiring and pay flexibilities to attract and retain quality candidates, the transition of OIG’s Human Resources support functions to a new provider to improve the responsiveness and timeliness of recruiting actions, expanded use of workplace flexibilities, a Pathways Program for interns and recent graduates, and increased outreach on college campuses and social media.

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

Line Item		2019 Actual		2020 Enacted		2021 Base	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Office of Inspector General	Pos./BA.	174	42,102	180	41,858	194	43,378
	FTE/Obl.	146	40,171	157	49,702	183	43,378

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

General Oversight Activities (\$34.52 million).

Audits and Evaluations OIG supervises and conducts independent and objective audits and other reviews of Commerce programs and activities to ensure they operate economically, efficiently, and effectively. OIG performs work both planned and in response to

Congressional or Departmental requests – covering such areas as financial controls, operational efficiencies, information systems, program performance, and major acquisitions.

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

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

OIG's major deliverables include the following recurring products:

- A report on the top management and performance challenges facing the Department—*published in October*;
- A semiannual report summarizing the audit and investigative work OIG completed or initiated in the previous 6 months—*posted publicly on the OIG website in May and November*;
- Reports on audits and evaluations—*performed according to OIG's annual audit plan, which may be modified to address Congressional requests from committees and individual members, statute, or other changes to oversight priorities*;
- Responses to Congressional requests, including testimony—*as necessary*;
- A financial audit report of the Department and its bureaus, to include a separate USPTO report—*provided in November*; and
- Recommendation tracking, ensuring that OIG's recommendations are appropriately implemented by Departmental management—*ongoing*.

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

Census (\$3.556 billion). The U.S. Census Bureau is responsible for conducting a decennial census as mandated by the United States Constitution to ensure an accurate count of the U.S. population. Data collected during a decennial census are used to apportion the number of seats each state will have in the U.S. House of Representatives, to define congressional districts, and to distribute billions of dollars in federal funds for infrastructure projects such as highways, hospitals, and schools. This program carries extra concern for OIG due to its potential vulnerabilities to fraud, waste, abuse, and mismanagement. OIG's continuous engagement with Census on decennial census planning will enable OIG to discover problems and make recommendations sufficiently early that

the problems may be dealt with while minimizing budget and schedule impacts. Recent OIG audits identified fundamental security deficiencies in the Census Bureau's cloud-based IT systems and found that critical 2020 Census systems could not yet perform at the scale needed to support peak recruiting demands. Ongoing work includes:

- Minimizing the challenges associated with incomplete testing of 2020 Census systems and innovations;
- Mitigating the risks of unplanned changes; and
- Preventing further reductions to cost avoidance, reducing cost overruns, and eliminating unaccounted-for costs.

NOAA Environmental Satellite Programs (\$1.302 million). Satellite data and imagery are essential to NOAA's capability to understand, predict, and track weather and other environmental phenomena. NOAA's primary sources for these observations are satellites in geostationary and polar orbits. While continuing to ensure the continuity of its environmental satellite observations, NOAA must maximize efficiencies in its established satellite programs and further explore opportunities to augment its capabilities through data obtained from new sources. With life-cycle costs of nearly \$30 billion, strong management and close oversight of these programs are needed to manage risks that could lead to cost overruns, schedule delays, and coverage gaps in the critical capabilities these programs will provide. In recent audits, OIG provided findings and recommendations aimed at improving the efficiency in the polar satellite programs as well as the Geostationary Operational Environmental Satellite-R Series (GOES-R) program. While both of these programs are well established, they continue to manage significant risks related to complex and costly systems acquisition and development. OIG's ongoing focus areas include:

- Reducing the life-cycle costs of the polar weather satellite program;
- Identifying an optimal launch strategy for remaining satellites in the series;
- Mitigating frequency interference risk to satellites;
- Managing risk in next-in-series satellites; and
- Planning an optimal next-generation satellite system architecture.

First Responder Network Authority (FirstNet) (\$2 million). The Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) established FirstNet as an independent authority within the National Telecommunications and Information Administration to build, deploy, and operate a Nationwide Public Safety Broadband Network dedicated to first responders. On March 30, 2017, FirstNet entered into a 25-year contract with AT&T for the construction and operation of the NPSBN. FirstNet's partnership with AT&T involves (a) an initial obligation of up to \$6.5 billion in funds to the private company to deploy the network, (b) AT&T's use of dedicated broadband spectrum, and (c) payments from AT&T to FirstNet over the life of the contract. FirstNet is to use these

proceeds to support its operations and to fund future upgrades to the network. Recent OIG work in this area found significant control weaknesses in management of the NPSBN contract and contractor payments. Continuing areas to be addressed include:

- Deploying the NPSBN;
- Securing public safety participation;
- Ensuring the successful performance of the contract awarded to AT&T;
- Ensuring effective and efficient use of proceeds AT&T provides annually to FirstNet; and
- Strengthening operational controls.

United States Patent and Trademark Office (USPTO) (\$2 million). USPTO faces the challenge of issuing timely and reliable patents. Innovators and creators must have confidence that they will receive a decision on their application in a reasonable amount of time, and that their patents will withstand scrutiny and litigation. As noted by stakeholders, patentability concerns will deteriorate innovators' confidence in the U.S. patent system, stifle innovation, and weaken the value of U.S. intellectual property rights. Recent OIG reports have highlighted numerous deficiencies in USPTO's contract closeout practices, identified ineffective oversight of IT modernization efforts and the payment of monetary awards to patent examiners, and found deficiencies in the management of USPTO's Active Directory, a critical component of its IT infrastructure. Areas to be addressed include:

- Ensuring that USPTO's Patent Trial and Appeal Board operates fairly and effectively;
- Ensuring that examiners perform thorough patent application reviews; and
- Improving the management of USPTO's IT acquisitions and operations.

Other Top Management Challenges:

- **Cybersecurity.** In recent years, strengthening the cybersecurity of federal government networks and critical infrastructure has increasingly become a high priority. The Department continues to face significant challenges to improving its enterprise cybersecurity posture. In a recent audit, OIG found that the Department faced challenges sharing information within the Department on cybersecurity threats, potentially leaving individual bureaus at risk. The Department must provide adequate security to support the decennial census as well as other critical mission functions, fully implement enterprise cybersecurity capabilities, and ensure it has a sustainable cybersecurity workforce to meet its cybersecurity needs. As security threats become increasingly sophisticated and numerous, the Department faces the challenge of reevaluating and expanding its approaches to securing IT systems. The Department must fulfill existing requirements, while implementing new strategies to meet the additional security

demands of cloud-based computing and other technological developments.

- **Trade Enforcement and Promotion.** Among the federal government’s leading trade enforcement and promotion agencies, the Department faces the challenge of helping U.S. companies be more competitive abroad while simultaneously protecting U.S. national security interests. The Department’s trade enforcement and promotion responsibilities primarily reside with the International Trade Administration, which enforce U.S. trade laws and agreements and assist U.S. exporters to sell their products overseas, and the Bureau of Industry and Security, which administers and enforces U.S. export control laws and regulations to support U.S. national security interests. With the Administration prioritizing trade enforcement activities to promote fair and secure trade, the Department must continue to rebalance its resources and capabilities to that end.
- **EDA Disaster Assistance Funding.** According to NOAA, the United States experienced 14 separate billion-dollar disaster events in 2018 and 14 such events again in 2019, including severe weather, hurricanes, flooding, and wildfires. In FY 2018, Congress appropriated \$1 billion in disaster recovery funds to the Department, \$600 million of which went to the Economic Development Administration (EDA); and in FY 2019 appropriated another \$896 million to the Department, with EDA receiving an additional \$600 million. OIG has a critical oversight role in ensuring the efficient and effective use of these funds and the avoidance of fraud, waste, and abuse. OIG received \$1 million in both FY 2018 and FY 2019 for its oversight efforts.
- **The Department’s Management of Acquisitions.** A continuing challenge for the federal government generally, and the Department specifically, is spending taxpayer dollars wisely and protecting them from waste and abuse. In FY 2018, the Department awarded various types of contracts—totaling approximately \$3.8 billion—for goods and services related to satellite acquisitions, support for intellectual property operations, management of coastal and ocean resources, IT, and construction and facilities management. Consequently, it is imperative that these funds result in the best value for the taxpayer. OIG audits have identified a number of areas where the Department can better manage and oversee contracts to improve program performance, achieve cost savings, and help prevent fraud, waste, and abuse.

Work Completed by OIG in FY 2019

In FY 2019, OIG published 26 audit products, made 79 recommendations for improvements to Departmental programs, issued three management alerts, and answered two Congressional requests. In addition to the results noted above, recent OIG efforts found that:

- NOAA’s Office of Marine and Aviation Operations needs to improve the planning and governing of its ship fleet recapitalization effort;

- the U.S. Foreign and Commercial Service needs to address urgent issues in its officer promotion process;
- a lack of transparency contributes to the appearance of improper influence in decision-making for tariff exclusion requests under Section 232 of the Trade Expansion Act of 1962; and
- The Department's vehicle records are incomplete and inaccurate.

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

- Dealt with 702 Hotline contacts related to the Department and its programs;
- Referred 328 Hotline issues to Departmental and bureau management for further investigation and resolution;
- Opened 53 investigations;
- Closed 69 Investigations; and
- Referred 29 cases to the US Department of Justice or state/local prosecutors.

In addition, cases pursued by OIG resulted in two indictments, two convictions, five suspensions/debarments, and 14 disciplinary actions, including personnel actions and termination of contracts or grants.

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**Department of Commerce
Office of Inspector General
Salaries and Expenses
PROGRAM CHANGES FOR 2021**
(Dollar amounts in thousands)

		2021 Base		2021 Estimate		Increase/Decrease From 2021 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Office of Inspector General	Pos./BA.	194	43,378	200	44,378	6	1,000
	FTE/Obl.	183	43,378	188	44,378	5	1,000

Increasing oversight of critical Department of Commerce vulnerabilities (+\$1,000, 5FTE/6 Positions) – This request will expand OIG’s capacity to provide oversight of bureaus and programs. These additional resources close critical gaps in oversight of the Department’s cybersecurity posture, information technology acquisitions, and trade enforcement efforts. Specifically, this funding will enable OIG to hire dedicated auditors and computer scientists to conduct audits and evaluations to assess the Department’s cloud infrastructure security controls; IT systems acquisition, development, and sustainment; and activities to promote and secure trade.

The Department’s cybersecurity vulnerabilities are continuously on the rise as cyber attacks from bad actors around the world become more frequent and increasingly sophisticated, and bureaus are more susceptible to cyber attacks than ever before. For instance, the Department continues to adopt cloud-technology services to support its business operations, including the 2020 Census. While cloud technologies can bring great benefits, their adoption unavoidably introduces new security challenges. Recent OIG audits of the Census Bureau, the International Trade Administration, and the U.S. Patent and Trademark Office disclosed fundamental security deficiencies in each bureau’s cloud implementation. Additional staffing will help OIG ensure that the Department uses its resources as efficiently and effectively as possible to strengthen its security posture and protect its critical systems and information. New efforts would include an assessment of the bureaus’ compliance with NIST baseline standards and best practices to ensure that security controls and assessments are adequately identified and tested, as well as evaluations of the sufficiency of incident response across the Department and bureaus’ system enterprise.

On average, the Department spends more than 30 percent of its annual budget on Information Technology (IT) support, and the substantial costs and complexity of IT systems acquisitions provide significant opportunities for mismanagement and waste. Close oversight is required to ensure that acquisitions properly align with the Department's IT Strategic Plan and Roadmap. Given the constantly evolving nature of IT, there is a critical shortfall in expertise in systems and enterprise architecture that could result in an over-reliance on vendor support to make or inform the Department's acquisition and IT decisions. Further, the high cost and complexity of these contracts make it imperative that the Department constantly monitor performance and take corrective action as necessary. These additional resources will enable OIG to dedicate personnel with the necessary levels of acquisition and IT expertise in a program area that can be expected to yield a high return on investment.

The Department plays a leading role in helping U.S. companies be more competitive abroad while simultaneously protecting U.S. national security interests. These efforts are among the Administration's highest priorities and are a focal point of the Department's Strategic Plan. OIG is currently conducting an audit of the adherence and consistency of the Department's Section 232 reviews, and the additional resources requested for FY 2021 will enable OIG to dedicate full-time staffing to this critical program area.

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

Activity: Office of Inspector General
 Program Change: Increased Oversight of Critical DOC Vulnerabilities

Full-time permanent

Title:	Grade	Number of Positions	Annual Salary	Total Salaries
Computer Scientist	14	1	137,491	137,491
Computer Scientist	13	1	116,353	116,353
Auditor	13	2	116,353	232,706
Computer Scientist	12	1	97,848	97,848
Auditor	12	1	97,848	97,848
Total		6		682,246
less Lapse	25%	(1)		(170,562)
Total full-time permanent (FTE)		5		511,685
2021 Pay Adjustment (1.0%)				3,837
Total				515,522

Personnel Data Summary

<u>Full-time Equivalent Employment:</u>	
Full-time permanent	5
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total FTE	5

Authorized Positions:

Full-time permanent	6
Part-time permanent	0
Full-time temporary	0
Part-time temporary	0
Total Positions	6

**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	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase/ Decrease from 2021 Base
11.0 Personnel compensation	18,742	20,454	23,281	23,797	516
11.1 Full-time permanent- non wage	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
11.5 Other personnel compensation	296	316	526	541	15
11.9 Total personnel compensation	19,038	20,770	23,807	24,338	531
12.1 Civilian personnel benefits	6,588	7,701	8,017	8,180	163
13.0 Benefits to former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	438	945	816	836	20
22.0 Transportation of things	27	9	9	9	0
23.1 Rental payments to GSA	2,167	2,212	2,248	2,248	0
23.2 Rental payments to others	0	0	0	0	0
23.3 Commun., util., misc. charges	456	593	597	616	19
24.0 Printing and reproduction	7	7	7	7	0
25.1 Advisory and Assistance Services	143	379	350	350	0
25.2 Other services	5,203	8,160	3,203	3,323	120
25.3 Purchase of goods and services from gov't accounts	4,954	8,114	3,500	3,621	121
26.0 Supplies and materials	52	106	105	108	3
31.0 Equipment	1,098	706	719	742	23
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.0 Total Direct Obligations	40,171	49,702	43,378	44,378	1,000

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

Object Class	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase/ Decrease from 2021 Base
11.0 Personnel compensation	18,742	20,454	23,281	23,797	516
11.1 Full-time permanent- non wage	0	0	0	0	0
11.3 Other than full-time permanent	0	0	0	0	0
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31.0 Equipment	1,098	706	719	742	23
42.0 Insurance Claims and Indemnities	0	0	0	0	0
99.0 Total Direct Obligations	40,171	49,702	43,378	44,378	1,000

Exhibit 16

	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase/ Decrease from 2021 Base
Less prior-year recoveries	0	0	0	0	0
Less Transfers	(9,358)	(8,858)	(8,858)	(8,858)	0
Less unobligated balance from prior years	(5,965)	(7,844)	0	0	0
Plus unobligated balance, expiring	52	0	0	0	0
Plus unobligated balance, end of year	7,844	0	0	0	0
Total Appropriation	32,744	33,000	34,520	35,520	1,000
Personnel Data					
Full-Time Equivalent Employment:					
Full-time permanent	146	157	183	188	5
Other than full-time permanent	0	0	0	0	0
Total	146	157	183	188	5
Authorized Positions					
Full-time permanent	174	180	194	200	6
Other than full-time permanent	0	0	0	0	0
Total	174	180	194	200	6

**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 Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, \$35,520,000: Provided, That notwithstanding section 6413 of the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96), an additional \$2,000,000, to remain available until expended, shall be derived from the Public Safety Trust Fund for activities associated with carrying out investigations and audits related to the First Responder Network Authority (FirstNet).

5 U.S.C. App. §1-12, as amended.

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

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

	2019 Actual	2020 Enacted	2021 Estimate
Consulting Services	0	0	0
Management and professional services	143	379	350
Special studies and analyses	0	0	0
Management and support services for research and development	0	0	0
Total	143	379	350

The Inspector General Act of 1978 (P.L. 95-452) authorizes the Office of Inspector General to obtain such temporary technical assistance as needed to carry out the requirements of the Act.

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

	2019 Actual	2020 Enacted	2021 Estimate
Periodicals	11	11	11
Pamphlets	0	0	0
Audiovisuals	0	0	0
Total	11	11	11

Pursuant to the Inspector General Act of 1978 (P.L. 95-452), the Inspector General shall prepare semiannual reports summarizing the activities of the office during the 6-month periods ending March 31 and September 30. According to the Act, these reports shall include details of major problems, abuses, and deficiencies identified during the previous 6 months, together with recommendations for corrective action. The reports must cite any recommendations reported earlier that have not been acted upon, describe any OIG requests for information assistance that were unreasonably refused, and show the amount of funds recovered as a result of audit recommendations. The Department head may provide comments but may not change these semiannual reports. Printed materials also include limited copies of published audit reports.

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

	2019 Actual	2020 Enacted	2021 Estimate
Average ES Grade	NA	NA	NA
Average GS/GM Grade	13	13	13
Average GS/GM Salary	\$120,493	\$120,086	\$126,926

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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(f)(3) of the Inspector General Act of 1978, as amended, OIG is required to report the following in its budget submission:

OIG 2021 Request to Department of Commerce	\$46,181,000
Department of Commerce 2021 Allowance to OIG	\$41,901,000

Dollar amounts in thousands

	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Aggregate Funding	42,102	41,858	43,378	44,378	1,000
OIG Funding	42,102	41,858	43,378	44,378	1,000

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

Dollar amounts in thousands

	2019 Actual	2020 Enacted	2021 Base	2021 Estimate	Increase / Decrease
	BA	BA	BA	BA	BA
Training	298	352	455	455	0
Amounts for Support of CIGIE	27	109	113	115	2

OIG certifies that the training amount for 2021 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 on 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 office of the inspector general (OIG) which has remained unimplemented for one year or more from the annual budget justification submission date. In addition, the Act requires a reconciliation between the agency records and the IGs' Semiannual Report to Congress (SAR).

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

Nothing to report.

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

Nothing to report.

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

Nothing to report.

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

Nothing to report.

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Annual Performance Plan and Report Backup
Office of Inspector General

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

Planned Actions for FY 2021 - OIG will continue to develop its staff to meet the oversight requirements of the Department.

Analysis of Performance Indicators -

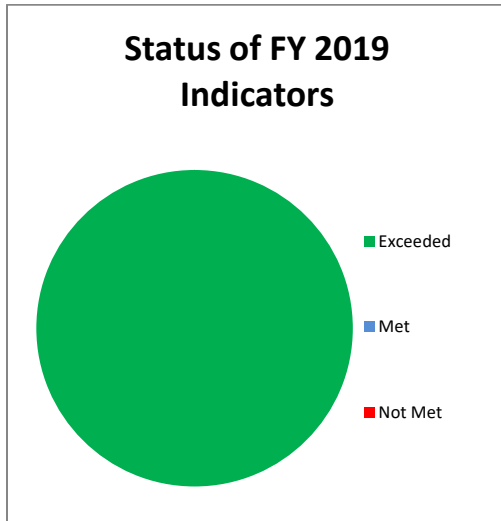
Explanation of trends – 73 percent of OIG’s funding goes to payroll and benefits. As such, changes in funding levels directly affect OIG’s ability to perform its mission and achieve its performance targets.

Explanation of Targets for FY 2020 and FY 2021 – Requested funding is roughly the same as prior years, adjusted for inflation; therefore, targets anticipate no improvement.

Evolution of the Performance Indicators – OIG Office of Investigations uses investigation-related measures in evaluations of employee performance. OIG continues to examine alternatives to current measures to more closely align measures with desired outcomes.

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

Summary of Performance Indicators –



Strategic Objective	Indicator	FY 2019 Target	FY 2019 Actual	Status
5.3	Percent of investigative cases completed within 365 days (OIG)	70%	72%	Exceeded
5.3	Percent of OIG recommendations accepted by Departmental and bureau management	95%	100%	Exceeded
5.3	Dollar value of financial benefits identified by OIG (millions)	\$70.0	\$291.1	Exceeded

**Detailed Indicator Plans and Performance
Current / Recurring Indicators**

Indicator	% of investigative cases completed within 365 days (OIG)						
Strategic Goal	Goal 5 – Deliver Customer-Centric Service Excellence						
Objective	Supporting; best supports 5.3 – Consolidated Functions for Cost Savings						
Program Activity Name	Office of Inspector General (Direct)						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	DOC OIG Investigative Case Management System						
Description	Mean and median number of days it took Office of Investigations to complete a case.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	70%	70%	70%	70%	70%	70%	70%
Actual	56%	62%	70%	59%	72%		
Status	Not Met	Not Met	Met	Not Met	Exceeded		

Indicator	Percent of OIG recommendations accepted by Departmental and bureau management						
Strategic Goal	Goal 5 – Deliver Customer-Centric Service Excellence						
Objective	Supporting; best supports 5.3 – Consolidated Functions for Cost Savings						
Program Activity Name	Office of Inspector General (Direct)						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	Audit reports, semi-annual reports to Congress						
Description	Many improvements to Commerce operations and programs come through recommendations made in various OIG work products. A measure of OIG's effectiveness is the extent to which it offers useful, practical recommendations for improvements. A measure of the usefulness and practicality of OIG's recommendations is the extent to which they are accepted by Commerce management.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	95%	95%	95%	95%	95%	95%	95%
Actual	94%	100%	95%	100%	100%		
Status	Met	Exceeded	Met	Exceeded	Exceeded		

Indicator	Dollar value of financial benefits identified by OIG (millions)						
Strategic Goal	Goal 5 – Deliver Customer-Centric Service Excellence						
Objective	Supporting; best supports 5.3 – Consolidated Functions for Cost Savings						
Program Activity Name	Office of Inspector General (Direct)						
Indicator Class	Current/Recurring						
Type	Outcome						
Source	https://www.oig.doc.gov/OIGPublications/SAR-2019-03.pdf						
Description	A key measure of the value of OIG’s work is its dollar return on investment. Financial benefits include: (1) questioned costs agreed to by management, (2) funds put to better use, and (3) administrative, civil, and criminal recoveries.						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Target	\$70.0	\$70.0	\$70.0	\$70.0	\$70.0	\$70.0	\$70.0
Actual	\$181.7	\$86.4	\$56.4	\$10,542.1	\$291.1		
Status	Exceeded	Exceeded	Not Met	Exceeded	Exceeded		